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If you have sold or transferred all your shares in the Company, you should hand this circular together with the accompanying form of proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**CONNECTED TRANSACTION
PROPOSED ALTERATIONS OF THE TERMS OF
HK\$89,840,000 CONVERTIBLE BONDS
AND
NOTICE OF THE EGM**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



WRISE CAPITAL LIMITED

Capitalised terms used in this circular shall have the same meanings as defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 7 to 19 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages IBC-1 and IBC-2 of this circular. A letter from the Independent Financial Adviser containing its recommendation and advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-15 of this circular.

A notice convening the EGM to be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Monday, 12 January 2026 at 11:45 a.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit it with Union Registrars Limited, the share registrar of the Company in Hong Kong, at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

In case of any inconsistency between the English text and the Chinese text of this circular, the English text shall prevail.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Bannock”	Bannock Investment Limited, a company incorporated in the Republic of Liberia which is a wholly-owned subsidiary of Earntrade
“Berth and Debenture SPA”	the sale and purchase agreement dated 24 October 2024 entered into between Welbeck Holdings Limited (an indirect wholly-owned subsidiary of the Company) as vendor and Splendid Enterprises Limited as purchaser, in relation to, among others, the disposal of the entire issued share capital of each of Poben Consultants Limited, Pok Lake Profits Limited and Tripstowe Management Limited. For details, please refer to the circular of the Company dated 14 November 2024 in respect of the major and connected transaction contemplated thereunder
“Board”	the board of Directors
“Bondholder” or “Thousand China”	Thousand China Investments Limited, a company incorporated in the BVI, which is an indirect wholly-owned subsidiary of the Company, being the subscriber under the Subscription Agreement
“Bonds”	the outstanding HK\$89,840,000 convertible bonds issued by SCFH to the Bondholder on 13 January 2023
“Business Day”	any day (other than a Saturday, Sunday, public holiday or any day on which a tropical cyclone warning signal number 8 or above, a black rainstorm warning signal or extreme condition warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for general commercial business, and “Business Days” shall be more than one (1) Business Day
“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, and its ordinary shares are being listed and traded on the Main Board of the Stock Exchange (stock code: 00413)

DEFINITIONS

“Conditions”	terms and conditions of the Bonds as set out in the Instrument
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	the conversion price per Conversion Share
“Conversion Share(s)”	the share(s) to be allotted and issued by SCFH upon the exercise of the conversion rights attached to the Bonds by the Bondholder pursuant to the Conditions
“Crystal Hub”	Crystal Hub Limited, a company incorporated in the BVI, which is wholly-owned subsidiary of SCAH
“Director(s)”	director(s) of the Company
“Earntrade”	Earntrade Investments Limited, a company incorporated in Hong Kong, which is owed as to 60% by Mr. Ng, 20% by Ms. Cheung and 20% by Mr. Richard Howard Gorges
“Effective Date”	a date determined in accordance with the Supplemental Agreement, subject to fulfilment of all conditions precedent set out therein
“EGM”	an extraordinary general meeting of the Company to be convened and held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Monday, 12 January 2026 at 11:45 a.m. for the Independent Shareholders to consider and, if thought fit, approve the Supplemental Agreement and the transactions as contemplated thereunder (including the Proposed Alterations)
“Fung Shing”	Fung Shing Group Limited, a company incorporated in the BVI with limited liability and wholly and beneficially owned by Mr. Ng
“Green Orient”	Green Orient Investments Limited, a company incorporated in the BVI, which is an indirect wholly-owned subsidiary of the Company
“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

DEFINITIONS

“Independent Board Committee”	an independent board committee of the Board established by the Board, comprising all the independent non-executive Directors (namely Mr. Kam Yiu Shing Tony, Ms. Pong Scarlett Oi Lan, BBS, J.P. and Mr. Wong Chun Tat, J.P.) to advise the Independent Shareholders with respect to the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations)
“Independent Financial Adviser”	WRise Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders with respect of the Supplemental Agreement and the transactions contemplated thereunder (including Proposed Alterations)
“Independent Shareholders”	Shareholders, other than Mr. Ng, Mr. Paul Ng, Ms. Cheung, Ms. Jessica Ng and their respective associates who are required to abstain from voting at the EGM pursuant to the Listing Rules
“Instrument”	the Bonds which are constituted by a deed poll (including all amendments and modifications from time to time made thereto) dated 13 January 2023 executed by SCFH
“Latest Practicable Date”	28 November 2025, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Long Stop Date”	12 January 2026 or such other date as the Company and SCFH may agree in writing
“Maturity Date”	the maturity date of the Bonds
“Mr. Ng”	Mr. Ng Hung Sang, a controlling Shareholder of the Company, a substantial shareholder of SCFH, and the chairman of the board of directors and an executive director of each of the Company and SCFH
“Mr. Paul Ng”	Mr. Ng Yuk Yeung Paul, an executive director of each of the Company and SCFH and the son of Mr. Ng

DEFINITIONS

“Mrs. Ng”	Ms. Ng Lai King Pamela, spouse of Mr. Ng
“Ms. Cheung”	Ms. Cheung Choi Ngor, an executive director of each of the Company and SCFH
“Ms. Jessica Ng”	Ms. Ng Yuk Mui Jessica, a non-executive Director, an executive director of SCFH and the daughter of Mr. Ng
“Parkfield”	Parkfield Holdings Limited, a company incorporated in the BVI with limited liability and wholly and beneficially owned by Mr. Ng
“parties acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Power Path”	Power Path Global Limited 廣環球有限公司, a company incorporated in the BVI, which is a direct wholly-owned subsidiary of SCFH
“PRC”	the People’s Republic of China which, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Alterations”	the proposed alterations to the Conditions as contemplated under the Supplemental Agreement and to be effected by way of execution of the Supplemental Deed
“Ronastar”	Ronastar Investments Limited, a company incorporated in the BVI with limited liability and wholly and beneficially owned by Mr. Ng
“Sale and Purchase Agreement”	the sale and purchase agreement dated 6 May 2025 entered into between and among South China Industries (China) Limited 南華工業(中國)有限公司, Sino Pioneer International Limited (both are indirect wholly-owned subsidiaries of the Company), the vendor, Splendid Enterprises Limited, the purchaser, and World Mastery Limited 宇翹有限公司, Crosslight Limited 航輝有限公司 and Chun Wing Company Limited 浚榮有限公司, the target companies, in respect of the disposal of the entire issued share capital of the target companies. For details, please refer to the circular of the Company dated 10 June 2025 in respect of the major and connected transaction contemplated thereunder
“SCAH”	South China Assets Holdings Limited 南華資產控股有限公司, an exempted company incorporated in the Cayman Islands of which Mr. Ng beneficially owned approximately 69.33% as at Latest Practicable Date

DEFINITIONS

“SCFH”	South China Financial Holdings Limited 南華金融控股有限公司, a company incorporated in Hong Kong, and its ordinary shares are being listed and traded on the Main Board of the Stock Exchange (stock code: 00619)
“SCFH EGM”	an extraordinary general meeting of SCFH to be convened and held to consider and, if thought fit, approve the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations)
“SCFH Independent Shareholders”	shareholders of SCFH, other than Mr. Ng, Mr. Paul Ng, Ms. Cheung, Ms. Jessica Ng and Mr. Richard Howard Gorges and their respective associates who are required to abstain from voting at the SCFH EGM
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“SPA”	the sale and purchase agreement dated 13 September 2022 entered into between Thousand China as vendor and Power Path as purchaser, in relation to the sale and purchase of the entire issued share capital of Genius Year Limited, a wholly-owned subsidiary of Thousand China, at a total consideration of HK\$89,840,000 which is settled by way of the Bonds issued by SCFH upon completion thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Bonds pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 13 September 2022 and entered into between the Bondholder and SCFH in relation to the Subscription
“substantial Shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Supplemental Agreement”	the supplemental agreement dated 6 November 2025 entered into between the Bondholder and SCFH in relation to the Proposed Alterations

DEFINITIONS

“Supplemental Deed”	the supplemental deed of the Instrument to be executed by SCFH on the Effective Date in relation to the Proposed Alterations as annexed to the Supplemental Agreement
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
“Total Grace”	Total Grace Investments Limited, a company incorporated in the BVI, which is wholly and beneficially owned by Mr. Ng
“Uni-Spark”	Uni-Spark Investments Limited, a company incorporated in Hong Kong with limited liability and wholly and beneficially owned by Mr. Ng
“%”	per cent.



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)

Executive Directors:

Mr. Ng Hung Sang (*Chairman*)

Ms. Cheung Choi Ngor

(Vice Chairman and Co-Chief Executive Officer)

Mr. Ng Yuk Yeung Paul

*(Executive Vice Chairman and
Co-Chief Executive Officer)*

Registered office:

P. O. Box 31119

Grand Pavilion

Hibiscus Way

802 West Bay Road

Grand Cayman, KY1-1205

Cayman Islands

Non-executive Directors:

Ms. Ng Yuk Mui Jessica

Mr. Yu Pui Hang

***Head Office and Principal place of
Business in Hong Kong:***

28th Floor, Bank of China Tower

1 Garden Road, Central

Hong Kong

Independent non-executive Directors:

Mr. Kam Yiu Shing Tony

Ms. Pong Scarlett Oi Lan, BBS, J.P.

Mr. Wong Chun Tat, J.P.

4 December 2025

To the Shareholders

Dear Sirs,

**CONNECTED TRANSACTION
PROPOSED ALTERATIONS OF THE TERMS OF
HK\$89,840,000 CONVERTIBLE BONDS
AND
NOTICE OF THE EGM**

INTRODUCTION

Reference is made to the announcement of the Company dated 6 November 2025 in relation to the Proposed Alterations.

The purpose of this circular is to provide you with, among other things, (i) further information regarding the Supplemental Agreement and the Proposed Alterations; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in

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relation to the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations); (iii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and Independent Shareholders in relation to the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations); and (iv) the notice of the EGM together with the proxy form.

PROPOSED ALTERATIONS OF THE TERMS OF THE BONDS

Background

Reference is made to the joint announcement of the Company and SCFH dated 13 September 2022 and the circular of the Company dated 16 December 2022 in relation to, among other things, the disposal of the entire issued share capital of Genius Year Limited by Thousand China (an indirect wholly-owned subsidiary of the Company) as vendor to Power Path (a direct wholly-owned subsidiary of SCFH) as purchaser under the SPA.

