瑞安建業
SOCAM DEVELOPMENT
Stock Code 股份代號：983

INTERIM REPORT 中期報告 2026

BUILDING FOR THE FUTURE TODAY
築・見未來

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ABOUT SOCAM

Listed on the Hong Kong Stock Exchange in 1997 and a member of the Shui On Group, SOCAM Development Limited is principally engaged in construction and property businesses, with operations spanning Hong Kong, Macau and the Chinese Mainland.

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, to building maintenance and minor works through Shui On Building Contractors Limited and Pacific Extend Limited, to interior fit-out and renovation services via Pat Davie Limited.

The Group owns and operates four shopping malls and an office building in Chengdu, Chongqing, Shenyang and Tianjin in the Mainland, positioned as "Green and Fun Community Mall", and remained responsive to the ever-evolving market to enhance asset value.

Shui On's corporate culture is built on integrity and propelled by a commitment to quality, excellence and innovation, enabling us to remain resilient and forward-thinking in today's dynamic, fast-paced market environment.

QUALITY

INNOVATION

INTEGRITY

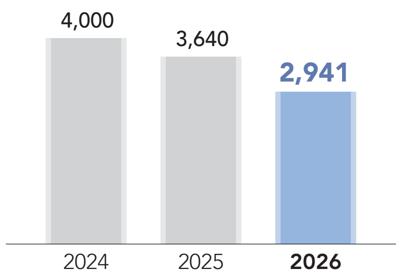
EXCELLENCE

FINANCIAL HIGHLIGHTS

HK$ million	Six months ended 30 June		
	2026	2025 (Re-presented)	2024 (Re-presented)
Turnover from continuing operations	2,941	3,640	4,000
Profit (loss) attributable to shareholders	30	(83)	(88)
Basic earnings (loss) per share (HK$)	0.08	(0.22)	(0.24)
	At 30 June	At 31 December	
Total assets (HK$ billion)	8.5	8.8	9.5
Equity attributable to owners of the Company (HK$ billion)	2.1	2.0	2.0
Net asset value per share (HK$)	5.68	5.32	5.32
Net gearing	89.3%	101.0%	107.1%
Gross value of contracts on hand (HK$ billion)	31.1	38.9	36.9
Value of outstanding contracts to be completed (HK$ billion)	21.9	19.5	20.5

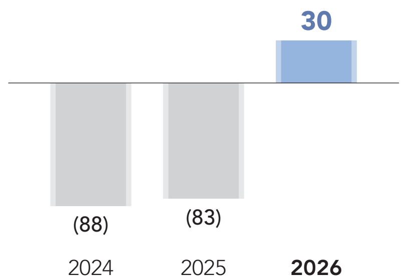
Turnover from continuing operations
Six months ended 30 June

HK$ million



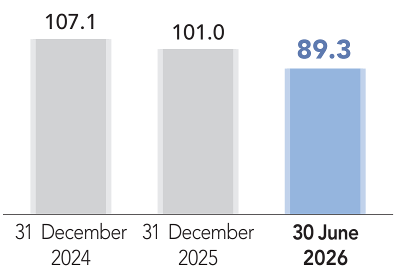
Profit (loss) attributable to shareholders
Six months ended 30 June

HK$ million



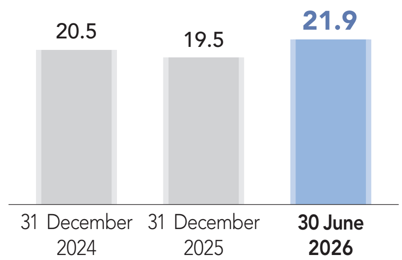
Net gearing

%



Value of outstanding contracts to be completed

HK$ billion



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

MARKET OVERVIEW

In this first half year, while the Chinese Mainland and Hong Kong sustained headline economic growth, SOCAM continued to navigate opportunities and challenges in the construction and property sectors. In times of high market volatility, the Group remains focused on leveraging its construction expertise to build better communities in Hong Kong, while enhancing the value of its property portfolio in the Mainland through strategic positioning and customised offerings.

STRONG CONSTRUCTION DEMAND DRIVEN BY PUBLIC AND INSTITUTIONAL PROJECTS

Despite pressure on fiscal conditions, the HKSAR Government remains firmly committed to delivering targeted public housing under the Long Term Housing Strategy, and provision of infrastructure and public facilities to meet evolving community needs. The Government also presses on with the strategic development initiatives such as the Northern Metropolis, which are expected to bolster Hong Kong's long-term growth and enhance its economic resilience. In addition, institutional demand for building maintenance and minor works has remained robust, while the interior fit-out and refurbishment markets in Hong Kong and Macau continue to benefit from ongoing asset upgrades and retrofits, and amenity enhancements undertaken by major landlords. Against this backdrop, during the first half of 2026, the Group continued to leverage its competitive strength in execution capability and its long standing history and reputation in the public sector and secured HK$5.4 billion new construction contracts, with an additional HK$9.0 billion awarded after the interim period, totalling HK$14.4 billion, making this a milestone success in terms of securing new contracts.

As a result of the robust opportunities, the construction segment reached the total outstanding workload of HK$21.9 billion as at 30 June 2026, which rose to HK$30.9 billion after inclusion of the new contracts secured in July, hitting a record high in the Group's history. With a wealth of public sector construction contracts in the pipeline, the Group is well positioned to benefit and capitalise on the opportunities over the medium term, particularly from government authorities, institutional clients and large corporates delivering steady and significant contribution from the construction segment.

ADAPTING TO A CHANGING CONSUMER LANDSCAPE

The property market in the Chinese Mainland remained soft, with the residential sector still in a de-stocking phase. Investment and consumer sentiments stayed subdued, despite government measures aimed at stimulating consumption and revitalising the property industry. Meanwhile, advancements in artificial intelligence, big data and e-commerce continued to reshape the consumer landscape. The rapid and far-reaching shift in consumer behaviour, such as more value-conscious spending and consumption downgrade, has made the continuous revamping of the retail mall business model essential to meet the evolving market needs.

IMPROVING RESILIENCE WITH STRATEGIC FOCUS AND ACTIONS

Amidst the challenging market environment, the Group achieved resilient operating performance in the first six months of 2026. The net profit attributable to shareholders amounted to HK$30 million, representing a turnaround from the HK$83 million net loss for the same period in 2025. The Group's turnover totalled HK$2.9 billion, compared to HK$3.6 billion (re-presented) for the corresponding period in 2025. The construction business succeeded in further strengthening its already-strong order book, while the retail malls strove to maintain stable occupancy rates and leasing income.

The Group's strategic focus and disciplined execution contributed to capturing favourable tendering opportunities. During this interim period, the Group stepped up efforts to enhance execution capabilities and safety, while sharpening its competitive edge.

CONSTRUCTION

OPERATING PERFORMANCE

The Group continues to capture promising business opportunities and extend market coverage across its comprehensive construction value chain, while creating greater synergies among its various construction arms in different segments, and partnering with industry specialists to build stronger capabilities and strengthen supply chain.

The Group's construction business reported a profit of HK$127 million on a turnover of HK$2.9 billion for the first six months of 2026, in comparison to HK$123 million profit and HK$3.6 billion turnover for the corresponding period in 2025.

STRONG ORDER BOOK

In a strategy to sustain resilient performance and mitigate the potential risks arising from an increasingly competitive market environment, the Group maintained a disciplined approach to tender selection and margins, focusing on opportunities that align with its expertise and return requirements. In the first half of 2026, the Group secured new building construction, building maintenance and minor works, fit-out and renovation contracts in Hong Kong and Macau worth a total of HK$5.4 billion, as compared with the HK$2.2 billion awarded in the same period of 2025. After this interim period end, the Group won a further HK$9.0 billion new contracts, primarily from the Hong Kong Housing Authority (HKHA). As the Group's order book expands substantially this year, SOCAM is geared up for promising growth in turnover, profit and cash flow in the medium term.

