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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

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 FINANCIAL HOLDINGS LIMITED

南華金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00619)

CONNECTED TRANSACTION PROPOSED ALTERATIONS OF THE TERMS OF HK\$89,840,000 CONVERTIBLE BONDS DUE 2026 AND NOTICE OF THE EGM

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



瑞城證券有限公司
Gransing Securities Co., Limited

Gransing Securities Co., 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 6 to 17 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-20 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 11:00 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.

4 December 2025

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	6
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	IBC-1
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	IFA-1
APPENDIX — GENERAL INFORMATION	A-1
NOTICE OF THE EGM	EGM-1

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
“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 SCH, being the subscriber under the Subscription Agreement
“Bonds”	the outstanding HK\$89,840,000 convertible bonds issued by the Company to the Bondholder on 13 January 2023
“Business Day”	any day (other than a Saturday, Sunday or public holiday and 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 Financial Holdings Limited (南華金融控股有限公司), a company incorporated in Hong Kong with limited liabilities, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 00619)
“Conditions”	terms and conditions of the Bonds as set out in the Instrument
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Conversion Price”	the conversion price of HK\$0.32 per Conversion Share
“Conversion Share(s)”	the Share(s) to be allotted and issued by the Company upon the exercise of the conversion rights attached to the Bonds by the Bondholder pursuant to the Conditions
“Director(s)”	director(s) of the Company
“Effective Date”	a date determined in accordance with the Supplemental Agreement, subject to fulfilment of all conditions precedent set out therein

DEFINITIONS

“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 11:00 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
“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
“Independent Board Committee”	an independent board committee of the Board established by the Board, comprising all the independent non-executive Directors (namely Mr. Tung Woon Cheung Eric, Mrs. Tse Wong Siu Yin Elizabeth and Ms. Li Yuen Yu Alice) to advise the Independent Shareholders with respect to the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations)
“Independent Financial Adviser”	Gransing Securities Co., Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) 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 Mr. Richard Howard Gorges 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 the Company

DEFINITIONS

“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 SCH may agree in writing
“Maturity Date”	the maturity date of the Bonds
“Mr. Ng”	Mr. Ng Hung Sang, a substantial Shareholder, a controlling shareholder of SCH, and the chairman of the board of directors and an executive director of each of the Company and SCH
“Mr. Paul Ng”	Mr. Ng Yuk Yeung Paul, an executive director of each of the Company and SCH and the son of Mr. Ng
“Ms. Cheung”	Ms. Cheung Choi Ngor, an executive director of each of the Company and SCH
“Ms. Jessica Ng”	Ms. Ng Yuk Mui Jessica, an executive Director and non-executive director of SCH 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, a company incorporated in the BVI, which is a direct wholly-owned subsidiary of the Company
“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

DEFINITIONS

“Public Float Requirement”	the requirement under the Listing Rules applicable to the Company that not less than a specified percentage of the Shares which are listed on the Stock Exchange shall be held by the public for the purpose of the Listing Rules
“Ronastar”	Ronastar Investments Limited, a company incorporated in the BVI with limited liability and wholly and beneficially owned by Mr. Ng
“SCH”	South China Holdings Company Limited (南華集團控股有限公司), an exempt company incorporated in the Cayman Islands, and its ordinary shares are being listed and traded on the Stock Exchange (stock code: 00413)
“SCH EGM”	an extraordinary general meeting of SCH to be convened and held to consider and, if thought fit, approve the Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Alterations)
“SCH Independent Shareholders”	shareholders of SCH, other than Mr. Ng, Mr. Paul Ng, Ms. Cheung and Ms. Jessica Ng and their respective associates who are required to abstain from voting at the SCH 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 share capital of the Company
“Shareholder(s)”	holder(s) of the 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 the Company 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

DEFINITIONS

“Subscription Agreement”	the subscription agreement dated 13 September 2022 and entered into between the Company and the Bondholder 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 Company and the Bondholder in relation to the Proposed Alterations
“Supplemental Deed”	the supplemental deed of the Instrument to be executed by the Company 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 FINANCIAL HOLDINGS LIMITED

南華金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00619)

Executive Directors:

Mr. Ng Hung Sang (*Chairman*)
Ms. Cheung Choi Ngor (*Vice Chairman*)
Ms. Ng Yuk Mui Jessica
(*Executive Vice Chairman and*
Chief Executive Officer)
Mr. Ng Yuk Yeung Paul

Registered office:

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

Independent non-executive Directors:

Mr. Tung Woon Cheung Eric
Mrs. Tse Wong Siu Yin Elizabeth
Ms. Li Yuen Yu Alice

4 December 2025

To the Shareholders

Dear Sirs,

**CONNECTED TRANSACTION
PROPOSED ALTERATIONS OF THE TERMS OF
HK\$89,840,000 CONVERTIBLE BONDS DUE 2026
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 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.