On 13 January 2023, the aforesaid disposal under the SPA was completed, and as part of the settlement of the total consideration of the disposal, the Bonds in the aggregate principal amount of HK\$89,840,000 were issued by SCFH to Thousand China. From the issuance of the Bonds on 13 January 2023 to the Latest Practicable Date, no redemption of the Bonds by SCFH was taken place. The Bonds shall originally be repayable in full with accrued interests at the rate of one (1)% per annum on the Maturity Date (i.e. 12 January 2026) pursuant to the existing Conditions.

Supplemental Agreement

On 6 November 2025 (after trading hours), the Bondholder and SCFH entered into the Supplemental Agreement, pursuant to which the Bondholder and SCFH conditionally agreed to the Proposed Alterations by execution of the Supplemental Deed by SCFH as follows:

- (i) the Maturity Date be extended from the date falling on the third (3rd) anniversary of the date of issue of the Bonds to the date falling on the sixth (6th) anniversary of the date of issue of the Bonds, i.e. an extension of three (3) years to 12 January 2029;
- (ii) the interest rate under the Bonds be increased from one (1)% per annum during the period from the date of issue of the Bonds to the third (3rd) anniversary of the date of issue of the Bonds to (a) one (1)% per annum during the period from the date of issue of the Bonds to the third (3rd) anniversary of the date of issue of the Bonds and (b) two (2)% per annum during the period from the date immediately following the date falling on the third (3rd) anniversary of the date of issue of the Bonds to the Maturity Date; and
- (iii) the Conversion Price be changed from HK\$0.32 per Conversion Share to HK\$0.28 per Conversion Share subject to adjustments in the manner provided in the Instrument.

LETTER FROM THE BOARD

Save for the Proposed Alterations, all other Conditions of the Bonds shall remain unchanged.

The Proposed Alterations are subject to the fulfilment of the following conditions:

- (a) the Stock Exchange granting the approval in relation to the Proposed Alterations in accordance with Rule 28.05 of the Listing Rules;
- (b) the passing by the Independent Shareholders and the SCFH Independent Shareholders of all necessary resolution(s) at the EGM and the SCFH EGM respectively, to approve the Proposed Alterations and the transactions as contemplated under the Supplemental Agreement;
- (c) all necessary consents and approvals in respect of the Proposed Alterations and the transactions contemplated under the Supplemental Agreement (including but not limited to the necessary approvals to be obtained under the Listing Rules) required to be obtained on the part of the Company and SCFH having been obtained; and
- (d) the Listing Committee of the Stock Exchange having granted listing of, and permission to, deal in the Conversion Shares to be issued upon the exercise of conversion rights attached to the Bonds.

None of the above conditions can be waived by the parties to the Supplemental Agreement. An application will be made by SCFH to the Stock Exchange for the approval and permission of conditions (a) and (d). If any of the aforesaid conditions is not fulfilled by the Long Stop Date, the Supplemental Agreement will automatically cease and terminate and the parties thereto shall be released from all obligations and liabilities thereunder, if any.

Principal terms of the Bonds (before and after the Proposed Alterations)

Subject to the fulfillment of the conditions precedent to the Proposed Alterations, the principal terms of the Bonds before and after the Proposed Alterations are summarised as follows:

	Current (i.e. before the Proposed Alterations)	After the Proposed Alterations
Maturity Date	the date falling on the third (3rd) anniversary from the date of issue of the Bonds, i.e. on 12 January 2026 (the Bonds were issued by SCFH on 13 January 2023).	the date falling on the sixth (6th) anniversary from the date of issue of the Bonds, i.e. on 12 January 2029 (the Bonds were issued by SCFH on 13 January 2023).

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Interest rate and interest payment date	one (1)% per annum (from the date of issue of the Bonds to the Maturity Date) to be paid on the Maturity Date.	(a) one (1)% per annum during the period from the date of issue of the Bonds to the third (3rd) anniversary from the date of issue of the Bonds to be paid on the third (3rd) anniversary from the date of issue of the Bonds and (b) two (2)% per annum during the period from the date immediately following the date falling on the third (3rd) anniversary of the date of issue of the Bonds to the Maturity Date to be paid on the Maturity Date.
Conversion Price	HK\$0.32 per Conversion Share, which is subject to adjustments for, among other matters, consolidation, reduction or subdivision of the shares of SCFH, capitalization of profits or reserves, rights issue, or issue of convertible securities, warrants or options carrying the right to subscribe for the shares of SCFH, but no adjustment shall be made for, among other matters, the issue of the Bonds; the issue and allotment of any Conversion Shares upon the exercise of the conversion rights attached to the Bonds; the grant of any options or the issue and allotment of any shares of SCFH pursuant to the exercise of any options granted under the share option scheme of SCFH; and the issue and allotment of shares of SCFH to the public and/or any shareholder of SCFH for fund raising purposes.	HK\$0.28 per Conversion Share, which is subject to adjustments for, among other matters, consolidation, reduction or subdivision of the shares of SCFH, capitalization of profits or reserves, rights issue, or issue of convertible securities, warrants or options carrying the right to subscribe for the shares of SCFH, but no adjustment shall be made for, among other matters, the issue of the Bonds; the issue and allotment of any Conversion Shares upon the exercise of the conversion rights attached to the Bonds; the grant of any options or the issue and allotment of any shares of SCFH pursuant to the exercise of any options granted under the share option scheme of SCFH; and the issue and allotment of shares of SCFH to the public and/or any shareholder of SCFH for fund raising purposes.

LETTER FROM THE BOARD

Other principal terms of the Bonds shall remain unchanged and are summarized as follows:

Redemption	SCFH may redeem any Bonds at any time which remain outstanding before 5:00 p.m. (Hong Kong time) on the Maturity Date at the principal amount.
Conversion rights	Subject as provided in the Conditions, the bond holder(s) of the Bonds shall have the right to convert the Bonds into the shares of SCFH subject to mutual agreement in writing between the holder(s) of the Bonds and SCFH at any time during the period commencing from the date of issue of the Bonds up to 5:00 p.m. (Hong Kong time) on the fifth (5th) Business Days prior to the Maturity Date by complying with the relevant procedures set out in the Conditions.
Transferability	The Bonds shall be transferrable to any other person provided that the Bonds are not to be transferred to a connected person of SCFH and such transfer shall comply with the requirements under the Listing Rules and/or any other requirements imposed by the Stock Exchange (if any).
Status	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of SCFH and shall at all time rank <i>pari passu</i> and without any preference or priority among themselves, and the payment obligations of SCFH shall, save for such exceptions as may be provided by mandatory provisions of the applicable laws, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of SCFH.
Voting rights	The Bonds do not confer any right to the bond holder(s) of the Bonds to attend or vote at any shareholders' meeting of SCFH.

CONVERSION PRICE

The amended Conversion Price was determined after arm's length negotiations between the Company and SCFH with reference to the prevailing market price of the shares of SCFH representing:

- (a) a discount of approximately 3.45% to the closing price of HK\$0.29 per share of SCFH as quoted on the Stock Exchange on 6 November 2025, being the date of the Supplemental Agreement; and
- (b) a discount of approximately 3.45% over the average closing price of HK\$0.29 per share of SCFH as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Supplemental Agreement.

LETTER FROM THE BOARD

As at the Latest Practicable Date, assuming all Bonds are converted at the amended Conversion Price, a maximum of 320,857,142 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Bonds in full, representing:

- (a) approximately 106.50% of the issued share capital of SCFH; and
- (b) approximately 51.57% of the issued share capital of SCFH as to be enlarged by all issued Conversion Shares after the exercise of the conversion rights attached to the Bonds (assuming that there is no other issue or repurchase of the shares of SCFH).

The Directors (including the independent non-executive Directors who have taken into account of the advice of the Independent Financial Adviser) consider that the amended Conversion Price is fair and reasonable.

Reasons for and benefits of the Proposed Alterations

The Company has assessed the financial performance, repayment ability and liquidity position of SCFH based on its published financial information. For the purpose of this assessment, “loss from operating activities” refers to the loss generated from SCFH’s core business operations, excluding the impact of one-off or non-operating items such as fair value loss on investment properties, fair value loss on financial assets at fair value through profit or loss (net), fair value loss on convertible bonds, and impairment of loans and trade receivables (net).

For the six months ended 30 June 2025, SCFH recorded a loss from operating activities of approximately HK\$15.3 million, representing an improvement as compared to a loss of approximately HK\$20.0 million for the corresponding period in 2024. For the year ended 31 December 2024, SCFH recorded a loss from operating activities of approximately HK\$35.7 million, which was lower than the loss of approximately HK\$45.6 million for the year ended 31 December 2023. The consistent reduction in operating losses both on an interim and annual basis indicates a trend of gradual improvement in operating performance of SCFH. As at 30 June 2025, SCFH had cash of approximately HK\$49.6 million. Given that the outstanding principal amount of the Bonds was approximately HK\$89.8 million, SCFH’s available cash resources alone would not be sufficient to fully repay the Bonds upon maturity. While the Board is of the view that SCFH has demonstrated improvement in operating performance through the reduction of operating losses, its current cash position relative to the outstanding principal amount of the Bonds indicates that additional financing arrangements, asset disposals or other measures would be required to ensure full repayment upon maturity. As advised by the management of SCFH, to secure alternative financial resources to fulfil SCFH’s payment obligations on maturity, SCFH may consider disposing of its entire issued share capital of Genius Year Limited, which had a carrying amount of approximately HK\$84.5 million as at 30 June 2025, for cash consideration. The proceeds from such disposal, if materialised, are expected to be applied towards the repayment of the Bonds upon maturity. However, as at the Latest Practicable Date, as advised by the management of SCFH, no potential purchasers expressed interest in the proposed disposal of the entire issued share capital of Genius Year Limited and SCFH will continue to explore feasible financing and disposal opportunities to ensure that sufficient financial resources are available to meet its obligations when due. The

LETTER FROM THE BOARD

Company will continue to closely monitor SCFH's financial performance and liquidity position, and will take into account SCFH's plans and actions to secure sufficient resources for repayment when considering the extension of the Bonds.

As at the Latest Practicable Date, the share price of SCFH has been upsurging to HK\$0.395 or about 41.1% over the revised Conversion Price of HK\$0.280 per Conversion Share. In the event that the Proposed Alternations be approved and materialized, the Company may consider converting part of the Conversion Rights into Conversion Shares and then disposing of them in the open market for realizing satisfactory returns on investment in the Bonds, when and where appropriate.