As at 30 June 2026, the gross value of the Group's contracts on hand was HK$31.1 billion while the remaining works to be completed was HK$21.9 billion, compared to HK$38.9 billion and HK$19.5 billion respectively as at 31 December 2025.

SAFETY AS THE TOP PRIORITY

The Group's resilient performance was underpinned by its unwavering focus on safety. Over the years, the Group's strong safety culture and unfailing efforts in adopting various measures to strengthen safety at worksites have helped us maintain an accident rate substantially below the Hong Kong industry average.

During this interim period, the Group recorded an accident rate of 1.7 cases per thousand workers, reinforced by its self-developed AI-enabled Smart Site Safety System (4S) implemented across all of its major construction and building maintenance projects. The deployment of 4S, integrated with technology-driven monitoring and early warning devices, helped elevate operational efficiency, enhance real-time visibility into site situations and safeguard all the people at work. We have strengthened safety training via electronic media, coupled with the increasing use of AI tools to intensify real-time site monitoring. We also set up health check stations at sites and made use of smart watches for health monitoring of site staff and workers.

We launched smoke-free workplace campaign to create a safer and healthier environment, and were awarded the "Hong Kong Corporate Smoke-Free Logo" by The Lok Sin Tong Benevolent Society, Kowloon. In an effort to reduce fire risks at sites further, we promoted the use of fire-resistant rechargeable battery cabinets and other suitable fire-fighting devices.

SMART CONSTRUCTION

Hong Kong's construction industry has grappled with multiple economic and structural challenges. The cyclical slowdown in new building works in the private sector continued, intensifying competition in public works tenders in recent years. Shortage of skilled labour, aging workforce, fluctuating materials prices and elevated borrowing costs put intense financial and operational pressures on building contractors.

As part of its strategy to drive sustainable development, the Group has accelerated the adoption of innovative technologies across its operations to achieve continual improvements in quality and productivity, which is a critical area we have shown foresight.

We have increasingly leveraged Building Information Modelling (BIM) capabilities, and expanded the use of digital solutions across construction, building maintenance and interior fit-out projects, enabling more integrated, collaborative and data-driven process that optimises project delivery. At the same time, we have further rolled out Modular Integrated Construction (MiC) in public housing and other government building projects to meet growing demand from the public sector, while prudently introducing agentic AI and robotic tools such as plastering, painting and welding, to streamline workflows and automate construction processes.

PUBLIC HOUSING CONSTRUCTION, BUILDING MAINTENANCE AND MINOR WORKS

Shui On Building Contractors Limited (SOBC) and Pacific Extend Limited (PEL)

SOBC is a trusted building contractor serving Hong Kong's public housing sector, and continues to build its reliability and capability to deliver quality, timely and safe construction services. Complementing the Group's construction business, PEL mainly provides building maintenance and minor works services for government organisations and institutional clients.

During the interim period, SOBC and PEL secured new public housing construction and maintenance contracts in a total amount of approximately HK$5.1 billion, which included:

- the construction of public housing development in Tung Chung Area 119 for the HKHA, which will provide 1,572 public housing units, when completed in 2028;

- the construction of public housing development in Sheung Shui Areas 4 and 30 Site 1 Phase 2 for the HKHA, providing 630 public housing units upon completion in 2029;

- two 3-year term contracts for maintenance, improvement and vacant flat refurbishment works for public housing estates in Wong Tai Sin, Tsing Yi and Tsuen Wan for the HKHA;

- the main contract works for special infrastructure development and specialised facilities at Tai Po Industrial Estate for a top pharmaceutical company in Hong Kong; and

- the main contract works for Penfold Park in Shatin for the Hong Kong Jockey Club.

SOBC and PEL demonstrate solid momentum for their businesses in this challenging environment. After the interim period end, further new contracts worth a total of HK$8.5 billion were secured, including:

- the design and construction of public housing developments in Fanling North New Development Area – Areas 13, 14 and 15 West for the HKHA, which will provide a minimum of 5,129 public housing units, when completed in 2030; and

- the construction of public housing development at Kwok Shui Road, Tsuen Wan, providing 1,804 public housing units when completed in 2029.

During this interim period, SOBC and PEL made progress on, among others, two public housing projects, a main works contract for CLP Power Hong Kong Limited (CLP Power), and nine term-contracts, as follows:

- the construction of public housing development at Mei Tin Estate in Shatin for the HKHA;

- the construction of public housing development at Pik Wan Road, Yau Tong for the HKHA;

- the main contract works for renovation of Sham Shui Po Centre for CLP Power;

- 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 the Architectural Services Department (ASD);
- the term contract for minor works on buildings and lands and other properties in Hong Kong for the ASD;
- 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 the ASD;
- the term contract for the maintenance of slopes in Kowloon and Lantau Island for the ASD;
- the term contract for minor works for New Territories East Cluster for the Hospital Authority;
- 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 building structure refurbishment works for CLP Power; and
- the term contract for architectural and building works for MTR Corporation Limited at its railways and premises in Hong Kong (extended for two years to June 2028).

PUBLIC WORKS

Shui On Construction Company Limited (SOC)

SOC is a major building contractor in Hong Kong with renowned expertise in public institutional buildings, large-scale community infrastructures and facilities, and design-and-build delivery.

In this first half year, SOC progressed well with five design and construction contracts and one construction-only contract and implemented more rigorous risk management, which comprised:

- 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 design and construction of a fire station-cum-ambulance depot with departmental quarters and supporting facilities at the Anderson Road Quarry Site for the ASD; and
- the main contract for the construction of Teaching–Research Complex for The Chinese University of Hong Kong.

INTERIOR FIT-OUT AND REFURBISHMENT WORKS

Pat Davie Limited (PDL)

The interior fit-out market in Hong Kong is supported by ongoing demand from the commercial, hospitality and retail sectors. Macau remains a niche market for high-end fit-out and refurbishment works, underpinned by continuous investments and asset upgrades from integrated resorts, hotels, gaming facilities and entertainment venues.

In the first half year of 2026, PDL secured new fit-out and refurbishment contracts with an aggregate value of HK$325 million, primarily for selected institutional and commercial clients in Hong Kong, and the hospitality and entertainment industry in Macau. Notable ones included:

- the design-and-build contract for the conversion of Regal Oriental Hotel into a student hostel in Kowloon City;
- renovation works on the shopping arcade of Man Yee Building in Central;
- the main contract for the establishment of high-capacity energy storage batteries smart production line; and
- renovation works on the façade at the porte cochere at City of Dreams in Macau.

PDL maintained stringent control over quality, delivery timelines and cost plans, and continued to execute well on the projects it secured. During the period, contracts worth a total of HK$743 million were completed across various types of properties including offices, shopping arcades and hotels. Major ones included:

- renovation works on a hotel in Tsing Yi for HKIA Accommodation Limited;
- revitalisation works at Airport Authority Building in Hong Kong International Airport;
- upgrading of office facilities and meeting rooms in HKIA Tower at Hong Kong International Airport;
- asset enhancement works at Yat Tung Shopping Centre for Link Asset Management Limited;
- refurbishment works on luxury private kitchen in MGM Macau; and
- interior fit-out works on ballroom at Grand Lisboa Hotel Macau.

After the interim period, PDL was awarded new contracts totalling approximately HK$500 million, including fit out works on a commercial development in Tung Chung, fit-out works on the public concourse and new acute block in North District Hospital, and a main contract for casino enhancement works at Grand Lisboa Palace, Macau.

PROPERTY

OPERATING PERFORMANCE

The Chinese Mainland's retail property market is navigating considerable challenges. Shopping malls are generally struggling to cope with the weak consumer spending and adapt to the evolving consumer behaviours and further rapid penetration of e-commerce, with focus shifting from sales venues towards dynamic destinations for experiences, community and personal fulfillment. Mainland consumers have become more price and quality cautious, while self-reward spending by the young generation emerges as a visible trend.

