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

INSIDE INFORMATION

REDUCTION IN LOSS

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

The board of directors of the Company (the “**Board**”) wishes to inform the holders of securities of the Company (the “**Securities Holders**”) and potential investors that based on the information currently available, the Group expects to record a substantial reduction in net loss of approximately HK\$500 million, or around 70%, for the six months ended 30 June 2017 (the “**2017 Interim Period**”), as compared to the net loss of HK\$711 million for the corresponding period in 2016 (the “**2016 Interim Period**”).

The expected substantial reduction in net loss for the 2017 Interim Period is mainly attributable to:

- (a) the absence of the significant impairment loss provided in the 2016 Interim Period on the residential inventory of the Group’s 81%-owned Chengdu Centropolitan project, which was almost completely sold in 2016;
- (b) substantial improvement in the financial results of the Group’s 22%-owned Dalian Tiandi joint venture due to marked increase in the sales of residential stock of the project at higher prices and less impairment loss provision on its property assets as a result of improving property market conditions;
- (c) higher profit from the Group’s construction business as a result of increased turnover and a stronger order book;
- (d) foreign exchange gains on the Group’s property projects as a result of the appreciation of Renminbi against the Hong Kong dollar in the 2017 Interim Period, as contrasted with the losses arising from the currency depreciation during the 2016 Interim Period; and
- (e) lower overheads as a result of the Group’s effort in streamlining its operations.

The Company is still in the process of finalising the unaudited consolidated results of the Group for the 2017 Interim Period, and at the date of this announcement, it cannot ascertain the amount of the net loss for the 2017 Interim Period with certainty. This announcement is only an assessment by the Board based on the information currently available, which has not been reviewed by the Company's auditor. Securities Holders and potential investors are advised to read carefully the announcement of the Company in relation to the results of the Group for the 2017 Interim Period, which is expected to be released towards the end of August 2017.

Securities Holders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 9 August 2017

At the date of this announcement, the executive directors of the Company are Mr. Lo Hong Sui, Vincent and Mr. Wong Yuet Leung, Frankie; the non-executive director of the Company is Mr. Tsang Kwok Tai, Moses; and the independent non-executive directors of the Company are Ms. Li Hoi Lun, Helen, Mr. Chan Kay Cheung and Mr. William Timothy Addison.

** For identification purpose only*

Website: www.socam.com