In addition, by reviewing the business development plans presented by the management of SCFH, the Board believes that SCFH has a credible path towards operational and financial recovery in the extended period of the Maturity Date. If SCFH's turnaround plans are materialized, it is expected that the improved business performance will be reflected in its share price. On the other hand, by extending the Maturity Date, the Group may preserve upside potential of the Conversion Shares so that it may exercise the conversion right attached to the Bonds upon upturn in the share price of SCFH during the extended period of the Maturity Date, which would be a more meaningful option for the Group and the Shareholders as a whole.

Given the current financial situation of SCFH and subsequent to the discussions with the management of SCFH, it is not practicable for SCFH to redeem the Bonds upon the original Maturity Date. Default in payment could be detrimental to the Company as write-off of the Bonds might be required which in turn would have an adverse financial impact on the Group and is not in the interests of the Group and the Shareholders as a whole.

Under the Proposed Alterations, the interest rate under the Bonds be increased from one (1)% per annum during the period from the date of issue of the Bonds to the third (3rd) anniversary of the date of issue of the Bonds to (a) one (1)% per annum during the period from the date of issue of the Bonds to the third (3rd) anniversary of the date of issue of the Bonds and (b) two (2)% per annum during the period from the date immediately following the date falling on the third (3rd) anniversary of the date of issue of the Bonds to the Maturity Date. In assessing the adjusted interest rate, the Company obtained five quotations from its principal banks on the prevailing interest rates for 12-month time deposits, ranging from approximately 1.60% to 2.60% per annum. The adjusted interest rate of the Bonds falls within the aforesaid range of interest rates quoted by those principal banks. As discussed with the management of SCFH, the accrued interest (being 1% per annum) accrued on the Bonds during the period from the date of issue of the Bonds to the third (3rd) anniversary from the date of issue of the Bonds (both days inclusive) shall be settled on the third (3rd) anniversary from the date of issue of the Bonds instead of being settled together with the revised interest of two (2)% per annum on the sixth (6th) anniversary of the date of issue of the Bonds as the accrued interest (being one (1)% per annum) of approximately HK\$2.7 million is considered not being material to SCFH, and the Board believes that the business plans of SCFH are viable, which would be helpful to turnaround the business performance of SCFH in the next three (3) years.

LETTER FROM THE BOARD

The existing Conversion Price is HK\$0.32 per Conversion Share, which is higher than the 1-month, 3-month and 6-month average closing price of the shares of SCFH of approximately HK\$0.29, HK\$0.28 and HK\$0.26 respectively. At the current level, the conversion right has little or no value to the Company, as it would be cheaper to buy the shares of SCFH directly in the market. By adjusting the conversion price to HK\$0.28, it restores the commercial value of the conversion feature of the Bonds and ensures that the Bonds continue to function as a genuine hybrid instrument, rather than simply as straight debt.

The amended Conversion Price of HK\$0.28 represents a modest discount to the prevailing market price of SCFH, which is a general practice in capital markets. Such discount compensates the Company for the opportunity cost and risks of holding the Bonds. The adjustment also increases the likelihood that the Bonds will eventually be converted into equity, providing the Company with potential upside participation in SCFH's future performance.

As such, the Board is of the view that the amended Conversion Price, which aligns with the current share price of SCFH, offers better value upon conversion and is therefore fair and reasonable.

The Board is of the view that extension of the Maturity Date for three (3) years will enable (i) SCFH to postpone a substantial cash outflow which can be used to improve its business performance and financial position and provide it with more time to obtain financial resources to meet its payment obligations under the Bonds, and (ii) the Company to receive more interest income. Taking into account the Group's cash position, cash flows and working capital requirements, the Board believes that the Proposed Alterations will not have significant impact on the financial position or business operations of the Group. As at the Latest Practicable Date, the Company does not have material development or investment plan for the cash in the event that the Bonds are repaid. In view of the above factors (including the financial performance, repayment ability, liquidity position and business development plans of SCFH), the Board (including the independent non-executive Directors who have taken into account of the advice of the Independent Financial Adviser) is of the view that the terms and conditions of the Supplemental Agreement and transactions contemplated thereunder (including the Proposed Alterations) are on normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

Information on the parties

The Company is an investment holding company. The Group's principal subsidiaries are principally engaged in trading and manufacturing of toys and shoes, property investment and development, agriculture as well as forestry businesses.

The Bondholder is an indirect wholly-owned subsidiary of the Company. Its principal business is investment holding.

SCFH is an investment holding company. Its principal subsidiaries are principally engaged in broking, margin financing, corporate advisory and underwriting, asset and wealth management as well as property investment.

LETTER FROM THE BOARD

Power Path is a direct wholly-owned subsidiary of SCFH. Its principal business is investment holding.

Financial Information of SCFH

The following financial information is extracted from the annual report of SCFH for the financial year ended 31 December 2024:

	For the year ended 31 December	
	2023	2024
	(audited) <i>HK\$'000</i>	(audited) <i>HK\$'000</i>
Net assets	221,459	76,184
Loss before tax from continuing operations	(82,374)	(292,747)
Net Loss	(139,998)	(295,056)

Based on the interim report of SCFH for the six months ended 30 June 2025, the net assets of SCFH was amounted to approximately HK\$33,392,000. The market capitalization of SCFH as at the Latest Practicable Date was amounted to approximately HK\$87,370,000 which was calculated by the number of issued shares of SCFH times the closing price as quoted on the Stock Exchange as at the Latest Practicable Date.

Based on the interim report of SCFH for the six months ended 30 June 2025, the carrying value of the Bonds was amounted to approximately HK\$87,140,000 as at 30 June 2025.

LETTER FROM THE BOARD

Effect on shareholding structure of SCFH

Assuming that there is no change in the shares from the Latest Practicable Date, the shareholding structure of SCFH (i) as at the Latest Practicable Date; (ii) upon conversion of the convertible bonds not resulting Total Grace and the parties acting in concert with it exceeding the 2% creeper rule under Rule 26.1 of the Takeover Code; (iii) immediate upon full conversion of the whole principal of HK\$89,840,000 convertible bonds at the conversion price of HK\$0.28 per conversion shares; (iv) immediate upon full conversion of the whole principal of HK\$50,000,000 convertible bonds at the conversion price of HK\$0.22 per conversion share; and (v) immediate upon (a) full conversion of the whole principal of HK\$89,840,000 convertible bonds at the conversion price of HK\$0.28; and (b) full conversion of the whole principal of HK\$50,000,000 convertible bonds at the conversion price of HK\$0.22 per conversion share will be as follows:

	As at the Latest Practicable Date		Upon conversion of the convertible bonds not resulting Total Grace and the parties acting in concert with it exceeding the 2% creeper rule under Rule 26.1 of the Takeover Code		Immediate upon full conversion of the whole principal of HK\$89,840,000 convertible bonds at the conversion price of HK\$0.28 per conversion share		Immediate upon full conversion of the whole principal of HK\$50,000,000 convertible bonds at the conversion price of HK\$0.22 per conversion share		Immediate upon (a) full conversion of the whole principal of HK\$89,840,000 convertible bonds at the conversion price of HK\$0.28 per conversion share and (b) full conversion of the whole principal of HK\$50,000,000 convertible bonds at the conversion price of HK\$0.22 per conversion share	
	No. of SCFH shares	Approximately %	No. of SCFH shares	Approximately %	No. of SCFH shares	Approximately %	No. of SCFH shares	Approximately %	No. of SCFH shares	Approximately %
Uni-Spark	7,178,761	2.38	7,178,761	2.36	7,178,761	1.15	7,178,761	1.36	7,178,761	0.85
Fung Shing	23,526,030	7.81	23,526,030	7.73	23,526,030	3.78	23,526,030	4.45	23,526,030	2.77
Parkfield	44,623,680	14.81	44,623,680	14.66	44,623,680	7.17	44,623,680	8.44	44,623,680	5.25
Ronastar	1,999,872	0.66	1,999,872	0.66	1,999,872	0.32	1,999,872	0.38	1,999,872	0.24
Mr. Ng	13,005,264	4.32	13,005,264	4.27	13,005,264	2.09	13,005,264	2.46	13,005,264	1.53
Total Grace	0	0.00	3,146,000	1.03	0	0.00	227,272,727	43.00	227,272,727	26.76
Thousand China	0	0.00	0	0.00	320,857,142	51.57	0	0.00	320,857,142	37.77
Mr. Ng and his close associates	90,333,607	29.98	93,479,607	30.71	411,190,749	66.09	317,606,334	60.09	638,463,476	75.17
Mr. Paul Ng	14,988,000	4.97	14,988,000	4.92	14,988,000	2.41	14,988,000	2.84	14,988,000	1.76
Ms. Cheung	13,598,311	4.51	13,598,311	4.47	13,598,311	2.19	13,598,311	2.57	13,598,311	1.60
Mr. Richard Howard Gorges	5,000,000	1.66	5,000,000	1.64	5,000,000	0.80	5,000,000	0.95	5,000,000	0.59
Parties acting in concert (Mr. Ng and his close associates, Mr. Paul Ng, Ms. Cheung and Mr. Richard Howard Gorges)	123,919,918	41.13	127,065,918	41.74	444,777,060	71.49	351,192,645	66.44	672,049,787	79.12
Public Shareholders	177,357,152	58.87	177,357,152	58.26	177,357,152	28.51	177,357,152	33.56	177,357,152	20.88
TOTAL	301,277,070	100.00	304,423,070	100.00	622,134,212	100.00	528,549,797	100.00	849,406,939	100.00

For illustrative purpose only, the maximum number of Conversion Shares to be issued upon exercise of the conversion rights of the Bonds would be approximately 3,146,000 assuming there is no mandatory general offer being triggered by the Bondholder under the Takeovers Code.

LETTER FROM THE BOARD

It is expected that the SCFH Independent Shareholders should note that the number of Conversion Shares to be issued pursuant to such conversion shall be limited to the maximum number of shares issuable by SCFH which would not result in (i) a breach of the public float requirement under the Listing Rules; and (ii) a mandatory general offer being triggered under the Takeovers Code, and the balance number of the Conversion Shares attaching to the Bonds will not be issued until (i) SCFH is able to comply with the aforesaid issues of public float requirement and mandatory general offer; or (ii) a general offer is made by the Bondholder and parties acting in concert with it respectively if a mandatory offer is triggered; or (iii) a whitewash waiver is approved and granted by the SFC if a mandatory offer is triggered (as the case may be).