As regards our shopping mall operations in the Mainland, SOCAM continues with its strategy – "Green and Fun Community Mall", which constantly enriches experiential shopping experience, adds featured attractions and increases customer traffic in a competitive environment. Benefitting from the Group's various initiatives to bolster tenant engagement and customer loyalty and satisfaction, its community-centric malls reported increase in foot traffic, and steady leasing income and occupancies for the first half of 2026.

The Group's property business reported a total turnover of HK$66 million for the first six months of 2026, compared to HK$68 million for the same period in 2025 (restated to exclude the Hong Kong property management business which was disposed of in December 2025). Although occupancy levels of certain properties fluctuated, the overall occupancy of the Group's Mainland property portfolio remained resilient during this interim period, and achieved 70% to 88% for shopping malls and 93% for office and continued to outperform relative to nearby peers. Amidst the slow consumption recovery in the Mainland and the retail market landscape being reshaped by shifting spending patterns, the Group managed its retail mall assets with greater sophistication, and implemented proactive cost management to enhance operational efficiency and profitability during the period.

MAINLAND PROPERTY PORTFOLIO

As of 30 June 2026, the Group owned six projects in the Chinese Mainland, comprising a total gross floor area (GFA) of 380,000 square metres, of which 363,100 square metres GFA were completed properties.

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	21,700	1,300	–	–	23,000
Total		**211,500**	**36,200**	**10,900**	**121,400**	**380,000**

* The GFA shown excludes sold and delivered areas.

STEADY LEASING PERFORMANCE

Despite continued pressure on leasing demand, the Group's investment properties recorded steady leasing income at HK$49 million during the first half of 2026, slightly decreased from HK$51 million for the same period in 2025.

Occupancy rates of retail and office properties in the Chinese Mainland are as follows:

	Occupancy Rate	
Project	**30 June 2026**	31 December 2025
Chengdu Centropolitan – Retail	**76%**	78%
Chengdu Centropolitan – Office	**93%**	85%
Chongqing Creative Concepts Center – Retail	**88%**	86%
Shenyang Tiandi – Retail	**81%**	93%
Tianjin Veneto Phase 1 – Retail	**70%**	76%

Against the sluggish Mainland retail market where underlying consumption momentum remaining weak, the Group managed to make steady progress with its retail and office properties that posted steady operating performance. Some fluctuations in the occupancy recorded during this interim period – notably, the Tianjin outlet mall's occupancy dropped to 70% due to certain tenants' early lease terminations, while new tenants have been identified and are expected to move in

during the second half of 2026; and the Shenyang Tiandi's occupancy fell from 93% to 81% following the early termination of tenancy of the supermarket in June 2026, which triggered a 7% drop in occupancy. The project team is actively seeking for replacement tenants.

ASSET ENHANCEMENT

Following the refurbishment works and brand upgrade carried out on the outlet mall in Tianjin Veneto Phase 1 over the last couple of years, we saw considerable upsurge in foot traffic and tenant sales.

In addition, renovation works on the façade of the hotel in Chongqing Creative Concepts Center were underway, with completion slated for the second half of the year, aiming to further elevate the overall commercial image and customer traffic to the property.

In Shenyang Tiandi, we continued to enhance our asset enhancement initiatives and market differentiation efforts to enrich shoppers' experiences, and optimise space utilisation to raise energy efficiency and reduce operating costs.

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. The protracted downturn in the Mainland's real estate market continued to weigh on the investment sentiment for commercial and retail properties, dragging down the Group's inventory sales. During the current interim period, the Group recorded HK$17 million in revenue from inventory sales, in line with the last interim period.

OUTLOOK

Amidst a subdued global economic outlook, China's economy is on track to meet its full-year growth target. However, economic imbalance has deepened, and domestic demand remains weak. At the same time, Hong Kong poses a stronger-than-expected economic growth in this first half year, underpinned by buoyant external trade and resilient domestic demand supported by tourism recovery and the stabilisation of the property market, and is expected to sustain the good momentum in the near term.

Public sector works continue to anchor construction activities in Hong Kong, backed by massive public infrastructure and housing projects, and strategic long-term development initiatives such as the Northern Metropolis. The HKSAR Government's annual capital works expenditure will amount to about HK$130 billion from 2026-27 to 2030-31, while overall public housing production will reach 196,000 units for the next five years, and recurrent term contracts for building maintenance and minor works are expected to hold steady. The Group is well poised to benefit from the tremendous business opportunities in the years ahead, albeit in a highly competitive environment, and has full confidence in the further expansion in scale and diversity of its construction business.

For Macau, alongside the continuous refurbishment and upgrade works on existing facilities by the resurgent hospitality and gaming industry, the SAR government's diversification strategy into non-gaming sectors will open new fit-out niches in the coming years.

As China elevates domestic consumption to strategic priority in the 15th five-year plan, policy measures will be rolled out to lift household spending power, promote new consumption models, and stimulate spending on goods and services. The Group will continue adopting a versatile approach to respond effectively to the evolving consumption trends to boost occupancies and leasing income further, in a bid to maximise the long-term value of its property assets.

Amid promising market opportunities, challenges abound. SOCAM will stay agile with its strategic focus onto its core areas of expertise, continue to improve and strengthen its balance sheet, implement strict cost-saving measures, manage risks and price fluctuations with caution, and drive sustainable operational efficiencies to deliver quality products and services that exceed client expectations, with an aim to strengthen its financial resilience and profitability in the near to medium term.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

INTERIM RESULTS

The Group's result has shown resilience amid of a challenging environment in the construction segment in Hong Kong and managing its property portfolio in the Chinese Mainland. The Group turned around its results and recorded a profit of HK$30 million on a turnover of HK$2,941 million for the six months ended 30 June 2026, compared with a loss of HK$87 million and turnover of HK$3,640 million from continuing operations for the six months ended 30 June 2025 ("2025 Interim"). The return to profit is mainly attributable to reduced losses of HK$54 million from property disposals and inventory impairment (net of deferred tax provision) in the Chinese Mainland, lower net finance costs of HK$17 million and increased net foreign exchange gains of HK$53 million during the current interim period.

An analysis of the total turnover is as follows:

	Six months ended 30 June	
	2026 HK$ million	2025 HK$ million (re-presented)
Continuing Operations		
Turnover		
Construction, maintenance and minor works and fit-out	2,875	3,572
Mainland property	66	68
Total	2,941	3,640

Despite a turnaround in profit, the Group recorded a decline in turnover to HK$2,941 million and the construction segment reported a turnover of HK$2,875 million, approximately 20% decrease in turnover compared to 2025 Interim. The decline was mainly due to the Group's construction projects' lifecycle whereby several major building construction contracts were completed in 2025, whilst several design-and-build projects were relatively early at the foundation stage and therefore less turnover recognised in the current interim period. The completed major building construction contracts in 2025 included four public housing development projects, the design and construction of Drainage Services Department Building project and the redevelopment of Kwai Chung Hospital (Phase 2).

Turnover from maintenance and minor works and interior fit-out business remained stable, contributing HK$1.8 billion in aggregate in the first half of 2026, representing more than 60% of the turnover of the construction segment.

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

	Six months ended 30 June	
	2026 HK$ million	2025 HK$ million
Continuing Operations		
Construction	**127**	123
Mainland property		
Net rental income	**18**	19
Loss on property sales	**(5)**	(22)
Fair value changes on investment properties, net of deferred tax provision	**(23)**	(28)
Impairment loss on property inventories, net of deferred tax provision	**–**	(37)
Net operating expenses and others	**(16)**	(17)
	(26)	(85)
Net finance costs	**(76)**	(93)
Net foreign exchange gain	**87**	34
Corporate overhead and others	**(35)**	(29)
Taxation	**(24)**	(9)
Non-controlling interests	**(23)**	(28)
Profit (loss) for the period from continuing operations	**30**	(87)
Discontinued Operation		
Profit for the period from discontinued operation		
- Hong Kong property management	**–**	4
Total	**30**	(83)

The Group's operating profit before interests, tax and excluding non-operational gains or losses from continuing operations, improved to HK$89 million in the first half of 2026, compared with HK$74 million in the same period of 2025.

