瑞安建業有限公司*

SOCAM Development Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

INTERIM RESULTS for the six months ended 30 June 2025

HIGHLIGHTS

- **SOCAM's business remains resilient with 6% year-on-year less loss attributable to shareholders compared to last period despite industry headwind in construction in Hong Kong**
- **Within the Group's construction business, interior fitting-out business has delivered steady contribution with strong support from the Group's institutional clients in both the Hong Kong and Macau markets**
- **SOCAM's property segment remains solid with Hong Kong property management's turnover recorded 79% growth whilst in Mainland is on recovery and the loss in the segment is mainly due to fair value changes in property portfolio and impairment loss**

		Six months ended 30 June	
		2025	2024
Turnover	*HK$ million*	**3,815**	4,098
Loss attributable to shareholders	*HK$ million*	**(83)**	(88)

		At 30 June 2025	At 31 December 2024
Total assets	*HK$ billion*	**8.5**	9.5
Net asset value per share	*HK$*	**5.2**	5.3

BUSINESS REVIEW

MARKET OVERVIEW

In the face of global headwinds and US-China trade tensions, the Group's principal markets showed resilience and saw continued economic expansion in the first half of 2025. For the Mainland, its GDP posted a 5.3% year-on-year (YoY) growth, largely driven by industrial output, exports and investment in infrastructure and manufacturing. Domestic demand, however, remained sluggish. The prolonged downturn in the real estate sector persisted. The negative wealth effect from asset market declines, high youth unemployment and lower income growth expectations continued to dampen consumer and investment sentiment. Artificial intelligence, big data and e-commerce are reshaping the consumer market, presenting both challenges and opportunities to the Group's shopping mall operations.

Hong Kong's GDP growth in the first and second quarters of 2025 were 3.0% and 3.1% YoY in real terms respectively. Faced with a likely deceleration in global economic expansion and increasing uncertainties in the external environment, the HKSAR Government's forecast of the real GDP growth for 2025 was maintained at 2-3%. While fiscal conditions come under considerable pressure, the HKSAR Government's firm commitment to invest in infrastructure, public housing, and development projects, including the Northern Metropolis, is expected to provide ongoing construction works opportunities for the Group over the medium term.

In both markets, the construction and property sectors are facing a number of challenges in terms of competitive landscape and weak market sentiment. For Hong Kong's construction sector, it has been undergoing market consolidation amongst main contractors and many have been under significant financial and operational pressure such as diminishing margins and high interest rates with less funding liquidity. Due to the suppressed property market and struggling economy, the demand for construction services in the private sector has been feeble which in turn led to intensified market competition with ample supply in the public sector. The stiff market competition, high interest rates over the last twelve months together with volatile construction material price fluctuation became the greatest challenges faced by the construction industry in Hong Kong.

For the property sector in the Mainland, the business and retail sentiment remains soft, despite government's continued effort in rolling out supportive measures to stimulate consumer spending and investment appetite in property. Nevertheless, significant pressure has been built up over the last few years on retail and commercial asset owners.

Despite operating in an environment that was in many aspects unfavourable, the Group saw resilient operating performance in the first six months of 2025. Group turnover was HK$3.8 billion, slightly decreased by 7% against the same period in 2024, mainly due to some projects were completed or nearing completion during the period as well as some unexpected delays in new contract award and commencement. The net loss attributable to shareholders decreased to HK$83 million, compared with HK$88 million loss in the first half of 2024. The loss for this interim period was largely due to the losses from property disposal and impairment of the property portfolio in the Mainland, aggregating HK$59 million, and lower profit contribution from the construction business whilst negated by the decreases in net finance costs with lower total gross debt, lower interest rate during this interim period and appreciation of Renminbi.

The Group continues to improve profitability by leveraging its core competencies and technology, implement cost-saving initiatives across all areas of its operations and in particular corporate overheads, and proactively optimise its business and asset portfolios.

CONSTRUCTION

Operating Performance

SOCAM has a comprehensive construction value chain, providing a full range of building's life-cycle services from design and construction under Shui On Building Contractors Limited and Shui On Construction Company Limited, building maintenance and minor works under Shui On Building Contractors and Pacific Extend Limited, to interior fit out and renovation services under Pat Davie Limited.

The Group's construction business reported a profit of HK$123 million on a turnover of HK$3.6 billion for the first six months of 2025, compared to HK$191 million profit and HK$3.9 billion turnover for the same period in 2024. Amidst the highly-competitive tendering environment for public works contracts due to less construction projects from the private sector, the Group secured new construction contracts in Hong Kong and Macau worth a total of HK$2.2 billion in the first half of this year, as compared with the HK$10.2 billion awarded in the same period of last year, with approximately HK$5 billion new contracts expected to be awarded in this second half year.

In order to mitigate the potential risks associated with the complex market environment, the Group has exercised discretion in pursuing tender opportunities, ensuring alignment with profitability and operational resilience to provide solid returns. Our order book remains healthy and is poised to contribute to the continued growth in turnover, profit and cash flow in the medium term. As at 30 June 2025, the gross value of contracts on hand was HK$35.0 billion while the remaining works to be completed was HK$18.1 billion, in comparison to HK$36.9 billion and HK$20.5 billion respectively as at 31 December 2024.

Adoption of New Construction Technology

The HKSAR Government attaches great importance to the development of innovation and technology, and encourages wider adoption of innovative technologies in public sector construction works. In order to enhance competitiveness and drive sustainable development, the Group has stepped up the integration of new technologies into our construction projects in recent years, aiming to improving the productivity, quality, safety and environmental performance of construction projects. Significant progress has been made on the application of Modular Integrated Construction, Building Information Modelling, artificial intelligence and robotics in our construction process.

