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

PROFIT WARNING

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

The Board of Directors of the Company (the “**Board**”) wishes to inform the holders of shares of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group and other information currently available to the Company for the year ended 31 December 2022 (the “**Year 2022**”), the Group expects to record a net loss of around HK\$160 million (before possible further fair value losses on the Group’s investment properties in the second half of 2022 of around HK\$50 million, which is subject to the assessment of independent professional property valuer) for the Year 2022, as compared to a net profit of HK\$76 million for the year ended 31 December 2021 (the “**Year 2021**”).

The expected net loss for the Year 2022 is primarily attributable to the foreign exchange loss of approximately HK\$245 million as a result of a 9.3% depreciation of Renminbi against Hong Kong dollars in the Year 2022, as compared to the foreign exchange gain of approximately HK\$73 million recognised for a 2.9% appreciation in the Year 2021.

Without taking into account the aforesaid foreign exchange loss on Renminbi depreciation and the possible further fair value losses on the Group’s investment properties in the second half of 2022, the Group expects to record a net profit of around HK\$80 million for the Year 2022. Despite the expected net loss in the Year 2022, the Board remains cautiously optimistic about the overall prospects of the Group as its construction business in Hong Kong, being the core operation of the Group, continues to be a profitable operation with strong capabilities in the public works sector and a healthy order book.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group and other information currently available to the Company for the Year 2022, which have not been reviewed or audited by the independent auditors of the Company. The actual operating and financial conditions of the Group for the Year 2022, including the fair value assessment of the Group's investment properties at 31 December 2022, are to be quantified. Shareholders and potential investors are advised to read carefully the final results announcement of the Company for the Year 2022, which is expected to be published towards the end of March 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 3 February 2023

At the date of this announcement, the Executive Directors of the Company are Mr. Lo Hong Sui, Vincent and Mr. Lee Chun Kong, Freddy; 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