THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in SOCAM Development Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

瑞安建業
SOCAM DEVELOPMENT

瑞安建業有限公司*

SOCAM Development Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

MAJOR TRANSACTION
DISPOSAL OF A SUBSIDIARY

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 4 to 17 of this circular.

The Disposal has been approved by way of written Shareholders’ approval pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company. This Circular is being despatched to the Shareholders for information only.

* *For identification purpose only*

31 October 2025

CONTENTS

This document has both English and Chinese versions. Should there be any inconsistency between the Chinese and English versions, the English version shall prevail.

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Audited Completion Accounts"	the audited accounts of the Target Group as of the Completion Date, which shall be prepared within 2 months after the Completion Date (or within such extended period of up to 3 months as may be agreed by the Parties) in accordance with the terms of the Sale and Purchase Agreement
"Board"	the board of directors of the Company
"Company"	SOCAM Development Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 983)
"Completion"	completion of the Disposal in accordance with the terms of the Sale and Purchase Agreement
"Completion Date"	the date of Completion, which shall be within 5 working days after written confirmation by the Parties regarding the satisfaction (or, where applicable, waiver) of the Conditions Precedent (or on such other date as may be agreed in writing by the Parties)
"Conditions Precedent"	the conditions precedent set forth in the section headed "Letter from the Board — The Sale and Purchase Agreement — Conditions Precedent" of this circular
"Consideration"	the consideration payable to the Vendor by the Purchaser for the Disposal
"Consolidated Net Asset Value"	the consolidated total assets less the total liabilities of the Target Group calculated in accordance with the terms of the Sale and Purchase Agreement
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal by the Vendor of the entire issued share capital of the Target Company pursuant to the Sale and Purchase Agreement
"Group"	collectively, the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	person(s) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is not a connected person of the Company pursuant to the Listing Rules
"Latest Practicable Date"	28 October 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macao Special Administrative Region of the People's Republic of China
"ODI Registration"	registration for outbound direct investment in accordance with the relevant government regulations in the PRC
"Parties"	the Vendor, the Company, the Purchaser and the Purchaser Guarantors
"PEPM"	Pacific Extend Properties Management Limited (泓建物業管理有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
"PRC"	the People's Republic of China (excluding, for the purpose of this circular, Hong Kong, Macau and Taiwan)
"Purchaser"	Wuhan Yujing Investment Management Co., Ltd.* (武漢玉景投資管理有限公司), a company established in the PRC with limited liability, being an Independent Third Party
"Purchaser Guarantors"	collectively, (i) Wuhan Tianyuan Property Management Co., Ltd.* (武漢天源物業管理有限責任公司), a company established in the PRC with limited liability and being the shareholder of the Purchaser; and (ii) Mr. Liu Ying (劉迎) being the ultimate beneficial owner of the Purchaser, both being Independent Third Parties
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the sale and purchase agreement dated 8 September 2025 entered into among the Vendor, the Company, the Purchaser and the Purchaser Guarantors in relation to the Disposal

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
"Share(s)"	the ordinary share(s) of nominal value of HK$1.00 each in the capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Shui On Centre"	the commercial building situated at 6–8 Harbour Road, Hong Kong
"Shui On Centre Contract"	the current property management service contract entered into by PEPM for the provision of property management services at Shui On Centre with a service term up to 31 December 2027
"SOCL"	Shui On Company Limited, a private limited company incorporated in the British Virgin Islands
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Shui On Properties Management Services Limited (瑞安物業管理服務有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
"Target Group"	collectively, the Target Company and PEPM
"Vendor"	Grateful Tide Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
"Yujing"	Yujing Enterprise (Hong Kong) Limited (玉景企業有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Purchaser
"%"	per cent

In this circular, unless the context requires otherwise, the terms "close associates", "connected person", "controlling shareholder", "percentage ratios" and "subsidiary(ies)" shall have the meanings given to such terms in the Listing Rules.

* *for identification purpose only*

瑞安建業有限公司*
SOCAM Development Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

Executive Directors:
Mr. Lo Hong Sui, Vincent (*Chairman*)
Mr. Lee Chun Kong, Freddy
(*Chief Executive Officer*)
Mr. Lo Adrian Jonathan Chun Sing
(*Deputy Chief Executive Officer*)

Non-executive Directors:
Ms. Lo Bo Yue, Stephanie
Mr. Chan Wai Kan, George

Independent Non-executive Directors:
Mr. Chan Kay Cheung
Mr. Lau Ping Cheung, Kaizer
Mr. Wong Hak Wood, Louis

Registered Office:
Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

Head office and principal place of business:
34th Floor, Shui On Centre
6–8 Harbour Road, Hong Kong

31 October 2025

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
DISPOSAL OF A SUBSIDIARY

BACKGROUND

The Board announced that on 8 September 2025, the Vendor, a direct wholly-owned subsidiary of the Company, and the Company entered into the Sale and Purchase Agreement with the Purchaser and the Purchaser Guarantors, pursuant to which, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the entire issued share capital of the Target Company. The Target Group is primarily engaged in providing property management services in Hong Kong.