Modular Integrated Construction (MiC)

SOCAM embraces the government-led trend to apply smart building technologies, consistently advancing the use of MiC practices across our building projects. The public housing development at Anderson Road Quarry Site R2-7 and Site R2-6, completed in 2025, is a pioneering milestone as the Hong Kong Housing Authority's (HKHA) first project to fully adopt MiC. Notably, we successfully implemented the "Just-in-Time" installation approach – an industry-first in Hong Kong's public housing construction – that streamlined logistics and eliminated on-site module storage needs. The adoption of MiC 1.5 not only boosted housing output, but also laid the groundwork for future development with increased installation quality and greater materials efficiency.

Building Information Modelling (BIM)

SOCAM has increasingly adopted BIM across its design and construction, building maintenance and interior fit-out projects, and integrated data analytics, automation and collaborative platforms to allow real-time data sharing across users to facilitate decision-making and foster greater transparency. During this interim period, we utilised BIM to develop building information models for 28 projects to enable fast production of drawings and automatic updates of schedules, resulting in considerable efficiency enhancement.

Smart Site Safety System (4S)

During the period, the Group's construction business recorded an accident rate of 1.6 cases per thousand workers, well below the industry average and reinforced its leadership in safety innovation by launching its self-developed 4S. This AI-powered system integrates camera, IoT sensors and applications to proactively identify potential hazards, and strengthen protection for frontline workers by monitoring site activities in real-time and overseeing high-risk areas. To date, we have obtained 4S label from the Construction Industry Council for 14 of our construction and building maintenance projects.

In addition, we ramped up our robotics capabilities – from plastering and painting, to welding and water-tightness test on external facade, alongside a digital site management platform that tracks module installation progress and site safety in real-time.

Public housing, building maintenance and minor works
Shui On Building Contractors Limited (SOBC) and Pacific Extend Limited (PEL)

SOBC ranks the upper quartile on the Building Performance Assessment Scoring System (PASS) of the HKHA, which accredits SOBC's reliability and capability to deliver quality, timely and safe construction services consistently in the HKHA's public housing programme.

PEL succeeded in gaining admission to Group B under the "Buildings" category in the approved list of public works contractors of the Development Bureau in January 2025, which will extend its market coverage further.

New construction and maintenance contracts secured by SOBC and PEL during the first half of 2025 totalled HK$657 million, including the construction of public housing development at Mei Tin Estate in Shatin for the HKHA (HK$628 million), which will provide 480 public rental housing units upon completion in 2028.

Projects in Progress:

During the period, SOBC and PEL made progress on their existing contracts, which included:

- the construction of public housing development at Anderson Road Quarry Site R2-6 for the HKHA;

- the construction of public housing developments at Sheung Shui Areas 4 and 30 Site 1 Phase 1 and Site 2 Phase 2 for the HKHA;

- the term contract for minor works for New Territories East Cluster for the Hospital Authority;

- the term contract for alterations, additions, maintenance and repair of aided schools, buildings and lands, and other properties in various districts for the Education Bureau;

- the term contracts for maintenance, improvement and vacant flat refurbishment works for public housing estates in various districts for the HKHA;

- the term contract for the design and construction of fitting-out works to buildings and lands and other properties in Kowloon and New Territories for which the Architectural Services Department (ASD) is responsible;

- the term contract for minor works on buildings and lands and other properties in Hong Kong for which the ASD is responsible;

- the term contract for the design and construction of minor works to government and subvented properties on Hong Kong Island, Lantau Island and Outlying Islands (South) for which the ASD is responsible;

- the term contracts for design and construction of minor building and civil engineering works, and building structure refurbishment works for CLP Power Hong Kong Limited;

- the term contracts for maintenance, improvement and refurbishment works for buildings and hydraulic systems at the Hong Kong International Airport for the Airport Authority;

- the term contract for architectural and building works for MTR Corporation Limited (MTRC) at its railways and premises in Hong Kong;

- the main contract for outstanding works for the proposed student activity centre for Hong Kong International School Association Limited in its campus in Tai Tam; and

- the design and build contract for the security access management system for the new extension projects of MTRC.

Projects Completed:

In this first half year, SOBC and PEL completed the following major contracts:

- the construction of public housing developments at Anderson Road Quarry Sites RS-1 for the HKHA; and

- the 5-year term contract for maintenance, improvement and refurbishment works for buildings at the Hong Kong International Airport.

After the interim period end, SOBC secured the new contract for the construction of public housing development at Pik Wan Road, Yau Tong for the HKHA (HK$2,798 million), providing 3,120 public rental housing units upon completion in 2028.

Public Works
Shui On Construction Company Limited (SOC) and Shui On Joint Venture

To echo the HKSAR Government's efforts to promote collaborative partnering in the delivery of public works projects, SOC has teamed up with Cycle Links Construction Company Limited in a 90/10 joint venture and, in June 2025, secured the contract for the design and construction of a fire station-cum-ambulance depot with departmental quarters and supporting facilities at the Anderson Road Quarry Site in Sai Kung for the ASD (HK$929 million (90% interest)), enriching public services to meet rising demand driven by the growing population in the area.

Projects in Progress:

SOC's construction projects continued apace and on schedule, including:

- the design and construction of Western Police Married Quarters for the ASD;
- the design and construction of an integrated development with an open space garden and a public vehicle park in Sham Shui Po for the ASD;
- the design and construction of a new divisional fire station-cum-ambulance depot in Wanchai for the ASD;
- the design and construction of Lai Chi Kok Reception Centre for the ASD;
- the redevelopment of Kwai Chung Hospital (Phase 2) for the Hospital Authority; and
- the main contract for the construction of Teaching–Research Complex for The Chinese University of Hong Kong.

Projects Completed:

During this interim period, Shui On Joint Venture completed the Drainage Services Department Building at the Cheung Sha Wan Sewage Pumping Station for the ASD.

