



FOR IMMEDIATE RELEASE

SOCAM Development Announces 2021 Annual Results

(Hong Kong, 30 March 2022) SOCAM Development Limited (“SOCAM” or the “Group”, stock code: 983) today announced its results for the year ended 31 December 2021.

SOCAM saw encouraging results during the year, and reported net profit attributable to shareholders of HK\$76 million for 2021, as compared with the HK\$52 million profit for 2020. The growth in profit was mainly due to the higher profit contribution from the construction business and marked improvement in the leasing performance of the retail malls. The Group’s turnover for 2021 amounted to HK\$5.3 billion, down slightly by 7.1% against the HK\$5.7 billion for 2020.

With the continuing improvement of financial results, the Board recommended the payment of a final dividend of HK\$0.07 per share to shareholders.

Construction – Enhanced Profitability with Strong Order Book

- The construction business reported a remarkable profit of HK\$511 million in 2021 on a turnover of HK\$4.9 billion (2020: HK\$456 million and HK\$5.0 billion respectively).
- Average pre-tax profit margin of the construction works rose to 10.4% in 2021 (2020: 9.0%).
- New construction contracts worth a total of HK\$3.8 billion were secured during the year (2020: HK\$5.9 billion).

The Group launched smart facility management business, built on our accumulated expertise and experience in construction and property management. SOCAM is providing comprehensive smart solutions to help clients achieve their sustainability goals through energy saving, cost reduction and productivity improvement, and has already begun to implement sustainability facilities improvements for hospitals in Hong Kong and our shopping mall in the Mainland. These projects are seeing noticeable results, and we believe that this business is poised to become a new growth engine for SOCAM in the years ahead.



Property – Recovery and Growth in Rental Performance

- The property business recorded a loss of HK\$124 million for 2021, which was higher than that for 2020, largely attributable to the limited property sales profit as the inventory was running low. (2020: HK\$72 million loss)
- Total turnover for 2021 amounted to HK\$331 million, comprising sales revenue of HK\$81 million, leasing income of HK\$114 million and Hong Kong property management services income of HK\$136 million. (2020 : HK\$628 million).
- Total gross rental income from the Group's retail and office properties before deduction of applicable taxes for 2021 was RMB64 million, up 11% from 2020 (2020: RMB58 million).

Our shopping malls posted a respectable growth in rental, as the Mainland economy has been recovering steadily since the COVID-19 outbreak in 2020. We continue to take advantage of our ongoing asset enhancement initiatives to boost the excitement of the tenant mix, increase customer footfall and further improve rental performance, with a view to achieving sustainable asset-value growth in the longer run.

Outlook

In recent years the Group has been able to sustain a strong order book as regards construction, building maintenance, fit-out and renovation contracts in Hong Kong and Macau, offering healthy growth in profitability and cash flow. We are cautiously optimistic this growth path will continue in 2022 and beyond.

With the infection potency of the fifth wave in Hong Kong expected to start burning out in late-March, construction turnover is likely to increase through the second half of 2022. SOCAM stands to benefit from the increasing tender opportunities from the public sector construction works, and we will ramp up efforts to strengthen our competitive edge by adopting innovative technologies, increasing digitalisation of our operations, expanding design-and-build capabilities and realising sustainability commitment to keep us ahead of the intensifying market competition.

The full results announcement is available on the Group's corporate website (www.socam.com), under the section of "Investor Relations", and on the "HKExnews" website (www.hkexnews.hk) of the Hong Kong Exchanges and Clearing Limited.