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瑞安建業有限公司*
SOCAM Development Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 983)

CONNECTED TRANSACTION

AGREEMENT TO THE NON-EXERCISE OF THE CALL OPTION TO ACQUIRE SHARE INTERESTS IN SHUI ON CONTRACTORS LIMITED

Reference is made to the 2017 Announcement in relation to, among other things, (i) the Disposal; and (ii) the grant of the Call Options by the Purchasers to the Company for acquiring such SOCON Shares being sold to the Purchasers under the Disposal upon the occurrence of certain specified events, including, without limitation, cessation of the Purchasers' employment in the SOCON Group, pursuant to the Sale and Purchase Agreement.

On 1 February 2026, Mr. Raymond Ko, one of the Purchasers, ceased to be an employee of the SOCON Group due to his retirement, and thus the Call Option in respect of the 3 SOCON Shares purchased by Mr. Raymond Ko in the Disposal (i.e., the 1.5% Call Option) has become exercisable.

On 29 June 2026, the Company entered into the Deed with Mr. Raymond Ko whereby the Company has agreed not to exercise the 1.5% Call Option in relation to the 3 SOCON Shares he holds (i.e., the SPA Shares), conditional upon, among other things, Mr. Raymond Ko, on or before 28 February 2027, agreeing to propose purchaser(s) and, with the Company's approval, to sell and transfer the SPA Shares underlying the 1.5% Call Option only to such purchaser(s); and, to the extent any of the SPA Shares remain unsold as at 1 March 2027, agreeing to sell and transfer such remaining SPA Shares only to such purchaser(s) as designated by the Company, in each case at the sale price per SOCON Share determined on the same basis as the exercise price of the 1.5% Call Option as stipulated in the Sale and Purchase Agreement, which, on such basis, shall be equal to the adjusted pro-forma consolidated net asset value of the SOCON Group attributable to each SOCON Share as at the end of the month immediately preceding the date of the relevant Proposal Notice(s) or Designation Notice(s). No fee or compensation is payable by the Company or Mr. Raymond Ko under the Deed.

The SOCON Group principally engages in construction, fitting-out and maintenance works in Hong Kong and Macau.

Since Mr. Raymond Ko remains as a director of certain subsidiaries of SOCON after his retirement on 1 February 2026, he is a connected person of the Company at the subsidiary level. As such, the non-exercise of the 1.5% Call Option in relation to the SPA Shares as agreed by the Company, which would be treated as if exercised under Rule 14A.79(4) of the Listing Rules, constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Despite that one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the said connected transactions exceed 5%, these transactions are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

BACKGROUND

Reference is made to the 2017 Announcement in relation to, among other things, (i) the Disposal; and (ii) the grant of the Call Options (including the 1.5% Call Option) by the Purchasers to the Company under the Sale and Purchase Agreement.

Pursuant to the Sale and Purchase Agreement, each Call Option is exercisable at the discretion of the Company by serving a written notice (the “**Call Option Notice**”) on a Purchaser within 12 months from the date of occurrence of certain specified events, including, without limitation, cessation of the Purchaser's employment in the SOCON Group, requiring him to sell and transfer to the Company all or part of his SOCON Shares at the exercise price equal to the adjusted pro-forma consolidated net asset value of the SOCON Group attributable to each SOCON Share as at the end of the month immediately preceding the date of the Call Option Notice.

On 1 February 2026, Mr. Raymond Ko, one of the Purchasers, ceased to be an employee of the SOCON Group due to his retirement, and thus the Call Option in respect of the 3 SOCON Shares purchased by Mr. Raymond Ko in the Disposal (i.e., the 1.5% Call Option) has become exercisable.

NON-EXERCISE OF THE 1.5% CALL OPTION IN RELATION TO THE SPA SHARES

Date

29 June 2026

Parties

- (1) The Company, being the grantee of the 1.5% Call Option; and
- (2) Mr. Raymond Ko, being the grantor of the 1.5% Call Option, who, under the Sale and Purchase Agreement, purchased and holds 3 SOCON Shares, representing 1.5% of the issued share capital of SOCON at the date of this announcement.

