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瑞安建業有限公司*
SOCAM Development Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 983 and Debt Stock Code: 4518)

POSITIVE PROFIT ALERT

This announcement is made by SOCAM Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”) concerning disclosure of inside information and Rules 13.09(2)(a) and 37.47B(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board of Directors of the Company (the “**Board**”) wishes to inform the holders of securities of the Company (the “**Securities Holders**”) and potential investors that, based on a preliminary assessment of the latest unaudited consolidated management results of the Group for the six months ended 30 June 2019 (the “**2019 Interim Period**”) and the information currently available to the Board, the Group expects to record a small net profit for the 2019 Interim Period, as compared to the net loss of HK\$79 million recorded for the corresponding period in 2018 (the “**2018 Interim Period**”).

The Board believes that the aforesaid turnaround from net loss to net profit position was primarily attributable to:

- (i) the absence of a one-time loss of approximately HK\$57 million recognised in the 2018 Interim Period for the marked-to-market loss of several foreign currency hedging contracts, which matured in March 2018 and May 2018;
- (ii) a significant reduction in net exchange losses in the 2019 Interim Period due to a decrease in depreciation of Renminbi against Hong Kong dollars and an appreciation of Hong Kong dollars against United States dollars;
- (iii) gain on the disposal of the Group’s 34.8% effective interest in Nanjing Jiangnan Cement Co., Ltd. of approximately HK\$49 million as announced on 14 May 2019;
- (iv) better results achieved by the Group’s construction business in the 2019 Interim Period; but partly offset by

- (v) the absence of a one-off write-back of the fees payable by the Group in relation to the Dalian Tiandi project amounting to approximately HK\$32 million recognised in the 2018 Interim Period.

The Group is still in the course of finalising its consolidated financial statements for the 2019 Interim Period. The information contained in this announcement is only based on a preliminary assessment of the latest unaudited consolidated management results of the Group for the 2019 Interim Period and the information currently available, which have not been reviewed by the auditor of the Company and the Audit Committee of the Board, and is subject to possible adjustments upon further review. Securities Holders and potential investors are advised to read carefully the interim results announcement of the Group for the 2019 Interim Period, which is expected to be published towards the end of August 2019.

Securities Holders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
SOCAM Development Limited
Wong Yuet Leung, Frankie
*Executive Director, Chief Executive Officer and
Chief Financial Officer*

Hong Kong, 8 August 2019

At the date of this announcement, the Executive Directors of the Company are Mr. Lo Hong Sui, Vincent and Mr. Wong Yuet Leung, Frankie; the Non-executive Director of the Company is Ms. Lo Bo Yue, Stephanie; and the Independent Non-executive Directors of the Company are Ms. Li Hoi Lun, Helen, Mr. Chan Kay Cheung and Mr. William Timothy Addison.

** For identification purpose only*

Website: www.socam.com