* *For identification purpose only*

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarized below:

Date

8 September 2025

Parties

(a) the Vendor, a direct wholly-owned subsidiary of the Company (as vendor);

(b) the Company (as vendor guarantor);

(c) the Purchaser (as purchaser); and

(d) the Purchaser Guarantors (as purchaser guarantors).

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the entire issued share capital of the Target Company. The Purchaser may nominate Yujing, being its wholly-owned subsidiary, to be the registered shareholder of the Target Company upon Completion.

The Target Group is primarily engaged in providing property management services in Hong Kong. For further details of the Target Group, please refer to the section headed "Information on the Target Group" below.

As at the Latest Practicable Date, the Vendor held the entire issued share capital of the Target Company. Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Group will no longer be consolidated in the Company's financial statements.

Conditions Precedent

Completion is subject to the following conditions being fulfilled and satisfied (or waived, if applicable):

(a) the Company having satisfied all the relevant requirements of the Listing Rules and other applicable laws and regulations in relation to the Disposal, including but not limited to the Disposal having been approved by the Shareholders;

(b) the necessary approval(s), consent(s), waiver(s) and/or permission(s) in relation to the Disposal having been obtained by each of the Vendor and the Company from the relevant government departments or regulatory authorities and such approval(s), consent(s), waiver(s) and/or permission(s) have not been revoked or amended prior to Completion;

(c) the warranties given by the Vendor being true, accurate and complete and not misleading as of the date of the Sale and Purchase Agreement and at the Completion Date;

(d) the repayment or settlement by the Target Group of (i) all borrowings and non-operational balances due to/from the Group(1) as listed in the disclosure letter provided by the Vendor; and (ii) all bank loans guaranteed by the Group and the release of such guarantee(s) provided by the Group;

(e) since the date of the Sale and Purchase Agreement, no events having occurred which would cause a material adverse change to the Target Group's operation, financial status, legal risks or assets;

(f) all agreements, obligations and conditions which are required to be fulfilled and complied with on or before Completion as stipulated under the Sale and Purchase Agreement having been fulfilled and complied with by the Vendor and the Company;

(g) the necessary licence(s), consent(s), approval(s), authorisation(s) and permission(s) having been obtained by the members of the Target Group from the relevant government or regulatory authorities (including relevant authorities in the PRC, Hong Kong and the British Virgin Islands) and such licence(s), consent(s), approval(s), authorisation(s) and permission(s) have not been revoked prior to Completion;

(h) the Group has been effectively released from any obligations under the performance bonds previously provided to the relevant customers of PEPM;

(i) the completion of the ODI Registration by the Purchaser;

(j) the warranties given by the Purchaser being true, accurate and complete and not misleading as of the date of the Sale and Purchase Agreement and at the Completion Date;

(k) the necessary approval(s), consent(s), waiver(s) and/or permission(s) in relation to the Disposal having been obtained by the Purchaser from the relevant government or regulatory authorities and such approval(s), consent(s), waiver(s) and/or permission(s) have not been revoked or amended prior to Completion;

(l) all agreements, obligations and conditions which are required to be fulfilled and complied with on or before Completion as stipulated under the Sale and Purchase Agreement having been fulfilled and complied with by the Purchaser;

(m) the Purchaser has provided new performance bonds, or other equivalent measures accepted by the banks and/or insurance companies currently issuing performance bonds for the Target Group, thereby enabling the Group to effectively discharge its obligations under the existing performance bonds.

Note:

(1) When determining the Consideration with the Purchaser, the Parties assumed that the Target Group will utilize its internal resources and funding returned from the Group for the settlement of the non-operational balances to repay all bank loans guaranteed by the Group. See "— Basis of the Consideration" for further details on the basis of the Consideration.

The Conditions Precedent as set out in sub-paragraphs (a), (b), (d), (e), (g) and (h) above are not waivable by the Purchaser. The Conditions Precedent as set out in sub-paragraphs (i) and (k) above are not waivable by the Vendor.