LETTER FROM THE BOARD

PROPOSED ALTERATIONS OF THE TERMS OF THE BONDS

Background

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

On 13 January 2023, the aforesaid acquisition under the SPA was completed, as part of the settlement of the total consideration of the acquisition, the Bonds in the aggregate principal amount of HK\$89,840,000 were issued by the Company to Thousand China. From the issuance of the Bonds on 13 January 2023 to the Latest Practicable Date, no redemption of the Bonds by the Company was taken place. The Bonds will 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 of the Bonds.

Supplemental Agreement

On 6 November 2025 (after trading hours), the Company and the Bondholder entered into the Supplemental Agreement, pursuant to which the Company and the Bondholder conditionally agreed to the Proposed Alterations by execution of the Supplemental Deed by the Company 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; and
- (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.

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

LETTER FROM THE BOARD

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 SCH Independent Shareholders of all necessary resolution(s) at the EGM and the SCH 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 SCH 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 precedent shall be waived by the parties to the Supplemental Agreement. The Supplemental Deed shall not be executed by the Company and have no effect unless and until all the conditions precedent set out above are fulfilled. As at the Latest Practicable Date, none of the conditions precedent has been fulfilled. 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 (3 rd) anniversary from the date of issue of the Bonds, i.e. on 12 January 2026 (the Bonds were issued by the Company on 13 January 2023).	the date falling on the sixth (6 th) anniversary from the date of issue of the Bonds, i.e. on 12 January 2029 (the Bonds were issued by the Company on 13 January 2023).

LETTER FROM THE BOARD

	Current (i.e. before the Proposed Alterations)	After the Proposed Alterations
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 (3 rd) anniversary from the date of issue of the Bonds to be paid on the third (3 rd) 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 (3 rd) 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 sub-division of the Shares, capitalization of profits or reserves, rights issue, or issue of convertible securities, warrants or options carrying the right to subscribe for the Shares, 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 pursuant to the exercise of any options granted under the share option scheme of the Company; and the issue and allotment of Shares to the public and/or any Shareholder for fund raising purposes.	HK\$0.28 per Conversion Share, which is subject to adjustments for, among other matters, consolidation, reduction or sub-division of the Shares, capitalization of profits or reserves, rights issue, or issue of convertible securities, warrants or options carrying the right to subscribe for the Shares, 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 pursuant to the exercise of any options granted under the share option scheme of the Company; and the issue and allotment of Shares to the public and/or any Shareholder for fund raising purposes.

LETTER FROM THE BOARD

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

Redemption	The Company 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 bondholder(s) of the Bonds shall have the right to convert the Bonds into the Shares subject to mutual agreement in writing between the bondholder(s) of the Bonds and the Company 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 the Company 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, unsecured, unconditional, unsubordinated and unsecured obligations of the Company and shall rank <i>pari passu</i> and without any preference or priority among themselves, and the payment obligations of the Company 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 the Company.
Voting rights	The Bonds do not confer any right to the holder(s) of the Bonds to attend or vote at any Shareholders' meeting.

Conversion Price

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

- (a) a discount of approximately 3.45% to the closing price of HK\$0.29 per Share 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 approximately HK\$0.29 per Share 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 the Company; and
- (b) approximately 51.57% of the issued share capital of the Company 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).

The Directors (including independent non-executive Directors after having considered the advice of the Independent Financial Adviser) consider that the amended Conversion Price is fair and reasonable.

The theoretical dilution effect of the issue of the Conversion Shares at the revised Conversion Price calculated based on the benchmarked price of approximately HK\$0.29 is approximately 1.8% and thus the issue of the Conversion Shares at the revised Conversion Price will not result in a theoretical dilution effect of 25% or more on its own as referred to under Rule 7.27B of the Listing Rules. The cumulative theoretical dilution effect in aggregation with the conversion shares to be issued in relation to the HK\$50,000,000 convertible bonds, as disclosed in the announcement of the Company dated of 6 November 2025, calculated based on the benchmark price of approximately HK\$0.29 is approximately 7.8%. The Company will continue to comply with Rule 7.27B of the Listing Rules after the Proposed Alterations.

The Conversion Shares that are to be allotted and issued upon exercise of the conversion right attaching to the Bonds will be subject to a specific mandate to be sought at the EGM.

An application will be made by the Company to the Listing Committee for listing of, and permission to deal in, the Conversion Shares.