Implications under the Listing Rules

Given that one of the highest of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Alterations is more than 5% but less than 25%, the Proposed Alterations constitute discloseable transaction for the Company.

As at the Latest Practicable Date, Mr. Ng and his associates held approximately 68.81% of the total issued share capital of the Company (Mr. Ng is an executive Director and chairman of the Board) and approximately 34.96% of the total issued share capital of SCFH (Mr. Ng is an executive director and chairman of the board of directors of SCFH). Therefore, each of the Company and SCFH is an associate of Mr. Ng. Accordingly, the Proposed Alterations constitute connected transaction of the Company by virtue of the Listing Rules, which is subject to announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Ng, Mr. Paul Ng (an associate of Mr. Ng), Ms. Cheung, Ms. Jessica Ng (another associate of Mr. Ng) are common directors of the Company and SCFH, they are required to abstain from voting on the relevant Board resolutions.

Save for Mr. Ng and his associates (Mrs. Ng, Ms. Jessica Ng, Mr. Paul Ng, Fung Shing, Parkfield, Bannock, Earntrade, Crystal Hub, Ronastar and Green Orient) and Ms. Cheung and her associates, holding approximately 69.12% of the total issued share capital of the Company as at the Latest Practicable Date, are required to abstain from voting on the relevant resolution(s) at the EGM. To the best of the Directors' knowledge and information, no other Shareholder is required to abstain from voting on the relevant resolution(s) in relation to the Supplemental Agreement and the transactions contemplated thereunder at the EGM.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Kam Yiu Shing Tony, Ms. Pong Scarlett Oi Lan, BBS, J.P. and Mr. Wong Chun Tat, J.P., has been established to consider the terms of the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations), and to advise the Independent Shareholders as to whether the terms of the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

WRise Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations).

EGM

The EGM will be held on Monday, 12 January 2026 at 11:45 a.m. at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong for the Shareholders to consider and, if thought fit, pass the resolution to approve, among other things, the Supplemental Agreement and the transactions as contemplated thereunder (including the Proposed Alterations). The resolution in relation to the Supplemental Agreement and the transactions as contemplated thereunder (including the Proposed Alterations) at the EGM will be voted on by the Independent Shareholders by way of poll.

The notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use at the EGM is also enclosed. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Union Registrars Limited, the share registrar of the Company in Hong Kong, at Suites 3301–04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event not later than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the list of Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 9 January 2026 to Monday, 12 January 2026 (both dates inclusive). No transfer of Shares will be registered during these days. In order to qualify to attend and vote at the EGM, all instruments of transfer together with the relevant share certificate(s) must be lodged with Union Registrars Limited, the share registrar of the Company in Hong Kong, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Thursday, 8 January 2026.

RECOMMENDATION

The Board (including the members of the Independent Board Committee after having considered the advice of the Independent Financial Adviser) considers that the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and recommends that the Independent Shareholders vote in favour of the resolution relating to the Supplemental Agreement and the transactions as contemplated thereunder (including the Proposed Alterations) at the EGM.

LETTER FROM THE BOARD

FURTHER INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee which contains the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations); (ii) the letter from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations); and (iii) additional information set out in the appendix to this circular and the notice of the EGM.

Warnings: The Proposed Alterations are subject to the fulfilment of a number of conditions, including but not limited to approval of the Supplemental Agreement and the transactions as contemplated thereunder (including the Proposed Alterations) by the Independent Shareholders at the EGM. As such, all transactions as contemplated under the Supplemental Agreement may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

Yours faithfully
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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in respect of the Supplemental Agreement and all transactions as contemplated thereunder:



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)

4 December 2025

To the Independent Shareholders

Dear Sirs or Madams,

CONNECTED TRANSACTION PROPOSED ALTERATIONS OF THE TERMS OF HK\$89,840,000 CONVERTIBLE BONDS

We refer to the circular issued by the Company dated 4 December 2025 (the “**Circular**”) to the Shareholders of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed by the Board as members to constitute the Independent Board Committee and to advise the Independent Shareholders in respect of the terms of the Supplemental Agreement and the transactions as contemplated thereunder, details of which are set out in the “Letter from the Board” contained in the Circular.

WRise Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Supplemental Agreement as contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Details of the advice and the principal factors and reasons from the Independent Financial Adviser has taken into consideration in giving such advice, are set out in the “Letter from the Independent Financial Adviser” in the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information as set out in the appendix thereto.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

After taking the advice of the Independent Financial Adviser as set out in the “Letter from the Independent Financial Adviser” in the Circular, we consider that the terms of the Supplemental Agreement as contemplated thereunder are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole but not in the ordinary and usual course of the business of the Group.

We, therefore, recommend that you vote in favour of the resolution relating to the Supplemental Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully,
Independent Board Committee

Kam Yiu Shing Tony
*Independent non-executive
Director*

Pong Scarlett Oi Lan, BBS, J.P.
*Independent non-executive
Director*

Wong Chun Tat, J.P.
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter received from the Independent Financial Adviser setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and all transactions as contemplated thereunder, for the purpose of inclusion in this circular.



4 December 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION PROPOSED ALTERATIONS OF THE TERMS OF HK\$89,840,000 CONVERTIBLE BONDS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Alterations, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 4 December 2025 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 6 November 2025 (after trading hours), Thousand China and SCFH entered into the Supplemental Agreement, pursuant to which the parties thereto conditionally agreed to the Proposed Alterations by execution of the Supplemental Deed by SCFH.

As at the Latest Practicable Date, Mr. Ng and his associates held approximately 68.81% of the total issued share capital of the Company (Mr. Ng is an executive Director and chairman of the Board) and approximately 34.96% of the total issued share capital of SCFH (Mr. Ng is an executive director and chairman of the board of directors of SCFH). Therefore, each of the Company and SCFH is an associate of Mr. Ng. Accordingly, the Proposed Alterations constitute connected transaction of the Company by virtue of the Listing Rules, which is subject to announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Kam Yiu Shing Tony, Ms. Pong Scarlett Oi Lan, BBS, J.P. and Mr. Wong Chun Tat, J.P., all being independent non-executive Directors, has been formed to consider the Proposed Alterations. We, WRise Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

Apart from this engagement, we previously acted twice as the independent financial adviser to advise the independent board committee and the then independent shareholders of the Company within two years prior to the Latest Practicable Date, details of which are set out in the Company's circulars dated 14 November 2024 and 10 June 2025. Apart from normal professional fees paid or payable to us in connection with such appointments as the independent financial adviser, no arrangements exist whereby we had received any fees or benefits from the Group. As at the Latest Practicable Date, we did not have any relationships or interests with the Group and/or SCFH that could reasonably be regarded as hindrance to our independence. Accordingly, we have considered ourselves to be eligible to give independent advice in respect of the Supplemental Agreement and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Directors and the management of the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the date hereof and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the management of the Group. The Directors have confirmed that no material facts have been withheld or omitted from the information provided, opinion expressed, representations made to us or referred to in the Circular and that all information provided, opinion expressed or representations made, to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so until the date of the Circular. Shareholders will be informed by the Company and us as soon as possible if there is any material change to the information disclosed in the Circular up to the date of the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of any member of the Group or any of their respective subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

1. Information of the Group

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

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2024 and the six months ended 30 June 2025 as extracted from the Company's annual report for the year ended 31 December 2024 (“**2024AR**”) and the interim report for the six months ended 30 June 2025 (“**2025IR**”) respectively.

	For the year ended 31 December 2023 (“FY2023”) <i>Approximately HK\$'000 Audited</i>	For the year ended 31 December 2024 (“FY2024”) <i>Approximately HK\$'000 Audited</i>	For the six months ended 30 June 2024 (“6M2024”) <i>Approximately HK\$'000 Unaudited</i>	For the six months ended 30 June 2025 (“6M2025”) <i>Approximately HK\$'000 Unaudited</i>
Revenue	2,887,385	3,231,529	1,168,503	891,682
— Trading and manufacturing	2,644,312	3,007,310	1,061,505	789,096
— Property investment and development	240,851	223,328	106,936	102,529
— Agriculture and forestry	2,222	891	62	57
Gross profit	479,357	475,843	152,076	62,610
(Loss)/profit for the year/ period	(42,439)	12,177	(80,876)	(89,996)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With reference to the 2024AR, the Group's revenue of approximately HK\$3,231.5 million for FY2024 rose by approximately HK\$344.1 million (11.9%) from FY2023. The trading and manufacturing segment, particularly OEM toys production, grew by approximately HK\$274.4 million (11.2%) due to increased orders from key U.S. customers, driven by rebounding consumer demand for toy products. The Group recorded net profits of approximately HK\$12.2 million for FY2024, compared to a net loss of HK\$42.4 million for FY2023, primarily due to the combined effect of: (i) the improved trading and manufacturing results; (ii) lower finance costs from reduced average interest rates; and (iii) higher gains recognised from disposal of subsidiaries in FY2024 compared to FY2023.

The Group's revenue for 6M2025 fell by approximately 23.7% to HK\$891.7 million compared with 6M2024, primarily due to lower revenue from OEM toys production as the key U.S. customers adopted cautious ordering strategies. The Group recorded a loss for the period of approximately HK\$90.0 million, due to the combined effect of: (i) the decline in operating results of the trading and manufacturing segment; (ii) higher net fair value gains on investment properties; and (iii) higher gains recognised from disposal of subsidiaries in 6M2025 compared to 6M2024.

Set out below is a summary of the consolidated statement of financial position of the Group as at 31 December 2023 and 31 December 2024 as extracted from the 2025 IR.

	As at 31 December 2024	As at 30 June 2025
	<i>Approximately HK\$'000 Audited</i>	<i>Approximately HK\$'000 Unaudited</i>
Total assets	12,965,968	13,030,995
Total liabilities	6,848,506	6,809,638
Net assets	6,117,462	6,221,357

The Group's total assets amounted to approximately HK\$12,966.0 million and HK\$13,031.0 million as at 31 December 2024 and 30 June 2025 respectively. Its major assets comprised investment properties of approximately HK\$9,192.8 million and HK\$9,447.6 million as at 31 December 2024 and 30 June 2025 respectively, which relates to the Group's property investment portfolio in Nanjing, Shenyang, and Tianjin in Mainland China and Hong Kong. The Group's current assets, consisting mainly of inventories, trade receivable, prepayments, deposits, and other receivables and cash and bank balances, remained relatively stable as at 31 December 2024 and 30 June 2025.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The total liabilities of the Group were approximately HK\$6,848.5 million and HK\$6,809.6 million as at 31 December 2024 and 30 June 2025 respectively. The Group's major liabilities comprised total interest-bearing bank borrowings, amounting to approximately HK\$3,671.4 million and HK\$3,534.5 million as at 31 December 2024 and 30 June 2025 respectively.