The Parties shall use all reasonable endeavours to procure the above Conditions Precedent be fulfilled. In the event that any of the above Conditions Precedents is not fulfilled (or waived, if applicable) by 31 December 2025 (or by 31 March 2026 as may be extended in accordance with the terms of the Sale and Purchase Agreement, or such other date as may be agreed in writing by the Parties) (the "**Long Stop Date**"), the Sale and Purchase Agreement shall be terminated unless otherwise agreed in writing by the Parties.

As at the Latest Practicable Date, the Parties were in the process of satisfying the above Conditions Precedent and no Conditions Precedent have been waived by either of the Parties.

Consideration

Subject to any adjustments to the Consideration as described below, the Consideration shall be HK$100 million.

Basis of the Consideration

The Consideration was determined after arm's length negotiation between the Parties, representing the aggregate of (a) the adjusted consolidated net profit of approximately HK$10 million of the Target Group for the year ended 31 December 2024 (the "**Adjusted Net Profit**"), multiplied by an adjusted price-to-earnings ratio (with the deduction of projected Consolidated Net Asset Value from the Consideration, the "**Adjusted P/E Ratio**") of 6.5 times (the "**P/E Component**"); and (b) the projected Consolidated Net Asset Value of the Target Group as at the Completion Date, currently estimated to be HK$35 million, based on the unaudited Consolidated Net Asset Value of the Target Group of HK$33 million as at 31 December 2024 and the Vendor's best estimate of the operating results of the Target Group for the period from January 2025 to Completion Date.

In relation to the Adjusted Net Profit of approximately HK$10 million of the Target Group for the year ended 31 December 2024, it is calculated based on the unaudited consolidated profit before taxation of HK$0.8 million, adjusted by (i) excluding certain management staff costs, contributions in relation to the Group's retirement protection scheme and management fee charged by the Group to the Target Group, which are regarded as non-recurring expenses incurred for the year ended 31 December 2024, as agreed between the Vendor and the Purchaser totalling HK$11.1 million, with no other non-recurring income being excluded; and (ii) deducting deemed profits tax of HK$1.9 million, based on the adjusted operating results of the Target Group.

The Board has taken into consideration the following in adopting the Adjusted P/E Ratio of 6.5 times:

(a) P/E Ratio is a common valuation method for the assessment of companies' value with profitable businesses, especially when the subject companies do not rely on a significant amount of fixed assets and equipment for their operation;

(b) the Parties have identified four companies of similar size (the "**Comparable Companies**"), which (i) were the target of acquisition in the past 5 years with a controlling interest being acquired; (ii) are principally engaged in property management business; (iii) have a government project ratio of over 50%; (iv) are on the Counterparty List of the Hong Kong Housing Authority; and (v) major business in Hong Kong. To the best knowledge of the Board, the four Comparable Companies identified were exhaustive;

(c) despite operating in similar business sectors, the Comparable Companies have various working capital requirements, which are primarily supported by share capital and retained earnings, collectively representing the net asset value of a company. Such variations are affected by factors such as nature and liquidity of their assets on its balance sheet, such as properties as opposed to cash. The Adjusted P/E Ratio, which is primarily calculated by deducting the net value asset of each Comparable Companies from their respective transaction price and then dividing the results by earnings of the Comparable Companies on 100% basis, has been adopted by the Group as the basis of determining the Consideration. The management of the Company believes that this approach helps eliminate such variations and provides a fair and reasonable basis for a like-for-like comparison; and

(d) the Adjusted P/E Ratios of the Comparable Companies ranged from 3.7 times to 8.8 times, with a median of 6.85 times, which is close to the Adjusted P/E Ratio of 6.5 times for this Disposal. Therefore, the Adjusted P/E Ratio of 6.5 times is considered fair and reasonable after the arm's length negotiation between the Parties.

See below an illustration table of the Comparable Companies and their respective Adjusted P/E Ratios.

		Comparable Companies			
	Target Group	Modern Living Investments Holdings Ltd	Top Property Services Co. Ltd	Synergis Management Services Limited	Creative Enterprise Holdings Limited
Transaction Date	Q4 of 2025	2024	2023	2021	2021
Controlling interest acquired	✓	✓	✓	✓	✓
Principally engaged in property management business	✓	✓	✓	✓	✓
Major business in Hong Kong	✓	✓	✓	✓	✓
Government project ratio over 50%	✓	✓	✓	✓	✓
On the Housing Authority Counterparty List	✓	✓	✓	✓	✓
Adjusted P/E Ratio	6.5x	7.0x	8.8x	3.7x	6.7x

Adjustments to the Consideration

(a) Adjustments based on the Consolidated Net Asset Value

If the Consolidated Net Asset Value based on the Audited Completion Accounts is greater than HK$35 million, being the projected Consolidated Net Asset Value of the Target Group as at the Completion Date, the excess of the Consolidated Net Asset Value shall be payable by the Purchaser to the Vendor together with the Third Instalment (as defined below).