Construction

Despite the decrease in turnover due to project lifecycle, the average net profit before tax margin for the overall construction segment increased to 4.4% of turnover, compared with 3.4% for 2025 Interim. The improvement was mainly driven by cost savings and improved project margins within the building construction business.

For building construction business, the gross value of contracts on hand and outstanding workload was HK$18.1 billion and HK$15.4 billion, respectively, as of 30 June 2026 and rose to HK$26.6 billion and HK$23.9 billion, respectively, after this interim period. With a mix of several design-and-build projects nearing completion of foundation works and the newly awarded build-only projects during this interim period, which has shorter expected project duration, it is expected to result in a gradual increase in turnover and profits contributions to the Group in the second half of this year and increasing and more material contributions in the coming years.

For the building maintenance and minor works business, profit contribution and margin declined slightly due to intense market competition. Profits in the 2025 Interim were boosted by the contributions from a selected one-off project which was completed by end of 2025. As of 30 June 2026, the outstanding workload for maintenance and minor works amounted to HK$5.6 billion, primarily from government departments and public organisations which has proven to be very stable and resistant to private market's volatility. Despite enjoying the benefit of the stability within the public sector and public organisations, the building maintenance and minor works business has gradually expanded beyond and secured a main contract of over HK$600 million in April 2026 for the development of a specialised facilities for a top pharmaceutical company along with various electrical and mechanical services contracts to expand its business and pipeline further to fuel its growth.

For the interior fit-out business driven by PDL, the profit contribution remained stable. Due to its strong execution capability and accelerated progress on certain projects in Hong Kong, Hong Kong's share of turnover from the fit-out business increased to approximately 70% in the first half of the year. The Macau business was slightly less robust during this interim period due to keen competition in the market, but Macau's revenue contribution is expected to rise as more pipeline projects are secured after this interim period. As of 30 June 2026, the outstanding workload of the fit-out business was approximately HK$900 million; and additional contracts of approximately HK$500 million were secured after the interim period. PDL is well positioned to continue to capture growth opportunities in the market rebound and uptick in the capital expenditure cycle in Hong Kong and the continued vibrant market in Macau.

Property

The Mainland property portfolio showed resilience amid a weak macroeconomic backdrop, soft business and consumer sentiment, and constantly evolving spending patterns, the operating performance of the four shopping malls and the office tower of Chengdu Centropolitan declined slightly during the interim period. The property segment recorded total leasing income and net rental income of HK$49 million and HK$18 million for the first half of 2026 in comparison to HK$51 million and HK$19 million for 2025 Interim respectively.

Although occupancy levels of certain properties fluctuated, the overall occupancy of the Mainland property portfolio remained resilient and achieved 70% to 88% for shopping malls and 93% for office and continued to outperform most nearby peers. The net operating results of these properties remained relatively stable under tightened controls on cost and operations to enhance operational efficiency and profitability.

As at 30 June 2026, the Group's investment properties were valued at HK$3,984 million, excluding the effect on the appreciation of the Renminbi against the Hong Kong dollar in the current interim period, there was a 0.6% 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 2026 interim period was mainly caused by the lowering of total bank borrowings and net bank borrowings of HK$331 million and HK$109 million respectively, as well as the decrease in the average 1-month HIBOR by around 0.4% in the first half of 2026, comparing to 2025 Interim.

Foreign exchange gain

During the current interim period, the Renminbi registered a 3.8% appreciation against the Hong Kong dollar. This resulted in net foreign exchange gain totalling HK$200 million recorded for the current interim period, of which HK$87 million and HK$113 million were recognised in the condensed consolidated statement of profit or loss and directly in equity respectively, comparing with the net foreign exchange gain of HK$34 million and HK$45 million respectively for the 2025 Interim, on a 1.5% appreciation.

ASSETS BASE

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

	30 June 2026 HK$ million	31 December 2025 HK$ million
Total assets	8,457	8,822
Net assets	2,121	1,985
	HK$	HK$
Net asset value per share	5.7	5.3

Total assets of the Group was approximately HK$8.5 billion as at 30 June 2026, comparing to HK$8.8 billion as at 31 December 2025. The increase in both net assets of the Group and net asset value per share was principally attributable to the HK$30 million profits for this interim period and the appreciation of the Renminbi against the Hong Kong dollar, which caused a HK$113 million increases in equity.

EQUITY, FINANCING AND GEARING

The shareholders' equity of the Company was HK$2,121 million on 30 June 2026, comparing with HK$1,985 million on 31 December 2025.

Net bank borrowings of the Group, which represented the total bank borrowings, net of bank balances, deposits and cash, amounted to HK$1,895 million on 30 June 2026, as compared with HK$2,004 million on 31 December 2025.

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

	30 June 2026 HK$ million	31 December 2025 HK$ million
Bank borrowings repayable:		
Within one year	**1,537**	1,544
After one year but within two years	**120**	822
After two years but within five years	**1,147**	769
Total bank borrowings	**2,804**	3,135
Bank balances, deposits and cash	**(909)**	(1,131)
Net bank borrowings	**1,895**	2,004

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 to 89% on 30 June 2026, from 101% on 31 December 2025, which was caused by reduction of bank borrowings by net cash generated from various businesses and the increase in Group's 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 the Chinese Mainland 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 the Chinese Mainland is denominated in Renminbi and property assets in the Chinese Mainland are normally priced in Renminbi on disposal, the Group expects that the fluctuations of the 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 2026, the number of employees in the Group was approximately 1,435 (31 December 2025: 1,410) in Hong Kong and Macau, and 207 (31 December 2025: 210) in subsidiaries and joint ventures in the Chinese Mainland. The Group continued to offer remuneration packages which were competitive and linked to performance, with additional staff benefits such as retirement benefits and medical insurance at appropriate levels. Retaining and developing talents remained a key priority. The Group provided structured programmes to support career growth at different levels, including Graduate Engineers and Apprentices Development, Managerial Development, Leadership Development and Talent Development initiatives. A major focus in 2026 was the Growth Accelerator Programme 2.0, which was designed to identify and develop high-potential talent through an accelerated development pathway towards middle management and leadership positions. The programme focused on broadening business exposure and strengthening leadership, people management and adaptability competencies. The Group also collaborated with local universities on internships and corporate projects to support early career talents. In the Chinese Mainland, staff benefits remained aligned with market standards, with continued emphasis on corporate culture and professional development. The Group remained committed to fostering a high-performance and people-centric culture and to maintaining its position as an employer of choice for talented professionals.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF SOCAM DEVELOPMENT LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of SOCAM Development Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 21 to 43, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 HK$ million (unaudited)	2025 HK$ million (unaudited) (re-presented)
Continuing operations			
Turnover		**2,941**	3,640
Other income, other gains and losses	4	**98**	47
Cost of properties sold		**(17)**	(97)
Raw materials and consumables used		**(246)**	(296)
Staff costs		**(391)**	(425)
Depreciation and amortisation		**(21)**	(25)
Subcontracting, external labour costs and other expenses		**(2,186)**	(2,790)
Fair value changes on investment properties		**(24)**	(29)
Finance costs	5	**(81)**	(101)
Share of profit of joint ventures and an associate		**3**	1
Profit (loss) before taxation		**76**	(75)
Taxation	6	**(23)**	16
Profit (loss) for the period from continuing operations	7	**53**	(59)
Discontinued operation			
Profit for the period from discontinued operation	8	**–**	4
Profit (loss) for the period		**53**	(55)
Attributable to:			
Owners of the Company			
Profit (loss) for the period from continuing operations		**30**	(87)
Profit for the period from discontinued operation		**–**	4
Profit (loss) for the period attributable to owners of the Company		**30**	(83)
Non-controlling interests			
Profit for the period from continuing operations		**23**	28
		53	(55)
Basic earnings (loss) per share	10		
From continuing operations		**HK$0.08**	HK$(0.23)
From discontinued operation		**HK$–**	HK$0.01
From continuing and discontinued operations		**HK$0.08**	HK$(0.22)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 HK$ million (unaudited)	2025 HK$ million (unaudited)
Profit (loss) for the period	**53**	(55)
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	**113**	45
Item that will not be reclassified to profit or loss:		
Fair value changes of an equity investment at fair value through other comprehensive income	**(7)**	1
Other comprehensive income for the period	**106**	46
Total comprehensive income (expense) for the period	**159**	(9)
Total comprehensive income (expense) attributable to:		
Owners of the Company		
– from continuing operations	**136**	(41)
– from discontinued operation	**–**	4
Non-controlling interests	**23**	28
	159	(9)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	30 June 2026 HK$ million (unaudited)	31 December 2025 HK$ million (audited)
Non-current Assets			
Investment properties		**3,984**	3,854
Goodwill		**9**	9
Other intangible assets		**2**	4
Right-of-use assets		**40**	34
Property, plant and equipment		**13**	15
Interests in joint ventures		**91**	88
Interest in an associate		**22**	22
Financial asset at fair value through other comprehensive income		**14**	21
Financial assets at fair value through profit or loss		**56**	56
Deferred tax assets		**48**	54
Club memberships		**1**	1
Other debtor	11	**5**	5
		4,285	4,163
Current Assets			
Properties held for sale		**474**	473
Properties under development for sale		**171**	164
Debtors, deposits and prepayments	11	**1,431**	1,641
Contract assets		**1,074**	1,169
Amounts due from joint ventures		**83**	76
Amounts due from related companies		**30**	2
Tax recoverable		**–**	3
Restricted bank deposits		**287**	282
Bank balances, deposits and cash		**622**	849
		4,172	4,659
Current Liabilities			
Creditors and accrued charges	12	**2,527**	2,777
Contract liabilities		**94**	60
Lease liabilities		**26**	21
Amounts due to joint ventures		**14**	126
Amounts due to related companies		**36**	36
Amount due to non-controlling shareholder of a subsidiary		**18**	9
Taxation payable		**152**	141
Bank borrowings due within one year	13	**1,537**	1,544
		4,404	4,714
Net Current Liabilities		**(232)**	(55)
Total Assets Less Current Liabilities		**4,053**	4,108

