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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 AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF WHOLLY-OWNED SUBSIDIARIES

Reference is made to the announcement of the Company dated 6 May 2025 in relation to the disposal of the entire issued share capital of wholly-owned subsidiaries (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this supplemental announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Consideration was determined after arm’s length negotiation between the Vendors and the Purchaser, having taken into account of, among other things:

- (a) The adjusted unaudited net asset value of each member of the Target Groups attributable to the Group as at 31 December 2024 by taking into account the waiver of all inter-company current account balances (both credit and debit) between and amongst each member of the Target Groups and the respective affiliates; and
- (b) The valuation of the properties under each member of the Target Groups as at 31 March 2025 attributable to the Group appraised by Ravia Global Appraisal Advisory Limited (“**Ravia**”), an independent valuer, after deduction of additional costs to be incurred attributable to the Group in relation to the properties under each member of the Target Groups after Completion.

The Company would like to supplement further information in relation to (i) the adjusted unaudited net asset value of each member of the Target Groups attributable to the Group as at 31 December 2024 (collectively, the “**Adjusted NAV**”); and (ii) the valuation of the properties under each member of the Target Groups as at 31 March 2025 attributable to the Group (collectively, the “**Appraised Value**”) after deduction of additional costs to be incurred after Completion.

Details of the Adjusted NAV are as follows:

- (1) The adjusted unaudited net asset value of Target Group A as at 31 December 2024 was approximately HK\$(18,300,000) (a negative net asset value), being (a) the unaudited consolidated net asset value of Target Group A as at 31 December 2024 of approximately HK\$5,916,000, less (b) inter-company current balance due from its affiliates of approximately HK\$33,838,000 and plus (c) inter-company current balance due to its affiliates of approximately HK\$9,622,000;
- (2) The adjusted unaudited net asset value of Target Group B as at 31 December 2024 was approximately HK\$989,000, being (a) the unaudited consolidated net asset value of Target Group B as at 31 December 2024 of approximately HK\$(22,200,000), less (b) inter-company current balance due from its affiliates of approximately HK\$1,407,000 and plus (c) inter-company current balance due to its affiliates of approximately HK\$24,596,000; and
- (3) The adjusted unaudited net asset value of Target Group C as at 31 December 2024 was approximately HK\$(13,506,000) (a negative net asset value), being (a) the unaudited consolidated net asset value of Target Group C as at 31 December 2024 of approximately HK\$(83,952,000), less (b) inter-company current balance due from its affiliates of approximately HK\$3,573,000 and plus (c) inter-company current balance due to its affiliates of approximately HK\$74,019,000.

Locations of the properties under each member of the Target Groups and the Appraised Value are as follows:

- (1) Property under Target Group A is located at 中國天津市河北區昆緯路116號 (116 Kunwei Road, Heibei District, Tianjin City, the PRC*) and the value of the property is approximately HK\$4,674,000 being the value of approximately HK\$7,478,000 appraised by Ravia by using depreciated replacement cost method less additional costs to be incurred after Completion;
- (2) Properties under Target Group B are located at (a) 中國天津市南開區渭水道西頭16號 (16 Xitouxin, Weishuidao, Nankai District, Tianjin City, the PRC*); and (b) 中國天津市東麗區程林莊工業區之工業項目 (Chenglinzhuang Industrial Zone, Dongli District, Tianjin City, the PRC*), and the total value of the properties is approximately HK\$25,970,000 being the value of approximately HK\$38,013,000 appraised by Ravia by using depreciated replacement cost method less additional costs to be incurred after Completion; and
- (3) Properties under Target Group C are located at (a) 中國天津市河北區崗緯路18號 (18 Gangwei Road, Heibei District, Tianjin City, the PRC*); (b) 中國天津市河北區崗緯路19號 (19 Gangwei Road, Heibei District, Tianjin City, the PRC*); and (c) 中國天津市南開區密雲一支路3號 (3 Miyun Yizhi Road, Nankai District, Tianjin City, the PRC*), and the total value of the properties is approximately HK\$13,250,000 being the value of approximately HK\$20,620,000 appraised by Ravia by using depreciated replacement cost method less additional costs to be incurred after Completion.

The Consideration is derived from (i) the adjusted unaudited negative net asset value of the Target Group A and the Target Group C after taking into account of the total value of the properties under the Target Group A and the Target Group C respectively; and (ii) the adjusted unaudited net asset value of the Target Group B of approximately HK\$989,000 as well as the total value of the properties under the Target Group B of approximately HK\$25,970,000.

* *English translation denotes Chinese names and 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, 7 May 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.