If the Consolidated Net Asset Value based on the Audited Completion Accounts is less than HK$35 million, the Purchaser is entitled to deduct the shortfall of the Consolidated Net Asset Value from the Third Instalment payable to the Vendor.

As the Consideration was initially determined based on the projected Consolidated Net Asset Value of the Target Group, amounting to HK$35 million, it has been agreed between the Parties that the Vendor shall be entitled to the actual consolidated net asset value of the Target Group as of the Completion Date. Any variance between the projected HK$35 million and the actual net asset value will be adjusted on a dollar-for-dollar basis.

(b) Adjustments based on terminated property management agreements

If there are one or more property management agreement(s) entered into by the Target Group being terminated before the Completion Date prior to their respective expiration dates, and the annual revenue attributable to such terminated property management agreement(s), after netting off the annual revenue attributable to any new contracts which may be signed or secured between the date of the Sale and Purchase Agreement and 3 months after Completion (as calculated in accordance with the provisions of the Sale and Purchase Agreement) (the "**Net Terminated Revenue**") exceeds HK$35 million, the Third Instalment will be adjusted downwards as follows:

Downward adjustment amount = (Net Terminated Revenue/HK$350 million) × HK$65 million

The revenue of the Target Group for the six months ended 30 June 2025 was HK$175 million and therefore, on an annualized basis, the estimated revenue of the Target Group for the year ended 31 December 2025 would be HK$350 million (the "**Estimated Revenue**").

After arm's length negotiation between the Parties, should there be net decrease in annual revenue exceeding HK$35 million, due to termination of contracts before Completion, after netting off the annual revenue from any new contracts entered between the date of the Sale and Purchase Agreement and 3 months after Completion, such decrease, representing 10% of the Estimated Revenue of HK$350 million, the Parties determined that this may affect adversely the projected profitability of the Target Group and future earnings power factored into the valuation of the Target Group (i.e. the P/E component of HK$65 million). It is therefore agreed between the Parties to adopt HK$35 million as the benchmark to trigger the downward adjustment to the P/E Component on pro-rata basis relative to the Estimated Revenue of HK$350 million. The Board considers that this adjustment mechanism, which is primarily catered for events occurring before Completion Date and therefore would be under the Group's supervision, is fair and reasonable.

(c) Adjustments in relation to the Shui On Centre Contract

Given that the earnings and potential earnings power of the Shui On Centre Contract have been factored into the valuation of the Target Group, a price adjustment mechanism in relation to the renewal of Shui On Centre Contract has been agreed by the Parties following a series of commercial discussions.

If the Target Group fails to renew the Shui On Centre Contract upon its expiry on 31 December 2027, or if the Shui On Centre Contract is renewed with a contract term to be fixed upon renewal, but the total renewed contract amount for the entire service period is less than HK$20 million, the Purchaser shall have the right to require the Vendor to pay a cash compensation (the "**Cash Compensation**") for the business loss suffered by the Target Group, calculated based on the following:

Cash Compensation = [1 – (Shui On Centre Contract Amount/HK$20 million)] × HK$10 million

"Shui On Centre Contract Amount" shall refer to the total contracted services amount for the Shui On Centre Contract upon its next renewal in 2027, as determined in accordance with the agreed terms in the Sale and Purchase Agreement. For the avoidance of doubt, the Cash Compensation shall be determined solely based on the Shui On Centre Contract Amount at the time of the renewal in 2027 and shall not be adjusted by the service term of the new Shui On Centre Contract (maximum service term of 60 months as agreed between Parties), nor by any subsequent contract renewal.

The current Shui On Centre Contract is a three-year term contract from 1 January 2025 and expiring on 31 December 2027, with estimated contract amount of approximately HK$20 million to be determined based on a percentage of actual property management expenditures that may vary according to the annual forecast of the Owner's Committee of Shui On Centre. As such, HK$20 million was included in the formula for determining the Cash Compensation.

The HK$10 million in the Cash Compensation formula represents half of the estimated contract amount of the Shui On Centre Contract which will expire on 31 December 2027. This threshold has been determined after arm's length negotiations between the Parties, representing a 50:50 risk sharing between the Parties. Upon renewal of the Shui On Centre Contract and if the Shui On Centre Contract Amount is less than HK$10 million, the Final Instalment of HK$5 million payable by the Purchaser will be used to offset part of the Cash Compensation payable by the Vendor, and the Vendor will further pay the Purchaser any cash shortfall beyond the Final Instalment in aggregate up to HK$10 million.