Interior fit-out and refurbishment
Pat Davie Limited (PDL)

As one of the interior fit-out leaders in Hong Kong and Macau markets, PDL has been winning projects from repeat clients over time, during the first six months of 2025, PDL secured new fit-out and refurbishment contracts with an aggregate value of HK$581 million, primarily for selected institutional and commercial clients in Hong Kong, and the hospitality and entertainment industry in Macau. It continued to contribute steady profits and cash flow to the Group.

The interior fit-out market in Macau, particularly for luxury fit-out and renovation works, has been dynamic. PDL sees significant growth opportunities in this sector, as key players in the hospitality and entertainment industry continues to upgrade and renovate existing properties while adding new attractions, supporting the gaming market poised for recovery.

The major contracts secured by PDL during the period included:

- asset enhancement works at Yat Tung Shopping Centre for Link Asset Management Limited;
- interior fit-out works for the residential development at 8-10 Lomond Road;
- renovation works for a hotel in Tsing Yi for HKIA Accommodation Limited;
- design, supply and installation of self bag drop counters at Check-in Hall in the Hong Kong International Airport Terminal 2;
- hotel refurbishment works in Galaxy Macau; and
- fit-out works on the NBA flagship store in The Londoner, Macau.

PDL continued to deliver excellent products and services to its clients while maintaining strict control over high quality, delivery timelines and budgets to achieve successful outcomes. During the period, contracts worth a total of HK$1.0 billion were completed. Notable projects included renovation works on various office buildings in Taikoo Place, addition and alteration, fit-out and building services works on the Atrium Link, Clubhouse and common facilities in various buildings in Hong Kong Science Park, fit-out works on a Cathay Pacific lounge in the West Hall at the Hong Kong International Airport Terminal 1, fit-out works on Chairman's Club in Galaxy Macau and renovation works on the atrium, shopping arcade and designated areas in One Central Macau.

After the interim period end, PDL was awarded new contracts totalling HK$78 million, including enhancement works for Microelectronics Centre in Yuen Long InnoPark and renovation works for MGM Macau Luxury Private Kitchen.

PROPERTY

Operating Performance

The strategy to reposition the Group's shopping malls in the Mainland to "Green and Fun Community Mall" over the past few years has proven timely and appropriate, aligning well with the evolving consumption landscape and trends. Supported by the Central Government's proactive measures to stimulate domestic consumption and drive sustainable economic growth, including targeted consumption vouchers and incentives for green and digital retail innovation, our shopping malls have experienced a notable increase in footfall during the first half of this year and, overall, reported stable leasing income and occupancies.

The Group's property business recorded a loss of HK$81 million for the first six months of 2025, compared with the loss of HK$21 million for the same period in 2024, mainly attributable to the HK$22 million loss due to the disposal of our property inventories and HK$37 million impairment loss related to our property inventories. The Group also incurred HK$28 million loss due to the revaluation of the investment properties. Total turnover grew 41% to HK$243 million for the first half of 2025, as compared to the HK$172 million for the corresponding period in 2024. Total turnover was mainly attributable to the strong growth in Hong Kong property management services, from HK$98 million for the last interim period to HK$175 million, leasing income of HK$51 million and sales revenue of HK$17 million from the Mainland property portfolio.

Mainland Property Portfolio

As of 30 June 2025, the Group owned six projects in the Mainland, comprising a total gross floor area (GFA) of 383,200 square metres, of which 366,300 square metres GFA were completed properties, and 16,900 square metres GFA of the Nanjing Scenic Villa project are currently under development.

Location	Project	Retail (sq. m.)	Office/ SOHO (sq. m.)	Villa (sq. m.)	Carparks & Others (sq. m.)	Total GFA* (sq. m.)
Investment properties						
Chengdu	Centropolitan	43,000	33,300	–	44,100	120,400
Chongqing	Creative Concepts Center	21,000	–	–	9,900	30,900
Guangzhou	Parc Oasis	–	–	–	4,200	4,200
Shenyang	Shenyang Project Phase I	62,200	–	–	18,300	80,500
Tianjin	Veneto Phase 1	63,600	–	–	–	63,600
Properties held for sale/ Properties under development for sale						
Chengdu	Centropolitan	–	–	–	37,700	37,700
Nanjing	Scenic Villa	–	–	10,900	7,200	18,100
Shenyang	Shenyang Project Phase I	–	1,600	–	–	1,600
Tianjin	Veneto Phase 2	24,900	1,300	–	–	26,200
Total		214,700	36,200	10,900	121,400	383,200

* The GFA shown excludes sold and delivered areas.

Leasing Performance

The Group owns and operates four shopping malls and an office building in the Mainland, with a combined GFA of 223,100 square metres. It successfully maintained stable leasing income, at HK$51 million for both the first six months of 2025 and 2024.

Our retail and office properties continued to record stable occupancy rates and solid operating performance. As of 30 June 2025, Chengdu Centropolitan's retail and office spaces achieved 90% and 87% occupancies respectively, while Shenyang Tiandi’s occupancy stayed over 90%. Chongqing Creative Concepts Center posted an occupancy of 87% for its mall, down slightly from 91% at the last year-end. Meanwhile, our outlet mall in Tianjin held steady at 72% occupancy amid tense competition among shopping centres in the Wuqing region on increased supply.

Occupancy as at year/period ended	31 December 2024	30 June 2025
Chengdu Centropolitan – Retail	89%	90%
Chengdu Centropolitan – Office	88%	87%
Chongqing Creative Concepts Center – Retail	91%	87%
Shenyang Tiandi – Retail	92%	90%
Tianjin Veneto Phase 1 – Retail	72%	72%

Asset Enhancement

Following completion of the refurbishment works on our outlet mall in Tianjin Veneto Phase 1 in late 2024, the new look delivered fresh experiences to customers and has brought about significant upsurge in foot traffic and tenant sales. During this first half year, we pushed ahead with the brand upgrade along the pedestrian street, and added several high-quality chain brands such as KKV and Domino's Pizza to solidify the attractiveness and commercial value of the mall. In addition, we proceeded with renovation of the West Zone of the mall to give it a facelift and boost substantial occupancy in the second half of this year.