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Notes	30 June 2026 HK$ million (unaudited)	31 December 2025 HK$ million (audited)
Capital and Reserves			
Share capital	14	**373**	373
Reserves		**1,748**	1,612
Equity attributable to owners of the Company		**2,121**	1,985
Non-controlling interests		**289**	266
		2,410	2,251
Non-current Liabilities			
Bank borrowings	13	**1,267**	1,591
Amount due to a joint venture		**109**	–
Amount due to non-controlling shareholder of a subsidiary		**–**	9
Lease liabilities		**17**	15
Deferred tax liabilities		**250**	242
		1,643	1,857
		4,053	4,108

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										
	Share capital	Translation reserve	Contributed surplus (Note a)	Goodwill	Accumulated losses	Actuarial loss	Investment revaluation reserve	Other reserve (Note b)	Total	Non-controlling interests	Total Equity
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2026	373	61	2,037	(3)	(737)	-	(29)	283	1,985	266	2,251
Fair value changes of an equity investment at fair value through other comprehensive income	-	-	-	-	-	-	(7)	-	(7)	-	(7)
Exchange differences arising on translation of financial statements of foreign operations	-	113	-	-	-	-	-	-	113	-	113
Profit for the period	-	-	-	-	30	-	-	-	30	23	53
Total comprehensive income (expense) for the period	-	113	-	-	30	-	(7)	-	136	23	159
At 30 June 2026 (unaudited)	373	174	2,037	(3)	(707)	-	(36)	283	2,121	289	2,410

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the Company										
	Share capital	Translation reserve	Contributed surplus (Note a)	Goodwill	Accumulated losses	Actuarial loss	Investment revaluation reserve	Other reserve (Note b)	Total	Non-controlling interests	Total Equity
	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million	HK$ million
At 1 January 2025	373	(11)	2,037	(3)	(624)	(39)	(30)	283	1,986	268	2,254
Fair value changes of an equity investment at fair value through other comprehensive income	-	-	-	-	-	-	1	-	1	-	1
Exchange differences arising on translation of financial statements of foreign operations	-	45	-	-	-	-	-	-	45	-	45
(Loss) profit for the period	-	-	-	-	(83)	-	-	-	(83)	28	(55)
Total comprehensive income (expense) for the period	-	45	-	-	(83)	-	1	-	(37)	28	(9)
Partial acquisition of interest in a subsidiary	-	-	-	-	-	-	-	-	-	(9)	(9)
At 30 June 2025 (unaudited)	373	34	2,037	(3)	(707)	(39)	(29)	283	1,949	287	2,236

Notes:

(a) The contributed surplus of the Group represents (i) the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1997; (ii) share premium reduction in June 2022; and net of (iii) offset against the accumulated losses of the Company at 1 January 2022 and (iv) distribution to shareholders. Under the Companies Act 1981 of Bermuda (as amended), the Company may make distributions to its shareholders out of the contributed surplus under certain circumstances.

(b) Other reserve of the Group mainly include (i) an amount of HK$231 million (2025: HK$231 million) recognised in prior years, which arose when the Group entered into agreements with Shui On Company Limited ("SOCL"), the Company's ultimate holding company, to co-invest in Shui On Land Limited during the year ended 31 March 2005; (ii) an amount of HK$16 million (2025: HK$16 million), which represents the Group's share of revaluation reserve of a then associate, China Central Properties Limited ("CCP"), arising from an acquisition achieved in stages by CCP during the year ended 31 December 2009, net of the amount released as a result of subsequent disposal of property inventories; and (iii) an amount of HK$22 million (2025: HK$22 million), which represents the revaluation surplus of the Group's 42.88% previously held interest in CCP, recognised upon the acquisition of the remaining 57.12% interest in CCP during the year ended 31 December 2009, net of the amount released as a result of subsequent disposal of property inventories.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 HK$ million (unaudited)	2025 HK$ million (unaudited)
Net cash from operating activities		
Operating cash flows before movements in working capital	**190**	139
Decrease in properties held for sale	**18**	36
Decrease in contract assets	**96**	149
Decrease in debtors, deposits and prepayments	**223**	348
Increase (decrease) in contract liabilities	**35**	(50)
Decrease in creditors and accrued charges	**(321)**	(442)
Movements in other working capital	**(29)**	(21)
Tax paid	**(8)**	(13)
	204	146
Net cash from investing activities		
Restricted bank deposits released	**16**	32
Restricted bank deposits placed	**(10)**	(6)
Other investing cash flows	**7**	1
	13	27
Net cash used in financing activities		
Drawdown of bank borrowings	**394**	957
Repayment of bank borrowings	**(730)**	(1,494)
Interest paid	**(84)**	(108)
Other financing cash flows	**(26)**	6
	(446)	(639)
Net decrease in cash and cash equivalents	**(229)**	(466)
Cash and cash equivalents at the beginning of the period	**849**	1,026
Effect of foreign exchange rate changes	**2**	2
Cash and cash equivalents at the end of the period	**622**	562
Analysis of the balances of cash and cash equivalents		
Bank balances, deposits and cash	**622**	562

1. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 30 June 2026 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 ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

At 30 June 2026, the Group reported net current liabilities of HK$232 million, which included HK$977 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.

2. PRINCIPAL ACCOUNTING POLICIES

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 2026 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for adoption of the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's financial period beginning on 1 January 2026.

HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity
HKFRS Accounting Standards (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards have 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.

3. 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, maintenance and minor works, fit-out – construction, maintenance 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 and provision of property management services in the Chinese Mainland

   The property management business in Hong Kong was discontinued in 2025. The segment information reported below excluded the results of the discontinued operation, which is described in details in note 8.