Reasons for and benefits of the Proposed Alterations

Given the current unsound financial situation of the Company and subsequent to the discussions with the management of SCH, it is not practicable for the Company to repay the principal of the Bonds upon the original Maturity Date. In addition, the two carbon trading projects indirectly held by Genius Year Limited applying to China Certified Emission Reduction (CCER) scheme must meet the CCER standards and regulatory requirements. Only certain projects are eligible under the CCER scheme, including renewables, forestry and methane capture. The aforesaid projects must undergo validation and verification by accredited agencies under Ministry of Ecology and Environment (“MEE”), and only verified reduction generate CCER credits may be traded in National CCER registry which is managed by MEE. The process of validation and verification by the accredited agency is lengthy, especially for large scale projects. The total areas of the two projects are relatively large covering about 92 million sq. m. which must fulfill such key principles set out by the accredited agency as additionality (reductions must go beyond business-as-usual), measurability (emission must be quantifiable), permanence (reductions must be long term) and verification (subject to independent third-party audit). By extending the Maturity Date pursuant to the Supplemental

LETTER FROM THE BOARD

Agreement and the Supplemental Deed, it would enable the Company to postpone a substantial cash outflow so as easing the immediate financial burden of the Group to repay the Bonds. It also facilitates the Group in securing alternative financial resources to fulfil its payment obligations under the Bonds and provides the Group with greater financial flexibility in the deployment of its working capital for its current and new business operations and development, such as broking, margin financing, corporate advisory and sponsorship, asset and wealth management, equity capital market, property investment and provision of services to corporations in respect of arranging overseas conventions, exhibitions and travels.

Other financing alternatives to raise funds to settle the Bonds including bank borrowings and equity financing have been considered. In respect of the bank borrowings, the interest thereon will be higher than the interest of the Bonds, which in turn will be an additional cost burden to the Group. In addition, under the prevailing market conditions, there may be huge uncertainty in the outcome of fund raising through equity financing (including placing of new Shares, rights issue and open offer) and equity financing may result in higher dilution on the shareholding of the existing Shareholders as deeper discount may be required to attract the potential investors. Given the foregoing, it is considered that other financing alternatives are not the most effective means to refinance the Bonds.

The terms of the Proposed Alterations were arrived at after arm's length negotiations between the Company and Thousand China. The revised interest rate was determined taking into account the prevailing market rate and the current financial and liquidity position of the Group. In assessing the prevailing market rate, the Group has made reference to the convertible bonds issued or proposed to be issued by companies listed on the Stock Exchange as announced within two (2) months prior to the date of the Supplemental Agreement. Four (4) other convertible bonds (collectively, the "**Samples**") were identified in the market, issued by DTXS Silk Road (620.HK), Karrie International Holdings Limited (1050.HK), Moisselle International Holdings Limited (130.HK) and Hatcher Group Limited (8365.HK). The annual interest rate of the Samples ranged from nil to 3.85% per annum, while the conversion price relative to the respective closing price ranged from a discount of about 7.26% to a premium of 20%. The revised interest rate of the Bonds falls within the aforesaid range of annual interest rate of the Samples. Despite the interest rate of the Bonds is proposed to 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, it remains a level substantially lower than the average cost of fund of the Group of approximately 3.8% per annum.

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 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 Bondholder, as it would be cheaper for the Bondholder to buy the Shares directly in the market. By adjusting the conversion price to HK\$0.28, the Company restores the commercial value of the conversion feature of the Bonds.

LETTER FROM THE BOARD

The amended Conversion Price of HK\$0.28 represents a modest discount to the prevailing market price of the Shares, which falls within the aforesaid range of conversion price relative to the respective closing price of the Samples and is a general practice in capital markets. The adjustment creates incentive for the Bondholder to convert the Bonds into Shares, which would reduce the Company's debt burden to repay the Bonds on maturity and strengthen its capital base.

As at 30 June 2025, the Group had cash and bank balances of approximately HK\$49.6 million. Given that the outstanding principal amount of the Bonds was approximately HK\$89.8 million, the available cash resources alone would not be sufficient to fully repay the Bonds upon maturity.

To secure alternative financial resources to fulfil its payment obligations on maturity, the Company intends 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, however, no potential purchasers have expressed interest in the proposed disposal of the entire issued share capital of Genius Year Limited. The Company will continue to explore feasible financing and disposal opportunities to ensure that sufficient financial resources are available to meet its obligations when due.

In view of the above factors, the Board is of the view that the terms and conditions 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 Group and the Shareholders as a whole.

Information on the parties

The Company 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.

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

SCH and its 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 SCH. Its principal business is investment holding.