Property Sales

The Group held a small property inventory for sale, which mainly consisted of retail shops and SOHO units in Phase 2 of Tianjin Veneto, properties under development in Nanjing Scenic Villa and a number of car parking spaces in various projects.

During the interim period, the Group has been contracted to dispose of a number of retail units in Tianjin Veneto Phase 2 for an aggregate consideration of HK$30 million. Together with other disposals, total realised revenue from property sales for the first six months of 2025 was HK$17 million, compared with HK$23 million revenue for the same period in 2024. The property sales in this first half year were predominantly derived from sales of the retail shops in Phase 2 of Tianjin Veneto.

The downturn in the Mainland's real estate market lingered and continued to weigh on the investment sentiment for commercial and retail properties. The notable increase in retail sales and foot traffic in the newly-refurbished Tianjin Veneto Phase 1 has helped boost the sales of the inventory in Phase 2.

Hong Kong Property Management

During the current interim period, Pacific Extend Properties Management Limited (PEPM) recorded HK$175 million turnover for this interim period, increased substantially with a 79% growth from the HK$98 million for the last interim period, and contributed higher income to the Group, driven by a more balanced portfolio.

In the Hong Kong property management sector, government tenders have become increasingly competitive. In response to the heightened focus on cost competitiveness, PEPM has consistently raised its operational efficiency and delivered value-driven service quality to secure public sector contracts.

PEPM performed well in various property and facilities management contracts for its clients in both public and private sectors, including the HKHA, Urban Renewal Authority and various government departments in Hong Kong. It secured new contracts with an aggregate value of HK$34 million for the period.

OUTLOOK

Going forward, the second half of 2025 is expected to remain very challenging for businesses amid heightened global uncertainties and persistent domestic market imbalances. While China's economy continues to grow steadily, the business sentiment remains depressed and volatile with persistent downside risks, particularly from the ongoing property market consolidation and geopolitical tensions, despite policymakers maintaining supportive measures to help stablise the economy.

The construction industry in Hong Kong is expected to continue to face a slowdown for 2025. This is driven by challenges such as high interest rates, a soft property market impacting demand for construction services in the private sector, volatile materials price, shortage of skilled workers and aging labour force as well as Government's fiscal deficit. Despite these headwinds, the industry is supported by ongoing public infrastructure and housing projects, including the development initiative of the Northern Metropolis in the coming decade that aims to create a new economic growth engine. Public sector spending and large-scale projects remain key drivers, while private sector activity is expected to stay subdued in the near to medium term. Overall, the industry outlook calls for cautious optimism with emphasis on adaptability amid persistent uncertainties.

With its proven track record and resilient performance, SOCAM will continue to execute on its strategy and maintain strong competitive edge. Faced with the prevailing tough environment marked by intense competition and increasing complexity, financial prudence, cash flow management and robust project management are more critical than ever. We have implemented a range of cost-saving initiatives aimed at driving sustainable operational efficiencies and strengthening of our financial resilience. These measures include the streamlining of corporate structure and manpower resources, the optimisation of workflows through digital tools and process automation, and enforcing strict budget controls and rigorous expenditure reviews across all businesses and departments. We are also making extra efforts to manage risks and price fluctuations and strengthen supply chain management. Collectively, these targeted actions aim to yield cost reductions, increase operation efficiency and implement a more agile management, positioning the Group to better navigate market uncertainties and enhance overall profitability in the near to medium term.

We remain cautiously optimistic to the sustainable development of our construction business. The market segments in Hong Kong in which SOCAM operates, are poised for further growth. The upcoming new works in public housing and infrastructure, the constant flow of building maintenance term contracts, and continued fit-out and enhancement works for institutional and commercial clients will offer ample business opportunities to the Group in the years ahead.

The Group's Mainland property business is undergoing significant transformation as consumer preferences evolve rapidly and technology reshapes the shopping experience. In response, we will adopt a versatile approach to deliver enhanced experiential retail and immersive excitement, aiming to strengthen leasing performance and also continue to build community where we operate. As the market landscape shifts, the Group will stay vigilant, review regularly and adapt our strategies to ensure we remain responsive to the changing customer needs and to enhance our asset value in the long run.

