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## **SOUTH CHINA HOLDINGS COMPANY LIMITED**

**南華集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00413)**

### **CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60 OF THE LISTING RULES**

#### **CONTINUING CONNECTED TRANSACTIONS UNDER RULE 14A.60 OF THE LISTING RULES**

This announcement is made by the Company pursuant to Rule 14A.60 of the Listing Rules.

References are made to the announcements dated 6 May 2025, 7 May 2025, 27 May 2025 and 3 June 2025 (collectively, the “**Announcements**”) respectively and the circular dated 10 June 2025 (the “**Circular**”) of the Company in respect of the Disposal, with the consideration of HK\$26,960,296, as contemplated under the Sale and Purchase Agreement.

On 27 June 2025, Completion has taken place, and the Target Subsidiaries have ceased to be the subsidiaries of the Company on the one hand, but on the other hand the Target Subsidiaries have become indirect non-wholly-owned subsidiaries of the Purchaser who is an associate of a connected person of the Company.

Prior to Completion, each of the Target Subsidiaries respectively entered into a tenancy agreement, i.e., Target Subsidiary A Agreement, Target Subsidiary B Agreement and Target Subsidiary C Agreement, with Shi Feng Company, an indirect wholly-owned subsidiary of the Company. Each of the Target Subsidiaries respectively leases the property(ies) of which it is the registered owner to Shi Feng Company for its own use and/or sub-leasing, in return for rentals received from Shi Feng Company on a regular basis in accordance with and subject to the terms and conditions of the respective Target Subsidiary Agreements. Accordingly, the transactions contemplated under each of the Target Subsidiary Agreements have become continuing connected transactions of the Company following Completion under Chapter 14A of the Listing Rules.

## **LISTING RULES IMPLICATIONS**

Upon Completion, the Target Subsidiaries have become indirect non-wholly-owned subsidiaries of the Purchaser which is wholly-owned by Mr. Ng, and accordingly, the transactions contemplated under each of the Target Subsidiary Agreements have constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules as Shi Feng Company will continue to conduct the transactions under the Target Subsidiary Agreements. Pursuant to Rule 14A.60(1) of the Listing Rules, the Company shall comply with the annual review and disclosure requirements including publishing an announcement and annual reporting, and when any of the Target Subsidiary Agreements is renewed or its terms are varied, the Company shall comply with all connected transaction requirements under Chapter 14A of the Listing Rules.

## **BACKGROUND**

References are made to the Announcements and the Circular in respect of the Disposal, with the consideration of HK\$26,960,296, as contemplated under the Sale and Purchase Agreement.

On 27 June 2025, Completion has taken place, and the Target Subsidiaries have ceased to be the subsidiaries of the Company on the one hand, but on the other hand the Target Subsidiaries have become indirect non-wholly-owned subsidiaries of the Purchaser who is an associate of a connected person of the Company.

Prior to Completion, each of the Target Subsidiaries respectively entered into a tenancy agreement, i.e., Target Subsidiary A Agreement, Target Subsidiary B Agreement and Target Subsidiary C Agreement, with Shi Feng Company, an indirect wholly-owned subsidiary of the Company. Each of the Target Subsidiaries respectively leases the property(ies) of which it is the registered owner to Shi Feng Company for its own use and/or sub-leasing, in return for rentals received from Shi Feng Company on a regular basis in accordance with and subject to the terms and conditions of the respective Target Subsidiary Agreements. Accordingly, the transactions contemplated under each of the Target Subsidiary Agreements have become continuing connected transactions of the Company following Completion under Chapter 14A of the Listing Rules.