3. Other businesses – venture capital investment and others

3. SEGMENT INFORMATION (continued)

(a) Reportable segment revenue and profit or loss

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

For the six months ended 30 June 2026

	Construction, maintenance and minor works, fit-out HK$ million	Property HK$ million	Other businesses HK$ million	Total HK$ million
Revenue				
Revenue from construction contracts	2,872	–	–	2,872
Revenue from property sales	–	17	–	17
Revenue from rendering of services in Hong Kong	3	–	–	3
Revenue from rendering of services in the Chinese Mainland	–	12	–	12
Revenue from contracts with customers	2,875	29	–	2,904
Revenue from property leasing	–	37	–	37
Total segment revenue from external customers	2,875	66	–	2,941
Timing of revenue recognition				
At a point in time	–	17	–	17
Over time	2,875	12	–	2,887
Revenue from contracts with customers	2,875	29	–	2,904
Reportable segment results	131	35	12	178
Segment results have been arrived at after (charging) crediting:				
Depreciation and amortisation	(15)	(1)	–	(16)
Interest income	4	1	–	5
Fair value changes on investment properties (note a)	–	(24)	–	(24)
Finance costs	–	(4)	–	(4)
Share of profit of joint ventures and an associate	–	3	–	3

3. SEGMENT INFORMATION (continued)

(a) Reportable segment revenue and profit or loss (continued)

For the six months ended 30 June 2025 (re-presented)

	Construction, maintenance and minor works, fit-out 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 the Chinese Mainland	–	12	–	12
Revenue from contracts with customers	3,572	29	–	3,601
Revenue from property leasing	–	39	–	39
Total segment revenue from external customers	3,572	68	–	3,640
Timing of revenue recognition				
At a point in time	–	17	–	17
Over time	3,572	12	–	3,584
Revenue from contracts with customers	3,572	29	–	3,601
Reportable segment results	128	(89)	5	44
Segment results have been arrived at after (charging) crediting:				
Depreciation and amortisation	(17)	(1)	–	(18)
Interest income	5	3	–	8
Fair value changes on investment properties (note a)	–	(29)	–	(29)
Impairment loss recognised on property inventories (note b)	–	(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

Notes:

(a) The fair value of the Group's investment properties has been arrived at on the basis of valuations carried out by independent qualified professional valuers.

(b) 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. SEGMENT INFORMATION (continued)

(b) Reportable segment assets and liabilities

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

At 30 June 2026

	Construction, maintenance and minor works, fit-out HK$ million	Property HK$ million	Other businesses HK$ million	Total HK$ million
Reportable segment assets	**2,773**	**5,367**	**884**	**9,024**
Reportable segment liabilities	**2,544**	**626**	**401**	**3,571**

At 31 December 2025

	Construction, maintenance and minor works, fit-out HK$ million	Property HK$ million	Other businesses HK$ million	Total HK$ million
Reportable segment assets	3,281	5,212	876	9,369
Reportable segment liabilities	2,753	623	407	3,783

(c) Reconciliation of reportable segment profit or loss, assets and liabilities

	Six months ended 30 June	
	2026 HK$ million	2025 HK$ million
Profit (loss) before taxation from continuing operations		
Reportable segment results	**178**	44
Unallocated finance costs	**(77)**	(96)
Other unallocated corporate expenses	**(25)**	(23)
Consolidated profit (loss) before taxation from continuing operations	**76**	(75)

3. SEGMENT INFORMATION (continued)

(c) Reconciliation of reportable segment profit or loss, assets and liabilities (continued)

	30 June 2026 HK$ million	31 December 2025 HK$ million
Assets		
Reportable segment assets	**9,024**	9,369
Elimination of inter-segment receivables	**(590)**	(580)
Other unallocated assets	**23**	33
Consolidated total assets	**8,457**	8,822

	30 June 2026 HK$ million	31 December 2025 HK$ million
Liabilities		
Reportable segment liabilities	**3,571**	3,783
Elimination of inter-segment payables	**(590)**	(580)
Unallocated liabilities		
– Bank borrowings	**2,664**	2,985
– Taxation and others	**402**	383
Consolidated total liabilities	**6,047**	6,571

4. OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026 HK$ million	2025 HK$ million
Continuing operations		
Included in other income, other gains and losses are:		
Other income		
Dividend income from an equity investment	**–**	1
Investment income from venture capital fund at fair value through profit or loss	**6**	–
Other interest income	**5**	8
Other gains and losses		
Exchange gain	**84**	33

5. FINANCE COSTS

	Six months ended 30 June	
	2026 **HK$ million**	2025 HK$ million
Continuing operations		
Interest on bank and other loans	**75**	95
Interest on lease liabilities	**1**	1
Other borrowing costs	**5**	5
	81	101

6. TAXATION

	Six months ended 30 June	
	2026 **HK$ million**	2025 HK$ million
Continuing operations		
The tax charge (credit) comprises:		
Current taxation		
Hong Kong Profits Tax	**15**	17
Macau Complementary Tax	**2**	4
Overprovision in prior years		
The People's Republic of China ("PRC") Land Appreciation Tax	**–**	(8)
	17	13
Deferred taxation	**6**	(29)
	23	(16)

Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) on the estimated assessable profits for the period.

Macau Complementary Tax is calculated at 12.0% (2025: 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.

7. PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS

	Six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Profit (loss) for the period from continuing operations has been arrived at after charging:		
Impairment loss recognised on property inventories	**–**	61
Depreciation and amortisation		
Depreciation of property, plant and equipment	**4**	5
Depreciation of right-of-use assets	**15**	17
Amortisation of other intangible assets	**2**	3
	21	25

8. DISCONTINUED OPERATION

On 8 September 2025, the Group entered into a sale and purchase agreement with an independent third party to dispose of a subsidiary ("the Disposal"), which is primarily engaged in providing property management business in Hong Kong. The Disposal was completed on 19 December 2025, on which date control of the subsidiary was passed to an independent third party.

Profits for the six months ended 30 June 2025 from discontinued operation which have been included in the condensed consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended 30 June 2025 HK$ million
Turnover	175
Other income, other gains and losses	1
Staff costs	(160)
Subcontracting, external labour costs and other expenses	(12)
Profit before taxation for the period	4
Taxation	–
Profit for the period from discontinued operation	4
Inter-group transactions	(4)
Profit for the period after accounting for inter-group transactions	–

9. DIVIDENDS

The Board does not recommend the payment of an interim dividend (2025: nil) for the six months ended 30 June 2026.

10. BASIC EARNINGS (LOSS) PER SHARE

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

	Six months ended 30 June	
	2026 **HK$ million**	2025 HK$ million (re-presented)
Profit (loss) for the period attributable to owners of the Company arises from:		
– Continuing operations	**30**	(87)
– Discontinued operation	**–**	4
Profit (loss) for the purpose of basic earnings (loss) per share from continuing and discontinued operations	**30**	(83)
	Million	Million
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**373**	373

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

11. 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 sale and purchase agreements or invoice date, as appropriate) at the end of the reporting period as follows:

	30 June 2026 HK$ million	31 December 2025 HK$ million
Trade debtors aged analysis (note a):		
Not yet due or within 90 days	332	422
91 days to 180 days	–	–
181 days to 360 days	13	2
Over 360 days	1	1
	346	425
Consideration receivable in respect of disposal of a subsidiary	5	6
Prepayments and deposits	361	514
Other receivables (note b)	726	703
Less: allowance for credit losses	(2)	(2)
	1,436	1,646
Less: amounts due for settlement after 12 months	(5)	(5)
	1,431	1,641

Notes:

(a) Included in the trade debtors are receivables of HK$14 million (31 December 2025: HK$3 million), which are aged over 180 days, based on the date on which revenue was recognised.

(b) Included in other receivables at 30 June 2026 are receivables of HK$526 million (31 December 2025: HK$520 million) due from CCP'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$138 million (31 December 2025: HK$133 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$389 million) (31 December 2025: RMB338 million (approximately HK$374 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 16(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.