RESULTS

The Board of Directors (the "Board") of SOCAM Development Limited (the "Company" or "SOCAM") presents the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2025	2024
	Notes	**HK$ million**	HK$ million
		(unaudited)	(unaudited)
Turnover	2	**3,815**	4,098
Other income, other gains and losses	3	**48**	3
Cost of properties sold		**(97)**	(21)
Raw materials and consumables used		**(296)**	(595)
Staff costs		**(585)**	(478)
Depreciation and amortisation		**(25)**	(30)
Subcontracting, external labour costs and other expenses		**(2,802)**	(2,835)
Fair value changes on investment properties		**(29)**	(26)
Finance costs		**(101)**	(131)
Share of profit of joint ventures and an associate		**1**	1
Loss before taxation		**(71)**	(14)
Taxation	4	**16**	(38)
Loss for the period		**(55)**	(52)
Attributable to:			
Owners of the Company		**(83)**	(88)
Non-controlling interests		**28**	36
		(55)	(52)
Basic loss per share	6	**HK$(0.22)**	HK$(0.24)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
	(unaudited)	(unaudited)
Loss for the period	**(55)**	(52)
Other comprehensive income (expense)		
Item that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operations	**45**	(22)
Item that will not be reclassified to profit or loss:		
Fair value changes of an equity investment at fair value through other comprehensive income	**1**	(2)
Other comprehensive income (expense) for the period	**46**	(24)
Total comprehensive expense for the period	**(9)**	(76)
Total comprehensive (expense) income attributable to:		
Owners of the Company	**(37)**	(112)
Non-controlling interests	**28**	36
	(9)	(76)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2025 HK$ million (unaudited)	31 December 2024 HK$ million (audited)
Non-current Assets			
Investment properties		**3,851**	3,818
Goodwill		**18**	18
Other intangible assets		**6**	9
Right-of-use assets		**34**	41
Property, plant and equipment		**19**	23
Interests in joint ventures		**88**	87
Interest in an associate		**22**	22
Financial asset at fair value through other comprehensive income		**21**	20
Financial assets at fair value through profit or loss		**53**	49
Deferred tax assets		**50**	18
Defined benefit assets		**19**	1
Club memberships		**1**	1
Restricted bank deposits		**–**	8
		4,182	4,115
Current Assets			
Properties held for sale		**481**	570
Properties under development for sale		**162**	160
Debtors, deposits and prepayments	7	**1,522**	1,863
Contract assets		**1,143**	1,292
Amounts due from joint ventures		**80**	78
Amounts due from related companies		**17**	10
Tax recoverable		**5**	8
Restricted bank deposits		**326**	338
Bank balances, deposits and cash		**562**	1,026
		4,298	5,345
Current Liabilities			
Creditors and accrued charges	8	**2,652**	3,062
Contract liabilities		**4**	54
Lease liabilities		**27**	31
Amounts due to joint ventures		**117**	116
Amounts due to related companies		**87**	47
Taxation payable		**147**	147
Bank borrowings due within one year		**1,638**	2,636
		4,672	6,093
Net Current Liabilities		**(374)**	(748)
Total Assets Less Current Liabilities		**3,808**	3,367
Capital and Reserves			
Share capital		**373**	373
Reserves		**1,576**	1,613
Equity attributable to owners of the Company		**1,949**	1,986
Non-controlling interests		**287**	268
		2,236	2,254
Non-current Liabilities			
Bank borrowings		**1,319**	863
Lease liabilities		**10**	13
Deferred tax liabilities		**243**	237
		1,572	1,113
		3,808	3,367

Notes:

1. Basis of preparation of condensed consolidated financial statements

The condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

At 30 June 2025, the Group reported net current liabilities of HK$374 million, which included HK$949 million revolving bank loans with no fixed term of repayment. The Directors of the Company, at the time of approving these condensed consolidated financial statements, believe that such revolving bank loans will continue to be made available to the Group and will not be withdrawn unexpectedly within the next twelve months from the end of the reporting period. In addition, the Directors of the Company are negotiating with banks to obtain new banking facilities and contemplating renewing existing bank borrowings. Taking into account the internal financial resources of the Group, coupled with the Group's operating cash flows as well as the currently available banking facilities and the expectation of securing new/refinancing facilities based on the Group's existing relationships with banks and its Hong Kong construction businesses, the Group will have the ability to meet its financial obligations as they become due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for adoption of the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's financial period beginning on 1 January 2025.

HKAS 21 (Amendments)	Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard has had no material effect on the amounts and disclosures set out in the condensed consolidated financial statements for the current interim period.

Joint ventures and an associate of the Group adopt uniform accounting policies for like transactions and events in similar circumstances as those of the Group.

The Group has not early applied other amendments to HKFRS Accounting Standards that have been issued but are not yet effective.

2. Segment information

For management reporting purposes, the Group is currently organised into three operating divisions based on business nature. These divisions are the basis on which the Group reports information to its chief operating decision makers, who are the Executive Directors of the Company, for the purposes of resource allocation and assessment of segment performance.

The Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

1. Construction, fitting-out, maintenance and minor works – construction, maintenance works and minor works and provision of building information modelling services mainly in Hong Kong; and interior fit-out in Hong Kong and Macau

2. Property – property development for sale and property investment in Mainland China and provision of property management services in Hong Kong and Mainland China

3. Other businesses – venture capital investment and others

An analysis of the Group's reportable segment revenue and segment results by reportable and operating segment is as follows:

For the six months ended 30 June 2025

	Construction, fitting-out, maintenance and minor works HK$ million	Property HK$ million	Other businesses HK$ million	Total HK$ million
REVENUE				
Revenue from construction contracts	3,572	–	–	3,572
Revenue from property sales	–	17	–	17
Revenue from rendering of services in Hong Kong	–	175	–	175
Revenue from rendering of services in Mainland China	–	12	–	12
Revenue from contracts with customers	3,572	204	–	3,776
Revenue from property leasing	–	39	–	39
Total segment revenue from external customers	3,572	243	–	3,815
Timing of revenue recognition				
At a point in time	–	17	–	17
Over time	3,572	187	–	3,759
Revenue from contracts with customers	3,572	204	–	3,776
Reportable segment results	128	(85)	5	48
Unallocated items:				
Finance costs				(96)
Other corporate expenses				(23)
Consolidated loss before taxation				(71)
Segment results have been arrived at after crediting (charging):				
Depreciation and amortisation	(17)	(1)	–	(18)
Interest income	5	3	–	8
Fair value changes on investment properties	–	(29)	–	(29)
Impairment loss recognised on property inventories (note)	–	(61)	–	(61)
Dividend income from an equity investment	–	–	1	1
Finance costs	–	(4)	–	(4)
Share of profit of joint ventures and an associate	–	1	–	1

2. Segment information (continued)

For the six months ended 30 June 2024

	Construction, fitting-out, maintenance and minor works HK$ million	Property HK$ million	Other businesses HK$ million	Total HK$ million
REVENUE				
Revenue from construction contracts	3,924	–	–	3,924
Revenue from property sales	–	23	–	23
Revenue from rendering of services in Hong Kong	2	98	–	100
Revenue from rendering of services in Mainland China	–	12	–	12
Revenue from contracts with customers	3,926	133	–	4,059
Revenue from property leasing	–	39	–	39
Total segment revenue from external customers	3,926	172	–	4,098
Timing of revenue recognition				
At a point in time	–	23	–	23
Over time	3,926	110	–	4,036
Revenue from contracts with customers	3,926	133	–	4,059
Reportable segment results	199	(75)	(1)	123
Unallocated items:				
Other income and other gains				1
Finance costs				(125)
Other corporate expenses				(13)
Consolidated loss before taxation				(14)
Segment results have been arrived at after crediting (charging):				
Depreciation and amortisation	(20)	(3)	–	(23)
Interest income	8	4	–	12
Fair value changes on investment properties	–	(26)	–	(26)
Dividend income from an equity investment	–	–	2	2
Finance costs	–	(6)	–	(6)
Share of (loss) profit of joint ventures	–	(1)	2	1

Note:
Impairment loss recognised on property inventories represented a decrease in net realisable value of certain properties held for sale as a result of a decrease in estimated market prices of these properties. The management engaged an external professional valuer to perform independent valuations for these properties.