The principal terms of each of the Target Subsidiary Agreements are set out as follows:

### **Target Subsidiary A Agreement**

Date	:	3 February 2015
Parties	:	(1) Target Subsidiary A as landlord; and (2) Shi Feng Company as tenant
Property	:	中國天津市河北區昆緯路116號 (No. 116 Kun Wei Road, Hebei District, Tianjin City, the PRC*), having an area of 8,869.00 sq. m.
Tenancy period	:	From 1 January 2015 to 31 December 2034 (both days inclusive)

- Rent : RMB0.60 (approximately HK\$0.65) per sq. m. (including tax and exclusive of relevant utility charges) per day, with the total rent calculated by referring to the actual leased area of any part of the property and payable on an annual basis (in the event of sub-leasing, Shi Feng Company shall submit such sub-leasing agreement to Target Subsidiary A by the end of the month in which the sub-leasing agreement is executed)
- Renewal : Either party shall give the other party at least two (2) months' prior written notice for discussion of renewal terms and conditions.

### **Target Subsidiary B Agreement**

- Date : 3 February 2015
- Parties : (1) Target Subsidiary B as landlord; and  
(2) Shi Feng Company as tenant
- Property : 中國天津市南開區渭水道西頭16號 (No. 16 Wei Shui Road West, Nankai District, Tianjin City, the PRC\*), having an area of 6,556.00 sq. m.
- Tenancy period : From 1 January 2015 to 31 December 2034 (both days inclusive)
- Rent : RMB0.60 (approximately HK\$0.65) per sq. m. (including tax and exclusive of relevant utility charges) per day, with the total rent calculated by referring to the actual leased area of any part of the property and payable on an annual basis (in the event of sub-leasing, Shi Feng Company shall submit such sub-leasing agreement to Target Subsidiary B by the end of the month in which the sub-leasing agreement is executed)
- Renewal : Either party shall give the other party at least two (2) months' prior written notice for discussion of renewal terms and conditions.

### **Target Subsidiary C Agreement**

- Date : 4 November 2014
- Parties : (1) Target Subsidiary C as landlord; and  
(2) Shi Feng Company as tenant
- Properties : (1) 中國天津市河北區崗緯路18號 (No. 18 Gang Wei Road, Hebei District, Tianjin City, the PRC\*), having an area of 19,182.20 sq. m. (the “**1st property**”);  
(2) 中國天津市河北區崗緯路19號 (No. 19 Gang Wei Road, Hebei District, Tianjin City, the PRC\*), having an area of 3,128.90 sq. m. (the “**2nd property**”); and  
(3) 中國天津市南開區密雲一支路3號 (No. 3 Mi Yun Yi Zhi Road, Nankai District, Tianjin City, the PRC\*), having an area of 3,178.26 sq. m. (the “**3rd property**”)

- Tenancy period : From 6 March 2015 to 5 March 2035 (both days inclusive)
- Rent : (1) Fixed rent of RMB3,641,000 (approximately HK\$3,958,609) per annum for the 1st property;
- (2) Fixed rent of RMB594,000 (approximately HK\$645,652) per annum for the 2nd property; and
- (3) Fixed rent of RMB603,000 (approximately HK\$655,435) per annum for 3rd property,
- which are inclusive of tax with relevant utility charges excluded and payable on a quarterly basis
- Renewal : Either party shall give the other party at least two (2) months' prior written notice for discussion of renewal terms and conditions.

### ANNUAL CAPS OF THE TARGET SUBSIDIARY AGREEMENTS

The rent payable pursuant to each of Target Subsidiary A Agreement and Target Subsidiary B Agreement is subject to actual leased areas of each property thereunder, but the rent payable pursuant to Target Subsidiary C Agreement for each property thereunder is subject to a fixed annual rent. The annual caps were determined based on the aggregate amounts of the maximum rent payable by Shi Feng Company under each of the Target Subsidiary Agreements and the annual caps for each of the three years ending 31 December 2025 (for the period from the date of Completion to 31 December 2025), 2026 and 2027 respectively are as follows:

	<b>Year ending 31 December 2025</b> <i>Approximately RMB/HK\$'000</i>	<b>Year ending 31 December 2026</b> <i>Approximately RMB/HK\$'000</i>	<b>Year ending 31 December 2027</b> <i>Approximately RMB/HK\$'000</i>
Target Subsidiary A Agreement	RMB1,000 (equivalent to approximately HK\$1,087)	RMB1,942 (equivalent to approximately HK\$2,110)	RMB1,942 (equivalent to approximately HK\$2,110)
Target Subsidiary B Agreement	RMB740 (equivalent to approximately HK\$803)	RMB1,436 (equivalent to approximately HK\$1,560)	RMB1,436 (equivalent to approximately HK\$1,560)
Target Subsidiary C Agreement	RMB2,492 (equivalent to approximately HK\$2,707)	RMB4,838 (equivalent to approximately HK\$5,257)	RMB4,838 (equivalent to approximately HK\$5,257)
Aggregate annual caps of the Target Subsidiary Agreements	RMB4,232 (equivalent to approximately HK\$4,597)	RMB8,216 (equivalent to approximately HK\$8,927)	RMB8,216 (equivalent to approximately HK\$8,927)

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

Given the Target Subsidiary Agreements have been in force prior to Completion, Shi Feng Company may continue to enjoy its rights to use and sublease any part of the properties thereunder for continuous running its businesses and receiving rentals paid and payable by its sub-lessees which in turn brings into the Group some revenue contributions.

To the best knowledge, information and belief of the Board having made reference to the available records, the terms under each of the Target Subsidiary Agreements were determined after arm's length negotiations between the parties thereto, by taking into account of the main businesses, expertise and experience of each party thereto. In view of the above factors, the Board (including the independent non-executive Directors) are of the view that each of the Target Subsidiary Agreements was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of which were fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

The Group is principally engaged in trading and manufacturing of toys and shoes, property investment and development, agriculture as well as forestry businesses.

Information on each of the Vendors, the Purchaser, the Target Companies and the Target Subsidiaries has been disclosed in the Circular.

Shi Feng Company is a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, and its principal business activities include property services, cleaning services, building maintenance, hotel management, property leasing, car rental and moving services, etc.

## **LISTING RULES IMPLICATIONS**

Upon Completion, the Target Subsidiaries have become indirect non-wholly-owned subsidiaries of the Purchaser which is wholly-owned by Mr. Ng, and accordingly, the transactions contemplated under each of the Target Subsidiary Agreements have constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules as Shi Feng Company will continue to conduct the transactions under the Target Subsidiary Agreements.

Pursuant to Rule 14A.60(1) of the Listing Rules, the Company shall comply with the annual review and disclosure requirements including publishing an announcement and annual reporting, and when any of the Target Subsidiary Agreements is renewed or its terms are varied, the Company shall comply with all connected transaction requirements under Chapter 14A of the Listing Rules.

Given (1) Mr. Ng has a material interest in the Target Subsidiary Agreements and the transactions contemplated thereunder; (2) Ms. Cheung is a common director of the Company, the Purchaser and each of the Target Companies; (3) Mr. Paul Ng is a common director of the Company and each of the Target Companies as well as an associate of Mr. Ng; and (4) Ms. Jessica Ng is an associate of Mr. Ng, Mr. Ng, Ms. Cheung, Mr. Paul Ng and Ms. Jessica Ng abstained from voting on the relevant Board resolutions accordingly.

Save as disclosed above, no other Director has a material interest in the Target Subsidiary Agreements and the transactions contemplated thereunder, who was required to abstain from voting on the relevant Board resolutions.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless otherwise specified in the context:

“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	South China Holdings Company Limited (南華集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, and its ordinary shares are being listed and traded on the Main Board of the Stock Exchange (stock code: 00413)
“Completion”	completion of the sale and purchase of the Sale Shares under the Sale and Purchase Agreement
“connected person”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendors to the Purchaser pursuant to the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Ng”	Mr. Ng Hung Sang, the controlling Shareholder of the Company, the chairman of the Board and an executive Director of the Company

