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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)**

**SUPPLEMENTAL ANNOUNCEMENT  
MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF  
LAND USE RIGHT AND PLANT BUILDING**

Reference is made to the announcement of the Company dated 24 December 2025 (the “Announcement”) in relation to the entering into the Sale and Purchase Agreement under which the Vendor agreed to sell and the Purchaser agreed to purchase the Disposal Assets at the aggregate consideration of RMB290 million (equivalent to approximately HK\$318.7 million).

All capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise the context herein specifies.

In addition to the information disclosed in the Announcement, the Board would like to provide the Shareholders and the potential investors with the supplementary information as follows:

1. The aggregate consideration of RMB290 million (equivalent to approximately HK\$318.7 million) for the Disposal Assets payable by the Purchaser to the Vendor was determined by the parties after arm's length negotiations with reference to the preliminary assessment (the “Preliminary Assessment”) of the Disposal Assets having the total value of approximately RMB280 million (equivalent to approximately HK\$307.7 million) (the “Preliminary Value”) conducted by an accredited valuer, which is independent of the Company and its connected persons, by using the market approach as it may provide an indication of value by comparing the Disposal Assets with identical or similar assets for which price information is available. The independent valuer has also considered the other two generally accepted valuation approaches — income approach and cost approach, but market approach is considered the most appropriate method in assessment of the value of the Disposal Assets given that there is sufficient market information of similar assets in the locality. In valuing the Disposal Assets, the valuer has assumed that the vendor has free and uninterrupted rights to use the Disposal Assets for the whole of the residual term as granted and is entitled to transfer it without payment of any additional premium to the governing

authorities or any third party. The valuer further assumed that the vendor sells the Disposal Assets on the open market in their existing state without the benefits of any deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would affect the value of the Disposal Assets. In addition, no account has been taken any option or right of pre-emption affecting the sale of the Disposal Assets and no forced sales situation in any manner is assumed in the Preliminary Assessment. All consents, approvals and licences from the relevant governing authorities for the Disposal Assets have been granted without any onerous conditions or undue time delay which might affect the value of the Disposal Assets, and all applicable zoning and use regulations and restrictions have been complied with. Notwithstanding the aforesaid assumptions, the valuer has relied to a considerable extent on information provided by the Group and has accepted advices given to it on such matters, in particular, but not limited to the tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and other relevant matters in the identification of the Disposal Assets. Details of the valuation will be set out in the valuation report to be issued by an independent valuer, which will be disclosed in the circular of the Company on or before 19 January 2026.

2. The management of the Group reviewed the Preliminary Assessment, including the basis and assumptions made and the methodologies adopted, and found that the basis, assumptions and methodologies thereof are commonly used in valuation of land and properties in the PRC and in line with general market practice.
3. In addition, the Board took into account the aggregate consideration of RMB290 million (equivalent to approximately HK\$318.7 million) which is higher than the Preliminary Value as well as that the Disposal may allow the Group to unlock the value of the Disposal Assets (such assets would no longer be able to be used for generating profit for the Group given its heavy operating and labour costs which could not be covered by insufficient revenue due to substantial decrease in the purchase orders from the USA customer) for improving the Group's working capital. Given the foregoing, the Board considered that the terms of the Disposal are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.
4. This is to rectify that 80% of the registered capital of the Purchaser is ultimately and beneficially owned by 胡文武 (Hu Wenwu\*), a Chinese national, but not 50% as stated in the Announcement, and the remaining 20% of the registered capital of the Purchaser is ultimately and beneficially owned by 徐紅燕 (Xu Hongyan\*), a Chinese national.

This announcement is supplemental to, and should be read in conjunction with the Announcement. Save for the supplemental information provided above, all other information and contents set out in the Announcement shall remain unchanged.

*In this announcement, amounts denominated in RMB have been converted into HK\$ at the exchange rate of HK\$1 = RMB0.91 for illustration purpose only.*

*\* English translation denotes Chinese names for identification purpose only*

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, 5 January 2026

*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.*