3. Other income, other gains and losses

	Six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
Included in the other income, other gains and losses are:		
Other income		
Interest income on financial asset at amortised cost	**–**	1
Other interest income	**8**	12
Dividend income from an equity investment	**1**	2
Other gains and losses		
Exchange gain (loss)	**33**	(16)
Fair value gain on financial assets at fair value through profit or loss	**1**	–

4. Taxation

	Six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
The tax charge (credit) comprises:		
Current taxation		
Hong Kong Profits Tax	**17**	39
Macau Complementary Tax	**4**	1
Overprovision in prior years		
PRC Land Appreciation Tax	**(8)**	–
	13	40
Deferred taxation	**(29)**	(2)
	(16)	38

Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) on the estimated assessable profits for the period.

Macau Complementary Tax is calculated at 12.0% (2024: 12.0%) on the estimated assessable profits for the period.

PRC Land Appreciation Tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditure including land costs, borrowing costs and all property development expenditure.

5. Dividends

The Board does not recommend the payment of an interim dividend (2024: nil) for the six months ended 30 June 2025.

6. Basic loss per share

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	HK$ million	HK$ million
Loss for the period attributable to owners of the Company:		
Loss for the purpose of basic loss per share	**(83)**	(88)
	Million	Million
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	**373**	373

No diluted loss per share for both periods were presented as the Company has no dilutive potential ordinary shares outstanding during both periods.

7. Debtors, deposits and prepayments

The Group maintains a defined credit policy. The general credit term ranges from 30 to 90 days.

Included in debtors, deposits and prepayments are debtors, net of allowance for credit losses, with an aged analysis (based on the repayment terms set out in the sale and purchase agreements or invoice date, as appropriate) at the end of the reporting period as follows:

	30 June 2025 HK$ million	31 December 2024 HK$ million
Trade debtors aged analysis (note a):		
Not yet due or within 90 days	**396**	780
91 days to 180 days	**2**	1
181 days to 360 days	**1**	1
	399	782
Prepayments and deposits	**410**	370
Other receivables (note b)	**715**	713
Less: allowance for credit losses	**(2)**	(2)
	1,522	1,863

Notes:

(a) Included in the trade debtors are receivables of HK$1 million (31 December 2024: HK$1 million), which are aged over 180 days, based on the date on which revenue was recognised.

(b) Included in other receivables at 30 June 2025 are receivables of HK$519 million (31 December 2024: HK$514 million) due from China Central Properties Limited's former subsidiaries (the "Debtor"), which hold a property interest in the PRC and were disposed of in 2008. The amounts are repayable on demand and out of the total outstanding balance, an amount of HK$132 million (31 December 2024: HK$130 million) carries interest at prevailing market rates. A court in the PRC issued notices to attach the aforesaid property interest to cause the Debtor to settle part of the onshore outstanding receivable in the amount of approximately RMB338 million (approximately HK$370 million) (31 December 2024: RMB338 million (approximately HK$365 million)) and its related interest. In addition to these receivables, the Company has provided a guarantee in relation to a loan granted to the Debtor (see note 9(a)). Given that there have been positive outcomes in the legal disputes in relation to the property interest and recovery of the outstanding receivables, including the successful registration of title deed of the property under the name of the Debtor in May 2015, the Directors of the Company reasonably believe that these receivables will be fully settled and the guarantee provided by the Company will be fully released either through public auction of the aforesaid property interest or the sale of the equity interest of the entity holding the property interest, which is expected to take place within twelve months from the end of the reporting period.

8. Creditors and accrued charges

The aged analysis of creditors (based on invoice date) of HK$403 million (31 December 2024: HK$1,188 million), which are included in the Group's creditors and accrued charges, is as follows:

	30 June 2025 HK$ million	31 December 2024 HK$ million
Trade creditors aged analysis:		
Not yet due or within 30 days	**364**	1,088
31 days to 90 days	**24**	70
91 days to 180 days	**4**	11
Over 180 days	**11**	19
	403	1,188
Retention payable	**488**	467
Provision for contract work/construction cost	**1,531**	1,154
Other accruals and payables	**230**	253
	2,652	3,062

9. Contingent liabilities

At 30 June 2025, the Group had the following contingent liabilities, which have not been provided for in the condensed consolidated financial statements:

(a) In 2007, the Company issued a guarantee (the "Guarantee") in favour of a bank for a loan granted to an entity which was a wholly-owned subsidiary of China Central Properties Limited ("CCP") at that time (the "Former Subsidiary"). Subsequently, the Former Subsidiary was sold by CCP in 2008, but the Company remained as the guarantor for the bank loan following the disposal (see note 7(b) for details of receivables due from the Former Subsidiary arising from such disposal). In October 2011, the Company received a notice from the aforesaid bank that it had entered into an agreement to sell all its rights and interests, including the Guarantee, to a new lender (the "New Lender"). At the same time, the Company entered into a restructuring deed with the New Lender, which was subsequently supplemented by supplemental restructuring deeds, whereby the New Lender agreed not to demand fulfilment of the Company's obligations under the Guarantee to October 2025, subject to extension after further discussions. The management reasonably believes that further extension will be granted in due time. The outstanding principal amount of the loan under the Guarantee amounting to RMB542 million (HK$594 million) at 30 June 2025 (31 December 2024: RMB542 million (HK$585 million)) and the related interest amounting to RMB914 million (HK$1,002 million) (31 December 2024: RMB881 million (HK$951 million)) are secured by a property interest in the PRC held by the Former Subsidiary. Both of the parent company of the acquirer and the acquirer of the Former Subsidiary have agreed to procure the repayment of the loan and agreed unconditionally to undertake and indemnify the Group for all losses as a result of the Guarantee.