“Mr. Paul Ng”	Mr. Ng Yuk Yeung Paul, a son of Mr. Ng and a common director of the Company and each of the Target Companies
“Ms. Cheung”	Ms. Cheung Choi Ngor, a common director of the Company, the Purchaser and each of the Target Companies
“Ms. Jessica Ng”	Ms. Ng Yuk Mui Jessica, a daughter of Mr. Ng, a non-executive Director
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Splendid Enterprises Limited, a company incorporated in the BVI with limited liability and is ultimately wholly-owned by Mr. Ng
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 6 May 2025 entered into between and among the Vendors, the Purchaser and the Target Companies in respect of the Disposal
“Sale Shares”	Target Company A Sale Shares, Target Company B Sale Shares and Target Company C Sale Shares
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shi Feng Company”	世豐(天津)物業管理有限公司 (Shifeng (Tianjin) Property Management Limited*), a company established under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“sq. m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Target Company A, Target Company B and Target Company C
“Target Company A”	World Mastery Limited (宇翹有限公司), a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Vendor 1
“Target Company A Sale Shares”	two (2) ordinary shares in the share capital of Target Company A, representing 100% of the issued share capital of Target Company A



“Target Company B”	Crosslight Limited (航輝有限公司), a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Vendor 1
“Target Company B Sale Shares”	two (2) ordinary shares in the share capital of Target Company B, representing 100% of the issued share capital of Target Company B
“Target Company C”	Chun Wing Company Limited (浚榮有限公司), a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Vendor 2
“Target Company C Sale Shares”	two (2) ordinary shares in the share capital of Target Company C, representing 100% of the issued share capital of Target Company C
“Target Subsidiaries”	Target Subsidiary A, Target Subsidiary B and Target Subsidiary C
“Target Subsidiary A”	天津南華利生體育用品有限公司 (Tianjin South China Lisheng Sports Goods Company Limited*), a company established under the laws of the PRC with limited liability, and a subsidiary of Target Company A which owns 80% of its paid-up capital (the remaining 20% of its paid-up capital is being owned by an independent third party)
“Target Subsidiary A Agreement”	the tenancy agreement entered into between Target Subsidiary A and Shi Feng Company dated 3 February 2015
“Target Subsidiary B”	天津南華皮革化工有限公司 (Tianjin South China Leather Chemical Company Limited*), a company established under the laws of the PRC with limited liability, and a subsidiary of Target Company B which owns 80% of its paid-up capital (the remaining 20% of its paid-up capital is being owned by an independent third party)
“Target Subsidiary B Agreement”	the tenancy agreement entered into between Target Subsidiary B and Shi Feng Company dated 3 February 2015
“Target Subsidiary C”	天津南華製鞋有限公司 (Tianjin South China Shoes Products Company Limited*), a company established under the laws of the PRC with limited liability, and a subsidiary of Target Company C which owns 80% of its paid-up capital (the remaining 20% of its paid-up capital is being owned by an independent third party)
“Target Subsidiary C Agreement”	the tenancy agreement entered into between Target Subsidiary C and Shi Feng Company dated 4 November 2014



“Target Subsidiary Agreements”	Target Subsidiary A Agreement, Target Subsidiary B Agreement and Target Subsidiary C Agreement
“Vendor 1”	South China Industries (China) Limited (南華工業(中國)有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Vendor 2”	Sino Pioneer International Limited, a company incorporated in the BVI with limited liability, and an indirect wholly-owned subsidiary of the Company
“Vendors”	the Vendor 1 and the Vendor 2
“%”	per cent.

*In this announcement, for reference only, the exchange rate between HK\$ and RMB is at the rate of HK\$100 = RMB92.*

By order of the Board  
**SOUTH CHINA HOLDINGS COMPANY LIMITED**  
 南華集團控股有限公司  
**Cheung Choi Ngor**  
*Executive Director*

Hong Kong, 27 June 2025

*As at the date of this announcement, the Directors are:*

***Executive Directors:***

*Mr. Ng Hung Sang*  
*Ms. Cheung Choi Ngor*  
*Mr. Ng Yuk Yeung Paul*

***Non-executive Directors:***

*Ms. Ng Yuk Mui Jessica*  
*Mr. Yu Pui Hang*

***Independent Non-executive Directors:***

*Mr. Kam Yiu Shing Tony*  
*Ms. Pong Scarlett Oi Lan, BBS, J.P.*  
*Mr. Wong Chun Tat, J.P.*

\* *English translation denoting Chinese names and addresses is for identification purpose only*