12. CREDITORS AND ACCRUED CHARGES

The aged analysis of creditors (based on invoice date) of HK$323 million (31 December 2025: HK$694 million), which are included in the Group's creditors and accrued charges, is as follows:

	30 June 2026 HK$ million	31 December 2025 HK$ million
Trade creditors aged analysis:		
Not yet due or within 30 days	249	601
31 days to 90 days	53	38
91 days to 180 days	7	17
Over 180 days	14	38
	323	694
Retention payable	494	498
Provision for contract work/construction cost	1,470	1,337
Other accruals and payables	240	248
	2,527	2,777

13. BANK BORROWINGS

During the period, the Group raised bank borrowings totalling HK$394 million (30 June 2025: HK$957 million), repaid bank borrowings totalling HK$730 million (30 June 2025: HK$1,494 million), and obtained new and renewed/extended existing credit facilities totalling HK$394 million (30 June 2025: HK$1,718 million). New and renewed/extended bank loan facilities of the Group carry interest at variable rates of approximately 3.50% to 6.22% per annum at the end of the reporting period (30 June 2025: 1.48% to 5.20%).

14. SHARE CAPITAL

	30 June 2026 Number of shares	31 December 2025 Number of shares	30 June 2026 HK$ million	31 December 2025 HK$ million
Ordinary shares of HK$1 each:				
Authorised				
At the beginning and the end of the period/year	1,000,000,000	1,000,000,000	1,000	1,000
Issued and fully paid				
At the beginning/end of the period/year	373,346,164	373,346,164	373	373

15. CAPITAL AND OTHER COMMITMENTS

At 30 June 2026, the Group had uncalled capital commitments relating to the venture capital fund amounting to approximately US$0.2 million (approximately HK$1 million) (31 December 2025: US$0.3 million (approximately HK$3 million)).

16. CONTINGENT LIABILITIES

At 30 June 2026, 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 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 11(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 2027, 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$624 million) at 30 June 2026 (31 December 2025: RMB542 million (HK$600 million)) and the related interest amounting to RMB981 million (HK$1,129 million) (31 December 2025: RMB948 million (HK$1,049 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 of 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 2026, if any, will not be more than RMB14 million (31 December 2025: RMB14 million). The management of the Company views that the exposure should be further reduced or fully exempted.

17. MATERIAL RELATED PARTY TRANSACTIONS

(a) During the period, the Group had the following transactions with SOCL and its subsidiaries other than those of the Group.

		Six months ended 30 June	
Nature of transactions	Notes	**2026 HK$ million**	2025 HK$ million
Connected transactions			
Revenue from property management services	(i)	**–**	3
Disbursements on cost basis for costs and expenses incurred in the course of performing the property management services	(i)	**–**	3
Revenue from renovation works	(i)	**21**	11
Fully exempted connected transactions			
Revenue from renovation works	(ii)	**–**	1
Rental expenses	(ii)	**1**	1
Dividend income		**–**	1

Notes:

(i) The transactions are continuing connected transactions and the Company has fully complied with the relevant requirements under Chapter 14A of the Listing Rules.

(ii) The transactions are fully exempted connected transactions and the Company has fully complied with the relevant requirements under Chapter 14A of the Listing Rules.

17. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) The Group is licensed by Shui On Holdings Limited, a wholly-owned subsidiary of SOCL, to use the trademark, trade name of "Shui On", "瑞安" and/or the Seagull devices on a non-exclusive, royalty-free basis for an unlimited period of time.

The above-mentioned transactions are fully exempted continuing connected transactions under Chapter 14A of the Listing Rules.

(c) During the six months ended 30 June 2025, the Group obtained unsecured non-interest bearing short-term loan of HK$40 million from a wholly-owned subsidiary of SOCL.

The above-mentioned transaction is fully exempted connected transaction under Chapter 14A of the Listing Rules.

(d) Disclosures of the remuneration of Directors and other members of key management during the period under HKAS 24 "*Related Party Disclosures*", were as follows:

	Six months ended 30 June	
	2026 **HK$ million**	2025 HK$ million
Fees	**1**	1
Salaries and other benefits	**10**	10
Retirement benefit scheme contributions	**1**	1
	12	12

Note:

The remuneration of Executive Directors is determined by the Remuneration Committee having regard to the performance of each individual. The Remuneration Committee also determines the guiding principles applicable to the remuneration of key executives who are not Directors. In both cases, the Remuneration Committee has regard to market trends.

17. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(e) The emoluments paid or payable to each of the eight (2025: eight) Directors which were included in note (d) above are set out as follows:

For the six months ended 30 June 2026

Name of Director	Notes	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Mr. Lo Hong Sui, Vincent		5	–	–	5
Mr. Lee Chun Kong, Freddy		5	2,980	136	3,121
Mr. Lo Adrian Jonathan Chun Sing		5	1,251	9	1,265
Ms. Lo Bo Yue, Stephanie	(ii)	158	–	–	158
Mr. Chan Wai Kan, George	(ii)	172	–	–	172
Mr. Chan Kay Cheung	(iii)	297	–	–	297
Mr. Lau Ping Cheung, Kaizer	(iii)	275	–	–	275
Mr. Wong Hak Wood, Louis	(iii)	260	–	–	260
		1,177	4,231	145	5,553

For the six months ended 30 June 2025

Name of Director	Notes	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Mr. Lo Hong Sui, Vincent		5	–	–	5
Mr. Lee Chun Kong, Freddy		5	2,926	133	3,064
Mr. Lo Adrian Jonathan Chun Sing	(i)	5	1,170	9	1,184
Ms. Lo Bo Yue, Stephanie	(ii)	158	–	–	158
Mr. Chan Wai Kan, George	(ii)	172	–	–	172
Mr. Chan Kay Cheung	(iii)	297	–	–	297
Mr. Lau Ping Cheung, Kaizer	(iii)	275	–	–	275
Mr. Wong Hak Wood, Louis	(iii)	260	–	–	260
		1,177	4,096	142	5,415

Notes:

(i) Mr. Lo Adrian Jonathan Chun Sing was appointed as an Executive Director with effect from 1 January 2025.

(ii) Non-executive Director.

(iii) Independent Non-executive Directors.

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following table presents the Group's financial instruments that are measured at fair value at the end of the reporting period.

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	30 June 2026 HK$ million	31 December 2025 HK$ million		
Financial asset at fair value through other comprehensive income				
– Listed equity securities	**14**	21	Level 1	Unadjusted quoted prices available on the Stock Exchange (active market)
Financial assets at fair value through profit or loss				
– Unlisted equity investment	**6**	5	Level 2	Recent transactions of the investee's shares
– Venture capital fund	**19**	20	Level 3	Net asset value of the fund
– Life insurance policy	**31**	31	Level 3	Quotation of the insurance policy from the insurance company

There were no material fair value changes in level 3 items for the six months ended 30 June 2026.

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis. The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values.