Subject matter

Pursuant to the Deed, the Company has conditionally agreed not to exercise the 1.5% Call Option in relation to the 3 SOCON Shares held by Mr. Raymond Ko (the “SPA Shares”), representing 1.5% of the issued share capital of SOCON.

Assuming that the Company exercised the 1.5% Call Option in relation to the SPA Shares by serving on Mr. Raymond Ko the Call Option Notice on 29 June 2026, the consideration payable by the Company to Mr. Raymond Ko for acquiring the SPA Shares would be approximately HK\$28.18 million, which is equal to the exercise price of the 1.5% Call Option in relation to the 3 SOCON Shares retained by Mr. Raymond Ko and is determined based on the adjusted pro-forma consolidated net asset value of the SOCON Group as at 31 May 2026, as mentioned above.

Conditions

The agreement of the Company not to exercise the 1.5% Call Option in relation to the SPA Shares is conditional upon, among other things, Mr. Raymond Ko, on or before 28 February 2027, agreeing to propose purchaser(s) and, with the Company’s approval, to sell and transfer the SPA Shares underlying the 1.5% Call Option only to such purchaser(s); and, to the extent any of the SPA Shares remain unsold as at 1 March 2027, agreeing to sell and transfer such remaining SPA Shares only to such purchaser(s) as designated by the Company, in each case at the sale price per SOCON Share to be determined on the same basis as the exercise price of the 1.5% Call Option as stipulated in the Sale and Purchase Agreement, which, on such basis, shall be equal to the adjusted pro-forma consolidated net asset value of the SOCON Group attributable to each SOCON Share as at the end of the month immediately preceding the date of the relevant Proposal Notice(s) or Designation Notice(s).

No fee or compensation is payable by the Company or Mr. Raymond Ko under the Deed.

INFORMATION ON THE SOCON GROUP

The SOCON Group principally engages in construction, fitting-out and maintenance works in Hong Kong and Macau.

Set out below is a summary of certain financial information of the SOCON Group based on its unaudited pro-forma consolidated financial statements for the two years ended 31 December 2024 and 2025:

	For the year ended 31 December	
	2024	2025
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net profit (before taxation)	211	249
Net profit (after taxation)	182	207

As at 31 December 2025, the unaudited pro-forma consolidated net asset value of the SOCON Group was approximately HK\$1,990 million.

REASONS FOR AND BENEFITS OF THE NON-EXERCISE OF THE 1.5% CALL OPTION IN RELATION TO THE SPA SHARES

As disclosed in the 2017 Announcement, the objective of disposing of a 15% minority interest in SOCON to the Purchasers was to provide the senior executives of the SOCON Group at the relevant time with the opportunity to have a personal stake in the construction business of the Group under an employee equity participation arrangement with a view to:

- (a) retaining and motivating the senior executives to take on greater accountability and initiatives, and align their interests with the Company's interests in a bid to strive for improving performance and efficiency for the benefits of the Group; and
- (b) providing a long-term incentive to the senior management to share in the future growth and success of the Group's construction business.

As Mr. Raymond Ko, who remains as a director of certain subsidiaries of SOCON after his retirement, has agreed to sell and transfer the SPA Shares to such purchaser(s) as approved or designated by the Company, it is also the intention of the Company to approve or designate senior executive(s) / management candidate(s) that has or will have contribution to the SOCON Group as purchaser(s) of the SPA Shares and to maintain the Group's ownership of SOCON together with its senior executives and/or future management candidates of the SOCON Group, the proposed arrangement gives the Company flexibility to decide or look for suitable senior executive(s) / management candidate(s) to take up the SPA Shares as and when appropriate and allowing the Company to uphold the aforesaid objective, the Company has decided that it is not necessary to exercise the 1.5% Call Option in relation to the SPA Shares.