The Consideration of HK$100 million, which referenced the Adjusted Net Profit of HK$10 million and Adjusted P/E Ratio of 6.5 times, has already taken into account the earnings from the current Shui On Centre Contract and has factored into the earnings and potential earning power from the Shui On Centre Contract should it be renewed under similar terms to the current Shui On Centre Contract. The Parties, after arm's length negotiations, determined that the Purchaser shall be compensated by the Cash Compensation if, the Target Group fails to renew the Shui On Centre Contract upon its expiry on 31 December 2027 or upon renewal of the Shui On Centre Contract, the Shui On Centre Contract Amount falls below the current estimated contract amount of HK$20 million. Given the current and previous Shui On Centre Contract are both three-year term contract term contracts, there is a reasonable expectation that the Shui On Centre Contract, should the contract be successfully renewed, it could be renewed for another three-year term upon the expiry of the current term. Furthermore, given that (i) the Shui On Centre Contract is the only contract of the Target Group entered into with a related party to the Vendor; (ii) the Shui On Centre Contract is one of the key contracts to the Target Group with meaningful gross profit contribution; and (iii) the Shui On Centre Contract is the first property management service contract involving grade A office space of the Target Group and can be treated as job reference in the office management sector, the Cash Compensation adjustment mechanism is set up to procure the renewal of the Shui On Centre Contract upon its expiry from both Parties' perspective. As such, the Board considers that the Cash Compensation mechanism is fair and reasonable.

Based on the above and the various adjustment mechanisms to the Consideration described in this sub-section, the Board considers that the adjustments to the Consideration are fair and reasonable, and in the interest of the Company and its shareholders as a whole.

Payment terms

The Consideration shall be payable in the following manner:

(a) Deposit (First instalment)

A deposit of RMB20 million (the "**RMB Deposit**") shall be payable by the Purchaser to the Vendor's designated PRC bank account (the "**Vendor PRC Bank Account**") within 5 working days after the date of the Sale and Purchase Agreement.

The Vendor shall return RMB15 million to the Purchaser's bank account within 5 working days from the issuance of the Vendor's written confirmation to the Purchaser confirming its satisfaction to the Purchaser's completion of the ODI Registration. The remaining RMB5 million (the "**Remaining RMB Deposit**") shall remain in the Vendor PRC Bank Account and shall be returned to the Purchaser until the Hong Kong Dollar Deposit (as defined below) has been duly settled.

A deposit of HK$20 million (the "**Hong Kong Dollar Deposit**") shall be payable by the Purchaser to the Vendor's designated Hong Kong bank account within 5 working days upon the Purchaser's receipt of the sum of RMB15 million returned by the Vendor as mentioned above.

As at the Latest Practicable Date, the Vendor has received the RMB Deposit of RMB20 million.

(b) Second instalment

The second instalment of HK$70 million shall be payable by the Purchaser to the Vendor on the Completion Date.

(c) Third instalment

The third instalment of HK$5 million (the "**Third Instalment**") shall be payable by the Purchaser to the Vendor within 3 months after the Completion Date, subject to the adjustments as mentioned in the section headed "The Sale and Purchase Agreement — Consideration — (a) Adjustments based on the Consolidated Net Asset Value, and (b) Adjustments based on terminated property management agreements."

(d) Final instalment

The final instalment of HK$5 million (the "**Final Instalment**") shall be payable by the Purchaser to the Vendor within 3 working days after the earlier of (i) the date of renewal of the Shui On Centre Contract; and (ii) 31 December 2027, subject to the (i) adjustments mentioned in the section headed "The Sale and Purchase Agreement — Consideration — (c) Adjustments in relation to the Shui On Centre Contract"; and (ii) deductions made in case the Vendor failed to fulfill any of its payment obligations to the Purchaser.

Guarantees

The Purchaser Guarantors will provide a guarantee to the Vendor as to certain of the Purchaser's obligations under the Sale and Purchase Agreement, including to pay the RMB Deposit and the Hong Kong Dollar Deposit, complete the ODI registration, and fulfill certain post-Completion obligations. After Completion, the Target Company, PEPM and Yujing will act as additional guarantors to the Purchaser in guaranteeing the Purchaser's payment of the Third Instalment and its responsibilities related to post-Completion matters.

The Company shall provide a guarantee for the benefit of the Purchaser as to certain of the Vendor's obligations under the Sale and Purchase Agreement, including (i) the return of the RMB Deposit; (ii) the Vendor's performance of its customary Completion obligations, including the satisfaction of the Conditions Precedent responsible by the Vendor and the execution and/or delivery of share transfer documents, corporate authorisation documents and corporate registers; and (iii) certain post-Completion responsibilities, including the payment of the Cash Compensation.