2. Information of SCFH

SCFH and its subsidiaries (the “**SCFH Group**”) are principally engaged in broking, margin financing, corporate advisory and underwriting, asset and wealth management as well as property investment.

Set out below is a summary of the consolidated financial information of the SCFH Group for the two years ended 31 December 2024 and the six months ended 30 June 2024 and 2025 as extracted from SCFH's annual report for the year ended 31 December 2024 (“**SCFH 2024AR**”) and the interim report for the six months ended 30 June 2025 (“**SCFH 2025IR**”) respectively.

	For the year ended 31 December 2023	For the year ended 31 December 2024	For the six months ended 30 June 2024	For the six months ended 30 June 2025
	<i>Approximately HK\$'000 Audited</i>	<i>Approximately HK\$'000 Audited</i>	<i>Approximately HK\$'000 Unaudited</i>	<i>Approximately HK\$'000 Unaudited</i>
Revenue from continuing operations	42,830	36,799	17,695	19,441
Loss for the year/period from continuing operations	(78,739)	(292,747)	(43,475)	(46,806)
Net loss for the year/period from discontinued operations	(61,259)	(2,309)	(4,312)	—
Loss for the year/period	(139,998)	(295,056)	(47,787)	(46,806)

Based on the SCFH 2024AR, the SCFH Group's revenue from continuing operations for FY2024 was approximately HK\$36.8 million, a decrease of approximately HK\$6.0 million from FY2023. This was primarily due to the asset and wealth management segment's revenue dropped to approximately HK\$2.8 million in FY2024, compared with HK\$11.0 million in FY2023. For FY2024, excluding those one-off or non-operating items such as fair value loss on investment properties, fair value loss on financial assets at fair value through profit or loss (net), fair value loss on convertible bonds, and impairment of loans and trade receivables (net), SCFH recorded a loss from operating activities of approximately HK\$35.7 million, which was lower than the loss of approximately HK\$45.6 million for FY2023. Taking into account mainly

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the HK\$223.4 million diminution in value of investment property for FY2024 (FY2023: Nil), SCFH recorded a loss from continuing operations of approximately HK\$292.7 million for FY2024, compared to a loss of approximately HK\$78.7 million for FY2023. After periodic performance assessment and for better allocation of resources, SCFH ceased its media publication and financial public relation service business in FY2024 and jewellery business in FY2023 respectively.

As set out in the SCFH 2025IR, the SCFH Group's revenue from continuing operations was approximately HK\$19.4 million for 6M2025, a modest improvement from HK\$17.7 million for 6M2024. This was primarily attributable to higher brokerage income, driven by improved market sentiment and a recovery in the Hong Kong stock market. However, the revenue uplift from the brokerage segment was partially offset by a decline in the asset and wealth management business, which faced heightened competition and reduced client activity. For 6M2025, excluding those one-off or non-operating items such as fair value loss on investment properties, fair value loss on financial assets at fair value through profit or loss (net), fair value loss on convertible bonds, and impairment of loans and trade receivables (net), SCFH recorded a loss from operating activities of approximately HK\$15.3 million, representing an improvement as compared to a loss of approximately HK\$20.0 million for 6M2024. SCFH recorded mainly a non-cash diminution in the value of its investment properties of approximately HK\$21.0 million (2024: HK\$9.4 million) for 6M2025. This impacted profitability, resulting in a reported net loss of approximately HK\$46.8 million for 6M2025, compared to a net loss of HK\$47.8 million for 6M2024.

Set out below is a summary of the consolidated statement of financial position of the SCFH Group as at 31 December 2024 and 30 June 2025 as extracted from the SCFH 2024AR and the SCFH 2025IR, respectively.

	As at 31 December 2024	As at 30 June 2025
	<i>Approximately HK\$'000 Audited</i>	<i>Approximately HK\$'000 Unaudited</i>
Total assets	850,518	1,019,657
Total liabilities	774,334	986,265
Net assets	76,184	33,392

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 30 June 2025, the SCFH Group's total assets were approximately HK\$1,019.7 million, primarily comprised investment properties of approximately HK\$265.0 million, right-of-use assets of HK\$84.5 million, cash held on behalf of clients of HK\$491.1 million, cash and bank balance of HK\$49.6 million, representing about 87.3% of the total assets. The total assets as at 30 June 2025 increased by approximately HK\$169.1 million (or approximately 19.9%) as compared to that as at 31 December 2024, mainly due to an increase in cash held on behalf of clients by approximately HK\$192.6 million. As at 30 June 2025, SCFH had cash and bank balances of approximately HK\$49.6 million and net current liabilities of approximately HK\$262.6 million. SCFH's available cash resources alone would not be sufficient to fully repay the Bonds upon maturity.

The total liabilities of the SCFH Group were approximately HK\$986.3 million as at 30 June 2025, primarily included client deposits of HK\$513.0 million, interest-bearing bank and other borrowings of HK\$234.3 million and convertible bonds of HK\$137.1 million as at 30 June 2025, representing approximately 89.7% of the total liabilities. The total liabilities as at 30 June 2025 increased by approximately HK\$211.9 million (or approximately 27.4%) as compared to that as at 31 December 2024, mainly due to an increase in client deposits by approximately HK\$199.9 million.

Recent developments

As set out in the above, SCFH had a reduction in its core operating losses for FY2024 and 6M2025. For 6M2025, SCFH recorded higher brokerage income, driven by improved market sentiment and a recovery in the Hong Kong stock market. It is expected that IPO market is likely to stay robust, reinforcing Hong Kong's position as a preferred listing destination for both domestic and international companies. With reference to the SCFH 2025IR, by leveraging insights to drive growth and adapt to market dynamics, SCFH keeps aligning its strategies such as widening the scopes of brokerage and margin financing businesses by introducing derivatives products for clients' investment and enhancing the provision of virtual assets services, including cooperation with strategic partners; as well launching equity capital market services including syndication, equity financing, underwriting and serving as joint global coordinator, joint book-runner and joint lead manager in IPO projects. In addition, we noted that (i) on 16 October 2025, SCFH disposed its holding of listed securities at consideration of approximately HK\$10.25 million and the net proceeds will be used for general working capital; (ii) on 6 November 2025, SCFH signed a memorandum of understanding ("MOU") in relation to the formation of a joint venture regarding promotion and selling of security and anti-riot products to global market; and (iii) on 14 November 2025, SCFH signed another MOU in respect of formation of a joint venture regarding developing AI-powered platforms for pharmaceutical research and development, along with relevant technical services.

3. Reasons for and benefits of the Proposed Alterations

With reference to the Letter from the Board, the Company has assessed the financial performance, repayment ability and liquidity position of SCFH based on its published financial information. While SCFH has demonstrated improvement in operating performance through the reduction of operating losses, its current cash position relative to the outstanding principal amount of the Bonds suggests that additional financing arrangements, asset disposals or other measures would be required to ensure full repayment upon maturity. As advised by the management of SCFH, to secure alternative financial resources to fulfil SCFH's payment obligations on maturity, SCFH may consider to dispose of its entire issued share capital of Genius Year Limited, which had a carrying amount of approximately HK\$84.5 million as at 30 June 2025, for cash consideration. The proceeds from such disposal, if materialised, are expected to be applied towards the repayment of the Bonds upon maturity. As at the Latest Practicable Date, as advised by the management of SCFH, no potential purchasers have expressed interest in the proposed disposal of the entire issued share capital of Genius Year Limited and SCFH will continue to explore feasible financing and disposal opportunities to ensure that sufficient financial resources are available to meet its obligations when due.

In addition, by reviewing the latest unaudited financial statements and the business development plans presented by the management of SCFH, the Board believes that SCFH has a credible path towards operational and financial recovery in the extended period of the Maturity Date. If SCFH's turnaround plans are materialized, it is expected that the improved business performance will be reflected in its share price, preserving upside potential of the Conversion Shares so that it may exercise the conversion right attached to the Bonds upon upturn in the share price of SCFH. Besides, given the current financial situation of SCFH, it is not practicable for SCFH to redeem the Bonds upon the original Maturity Date. Default in payment could be detrimental to the Company as write-off of the Bonds might be required which in turn would have an adverse financial impact on the Group.

The Board is of the view that extension of the Maturity Date for three (3) years will enable (i) SCFH to postpone a substantial cash outflow which can be used to improve its business performance and financial position and provide it with more time to obtain financial resources to meet its payment obligations under the Bonds; and (ii) the Company to receive more interest income. Taking into account the Group's cash position, cash flows and working capital requirements, the Board believes that the Proposed Alterations will not have significant impact on the financial position or business operations of the Group.