    In the opinion of the Directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and at the end of the reporting period after taking into consideration the possibility of demanding fulfilment of the Company's obligations under the Guarantee by the New Lender and the collateral of the loan. Accordingly, such financial guarantee contracts have not been recognised in the condensed consolidated statement of financial position.

(b) In respect to the delay in construction completion of a development project in Tianjin, by the date as stipulated in the relevant land grant contracts, the relevant local government authority has accepted certain reasons identified by the Group in supporting the application for extending the completion date of the project. Taking into account the aforesaid extension as accepted by the government authority, the estimated penalty as at 30 June 2025, if any, will not be more than RMB14 million (31 December 2024: RMB14 million). The management of the Company views that the exposure should be further reduced or fully exempted.

FINANCIAL REVIEW

INTERIM RESULTS

The Group recorded a loss of HK$83 million on a turnover of HK$3,815 million for the six months ended 30 June 2025, compared with the loss of HK$88 million and turnover of HK$4,098 million for the corresponding period last year.

An analysis of the total turnover is as follows:

	Six months ended 30 June 2025 HK$ million	Six months ended 30 June 2024 HK$ million
Turnover		
Construction, fitting out, maintenance and minor works	**3,572**	3,926
Mainland property	**68**	74
Hong Kong property management	**175**	98
Total	**3,815**	4,098

Overall construction segment reported a 9% decrease in turnover in the first half of this year compared to the corresponding period last year. The decline was mainly attributable to building and construction business, where certain construction contracts, including the construction of certain public housing developments and the mega-sized contract for the redevelopment of Kwai Chung Hospital (Phase 2), were nearing completion during the period. Nevertheless, the Group has maintained a strong order book with certain construction contracts expected to increase its contribution to turnover from 2026 onwards.

A substantial increase in turnover from the Hong Kong property management business was mainly due to securing more public housing management contracts in 2024.

An analysis of the results attributable to shareholders is set out below:

	Six months ended 30 June 2025 HK$ million	Six months ended 30 June 2024 HK$ million
Construction	**123**	191
Property		
Mainland property		
Loss on property sales	**(22)**	(1)
Net rental income	**19**	17
Fair value changes on investment properties, net of deferred tax provision	**(28)**	(24)
Impairment loss recognised on property inventories, net of deferred tax provision	**(37)**	-
Net operating expenses and others	**(17)**	(18)
Hong Kong property management	**4**	5
	(81)	(21)
Net finance costs	**(93)**	(118)
Net foreign exchange gain (loss)	**34**	(16)
Corporate overheads and others	**(29)**	(48)
Taxation	**(9)**	(40)
Non-controlling interests	**(28)**	(36)
Total	**(83)**	(88)

Construction

Average net profit before tax margin was reduced to 3.4% of turnover, comparing to the 4.9% in the same period of previous year. The decrease in margin was primarily due to negative adjustments from contract price fluctuation, especially those public housing build-only-development projects scheduled for completion in 2025. On the other hand, the profit margin of our maintenance business dropped amid the intense market competition. Profits in the prior year were also lifted by the increased contributions from completed maintenance contracts with relatively lower turnover recognised.

Property

Operating performance and rental income of the four shopping malls and the office tower of Chengdu Centropolitan was relatively stable, net rental results were enhanced slightly over the last interim period due to tightened control over leasing expenses.

During the interim period, the Group disposed of a number of retail units in Tianjin Veneto Phase 2 for an aggregate consideration of HK$30 million and portion of these units had been delivered. Together with other disposals, total loss on disposal of approximately HK$22 million and impairment losses, net of deferred tax provision of approximately HK$37 million on the remaining unsold units of Tianjin Veneto Phase 2 were recognised during the interim period.

As at 30 June 2025, the Group's investment properties were valued at HK$3,851 million, excluding the effect on the appreciation of the Renminbi against the Hong Kong dollar in the current interim period, there was a 0.8% gross depreciation of fair value on a portfolio basis.

Net finance costs

The Group's borrowings were predominantly Hong Kong Interbank Offered Rate ("HIBOR") based Hong Kong dollar bank borrowings. Decrease in net finance costs for the 2025 interim period was mainly caused by the decrease in HIBOR, for which the average 1-month HIBOR was decreased by around 1.6% in the first half of 2025, comparing to the prior interim period.

Foreign exchange gain/loss

During the current interim period, the Renminbi registered a 1.5% appreciation against the Hong Kong dollar. This resulted in net foreign exchange gain totalling HK$79 million recorded for the current interim period, of which HK$34 million and HK$45 million were recognised in the condensed consolidated statement of profit or loss and directly in equity respectively, comparing with the foreign exchange losses of HK$16 million and HK$22 million respectively for the last interim period, on a 0.7% depreciation.

ASSETS BASE

The total assets and net assets of the Group are summarised as follows:

	30 June 2025 HK$ million	31 December 2024 HK$ million
Total assets	**8,480**	9,460
Net assets	**1,949**	1,986
	HK$	HK$
Net asset value per share	**5.2**	5.3

Total assets of the Group was approximately HK$8.5 billion as at 30 June 2025, comparing to HK$9.5 billion as at 31 December 2024. The decrease in both net assets of the Group and net asset value per share was principally attributable to the HK$83 million loss for this interim period, partially offset by the appreciation of the Renminbi against the Hong Kong dollar, which caused a HK$45 million increase in equity.