Completion

Completion shall take place on the Completion Date. In any event, the Completion Date shall not be later than the Long Stop Date.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, the Target Company held the entire issued share capital of PEPM. The Target Group is primarily engaged in providing property management services in Hong Kong, including the provision of property management services to Shui On Centre.

Based on the unaudited consolidated financial statements of the Target Group prepared in accordance with Hong Kong Financial Reporting Standards, the financial results of the Target Group for the two years ended 31 December 2023 and 2024 are as follows:

	For the year ended 31 December 2023	For the year ended 31 December 2024
	HK$ million	*HK$ million*
Revenue	150.00	232.46
(Loss)/Profit before taxation	(6.72)	0.80
(Loss)/Profit after taxation	(5.44)	0.64

The unaudited consolidated net asset value of the Target Group as at 31 December 2024 was approximately HK$33.25 million.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

As at the Latest Practicable Date, the Target Company is an indirect wholly-owned subsidiary of the Company. Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Group will no longer be consolidated in the Company's financial statements. For illustration purposes only, it is expected that the Group will realise a net gain on the Disposal of approximately HK$47 million, which is calculated by reference to the difference between (a) the Consideration relating to the entire issued share capital of the Target Company of HK$100 million; (b) the Group's projected carrying value of approximately HK$44 million of the Target Group (including projected Net Asset Value of the Target Group of HK$35 million and goodwill of HK$9 million at the Group's consolidation level) at the Completion Date and (c) the estimated related transaction costs, taxes and expenses of the Disposal amounting to approximately HK$9 million. The net gain on the Disposal above is calculated based on the information available as at the Latest Practicable Date and will be subject to any adjustments to the Consideration in accordance with the Sale and Purchase Agreement, final audit by the Company's external auditor and any further adjustments relating to Hong Kong Financial Reporting Standards.

Given the size of the assets and liabilities of the Target Group relative to the Group, the projected Consolidated Net Asset Value of the Target Group as at the Completion Date is HK$35 million and the net asset value of the Group as at 30 June 2025 is HK$1,949 million, the Disposal will not have any material impact on the assets and liabilities of the Group.

The estimated net proceeds from the Disposal are approximately HK$92 million. The Group intends to apply the net proceeds from the Disposal as general working capital for the existing operations of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board has undertaken a comprehensive review of the Group's business portfolio and strategic priorities to align its resources with areas expected to generate sustainable growth and returns. The Group is principally engaged in construction, maintenance and minor works in Hong Kong, and interior fit-out in Hong Kong and Macau, while the Target Group is primarily engaged in providing property management services in Hong Kong and operates in a niche segment outside the Group's construction and property focus.

Having considered that the Target Group's scale, customer profile and capital requirements are materially distinct from those of the Group's principal lines of business, its continued retention would divert management attention and resources away from the Group's core operations. The Disposal therefore represents a timely opportunity for the Group to realise the intrinsic value of the Target Group, crystallise a gain on investment, and redeploy the proceeds into businesses and projects expected to deliver a higher return on capital and stronger synergies with the Group's existing businesses and asset base.

The net proceeds from the Disposal, after deducting relevant transaction costs and taxes, will be applied towards general working capital purposes, thereby strengthening the Group's liquidity position, enhancing its financial flexibility to fund pipeline projects and support ongoing optimisation of its capital structure.

Based on the above, the Directors (including the independent non-executive Directors) consider that the Sale and Purchase Agreement and the Disposal are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in construction, maintenance and minor works and provision of building information modelling services in Hong Kong, interior fit-out in Hong Kong and Macau; and property development and investment, as well as provision of property management services in the PRC.

The Vendor

The Vendor is a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company. The Vendor is principally engaged in investment holding. As at the Latest Practicable Date, the Vendor held the entire issued share capital of the Target Company.

The Purchaser

The Purchaser is a company established in the PRC with limited liability and its ultimate beneficial owner is Mr. Liu Ying (劉迎), one of the Purchaser Guarantors. The Purchaser is principally engaged in investment holding.

Wuhan Tianyuan Property Management Co., Ltd.* (武漢天源物業管理有限責任公司), one of the Purchaser Guarantors, is a company established in the PRC with limited liability and its ultimate beneficial owner is Mr. Liu Ying (劉迎). It is principally engaged in the provision of property management services in the PRC.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser, the Purchaser Guarantors and their ultimate beneficial owner are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As none of the Directors has any material interest in the Disposal, none of the Directors was required to abstain from voting on the Board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be obtained in lieu of convening a general meeting of Shareholders if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company having the right to attend and vote at the general meeting to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders had any material interest in the Disposal, and therefore no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder.