LETTER FROM THE BOARD

Effect on shareholding structure of the Company

Assuming that there is no change in the Shares from the Latest Practicable Date, the shareholding structure of the Company (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 Shares	Approximately %	No. of Shares	Approximately %	No. of Shares	Approximately %	No. of Shares	Approximately %	No. of 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

The 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 the Company which would not result in (i) a breach of the Public Float Requirement; 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) the Company 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; or (iii) a whitewash waiver is approved and granted by the SFC (as the case may be).

Fund raising activities in the past 12-month period

The Company had not conducted any other fund raising activities in the past twelve (12) months immediately preceding the Latest Practicable Date.

Implications under the Listing Rules

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company will apply to the Stock Exchange for approval of the Proposed Alterations pursuant to Rule 28.05 of the Listing Rules.

As at the Latest Practicable Date, Mr. Ng and his associates held approximately 34.96% of the total issued share capital of the Company (Mr. Ng is an executive Director and chairman of the Board) and approximately 68.81% of the total issued share capital of SCH (Mr. Ng is an executive director and chairman of the board of directors of SCH). Therefore, each of the Company and SCH 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 SCH, they are required to abstain from voting on the relevant Board resolutions.

Save for Mr. Ng, Mr. Paul Ng, Ms. Cheung, Ms. Jessica Ng and Mr. Richard Howard Gorges and their respective associates, no other Shareholder had a material interest in the Proposed Alterations, and is required to abstain from voting on the resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Tung Woon Cheung Eric, Mrs. Tse Wong Siu Yin Elizabeth and Ms. Li Yuen Yu Alice, 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.

Gransing Securities Co., 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 11:00 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 resolutions to approve, among other things, the Supplemental Agreement and the transactions as contemplated thereunder (including the Proposed Alterations). The resolutions 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.

Save for Mr. Ng, Uni-Spark, Ronastar, Parkfield, Fung Shing, Mr. Paul Ng, Ms. Cheung, Ms. Jessica Ng and Mr. Richard Howard Gorges and their respective associates, holding approximately 41.13% of the total number of issued Shares in aggregate as at the Latest Practicable Date, no other Shareholder had a material interest in the Proposed Alterations, and is required to abstain from voting on the resolution to be proposed at the EGM.

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.

LETTER FROM THE BOARD

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, 33rd Floor, 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 as 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.

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) the 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 Financial Holdings Limited
南華金融控股有限公司
Ng Yuk Mui Jessica
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 FINANCIAL HOLDINGS LIMITED

南華金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00619)

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 DUE 2026

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.

Gransing Securities Co., 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 and the transactions 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 and the transactions 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

Tung Woon Cheung Eric
*Independent non-executive
Director*

Tse Wong Siu Yin Elizabeth
*Independent non-executive
Director*

Li Yuen Yu Alice
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Gransing Securities Co., Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, prepared for the purpose of inclusion in this circular.



瑞城證券有限公司
Gransing Securities Co., Limited

Gransing Securities Co., Limited
Unit 802, 8/F, Worldwide House,
19 Des Voeux Road Central,
Central,
Hong Kong

4 December 2025

*To: The Independent Board Committee and
the Independent Shareholders of
South China Financial Holdings Limited*

Dear Sirs and Madams,

CONNECTED TRANSACTION PROPOSED ALTERATIONS OF THE TERMS OF HK\$89,840,000 CONVERTIBLE BONDS DUE 2026

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 alteration of certain terms (the “**Proposed Alterations**”) of the convertible bonds with an principal amount of HK\$89,840,000 (the “**Bonds**”) issued by the Company to Thousand China Investments Limited (“**Thousand China**”), details of which are set out in the letter from the Board contained in the circular dated 4 December 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 13 September 2022, Thousand China (an indirect wholly-owned subsidiary of SCH) as vendor and Power Path Global Limited (“**Power Path**”) (a direct wholly-owned subsidiary of the Company) as purchaser entered into the sale and purchase agreement, pursuant to which Thousand China has conditionally agreed to dispose of the Genius Year Limited (“**Genius Year**”) Share to Power Path; and Power Path has conditionally agreed to purchase the Genius Year Share, at a total consideration of HK\$89,840,000 which is settled by way of the convertible bonds issued by the Company due on the date falling on three (3) years from the date of issue date. The Bonds were issued to Thousand China on 13 January 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 6 November 2025 (after trading hours), Thousand China (an indirect wholly-owned subsidiary of SCH) and the Company entered into the Supplemental Agreement pursuant to which the parties thereto conditionally agreed to alter, amend or change the terms of the Bonds by execution of the Supplemental Deed 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.

(collectively, the “**Proposed Alterations**”).

As at the Latest Practicable Date, Mr. Ng and his associates held approximately 34.96% of the total issued share capital of the Company (Mr. Ng is an executive Director and chairman of the Board) and approximately 68.81% of the total issued share capital of SCH (Mr. Ng is an executive director and chairman of the board of directors of SCH). Therefore, each of the Company and SCH 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.