EQUITY, FINANCING AND GEARING

The shareholders' equity of the Company was HK$1,949 million on 30 June 2025, comparing with HK$1,986 million on 31 December 2024.

Net bank borrowings of the Group, which represented the total bank borrowings, net of bank balances, deposits and cash, amounted to HK$2,069 million on 30 June 2025, as compared with HK$2,127 million on 31 December 2024.

The maturity profile of the Group's bank borrowings is set out below:

	30 June 2025 HK$ million	31 December 2024 HK$ million
Bank borrowings repayable:		
Within one year	**1,638**	2,636
After one year but within two years	**407**	310
After two years but within five years	**912**	553
Total bank borrowings	**2,957**	3,499
Bank balances, deposits and cash	**(888)**	(1,372)
Net bank borrowings	**2,069**	2,127

During the period, a term loan of HK$1,100 million was partly refinanced by a 5-year term loan of HK$700 million together with a repayment of HK$400 million.

Both the total bank borrowings and net bank borrowings decreased. The net gearing ratio of the Group, calculated as net bank borrowings over shareholders' equity, decreased slightly to 106.2% on 30 June 2025, from 107.1% on 31 December 2024, which was caused by reduction of bank borrowings by net cash generated from various businesses and the Group's internal resources, but partially offset by the decrease in equity for the period as mentioned above.

TREASURY POLICIES

The Group's financing and treasury activities are centrally managed and controlled at the corporate level.

The Group's bank borrowings are mainly denominated in Hong Kong dollars and have been arranged on a floating-rate basis. Investments in Mainland China are partly funded by capital already converted into Renminbi and partly financed by borrowings in Hong Kong dollars. Renminbi financing is primarily at project level where the sources of repayment are also Renminbi denominated. Given that income from operations in Mainland China is denominated in Renminbi and property assets in Mainland China are normally priced in Renminbi on disposal, the Group expects that the fluctuations of Renminbi in the short-term will affect the Group's business performance and financial status. It is the Group's policy not to enter into derivative transactions for speculative purposes.

EMPLOYEES

At 30 June 2025, the number of employees in the Group was approximately 3,316 (31 December 2024: 3,362) in Hong Kong and Macau, and 234 (31 December 2024: 256) in subsidiaries and joint ventures in Mainland China. Remuneration packages remain competitive and are linked to performance, with additional staff benefits such as provident fund schemes and medical insurance maintained at appropriate levels. The Group is committed to talent retention and development through initiatives including Trainee and Apprentice Development Programmes for recent graduates, Managerial Development Program for middle management, Leadership Development Program for project managers, and Talent Development Program for high-potential management staff. The Group also partners with local universities to offer internships and corporate projects, enhancing practical experience and industry engagement for students. In Mainland China, staff benefits align with prevailing market standards, with a strong focus on cultivating corporate culture and providing professional training and development opportunities for local employees. The Group remains dedicated to being recognised as an employer of choice, attracting, developing, and retaining high calibre and capable professionals.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's condensed consolidated statement of financial position, condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the period ended 30 June 2025 as set out in this announcement have been extracted from the Group's unaudited condensed consolidated financial statements for the period, which have been reviewed by the Company's external auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the HKICPA.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2025, including the accounting principles and practices adopted by the Group. It has also considered selected accounting, internal control and financial reporting matters of the Group, in conjunction with the Company's external auditor.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2025, the Company has complied with all the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix C1 to the Listing Rules, except for the deviations explained below.

Code provision E.1.2 of the CG Code provides that the terms of reference of the Remuneration Committee should include, among others, the responsibilities to (i) determine or make recommendations to the Board on the remuneration packages of individual Executive Director and senior management; (ii) review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment; and (iii) review and approve the remuneration proposals for management with reference to the Board's corporate goals and objectives. The Remuneration Committee has reviewed its functions and considered that these responsibilities in relation to the remuneration and compensation of management should be vested in the Executive Directors who have a better understanding of the level of expertise, experience and performance expected of the management in the daily business operations of the Group. The Remuneration Committee would continue to be primarily responsible for the review and determination of the remuneration package of individual Executive Director. After due consideration, the Board adopted the revised terms of reference of the Remuneration Committee with the said responsibilities in relation to the remuneration and compensation of management excluded from its scope of duties, which deviates from code provision E.1.2. Notwithstanding such deviation, the Remuneration Committee is still responsible for reviewing, approving and making recommendations to the Board on the guiding principles applicable to the determination of the remuneration packages of senior management.

Having reviewed the practices and procedures of remuneration committees in other jurisdictions, the Remuneration Committee decided that it would be better practice for the Non-executive Directors to cease involvement in recommending their own remuneration. Such recommendations were made to the Board by the Chairman of the Company, taking the advice of external professionals as appropriate. This practice has been formally adopted, and the Board approved the amendment to the terms of reference of the Remuneration Committee in this respect, which also deviates from the stipulation in code provision E.1.2 that the Remuneration Committee should make recommendations to the Board on the remuneration of Non-executive Directors. The Non-executive Directors abstain from voting in respect of the determination of their own remuneration at the relevant Board meetings.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

By order of the Board
SOCAM Development Limited
Lo Hong Sui, Vincent
Chairman

Hong Kong, 27 August 2025

At the date of this announcement, the Executive Directors of the Company are Mr. Lo Hong Sui, Vincent (Chairman), Mr. Lee Chun Kong, Freddy (Chief Executive Officer) and Mr. Lo Adrian Jonathan Chun Sing (Deputy Chief Executive Officer); the Non-executive Directors of the Company are Ms. Lo Bo Yue, Stephanie and Mr. Chan Wai Kan, George; and the Independent Non-executive Directors of the Company are Mr. Chan Kay Cheung, Mr. Lau Ping Cheung, Kaizer and Mr. Wong Hak Wood, Louis.

** For identification purpose only*

Website: www.socam.com