As refer to the section headed "2. Information of SCFH" above, SCFH recorded a reduction in operating losses in FY2024 and 6M2025. Besides, SCFH has taken steps to improve its business and financial positions, including (i) with reference to the 2025IR, SCFH aims to enhance its existing businesses to tap on market opportunities (e.g. by widening the scopes of brokerage and margin financing businesses); (ii) ceasing non-profitable businesses for better resources allocation; (iii) disposing its securities investments on-market to enhance liquidity position of the SCFH Group; and (iv) actively exploring new businesses opportunities (e.g. signing of the MOUs in respect of formation of joint ventures to engage in promotion and selling of security and anti-riot products, and developing AI-powered platforms for pharmaceutical research and development, along with relevant technical services).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on our independent review of the latest published financial statements of SCFH (as analysed above), we noted that it may not be feasible for SCFH to fully repay the Bonds upon the original Maturity Date on 12 January 2026 so that the Company has compromised with the management of SCFH to extend the Maturity Date for another three years until 12 January 2029. It is currently expected that the share price of SCFH may recover in the coming years on the basis that the current favourable market sentiment can sustain, which in fact has been upsurging to HK\$0.395 per share of SCFH as at the Latest Practicable Date, or about 41.1% over the revised Conversion Price of HK\$0.280 per Conversion Share. Based on our discussion with the management of the Company, they may consider to convert part of the Conversion Rights into Conversion Shares and then dispose of them in the open market for realizing satisfactory returns on investment in the Bonds, when and where appropriate. If the Company can realise some portion of the Conversion Shares in the open market during the extended three years to the Maturity Date, SCFH's payment obligations under the Bonds would be partly alleviated. On the other hand, the Company will receive additional interest income of approximately HK\$2.7 million (assuming no Conversion Share has been disposed of) over the tenure of the Bonds in the coming three years, which will be paid on the extended Maturity Date. Given the expected returns on investment in the Bonds would be much higher than the prevailing interest rates on time deposits in the market and there has been general anticipation of a decreasing trend in such interest rates in Hong Kong, the Company considers that the Proposed Alterations will allow it sufficient time of another three years to preserve upside potential of the share of SCFH, and hence, the Conversion Shares. As advised by the management of the Company, save for placement of time deposits in financial institutions in Hong Kong, as at the Latest Practicable Date, the Company has no specific development or investment plan for the cash in the event that the Bonds are repaid. The accrued interest (1% per annum) on the Bonds for the period from the date of issue to the third (3rd) anniversary of the issue date (both days inclusive) shall be settled on the said third (3rd) anniversary. The amended interest (2% per annum) shall accrue and become payable on the extended Maturity Date. Given that the expected potential returns on the Bonds could be much higher than the prevailing interest rates on time deposits in Hong Kong, and that the accrued interest for the initial three-year tenure of the Bonds will be paid on the original Maturity Date, we consider that the extension of the Maturity Date of the Bonds provides an additional three-year period to retain the upside potential of the SCFH shares. Accordingly, the Proposed Alterations (including the extension of three years, the amended interest rate from 1% to 2% per annum and the relevant payment terms) are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Having considered the above, including (i) the extension of the Maturity Date of the Bonds will allow SCFH more time and postpone a substantial cash outflow for SCFH to improve its business performance and financial position as well as to obtain financial resources to meet its payment obligations under the Bonds; (ii) the Company will receive more interest income; and (iii) the terms of the Proposed Alterations are fair and reasonable (as analysed below), we consider the Proposed Alterations are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. The Proposed Alterations of the Terms of the Bonds

Supplemental Agreement and the principal terms of the Bonds

On 6 November 2025 (after trading hours), Thousand China and SCFH entered into the Supplemental Agreement, pursuant to which the parties thereto conditionally agreed to the Proposed Alterations by execution of the Supplemental Deed by SCFH. Subject to the fulfillment of the conditions precedent (as detailed in the Letter from the Board) to the Proposed Alterations, the principal terms before and after the Proposed Alterations are summarised as follows:

	Current (i.e. before the Proposed Alterations)	After the Proposed Alterations
Maturity Date	the date falling on the third (3rd) anniversary from the date of issue of the Bonds, i.e. on 12 January 2026 (the Bonds were issued by SCFH on 13 January 2023).	the date falling on the sixth (6th) anniversary from the date of issue of the Bonds, i.e. on 12 January 2029 (the Bonds were issued by SCFH on 13 January 2023).
Interest rate and interest payment date	one (1) % per annum (from the date of issue of the Bonds to the Maturity Date) to be paid on the Maturity Date.	(a) one (1)% per annum during the period from the date of issue of the Bonds to the third (3rd) anniversary from the date of issue of the Bonds to be paid on the third (3rd) anniversary from the date of issue of the Bonds and (b) two (2)% per annum during the period from the date immediately following the date falling on the third (3rd) anniversary of the date of issue of the Bonds to the Maturity Date to be paid on the Maturity Date.
Conversion Price	HK\$0.32 per Conversion Share, which is subject to adjustments in the manner provided in the Instrument.	HK\$0.28 per Conversion Share, which is subject to adjustments in the manner provided in the Instrument.

Save for the Proposed Alterations, all other terms and conditions of the Bonds remain unchanged and in full force and effect. Please refer to the Letter from the Board for other principal terms of the Bonds.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our assessment

Further to our independent analysis as set out in “2. Information of SCFH” and “Reasons for and benefits of the Proposed Alterations” above, based on our independent research on the extension of convertible bonds for their maturity by companies listed in Hong Kong announced within about one year prior to the date of the Supplemental Agreement, we note that the proposed extension of the Bonds for three years falls within the range of the extension of convertible bonds of 12 months to 60 months. Therefore, we consider the extension of the Maturity Date for three years to be acceptable.

In order to assess the fairness and reasonableness of the Proposed Alterations under the recent market conditions, we have conducted a comparable analysis by identifying companies listed on the Stock Exchange which (i) have announced the issuance of convertible bonds within six months before the date of the Supplemental Agreement; (ii) have a tenure of three years, which is equivalent to the Bonds’ extended tenure; (iii) the convertible bonds have not lapsed or cancelled on or before the date of the Supplemental Agreement; (iv) the issuers of the convertible bonds are not in net liability positions; and (v) exclude the issuers whose shares were under prolonged suspension as at the date of the Supplemental Agreement. Based on the above criteria, we have identified an exhaustive list of 10 issuances of convertible bonds (the “**CB Comparables**”) which represent fair and representative samples for our analysis. Independent Shareholders should, however, note that the businesses, operations and prospect of the Company are not the same as those of the CB Comparables. Notwithstanding that, we consider that the terms of the CB Comparables are determined under similar market conditions and sentiment, and hence provide a general reference on the key terms for this type of transactions in Hong Kong. Therefore, we consider that the CB Comparables are indicative in assessing the fairness and reasonableness of the terms of the Bonds. Set out below are the details of the CB Comparables:

	Date of announcement	Company name (stock code)	Principal amount <i>HK\$ million</i>	Maturity <i>Year</i>	Interest rate per annum	Premium/(discount)	Premium/(discount)
						of conversion price over/(to) the closing price on the respective last trading day/date of agreement	of conversion price over/(to) the average closing price for the last five consecutive trading days prior to the respective last trading day/date of agreement
1	2-May-2025	Vobile Group Limited (3738.HK)	156	3	0.00%	14.50%	20.00%
2	18-May-2025	Vobile Group Limited (3738.HK)	98	3	0.00%	11.10%	14.00%
3	20-May-2025	Meitu, Inc. (1357.HK)	1,943	3	1.00%	1.70%	4.10%

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						Premium/(discount) of conversion price over/(to) the closing price on the respective last trading day/date of agreement	Premium/(discount) of conversion price over/(to) the average closing price for the last five consecutive trading days prior to the respective last trading day/date of agreement
	Date of announcement	Company name (stock code)	Principal amount <i>HK\$ million</i>	Maturity <i>Year</i>	Interest rate per annum		
4	10-Jun-2025	Celestial Asia Securities Holdings Limited (1049.HK)	40	3	5.00%	19.05%	19.05%
5	31-Jul-2025	Dingyi Group Investment Limited (508.HK)	980	3	2.00%	5.81%	2.82%
6	3-Sep-2025	China Rongzhong Financial Holdings Company Limited (3963.HK)	35	3	2.75%	0.00%	(0.17%)
7	29-Sep-2025	Hatcher Group Limited (8365.HK)	12	3	0.0%	2.04%	(0.53%)
8	3-Oct-2025	Moiselle International Holdings Limited (130.HK)	25	3	2.50%	20.00%	97.10%
9	13-Oct-2025	Karrie International Holdings Limited (1050.HK)	150	3	2.00%	(7.26%)	(15.57%)
10	17-Oct-2025	DTXS Silk Road Investment Holdings Company Limited (620.HK)	323	3	3.85%	5.56%	6.03%
				Maximum	5.00%	20.00%	97.10%
				Average	1.91%	7.25%	14.68%
				Median	2.00%	5.69%	5.07%
				Minimum	0.00%	(7.26%)	(15.57%)
	6-Nov-2025	SCFH	89.84	3	2.00%	(3.45%)	(5.08%)

Source: Website of the Stock Exchange

Note: The Hong Kong dollar exchange rate applied for the convertible bonds issued with a principal amount denominated in US dollars is 7.77.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Interest rate

As shown in the above table, the interest rate of the CB Comparables ranged from 0% to 5% with an average and median of approximately 1.91% and 2.00% respectively. The adjusted interest rate of the Bonds of 2% is within the range and above the average and equal to the median of the interest rate of the CB Comparables.

Having considered that the amended interest rate of the Bonds (i) represents 100% increase of the existing interest rate of the Bonds; (ii) is within the range and above the average of the interest rate of the CB Comparables, we consider the amended interest rate of the Bonds is fair and reasonable.

Conversion Price

We note that the amended Conversion Price of the Bonds of HK\$0.28 per Conversion Share, which was determined after arm's length negotiation between the Company and SCFH, represents:

- (a) a discount of approximately 3.45% to the closing price of HK\$0.290 per share of SCFH as quoted on the Stock Exchange on 6 November 2025, being the date of the Supplemental Agreement;
- (b) a discount of approximately 5.08% to the average closing price of HK\$0.295 per share of SCFH as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to and including the date of the Supplemental Agreement;
- (c) a discount of approximately 5.25% to the average closing price of HK\$0.296 per share of SCFH as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to and including the date of the Supplemental Agreement;
- (d) a discount of approximately 4.16% to the average closing price of HK\$0.292 per share of SCFH as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the date of the Supplemental Agreement;
- (e) a discount of approximately 1.52% to the average closing price of HK\$0.284 per share of SCFH as quoted on the Stock Exchange for the last 60 consecutive trading days immediately prior to and including the date of the Supplemental Agreement;

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- (f) a discount of approximately 4.72% to the average closing price of HK\$0.294 per share of SCFH as quoted on the Stock Exchange for the last 90 consecutive trading days immediately prior to and including the date of the Supplemental Agreement; and
- (g) a discount of approximately 29.11% to the closing price of HK\$0.395 per share of SCFH as quoted on the Stock Exchange on the Latest Practicable Date.

Assuming full conversion of the Bonds at the Conversion Price of HK\$0.28 per Conversion Share, a total of 320,857,142 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Bonds in full, representing approximately 106.50% and 51.57% respectively of the existing and enlarged issued shares of SCFH, assuming there is no other issue or repurchase of the shares of SCFH.

As set out in the CB Comparables' table, we note that the conversion price to: (i) the closing share price on the respective last trading day/date of agreement in relation to the CB Comparables ranged from a discount of approximately 7.26% to a premium of 20%, with the average being a premium of approximately 7.25% and the median being a premium of approximately 5.69%; and (ii) the average closing share price for the last five consecutive trading days prior to/on the respective last trading day/date of agreement in relation to the CB Comparables ranged from a discount of approximately 15.57% to a premium of approximately 97.10%, with the average being a premium of approximately 14.68% and the median being a premium of approximately 5.07%. As the amended Conversion Price of the Bonds represents (i) a discount of approximately 3.45% to the closing price per SCFH share on the date of the Supplemental Agreement; and (ii) a discount of approximately 5.08% to the average closing price per SCFH share for the last five consecutive trading days immediately prior to the date of the Supplemental Agreement, the discounts represented by the amended Conversion Price is within the range of the CB Comparables.