In addition, pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. Accordingly, an application has been made by the Company to the Stock Exchange for the approval of the Proposed Alterations.

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 SCH, they are required to abstain from voting on the relevant Board resolutions.

Save for Mr. Ng, Mr. Paul Ng, Ms. Cheung, Ms. Jessica Ng and Mr. Richard Howard Gorges and their respective associates, no other Shareholder had a material interest in the Proposed Alterations, and is required to abstain from voting on the resolutions to be proposed at the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Save for Mr. Ng, Uni-Spark, Ronastar, Parkfield, Fung Shing, Mr. Paul Ng, Ms. Cheung, Ms. Jessica Ng and Mr. Richard Howard Gorges and their respective associates, holding approximately 41.13% of the total number of issued Shares in aggregate as at the Latest Practicable Date, no other Shareholder had a material interest in the Proposed Alterations, and is required to abstain from voting on the resolution to be proposed at the EGM.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mrs. Tse Wong Siu Yin Elizabeth, Mr. Tung Woon Cheung Eric and Ms. Li Yuen Yu Alice, has been established to give recommendations to the Independent Shareholders on the Supplemental Agreement, the Supplemental Deed and the transactions contemplated thereunder (including the Proposed Alterations). We, Gransing Securities Co., Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any interests or relationships with the Company that could be reasonably regarded as relevant to the independence of us, and hence are independent from the Company pursuant to Rule 13.84 of the Listing Rules. There was no engagement between the Group and us in the last two years and we are not aware of change in any circumstances that would affect our independence. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we have received or will receive any fees or benefits from the Company or any of its subsidiaries. Accordingly, we consider ourselves eligible to give independent advice in respect of the Supplemental Agreement, the Supplemental Deed and the transactions contemplated thereunder (including the Proposed Alterations).

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Company. We have assumed that all information and representations that have been provided by the Company, for which it is solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed by them in the Circular have been arrived at after due and careful consideration and there are no other material facts not contained in the Circular, the omission of which would make any such statement made by them that contained in the Circular misleading in all material respects.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Company's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Supplemental Agreement, the Supplemental Deed and the transactions contemplated thereunder (including the Proposed Alterations).

We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided to us so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided, opinion expressed or representations made by the management of the Company, nor have we conducted an independent investigation into the business and affairs or the prospects of the Company or the Group.

This letter is issued as our opinion to the Independent Board Committee and the Independent Shareholders solely for their consideration of whether the Supplemental Agreement, the Supplemental Deed and the transactions contemplated thereunder (including the Proposed Alterations) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Save for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

Our review and analyses were based upon, among others, (i) the information provided by the Group including the Circular, the Supplemental Agreement, and certain published information from the public domain, including but not limited to, the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report 2024**”), the annual report of the Company for the year ended 31 December 2023 (the “**Annual Report 2023**”) and the interim report of the Company for the six months ended 30 June 2025 (the “**Interim Report 2025**”); and (ii) our discussion with the Directors and the management of the Group with respect of the terms of and the reasons for entering into the Supplemental Agreement, the Supplemental Deed, and the businesses and future outlook of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have taken into consideration of the following principal factors and reasons:

(I) Background and financial information of the Group

(i) Background of the Group

The Company 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 INDEPENDENT FINANCIAL ADVISER

(ii) Financial information of the Group

Set out below is the financial performance of the Group for each of the two financial years ended 31 December 2023 and 2024 (“FY2023” and “FY2024”, respectively) as extracted from the Annual Report 2023 and the Annual Report 2024, respectively:

Table 1: Consolidated financial performance of the Group

	FY2024	FY2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)
Revenue From Continuing Operations	36,799	42,830
— <i>Broking</i>	10,814	11,377
— <i>Trading and investment</i>	(623)	35
— <i>Margin financing and money lending</i>	14,572	12,937
— <i>Asset and wealth management</i>	2,796	11,047
— <i>Corporate advisory and underwriting</i>	1,710	1,441
— <i>Property investment</i>	6,800	5,595
— <i>Other business</i>	730	398
Loss For The Year From Continuing Operations	(292,747)	(78,739)
Loss For The Year From Discontinued Operations	(2,309)	(61,259)
Loss For The Year	(295,056)	(139,998)

As set out in the Table 1, the revenue from continuing operations of the Group for the FY2024 was approximately HK\$36.80 million as compared to approximately HK\$42.83 million for the FY2023. According to the Annual Report 2024, the decrease in revenue was mainly attributable to the drop in revenue of asset and wealth management segment amounted to approximately HK\$2.8 million for the FY2024 versus approximately HK\$11.0 million recorded for the prior year. The increase in revenue from margin financing and money lending, property investment and corporate advisory and underwriting segments was set off with the drop in revenue from brokerage and trading and investment segments.