DISCLOSURE UNDER RULE 13.20 OF THE LISTING RULES

Financial assistance and guarantees provided by the Group in favour of New Pi (Hong Kong) Investment Co., Ltd. ("New Pi") and certain of its subsidiaries were HK$2,279 million at 30 June 2026, which comprises:

	HK$ million
Receivables	526
Guarantees	1,753
	2,279

The receivables are unsecured, repayable on demand and out of the total outstanding balance, an amount of HK$138 million carries interest at prevailing market rates. The above balances are in relation to the disposal of a former subsidiary group in prior years to New Pi. Further details of the receivables and guarantees are set out in notes 11(b) and 16(a) to the condensed consolidated financial statements.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

At 30 June 2026, the interests of the Directors and chief executive of the Company in the shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(a) Long positions in the shares of the Company

	Number of shares				Approximate percentage of issued shares
Name of Director	**Personal interests**	**Family interests**	**Other interests**	**Total**	(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 of the Company in issue at 30 June 2026.
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 Shui On Company Limited ("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 of an associated corporation of the Company

Name of Director	Name of associated corporation	Number of shares: Personal interests	Family interests	Other interests	Total	Approximate percentage 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 30 June 2026.
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 30 June 2026, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

At 30 June 2026, the interests of substantial shareholders (not being a Director of the Company) and other persons in the shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of shares	Approximate percentage of issued shares (Note 1)
Mrs. Lo	Family and personal interests	236,165,000 (Notes 2, 4 & 6)	63.25
SOCL	Beneficial owner	235,873,000 (Notes 3, 4 & 6)	63.17
Bosrich Holdings (PTC) Inc. ("Bosrich")	Trustee	235,873,000 (Notes 3, 4 & 6)	63.17
HSBC International Trustee Limited ("HSBC Trustee")	Trustee	235,873,000 (Notes 3, 4 & 6)	63.17
Mr. Sun Yinhuan ("Mr. Sun")	Founder of a discretionary trust	19,185,950 (Notes 5 & 6)	5.13
Right Ying Holdings Limited ("Right Ying")	Interest of controlled corporation	19,185,950 (Notes 5 & 6)	5.13
TMF (Cayman) Ltd. ("TMF")	Trustee	19,185,950 (Notes 5 & 6)	5.13

Notes:

1. Based on 373,346,164 shares of the Company in issue at 30 June 2026.
2. The number of shares disclosed above was based on the notice filed by Mrs. Lo on 2 July 2021 under Part XV of the SFO. It comprised 312,000 shares beneficially owned by Mrs. Lo and 235,853,000 shares in which she had a deemed interest under the SFO as mentioned in Note 3 below.
3. The number of shares disclosed above was based on the notices filed by SOCL and Bosrich both on 7 July 2021 and the notice filed by HSBC Trustee on 8 July 2021 under Part XV of the SFO. Such shares were beneficially owned by SOCL, which was held under the Bosrich Unit Trust, the trustee of which was Bosrich. The units of the Bosrich Unit Trust were the property of a discretionary trust, of which Mr. Lo, the spouse of Mrs. Lo, was the founder and one of the discretionary beneficiaries and HSBC Trustee was the trustee. Accordingly, Mr. Lo, Mrs. Lo, Bosrich and HSBC Trustee were deemed to be interested in such shares under the SFO.
4. According to the disclosure made by Mr. Lo, at 30 June 2026, SOCL beneficially owned 236,309,000 shares representing approximately 63.29% of the issued shares of the Company, while Mrs. Lo (the spouse of Mr. Lo), Bosrich and HSBC Trustee (being trustees of the trusts as mentioned in Note 3 above) were deemed to be interested in such shares under the SFO.
5. These shares were held by Everhigh Investments Limited, an indirect wholly-owned subsidiary of Right Ying. Right Ying was held under a discretionary trust, of which Mr. Sun was the founder and TMF was the trustee.
6. All the interests stated above represent long positions.

Save as disclosed above, at 30 June 2026, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register which is required to be kept under section 336 of the SFO.

SHARE SCHEME

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had any share scheme under Chapter 17 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance through its continuous effort in improving its corporate governance practices.

The Board and its Committees

At the date of publication of this report, the Board comprises eight members, including three Executive Directors, two Non-executive Directors and three Independent Non-executive Directors. Six standing Board Committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Finance Committee, the Investment Committee and the Executive Committee, have been set up to oversee particular aspects of the Group's affairs. The current member lists of the Board and its various Committees are set out in the Corporate Information section of this report.

Audit Committee

The principal responsibilities of the Audit Committee include the review of both the Group's consolidated financial statements and the effectiveness of its risk management and internal control systems. The Audit Committee also oversees the engagement of the external auditor and reviews its independence as well as the effectiveness of the audit process.

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2026, 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.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on the policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. It is also given the tasks to determine the remuneration package of individual Executive Director, and review and approve performance-based remuneration of Executive Directors with reference to the corporate goals and objectives.

Nomination Committee

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board at least annually, assisting the Board in maintaining a board skills matrix and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. Its duties also include making recommendations to the Board on the appointment or re-appointment of Directors and membership of the Board Committees, annually reviewing the time commitment required from a Director to perform his/her responsibilities, assessing the independence of the Independent Non-executive Directors, reviewing the Board Diversity Policy of the Board and monitoring its implementation, and implementing and overseeing regular evaluation of the Board's performance.

Finance Committee

The Finance Committee is responsible for reviewing the Group's financial strategies, compliance of the finance policy and the bank loan covenants, as well as monitoring the overall banking relationship and the cash flow position of the Group.

Investment Committee

The Investment Committee is responsible for assessing investment and disposal recommendations on property projects of the Group and reviewing its overall investment/divestment strategy.

Executive Committee

The Executive Committee reviews, on a monthly basis, the operating performance and financial position of the Group and its strategic business units as well as the execution of the strategies and business plans approved by the Board.

Compliance with the Corporate Governance Code

Throughout the six months ended 30 June 2026, 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.

Compliance with the Model Code

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. Following specific enquiries by the Company, all Directors have confirmed that they complied with the required standards set out in the Model Code throughout the six months ended 30 June 2026.

Changes in Information of Directors under Rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in the information of a Director is set out as follows:

- Mr. Chan Kay Cheung retired as an independent non-executive director of China Electronics Huada Technology Company Limited with effect from the conclusion of the annual general meeting held on 25 June 2026.

Details about the emoluments of the Directors of the Company for the six months ended 30 June 2026 are set out in note 17 to the condensed consolidated financial statements.

CORPORATE INFORMATION

BOARD

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

AUDIT COMMITTEE

Mr. Chan Kay Cheung *(Chairman)*
Mr. Lau Ping Cheung, Kaizer
Mr. Wong Hak Wood, Louis

REMUNERATION COMMITTEE

Mr. Lau Ping Cheung, Kaizer *(Chairman)*
Mr. Lo Hong Sui, Vincent
Ms. Lo Bo Yue, Stephanie
Mr. Chan Kay Cheung
Mr. Wong Hak Wood, Louis

NOMINATION COMMITTEE

Mr. Lo Hong Sui, Vincent *(Chairman)*
Ms. Lo Bo Yue, Stephanie
Mr. Chan Kay Cheung
Mr. Lau Ping Cheung, Kaizer
Mr. Wong Hak Wood, Louis

FINANCE COMMITTEE

Mr. Chan Wai Kan, George *(Chairman)*
Mr. Lee Chun Kong, Freddy
Mr. Lo Adrian Jonathan Chun Sing
Mr. Chan Kay Cheung
Mr. Lau Ping Cheung, Kaizer
Mr. Wong Hak Wood, Louis

INVESTMENT COMMITTEE

Mr. Lee Chun Kong, Freddy *(Chairman)*
Mr. Lo Adrian Jonathan Chun Sing
Mr. Chan Kay Cheung
Mr. Lau Ping Cheung, Kaizer
Mr. Wong Hak Wood, Louis

EXECUTIVE COMMITTEE

Mr. Lee Chun Kong, Freddy *(Chairman)*
Mr. Lo Hong Sui, Vincent
Mr. Lo Adrian Jonathan Chun Sing
Other key executives

COMPANY SECRETARY

Mr. Cheng Ka Hang, Francis

AUDITOR

Deloitte Touche Tohmatsu
(Registered Public Interest Entity Auditor)

REGISTERED OFFICE

Richmond House, 12 Par-la-Ville Road
Hamilton HM 08, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

34th Floor, Shui On Centre
6-8 Harbour Road, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Richmond House, 12 Par-la-Ville Road
Hamilton HM 08, Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road, Hong Kong

PRINCIPAL BANKERS

China CITIC Bank International Limited
China Minsheng Banking Corp., Ltd.
Hang Seng Bank, Limited
Nanyang Commercial Bank, Limited
Shanghai Commercial Bank Limited
The Bank of East Asia, Limited
United Overseas Bank Limited

STOCK CODE

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SOCAM DEVELOPMENT LIMITED
瑞安建業有限公司

(Incorporated in Bermuda with limited liability)
（於百慕達註冊成立的有限公司）

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