Taking into account that the amended Conversion Price (i) represents discounts of approximately 3.45%, 5.08%, 5.25%, 4.16%, 1.52% and 4.72% to the closing price/average closing prices of the SCFH shares as at date of the Supplemental Agreement, for the last five, 10, 30, 60 and 90 consecutive trading days immediately prior to and including the date of Supplemental Agreement, respectively; and (ii) is within the range of the CB Comparables and is higher than the average and the mean (being premiums to closing prices) of the CB Comparables, we consider that the amended Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Financial impact

If the Proposed Alterations are approved, the entire amount of the Bonds in the current assets will be reclassified as non-current assets and generate additional interest income to the Group. It is expected that the Proposed Alterations will not have material impact on the total and net assets and earnings of the Group.

OPINION AND RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that although the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations) are not conducted in the ordinary and usual course of business of the Group, they are on normal commercial terms, the terms of the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations) are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations), and we also recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
WRISE CAPITAL LIMITED
Fanny Lee
Executive Director

Ms. Fanny Lee is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of WRise Capital Limited to carry out type 6 (advising on corporate finance) regulated activity under the SFO and has over 25 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests in the Company or its associated corporations

As at the Latest Practicable Date, the interests of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or to be recorded in the register required to be kept under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules were as follows:

Long positions in the Shares

Name of Director(s)	Number of Shares held			Total number of Shares held	Approximate percentage of shareholding to total issued Shares (Note 1)
	Personal interests	Family interests	Corporate interests		
Mr. Ng	652,816,324	613,214,065 (Note 2)	6,828,729,326 (Note 3)	8,094,759,715	61.23
Ms. Cheung	41,000,000	—	—	41,000,000	0.31
Mr. Paul Ng	831,989,238	—	—	831,989,238	6.29
Ms. Jessica Ng	170,700,000	—	—	170,700,000	1.29

Long positions in the shares of associated corporation

Name	Name of associated corporation	Number of ordinary shares held by controlled corporation	Approximate percentage of shareholding to total issued ordinary shares (Note 1)
Mr. Ng	Primer Prospects Limited ("Prime Prospects") (Note 4)	30	30

Notes:

- These percentages are calculated on the basis of 13,221,302,172 Shares in issue as at the Latest Practicable Date.
- Mrs. Ng is the beneficial shareholder.
- 6,828,729,326 Shares held by Mr. Ng through controlled corporations included 2,124,792,202 Shares held by Fung Shing, 2,020,984,246 Shares held by Parkfield, 89,410,210 Shares held by Ronastar, 1,075,765,537 Shares held by Eartrade, 1,273,122,098 Shares held by Bannock, 212,405,565 Shares held by Crystal Hub and 32,249,468 Shares held by Green Orient. Fung Shing, Parkfield and Ronastar are all wholly-owned by Mr. Ng. Bannock is a wholly-owned subsidiary of Eartrade which is owned as to 60% by Mr. Ng, 20% by Mr. Richard Howard Gorges and 20% by Ms. Cheung. Crystal Hub is a direct wholly-owned subsidiary of SCAH, which, in turn, is 69.33% beneficially owned by Mr. Ng. Green Orient is an indirect wholly-owned subsidiary of the Company. As such, Mr. Ng was deemed to have interest in the said 212,405,565 Shares held by Crystal Hub, 32,249,468 Shares held by Green Orient and 2,348,887,635 Shares held by Bannock and Eartrade.
- Prime Prospects is a 70% owned subsidiary of the Company.

Apart from the foregoing, none of the Directors and chief executives of the Company or any of their spouses or children under eighteen (18) years of age had interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding company, subsidiaries or other associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, as at the Latest Practicable Date.

(b) Substantial Shareholders and other persons' interests in the Shares and underlying Shares

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, interests in the Shares

which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and the amount of each of such person's interests in such Shares is as follows:

Name	Number of Shares held			Total number of Shares held	Approximate percentage of shareholding to total issued Shares (Note 1)
	Beneficial interests	Family interests	Corporate interests		
Earntrade	1,075,765,537	—	1,273,122,098	2,348,887,635 (Note 2)	17.77
Bannock	1,273,122,098 (Note 2)	—	—	1,273,122,098	9.63
Fung Shing	2,124,792,202	—	—	2,124,792,202	16.07
Parkfield	2,020,984,246	—	—	2,020,984,246	15.29
Mrs. Ng	613,214,065	7,481,545,650 (Note 3)	—	8,094,759,715	61.23

Notes:

1. These percentages are calculated on the basis of 13,221,302,172 Shares in issue as at the Latest Practicable Date.
2. Bannock is a wholly-owned subsidiary of Earntrade. 2,348,887,635 Shares held by Earntrade included 1,273,122,098 Shares held by Bannock directly.
3. Mrs. Ng, who held 613,214,065 Shares directly, is the spouse of Mr. Ng. By virtue of the SFO, Mrs. Ng was deemed to be interested in the 7,481,545,650 Shares (including 652,816,324 Shares and 6,828,729,326 Shares held by Mr. Ng directly and indirectly through controlled corporations respectively), as disclosed in the section headed "Directors' and chief executive's interests in the Company or its associated corporations" in the above.

As at the Latest Practicable Date, save as (i) Mr. Ng, the director of Earntrade, Bannock, Fung Shing and Parkfield; and (ii) Ms. Cheung, the director of Earntrade and Bannock, none of the Directors was a director or an employee of a company which had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, so far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, there was no person (other than a Director or chief executive of the Company) or deemed or taken to have who had an interest or a short position in the Shares and/or underlying Shares (including interest in options, if any) of the Company as recorded in the register required to be kept under section 336 of the SFO, or to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2024 (the date to which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of or leased to any member of the Group.

4. COMPETING INTERESTS

According to the Listing Rules, Mr. Ng, Ms. Cheung, Mr. Paul Ng and Ms. Jessica Ng, the common directors of the Company and SCAH, have interests in the property investment and development business of SCAH of which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group other than those businesses where the Directors of the Company were appointed as directors to represent the interests of the Company and/or the Group.

The Company mainly focuses on the larger scale property investment and development projects while SCAH seeks to undertake property development projects in small to medium size.

Also, the Board comprises eight (8) Directors, including three (3) executive Directors, two (2) non-executive Directors and three (3) independent non-executive Directors. In the circumstances where the common directors are required to abstain from voting due to potential conflicts of interest, the non-common Director(s) including independent non-executive Directors will make their business judgment for the decision making process of the Board (if necessary).

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors or his or her respective close associates (has the meaning ascribed to it under the Listing Rules) was considered to have an interest in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group other than those businesses to which the Director and his or her close associates were appointed to represent the interests of the Company and/or the Group.

5. DIRECTORS' SERVICES CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company or any of its subsidiaries or associated companies which was not determinable by the employer within one (1) year without payment of compensation (other than statutory compensation).

6. LITIGATION

(i) Against Nanjing Skytech Co., Limited and Others

Case on infringement of copyrights

Reference is made to the announcement dated 5 December 2016 of the Company regarding the litigation in the PRC concerning infringement of copyrights of certain pieces of computer software that belong to Nanjing South China Skytech Technology Co., Limited (南京南華擎天資訊科技有限公司) (“**South China Skytech**”).

On 31 January 2000, Janful Limited, an indirect wholly-owned subsidiary of the Company, and Nanjing Skytech Co., Limited (南京擎天科技有限公司) (“**Nanjing Skytech**”) entered into a joint venture agreement to set up South China Skytech to engage, mainly, in software development, research, sales and after-sales service, system integration and other related electronic business.

In or about 2003, business of South China Skytech deteriorated and suffered serious loss. Upon investigations, it was found that Nanjing Skytech illegally transferred the entirety of the computer software belonging to South China Skytech (“**Computer Softwares**”) for its own use and registered the ownership of the copyrights of the Computer Softwares under the name of Nanjing Skytech or under the name of Nanjing Skytech Software Technology Co., Limited (南京擎天軟件科技有限公司) (“**Skytech Software**”), rendering South China Skytech unable to continue its business. On the contrary, the assets and profits of Nanjing Skytech continued to increase and eventually Sinosoft Technology Group Limited (中國擎天軟件科技集團有限公司) (“**Sinosoft**”), the parent company of Nanjing Skytech, was listed in the Stock Exchange in 2013 (Stock Code: 1297), with its shares delisted from the Stock Exchange in March 2024.

South China Skytech commenced legal proceedings in Jiangsu High People’s Court (“**Jiangsu High Court**”) against Nanjing Skytech, inter alia, requesting the Jiangsu High Court to determine that the ownership of the copyrights of a total of 31 Computer Softwares registered under the names of Nanjing Skytech and Skytech Software do belong to South China Skytech; and that Nanjing Skytech do compensate South China Skytech for damages in the sum of RMB210,400,000 (to be assessed) for infringement of the copyrights of the Computer Softwares.

On 28 November 2016, the Jiangsu High Court delivered its first instance judgment on the copyrights ownership of such software, determining that during the period from March 2000 to March 2003, Nanjing Skytech basically had no employees and, before 2002, it had no fixed assets and therefore was not equipped with the corresponding conditions to develop any software at all. The case involved the dispute on whether the development of the Computer Softwares mainly relied on South China Skytech’s manpower and physical technology capability. The Jiangsu High Court also determined that the acts of Nanjing Skytech and Skytech Software of registering the Computer Softwares developed mainly deploying physical

technology capability under their own names obviously does not comply with the basic principles of copyright ownership. The ownership of the copyrights of all the 13 Computer Softwares should belong to South China Skytech.

All parties in the said infringement of copyrights case have appealed to the Supreme People's Court of China (the "**Supreme Court**"). The Supreme Court issued a ruling on 26 October 2018 which revoked the first-instance judgment and sent the case back to the Jiangsu High Court for retrial.