Based on the above and having considered that the terms of the Deed, in particular, the sale price of the SPA Shares, are determined with reference to the terms of the Call Options as stipulated in the Sale and Purchase Agreement, which have been previously approved by the Board, and with an aim to uphold the aforesaid objective of the Disposal, the Directors (including all the independent non-executive Directors) consider that the terms of the Deed are normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

Since Mr. Raymond Ko remains as a director of certain subsidiaries of SOCON after his retirement on 1 February 2026, he is a connected person of the Company at the subsidiary level. As such, the non-exercise of the 1.5% Call Option in relation to the SPA Shares as agreed by the Company, which would be treated as if exercised under Rule 14A.79(4) of the Listing Rules, constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Despite that one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the said connected transactions exceed 5%, these transactions are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

As none of the Directors has a material interest in the non-exercise of the 1.5% Call Option, no Director is required to abstain from voting on the relevant resolutions of the Board approving the same.

GENERAL INFORMATION

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.

DEFINITIONS

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

“1.5% Call Option”	the call option granted by Mr. Raymond Ko to the Company under the Sale and Purchase Agreement to require Mr. Raymond Ko to sell and transfer all or part of his 3 SOCON Shares to the Company
“2017 Announcement”	the announcement issued by the Company on 4 August 2017 in relation to the Disposal and the grant of the Call Options (including the 1.5% Call Option)
“Board”	the board of directors of the Company
“Call Option(s)”	the call option(s) (including the 1.5% Call Option) exercisable by the Company at its absolute discretion to require the Purchaser(s) concerned to sell and transfer all or part of his/their SOCON Shares to the Company upon the occurrence of certain specified events pursuant to the Sale and Purchase Agreement
“Call Option Notice”	has the meaning ascribed to it under the section headed “BACKGROUND” of this announcement
“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)
“connected person” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Deed”	the deed of agreement dated 29 June 2026 entered into between the Company and Mr. Raymond Ko in respect of the Company’s conditional agreement to the non-exercise of the 1.5% Call Option in relation to the SPA Shares

“Designation Notice”	the notice to be served by the Company on Mr. Raymond Ko requesting for the sale and transfer of the SPA Shares (or any part or fractional part thereof) to the designated purchaser(s) in accordance with the terms of the Deed
“Director(s)”	the directors of the Company
“Disposal”	the disposal of 30 SOCON Shares, representing 15% of the issued share capital of SOCON, by the Company to the Purchasers (all being employees of the SOCON Group at the relevant time) under an employee equity participation arrangement, 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
“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
“Mr. Raymond Ko”	Mr. Ko Siu Pang Raymond, one of the Purchasers in the Disposal, who remains as a director of certain subsidiaries of SOCON after his retirement on 1 February 2026
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan)
“Proposal Notice”	the notice to be served by Mr. Raymond Ko on the Company for the proposed sale and transfer of the SPA Shares (or any part or fractional part thereof) to the proposed purchaser(s) in accordance with the terms of the Deed
“Purchaser(s)”	the 7 purchasers in the Disposal, all of whom were then employees of the SOCON Group, and each, a “Purchaser”

“Sale and Purchase Agreement”	the sale and purchase agreement dated 4 August 2017 (as amended and supplemented by the supplemental agreement dated 26 May 2020) entered into between the Company and the Purchasers in relation to the Disposal and the grant of the Call Options (including the 1.5% Call Option)
“SOCON”	Shui On Contractors Limited, a company incorporated in the British Virgin Islands with limited liability, which is a 94.75%-owned subsidiary of the Company at the date of this announcement
“SOCON Group”	collectively, SOCON and its subsidiaries
“SOCON Share”	issued ordinary share of US\$1.00 each of SOCON
“SPA Shares”	has the meaning ascribed to it under the section headed “NON-EXERCISE OF THE 1.5% CALL OPTION IN RELATION TO THE SPA SHARES – Subject matter” of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
SOCAM Development Limited
Lee Chun Kong, Freddy
Executive Director and Chief Executive Officer

Hong Kong, 29 June 2026

At the date of this announcement, the executive Directors 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 are Ms. Lo Bo Yue, Stephanie and Mr. Chan Wai Kan, George; and the independent non-executive Directors are Mr. Chan Kay Cheung, Mr. Lau Ping Cheung, Kaizer and Mr. Wong Hak Wood, Louis.

** For identification purpose only*

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