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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 IN RELATION TO DISCLOSEABLE TRANSACTION DISPOSAL OF LAND USE RIGHT**

Reference is made to the announcement of the Company dated 21 July 2025 (the “**Announcement**”), in relation to the Disposal. All capitalized terms used herein shall have the same meanings as those defined in the Announcement unless otherwise specified in the context hereof.

The Company would like to provide further information in relation to the valuation of the Land Use Right as follows:

#### **THE VALUATION**

Ravia Global Appraisal Advisory Limited, an independent valuer, was engaged by the Company to provide the valuation dated 18 July 2025 which was used as a reference to the value of the Land Use Right for negotiations of the consideration of the Disposal with the Purchaser. As disclosed in the Announcement, according to the valuation conducted by the valuer, the value of the Land Use Right as at 17 July 2025 was RMB40,000,000 (equivalent to approximately HK\$43,956,000) based on cost approach.

#### **KEY INPUTS OF THE VALUATION**

Given the uniqueness of the current status of the Property, which consists of two pieces of land having a relatively large area of approximately 43,300 sq. m. in total with a relatively small scale of bare shell erection which has yet been ready for utilization, the valuer used depreciated replacement cost (“**DRC**”) method under cost approach, which is a method in the absence of sufficient market data to arrive at the market value of the real property and plant and equipment by means of market-based evidence. The application of DRC method in real property valuation is based on an estimate of the market value of the land in its existing use, plus the current cost of replacement of the improvements less allowance for physical deterioration and all relevant forms of obsolescence and optimization. Another key step in DRC method is that the reported market value only applies to the whole of the Property (including the erection or structures on the land sites) as a unique interest, and no piecemeal transaction of the Property is assumed.

In applying the DRC method, reference was made to comparable land sale evidence in 2025 within 40 kilometers of the location of the Property and only land sale transactions involving land parcels for industrial use having similar characters such as class of land, permissible plot ratio, site area and location etc. were selected for ensuring the economic and geographic relevance. These comparables were then adjusted by taking into account their respective site areas and locations to determine their respective adjusted gross unit rates which were then used to calculate the weighted average gross unit rate of approximately RMB842 per sq. m.. Based on the weighted average gross unit rate of approximately RMB842 per sq. m. and the aggregate area of the land sites of the Property being approximately 43,300 sq. m., the total value of the land sites of the Property was estimated at approximately RMB36,500,000.

Following the determination of the total value of those two land sites of the Property from the comparable land sale transactions, the valuation of the erection thereon was also derived as part of the DRC method by estimating the current cost of replacing the erection thereon with a modern equivalent building/erection that provides similar function and equivalent utility to the erection thereon. In arriving at the value of the erection, the specific characteristics of the erection's structure and quality as well as relevant interest costs associated with the replacement cost were considered by the valuer. Depreciation was applied by taking into account the physical condition, age of the erection and the remaining terms of the land site on which the erection is located. Based on the above-mentioned factors, the unit replacement cost of RMB1,368 per sq. m. was determined, representing the depreciated cost to replace the erection as at the date of valuation. Based on the unit replacement cost of RMB1,368 per sq. m. and the gross floor area of the erection of approximately 2,600 sq. m., the value of the erection was estimated at approximately RMB3,500,000.

The value of the Land Use Right of RMB40,000,000 is the summation of the total value of land sites and the erection thereon.

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

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, 25 July 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.