After holding a pre-trial conference on 31 July 2019, the Jiangsu High Court conducted a hearing in relation to the retrial of the case on 22 October 2019. Nanjing Skytech applied to request the recusal of the presiding judge at the beginning of the trial. The Jiangsu High Court rejected the request as reasons from Nanjing Skytech for applying for recusal were believed to be improbable, and held that during more than two-and-a-half months of the pre-trial proceedings prior to the establishment of the trial, the two parties had completed numerous written exchanges of cross-examination and arguments, and Nanjing Skytech had never filed any recusal application against the presiding judge, but did so at the time of the trial, clearly resembling the violation of good faith lawsuit.

The Company considers that Nanjing Skytech has seriously violated the principle of good faith in view of its series of actions, and was actually a shell company, basically with no employees, no office base and no capital. It had no means or capability whatsoever to develop any computer software. Therefore, the Company considers that the remaining 18 pieces of Computer Softwares were also developed using the manpower and physical technology capabilities of South China Skytech and therefore the ownership of the copyrights of the remaining Computer Softwares should also belong to South China Skytech. The Company will explore every possible course of action to claim for the ownership of the 31 pieces of Computer Softwares.

In addition, it is noted that Sinosoft had disclosed in its prospectus dated 27 June 2013 of its alleged ownership of certain computer software. The Company considers that most of the computer software was also developed from the Computer Softwares belonging to South China Skytech. The Company will explore every possible course of action to claim against Nanjing Skytech and/or Sinosoft for infringement of copyrights and to seek an injunction prohibiting Nanjing Skytech and/or Sinosoft to continue to sell and/or use such computer software.

On 27 March 2023, the Jiangsu High Court ruled that the ownership of the copyrights of 3 pieces of Computer Softwares belonged to South China Skytech. Dissatisfied with the judgement, South China Skytech appealed against the ruling on 15 April 2023. Hearings in the Supreme Court have been held sequentially on 19 November 2024 and 9 December 2024, pending the judgement.

Case on liability dispute related to damaging the interests of the Company

Reference is made to the announcement of the Company dated 20 July 2016 in relation to the final judgment made by the Jiangsu High Court against Nanjing Skytech, Ms. Xin Yingmei, Mr. Wang Xiaogang and Mr. Zhang Hong (collectively, the “**Defendants**”) who had breached the non-competition obligation under China’s Company Law and were liable to make payment to South China Skytech as follows:

1. Ms. Xin Yingmei, Mr. Wang Xiaogang, Mr. Zhang Hong and Nanjing Skytech shall pay RMB22,533,377.09 to South China Skytech;
2. Ms. Xin Yingmei shall pay RMB4,392,329.95 to South China Skytech. Mr. Wang Xiaogang, Mr. Zhang Hong and Nanjing Skytech shall be jointly liable to the settlement of payment;
3. Mr. Wang Xiaogang shall pay RMB691,859.56 to South China Skytech. Ms. Xin Yingmei, Mr. Zhang Hong and Nanjing Skytech shall be jointly liable to the settlement of payment; and
4. Mr. Zhang Hong shall pay RMB288,274.85 to South China Skytech. Ms. Xin Yingmei, Mr. Wang Xiaogang and Nanjing Skytech shall be jointly liable to the settlement of payment.

The Jiangsu Immediate People’s Court had frozen a bank account held by Nanjing Skytech with a total sum of approximately RMB28 million in February 2017. As all parties have appealed to the Supreme Court for retrial, the Supreme Court remitted the case back to the Jiangsu High Court for retrial on 8 April 2019 after examination.

On 18 October 2024, the Jiangsu High Court made a final judgment on the case and upheld the original judgment, which means that the Defendants were required to pay a total of approximately RMB28 million for damages to South China Skytech. The Defendants were dissatisfied with the judgement and applied to the People’s Procuratorate in Jiangsu Province for supervision.

(ii) Case on infringement of land situated at Tianjin Binhai

In April 1993, World Right Investments Limited (環威投資有限公司) (“**World Right**”), an indirect wholly-owned subsidiary of the Company, and Tianjin Tanggu Property Development Company Limited (天津塘沽房地產開發股份有限公司), currently known as Binhai Investment Group Holding Company Limited (濱海投資集團股份有限公司) (“**Binhai Group**”), formed a joint venture company in China known as Tianjin South China Property Development Company Limited (天津南華房地產開發有限公司) (“**South China Property**”). World Right holds 51% equity interest in South China Property.

In June 1993, World Right and Binhai Group entered into a joint development agreement (the “**Development Agreement**”). It was agreed under the Development Agreement, inter alia, that they shall jointly develop a piece of land situated at Tianjin

Binhai New District with an area about 500,000 sq.m. (the “**Involved Land**”) and World Right shall pay RMB10.4 million in cash to increase the capital investment in South China Property. World Right duly paid the capital investment of RMB10.4 million which had been used for formation of the Involved Land. Subsequently, Binhai Group failed to perform the Development Agreement, did not recognise that World Right and Binhai Group had joint right to develop the Involved Land, and maliciously transferred the Involved Land to Tianjin Cheng Tou Binhai Property Company Limited (天津城投濱海房地產經營有限公司) (“**Cheng Tou Binhai**”), a company invested in and established by it and the government.

In June 2023, World Right commenced legal proceedings in Tianjin No. 3 Intermediate People’s Court against Binhai Group and Cheng Tou Binhai, demanding the discharge of the Development Agreement, and urged to order the defendants to compensate for losses of approximately RMB366 million (subject to judicial evaluation).

Disallowing the request of World Right, the court delivered its first-instance judgment on 17 May 2024, as a results of which, World Right immediately took an appeal. The appeal court delivered its judgment on 31 December 2024, dismissing the appeal and upholding the original judgment.

World Right has appealed to the Supreme Court for retrial which accepted the retrial appeal filed by World Right on 23 July 2025. The case is currently being set down for hearing.

(iii) Case on arbitration related to Nansha land

In March 2021, Brightson Investments Limited (“**Brightson**”), an indirect wholly-owned subsidiary of the Company, filed an application for arbitration with China International Economic and Trade Arbitration Commission (“**CIETAC**”) in relation to failure of the Villagers’ Committee of Datang Village, Huangge Town, Nansha District, Guangzhou to transfer the land under agreement to it, demanding that Datang Villagers’ Committee compensate for the losses in accordance with the law.

The arbitral tribunal conducted hearings on 28 February 2023 and 18 December 2023 respectively.

Based on strategic consideration, Brightson filed an application with the arbitral tribunal to withdraw the arbitration case on 18 April 2024.

Apart from the above, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors are aware, none of the member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

Save the agreements set out below, no contract (not being contract in the ordinary course of business), which is or may be material, has been entered into by the Company or any of its subsidiaries within the two (2) years immediately preceding the Latest Practicable Date:

- (a) Berth and Debenture SPA;
- (b) Sale and Purchase Agreement; and
- (c) Supplemental Agreement.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. QUALIFICATION AND CONSENT OF EXPERT

The following sets out the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
WRise Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, WRise Capital Limited did not have any direct or indirect interest in any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group, and had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 December 2024 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased.

As at the Latest Practicable Date, WRise Capital Limited had given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its advice, letters, reports and/or summary of its opinions (as the case may be) and references to its name and logo in the form and context in which they respectively appear.

10. MISCELLANEOUS

- (a) The registered office of the Company is situated at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands and the principal place of business in Hong Kong is at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong.
- (b) The share registrar and transfer office of the Company is Union Registrars Limited at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.
- (c) The company secretary of the Company is Mr. Watt Ka Po James, who is a fellow member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.
- (d) The English text of this circular and accompanying form of proxy shall prevail over the Chinese text in the case of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.scholding.com) for a period of not less than fourteen (14) days from the date of this circular up to and including the date of EGM and is available for inspection at the EGM:

- (a) the material contracts as referred to in the paragraph headed “7. Material Contracts” in this Appendix;
- (b) the written consent of expert referred to in the paragraph headed “9. Qualification and consent of expert” in this Appendix;
- (c) the letter from the Board, the text of which is set out on pages 7 to 19 in this circular;
- (d) the letter from the Independent Board Committee, the text of which is set out on pages IBC-1 and IBC-2 in this circular; and
- (e) the letter from the Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-15 in this circular.

NOTICE OF THE EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of South China Holdings Company Limited (the “**Company**”) will be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Monday, 12 January 2026 at 11:45 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as an ordinary resolution:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the supplemental agreement (the “**Supplemental Agreement**”) dated 6 November 2025 entered into between Thousand China Investments Limited (an indirect wholly-owned subsidiary of the Company) as bondholder and South China Financial Holdings Limited as issuer (a copy of which marked “A” is produced to the EGM and signed by the chairman of the EGM for identification purposes) in relation to the proposed (i) extension of the maturity date by three (3) years from 12 January 2026 to 12 January 2029; (ii) alteration of the interest rate under the outstanding HK\$89,840,000 convertible bonds; (iii) the conversion price and the transactions as contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) any one or more of the director(s) of the Company be and is/are hereby authorized to do all such acts and things and execute all such documents (including under seal) which he/she/they consider necessary, appropriate, desirable or expedient to implement and give effect to the Supplemental Agreement and the transactions contemplated thereunder and to agree to such variations, amendments, waivers or matters thereto as are, in his/her/their opinion, in the interests of the Company and its shareholders as a whole.”

By order of the board of directors
South China Holdings Company Limited

南華集團控股有限公司

Cheung Choi Ngor

Executive Director

Hong Kong, 4 December 2025

NOTICE OF THE EGM

Registered Office:

P.O. Box 31119
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong:*

28th Floor, Bank of China Tower
1 Garden Road, Central
Hong Kong

Notes:

1. The register of members of the Company will be closed from Friday, 9 January 2026 to Monday, 12 January 2026, both days inclusive, during which period no share transfers will be effected. In order to be eligible to attend and vote at the EGM, all share transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Thursday, 8 January 2026.
2. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company.
3. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited with the Company's share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not less than forty-eight (48) hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the EGM or any adjourned meeting thereof should he so wish.
4. In the case of joint shareholdings, any one of such persons may vote, either personally or by proxy in respect of such share, provided that if more than one of such joint holders be present at the EGM or any adjournment thereof personally or by proxy, the more senior shall alone be entitled to vote and for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members in respect of the joint holding.
5. If a tropical cyclone warning signal Number 8 or above, or a "black" rainstorm warning signal or extreme condition warning signal is in effect any time after 8:00 a.m. on the date of the EGM, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.scholding.com and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify the shareholders of the Company of the date, time and venue of the rescheduled meeting.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

NOTICE OF THE EGM

7. As at the date of this notice, 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.