The Company has obtained written approval from SOCL, being a Shareholder interested in 236,309,000 Shares (representing approximately 63.29% of the issued share capital of the Company) as at the Latest Practicable Date. Accordingly, no general meeting of Shareholders will be convened by the Company to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole, and would recommend the Shareholders to vote in favour of the Disposal if it had been necessary to hold a general meeting for such purpose.

ADDITIONAL INFORMATION

The attention of the Shareholders is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
SOCAM Development Limited
Lee Chun Kong, Freddy
Executive Director and Chief Executive Officer

INDEBTEDNESS STATEMENT

As at the close of business on 31 August 2025, being the latest practicable date for ascertaining the indebtedness of the Group for the purpose of this indebtedness statement, the Group had the following indebtedness:

Borrowings

	HK$ million
Bank borrowings	2,933
Loan from a related company	60
	2,993
Secured	715
Unsecured	2,278
	2,993

Mortgages and charges

As at 31 August 2025, the Group's secured borrowings were mainly secured by certain of the Group's bank deposits, investment properties and benefits accrued to the relevant investment properties, and equity interests in certain subsidiaries.

Lease liabilities

As at 31 August 2025, the Group, as lessees, had lease liabilities of approximately HK$31 million.

Contingent liabilities

As at 31 August 2025, the Group had the following material contingent liabilities:

1. Guarantee issued in favour of a third party for a loan granted to a former wholly-owned subsidiary (the "**Former Subsidiary**") with an outstanding amount of RMB542 million (equivalent to approximately HK$595 million) and the related interest amounting to RMB926 million (equivalent to approximately HK$1,015 million). 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 this obligation is guaranteed by the parent company of such acquirer.

2. The estimated penalty for the delay in completing the development project in Tianjin will not be more than RMB14 million (equivalent to HK$15 million), after considering the acceptance by the relevant local government authority of certain reasons supporting the application for an extension of the completion date.

Other liabilities

Save as disclosed above and apart from intra-group liabilities and normal trade payables, at the close of business on 31 August 2025, the Group did not have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances, debentures, mortgages, charges, finance lease commitments, guarantees or other material contingent liabilities. The Directors confirmed that there had been no material change in terms of the Group's contingent liabilities and indebtedness during the period from 31 August 2025 to the Latest Practicable Date.

WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources presently available to the Group, including the internally generated funds, available banking facilities and the effect of the Disposal, and in the absence of unforeseen circumstances, the Group has sufficient working capital for its normal business for at least the next twelve months from the date of this circular.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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 stabilise 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, the Company will continue to execute 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 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 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 the Company 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.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF SECURITIES INTERESTS

As at the Latest Practicable Date, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") or which were required to be entered in the register required to be kept under section 352 of the SFO were as follows:

(a) Long positions in the shares of the Company

Name of Director	Number of Shares Personal interests	 Family interests	 Other interests	Total	Approximate % of issued Shares *(Note 1)*
Mr. Lo Hong Sui, Vincent ("**Mr. Lo**")	—	312,000 *(Note 2)*	236,309,000 *(Note 3)*	236,621,000	63.37
Mr. Lee Chun Kong, Freddy ("**Mr. Lee**")	20,000	—	—	20,000	0.00
Mr. Lo Adrian Jonathan Chun Sing ("**Mr. Adrian Lo**")	—	—	236,309,000 *(Note 3)*	236,309,000	63.29
Ms. Lo Bo Yue, Stephanie ("**Ms. Lo**")	—	—	236,309,000 *(Note 3)*	236,309,000	63.29

Notes:

1. Based on 373,346,164 Shares in issue at the Latest Practicable Date.

2. These Shares were beneficially owned by Ms. Loletta Chu ("**Mrs. Lo**"), the spouse of Mr. Lo. Mr. Lo was deemed to be interested in such Shares under the SFO.

3. These Shares were beneficially owned by SOCL, which was held under the Bosrich Unit Trust. The units of the Bosrich Unit Trust were the property of a discretionary trust, of which Mr. Lo was the founder, and Mr. Lo, Ms. Lo and Mr. Adrian Lo were discretionary beneficiaries. Accordingly, Mr. Lo, Ms. Lo and Mr. Adrian Lo were deemed to be interested in such Shares under the SFO.