The loss for the year from continuing operations of the Group for the FY2024 was approximately HK\$292.75 million as compared to approximately HK\$78.74 million for the FY2023. According to the Annual Report 2024, during the FY2024, office leasing momentum remained slow reflecting high economic uncertainty with subdued demand and increased availability which caused by oversupply and higher vacancies on Hong Kong Island, especially in Central and its nearby. As at 31 December 2024, the fair value of the investment properties revalued at approximately HK\$286.0 million as compared to that of approximately HK\$509.4 million as at 31 December 2023. Fair value loss of approximately HK\$223.4 million was reported on the revaluation of the Company’s investment properties for the FY2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the Annual Report 2024, during the FY2024, the Group decided to cease its media publication and financial public relation service business (“**Media Business**”). While in the FY2023, the Group ceased its jewellery business for better allocation of the Group’s resources. The Media Business and jewellery business were classified as discontinued operations for the reporting period. The aggregated consolidated loss from these discontinued operations for the FY2023 and FY2024 amounted to approximately HK\$61.3 million and approximately HK\$2.3 million, respectively.

Set out below is the financial position of the Group as at 31 December 2024 and 30 June 2025 as extracted from the Annual Report 2024 and the Interim Report 2025:

Table 2: Consolidated financial position of the Group

	As at 30 June 2025 HK\$’000 (Unaudited)	As at 31 December 2024 HK\$’000 (Audited)
Non-current assets	360,667	382,073
Current assets	658,990	468,445
Current liabilities	921,635	584,698
Net current liabilities	(262,645)	(116,253)
Non-current liabilities	64,630	189,636
Equity attributable to equity holders of the Company	33,392	76,184

As at 30 June 2025, the Group’s total assets and total liabilities amounted to approximately HK\$1,019.66 million as compared to approximately HK\$850.52 million as at 31 December 2024 and approximately HK\$986.27 million as compared to approximately HK\$774.33 million as at 31 December 2024, respectively. As at 30 June 2025, the Group’s current liabilities exceeded its current assets by approximately HK\$262.65 million as compared to approximately HK\$116.25 million as at 31 December 2024.

The current assets of the Group increased from approximately HK\$468.45 million as at 31 December 2024 to approximately HK\$658.99 million as at 30 June 2025, while the current liabilities of the Group increased from approximately HK\$584.70 million as at 31 December 2024 to approximately HK\$921.64 million as at 30 June 2025. The increase in the current liabilities of the Group was primarily attributable to increases in the client deposits and convertible bonds items.

(iii) Debt position

According to the Annual Report 2024, the Group incurred a net loss of approximately HK\$295.1 million and recorded a net cash used in operating activities of approximately HK\$46.0 million during the FY2024 and as at 31 December 2024. The Group had net current liabilities of approximately HK\$116.3 million and cash and cash equivalents of approximately HK\$36.7 million while its total interest-bearing bank and other borrowings of approximately HK\$225.4 million, of which approximately HK\$187.4 million was classified as current liabilities.

(II) Background of the Bondholder

Thousand China, a company incorporated in the BVI, which is an indirect wholly-owned subsidiary of SCH. As at the Latest Practicable Date, Mr. Ng, the chairman of the board of directors, an executive director and a substantial shareholder of each of the Company and SCH, had interests in Thousand China. Accordingly, Thousand China is a connected person of the Company pursuant to Chapter 14A of the Listing Rules.

(III) Reasons for and benefits of the Proposed Alterations

The Company 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.

Given the current unsound financial situation of the Company and subsequent to the discussions with the management of SCH, it is not practicable for the Company to repay the principal of the Bonds upon the original Maturity Date. In addition, the two carbon trading projects indirectly held by Genius Year Limited applying to China Certified Emission Reduction (CCER) scheme must meet the CCER standards and regulatory requirements. Only certain projects are eligible under the CCER scheme, including renewables, forestry and methane capture. The aforesaid projects must undergo validation and verification by accredited agencies under Ministry of Ecology and Environment (“MEE”), and only verified reduction generate CCER credits may be traded in National CCER registry which is managed by MEE. The process of validation and verification by the accredited agency is lengthy, especially for large scale projects. The total areas of the two projects are relatively large covering about 92 million sq. m. which must fulfill such key principles set out by the accredited agency as additionality (reductions must go beyond business-as-usual), measurability (emission must be quantifiable), permanence (reductions must be long term) and verification (subject to independent third-party audit). By extending the Maturity Date pursuant to the Supplemental Agreement and the Supplemental Deed, it would enable the Company to postpone a substantial cash outflow so as to ease the immediate financial burden of the Group to repay the Bonds. It also facilitates the Group in securing alternative financial resources to fulfil its payment obligations under the Bonds and provides the Group with greater financial flexibility in the deployment of its working capital for its current and new business operations and development, such as broking, margin financing, corporate advisory and sponsorship, asset and wealth management, equity capital market, property investment and provision of services to corporations in respect of arranging overseas conventions, exhibitions and travels.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The terms of the Proposed Alterations were arrived at after arm's length negotiations between the Company and Thousand China. The revised interest rate was determined taking into account the prevailing market rate and the current financial and liquidity position of the Group. Despite the interest rate of the Bonds is proposed to 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, it remains a level substantially lower than the average cost of fund of the Group of approximately 3.8% per annum.

