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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)**

### **CLARIFICATION ANNOUNCEMENT TENANCY AGREEMENTS**

Reference is made to the announcement of the Company dated 11 August 2025 (the “**Announcement**”) regarding the Company’s continuing connected transaction in relation to entering into New Tenancy Agreements. Unless otherwise defined, all capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The parties to Target Subsidiary A Agreement and the parties to Target Subsidiary B Agreement (i) mutually agreed to terminate Target Subsidiary A Agreement and Target Subsidiary B Agreement respectively, without having any recourse against each other, and at the same time (ii) entered into New Tenancy A Agreement and New Tenancy B Agreement in relation to leasing the same property(ies) as respectively set out in Target Subsidiary A Agreement and Target Subsidiary B Agreement for Shi Feng Company’s own use and/or sub-leasing for the term of three (3) years from 11 August 2025 to 10 August 2028 in accordance with and subject to the terms and conditions of the respective New Tenancy Agreements. Upon Completion, Target Subsidiary A and Target Subsidiary B have become indirect non-wholly-owned by Mr. Ng. Therefore, each of Target Subsidiary A and Target Subsidiary B is an associate of Mr. Ng, and the transaction contemplated under the New Tenancy A Agreement (the “**Transaction A**”) and the transaction contemplated under the New Tenancy B Agreement (the “**Transaction B**”) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Board would like to clarify that, based on the latest applicable financial reporting standards, each of the Transaction A and the Transaction B should instead be classified as a one-off connected transaction for the Company.

Under the Hong Kong Financial Reporting Standards 16 Leases issued by the Hong Kong Institute of Certified Public Accountants, to which it is applicable to the Group’s financial reporting standards, the Group, as lessee, shall recognize a lease as a right-of-use and a lease liability in the consolidated statement of financial position of the Group. As such, each of the Transaction A and the Transaction B should be regarded as an acquisition of asset under the definition of “Transactions” set out in Rule 14A.24(1) of the Listing Rules.

The value of the right-of-use asset recognized under the Transaction A is approximately RMB5,246,000 (equivalent to approximately HK\$5,764,000) (the “**Right-of-Use Asset A Value**”), and the amount of lease liability recognized under the Transaction A shall be the same as the Right-of-Use Asset A Value. The Right-of-Use Asset A Value will be amortized over the term of three (3) years.

As the highest applicable ratio for the Right-of-Use Asset A Value in respect of the connected transaction contemplated under the Transaction A exceeds 0.1% but is less than 5%, the Transaction A remains to be subject to reporting and announcement requirements, but exempt from the circular (including independent financial advice) and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The value of the right-of-use asset recognized under the Transaction B is approximately RMB3,878,000 (equivalent to approximately HK\$4,261,000) (the “**Right-of-Use Asset B Value**”), and the amount of lease liability recognized under the Transaction B shall be the same as the Right-of-Use Asset B Value. The Right-of-Use Asset B Value will be amortized over the term of three (3) years.

As the highest applicable ratio for the Right-of-Use Asset B Value in respect of the connected transaction contemplated under the Transaction B exceeds 0.1% but is less than 5%, the Transaction B remains to be subject to reporting and announcement requirements, but exempt from the circular (including independent financial advice) and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the Transaction A and the Transaction B were entered into at the same time with the associates of Mr. Ng and such transactions are of similar nature, therefore, both the Transaction A and the Transaction B should be aggregated.

As the highest applicable ratio for aggregate amount of the Right-of-Use Asset A Value and the Right-of-Use Asset B Value exceeds 0.1% but is less than 5%, the Transaction A and the Transaction B remain to be subject to reporting and announcement requirements, but exempt from the circular (including independent financial advice) and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Save as the information stated hereinabove, all information set out in the Announcement remains unchanged.

*In this announcement, for reference only, the exchange rate between HK\$ and RMB is at the rate of HK\$100 = RMB91.*

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, 29 August 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.*