(b) Long positions in the shares and underlying shares of the associated corporation of the Company

Name of Director	Name of associated corporation	Number of shares: Personal interests	Number of shares: Family interests	Number of shares: Other interests	Total	Approximate % of issued shares *(Note 1)*
Mr. Lo	Shui On Land Limited ("**SOL**")	—	1,849,521 *(Note 2)*	4,511,756,251 *(Note 3)*	4,513,605,772	56.22
Mr. Lee	SOL	81,333	—	—	81,333	0.00
Mr. Adrian Lo	SOL	—	—	4,511,756,251 *(Note 3)*	4,511,756,251	56.20
Ms. Lo	SOL	—	—	4,511,756,251 *(Note 3)*	4,511,756,251	56.20

Notes:

1. Based on 8,027,265,324 shares of SOL in issue at the Latest Practicable Date.

2. These shares were beneficially owned by Mrs. Lo, the spouse of Mr. Lo. Mr. Lo was deemed to be interested in such shares under the SFO.

3. These shares were held by SOCL through its controlled corporations, comprising 2,756,414,318 shares, 1,725,493,996 shares and 29,847,937 shares held by Shui On Investment Company Limited ("**SOI**"), Shui On Properties Limited ("**SOP**") and New Rainbow Investments Limited ("**NRI**") respectively, whereas SOP was a wholly-owned subsidiary of SOI which in turn was an indirect wholly-owned subsidiary of SOCL. NRI was a wholly-owned subsidiary of the Company which in turn was a 63.29%-owned subsidiary of SOCL. SOCL was held under the Bosrich Unit Trust. The units of the Bosrich Unit Trust were the property of a discretionary trust, of which Mr. Lo was the founder, and Mr. Lo, Ms. Lo and Mr. Adrian Lo were discretionary beneficiaries. Accordingly, Mr. Lo, Ms. Lo and Mr. Adrian Lo were deemed to be interested in such shares under the SFO.

Save as disclosed above, at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or the Model Code or which were required to be entered in the register required to be kept under section 352 of the SFO.

At the Latest Practicable Date, save as disclosed below, none of the Directors was a director or an employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name(s) of company(ies) which had such discloseable interest or short position	Position within such company(ies)
Mr. Lo	SOCL	director
Mr. Adrian Lo	SOCL	director
Ms. Lo	SOCL	director

LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no litigation or claim of material importance was pending or threatened against any member of the Group.

MATERIAL CONTRACTS

As at the Latest Practicable Date, save for the Sale and Purchase Agreement, no contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding the date of this circular which are, or may be, material.

COMPETING BUSINESS INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the following Directors were considered to have interests in the businesses, which competed or were likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules as set out below:

(a) Mr. Lo is a director and the controlling shareholder of SOL which, through its subsidiaries, principally engages in property development and investment projects in the PRC.

(b) Mr. Lo is a director of Great Eagle Holdings Limited which, through its subsidiaries, engages in (among others) property development and investment, provision of property management and maintenance services, and trading of building materials in Hong Kong, Macau and the PRC.

(c) Ms. Lo is a director of SOL which, through its subsidiaries, principally engages in property development and investment projects in the PRC.

As the Board is independent from the boards of directors of the aforesaid companies and the above Directors are unable to control the Board, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

Save as disclosed above, at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in the businesses, which competed or were likely to compete, either directly or indirectly, with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder).

DIRECTORS' INTERESTS IN ASSETS

Certain tenancy subsisted between the Company as lessee and Shui On Group Management Limited (a subsidiary of SOCL, in which Mr. Lo, Ms. Lo and Mr. Adrian Lo were deemed to have interests at the Latest Practicable Date as mentioned above) as lessor in respect of certain office space at Shui On Centre owned by Shui On Centre Company Limited (a subsidiary of SOCL), the aggregate amount of the rental and management fees of which was approximately HK$0.9 million for the 8-month period ended 31 August 2025.

Save as disclosed above, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Company were made up) and up to the Latest Practicable Date.

DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT

Save for the contracts disclosed under the section headed "Continuing Connected Transactions" in the Directors' Report contained in the 2024 Annual Report of the Company, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into any service contract with any member of the Group which was not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

GENERAL

(1) The secretary of the Company is Mr. Cheng Ka Hang, Francis who is a Chartered Secretary, a Chartered Governance Professional and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

(2) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The head office and principal place of business of the Company is at 34th Floor, Shui On Centre, 6–8 Harbour Road, Hong Kong.

(3) The Company's branch share registrar and transfer office in Hong Kong is Tricor Investor Services Limited, 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(4) In the event of any inconsistency, the English text of this circular shall prevail over its Chinese text.

DOCUMENTS ON DISPLAY

A copy of the Sale and Purchase Agreement will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.socam.com) from the date of this circular up to 14 days thereafter.