After considering the reasons for and benefits of the Proposed Alterations as discussed above, we consider that the terms and conditions of the Supplemental Agreement, the Supplemental Deed and the transactions contemplated thereunder (including the Proposed Alterations) are acceptable.

(IV) Principal terms of the Supplemental Agreement and the Bonds

(i) Principal terms of the Supplemental Agreement

On 6 November 2025 (after trading hours), Thousand China (an indirect wholly-owned subsidiary of SCH) and the Company entered into the Supplemental Agreement pursuant to which the parties thereto conditionally agreed to alter, amend or change the terms of the Bonds by execution of the Supplemental Deed 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.

(collectively, the “**Proposed Alterations**”).

Save for the Proposed Alterations, all other terms and conditions of the Bonds shall remain unchanged.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Supplemental Agreement is conditional upon and subject to the following conditions:

- (i) the Stock Exchange granting the approval in relation to the Proposed Alterations in accordance with Rule 28.05 of the Listing Rules;
- (ii) the passing by the Independent Shareholders and the SCH Independent Shareholders of all necessary resolution(s) at the EGM and SCH EGM respectively to approve the Proposed Alterations and the transactions contemplated under the Supplemental Agreement;
- (iii) 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 SCH having been obtained; and
- (iv) 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 aforesaid conditions can be waived, and has been fulfilled as at the Latest Practicable Date.

(ii) Principal terms of the Bonds

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 and will be as follows:

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Current (i.e. before the Proposed Alterations)	After the Proposed Alterations
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 (3 rd) anniversary from the date of issue of the Bonds to be paid on the third (3 rd) 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 (3 rd) anniversary from 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, capitalization of profits or reserves, rights issue, or issue of convertible securities, warrants or options carrying the right to subscribe for the Shares, 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 pursuant to the exercise of any options granted under the share option scheme of the Company; and the issue and allotment of Shares to the public and/or any Shareholder 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, capitalization of profits or reserves, rights issue, or issue of convertible securities, warrants or options carrying the right to subscribe for the Shares, 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 pursuant to the exercise of any options granted under the share option scheme of the Company; and the issue and allotment of Shares to the public and/or any Shareholder for fund raising purposes.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

- Redemption:** The Company may redeem any Bonds at any time which remain outstanding before 5:00 p.m. (Hong Kong time) on the Maturity Date at its principal amount.
- Conversion Rights:** Subject to the terms and conditions of the Bonds, the bondholder(s) of the Bonds shall have the right to convert the Bonds into the Shares subject to mutual agreement in writing between the bondholder(s) of the Bonds and the Company 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 terms and conditions of the Bonds.
- Transferability:** The Bonds shall be transferrable to any other person provided that the Bonds are not to be transferred to a connected person of the Company 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 the Company and shall at all times rank *pari passu* and without any preference or priority among themselves, and the payment obligations of the Company shall, save for such exceptions as may be provided by mandatory provisions of the applicable law, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Company.
- Voting Rights:** The Bonds do not confer any right to the bondholder(s) of the Bonds to attend or vote at any shareholders' meeting of the Company.

(iii) Comparison of Conversion Price with historical Share prices

The amended Conversion Price is HK\$0.28 per Conversion Share (subject to adjustments). This represents:

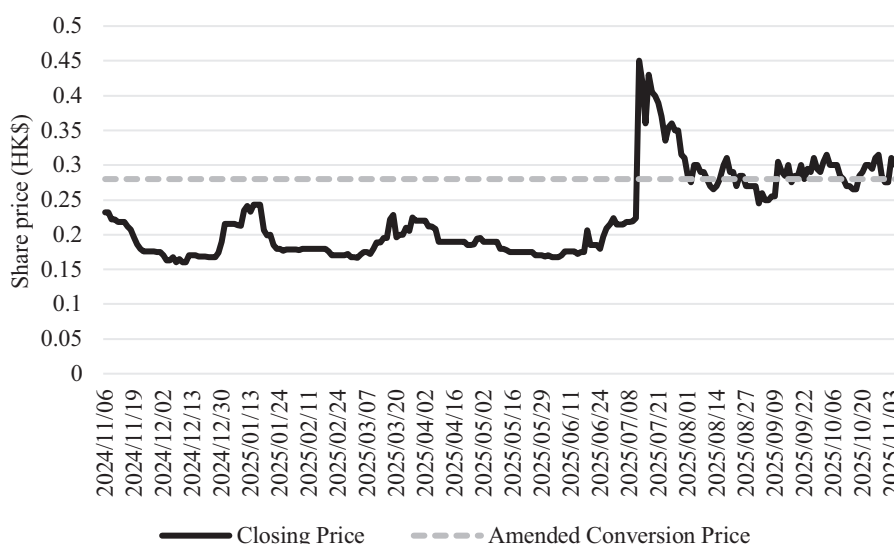
- (i) a discount of approximately 3.45% over the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on 6 November 2025, i.e. being the Last Trading Day;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) a discount of approximately 3.45% over the average closing price of approximately HK\$0.29 per Share as quoted on the Stock Exchange for the last five (5) consecutive Trading Days immediately prior to and including the Last Trading Day;

In order to assess the fairness and reasonableness of the amended Conversion Price, we reviewed the daily closing price of the Shares as quoted on the Stock Exchange from 6 November 2024 up to and including 6 November 2025 (i.e. the Last Trading Day) (the “**Review Period**”), being a period of approximately one year prior to and including the Last Trading Day, which we consider such period allows the Independent Shareholders to have a general understanding of recent share price performance of the Shares. The comparison of daily closing prices of the Shares and the amended Conversion Price is illustrated as follows:

Chart 1: Daily closing prices of the Shares and the amended Conversion Price



Source: The Stock Exchange's website

As shown in the Chart 1, daily closing prices of the Shares remained largely stable between 6 November 2024 and 10 July 2025, fluctuating within the range of HK\$0.15 to HK\$0.25. The daily closing price of the Shares experienced a significant increase on 11 July 2025, reaching the highest value of HK\$0.45 during the Review Period. Subsequently, the daily closing price of the Shares gradually fluctuated downward. From 1 August 2025 to the Last Trading Day, daily closing prices of the Shares remained within the range of HK\$0.245 to HK\$0.315.

The amended Conversion Price of HK\$0.28 is within the range of daily closing prices of the Shares as quoted on the Stock Exchange during the entire Review Period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iv) Comparison with convertible bonds with extension of maturity date

We have reviewed the announcements on extension of convertible bonds for their respective maturity for one year prior to and including 6 November 2025, being the date of the Last Trading Day, by companies listed on the Stock Exchange. We consider such period represented recent structure of the extension of convertible bonds in the capital market in Hong Kong and allows the Independent Shareholders to have a general understanding of recent extension of convertible bonds being conducted. We identified a list of 6 comparable convertible bonds (the “**Extension Comparables**”) and it is exhaustive as far as we are aware of. Summary of the Extension Comparables is set out as below:

Table 3: Extension Comparables

No.	Company name (stock code)	Date of announcement	Outstanding principal amount (HK\$ million)	Interest rate (% per annum)	Months of extension for the term of maturity
1	Hospital Corporation of China Limited (3869)	12 June 2025	468.00	—	24
2	Hospital Corporation of China Limited (3869)	12 June 2025	773.88	—	24
3	Best Food Holding Company Limited (1488)	3 April 2025	610.68	3.00	25
4	China Aluminum Cans Holdings Limited (6898)	21 February 2025	139.83	—	60
5	Mobvista Inc. (1860)	21 January 2025	233.70	3.50	12
6	Oriental Payment Group Holdings Limited (8613)	30 December 2024	11.85	12.00	24
			Maximum:	12.00	60
			Minimum:	—	12
			Average:	3.08	28
	South China Financial Holdings Limited (619)			2.00	36

Source: The Stock Exchange’s website

Note: The amount was stated in United States dollars (“US\$”) and was converted into HK\$ using the exchange rate of US\$1.00 = HK\$7.79

For the Extension Comparables, the extension of maturity date ranged from 12 months up to 60 months. The proposed extension of the Maturity Date of the Bonds of 36 months is within the range of the Extension Comparables.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(v) Comparison with convertible bonds issued recently

We have reviewed issues of new convertible bonds announced by companies listed on the Stock Exchange with market capitalization below HK\$5,000 million for six months prior to and including 6 November 2025 (the “**Review Period**”), being the Last Trading Day. We consider such period represented the general structure of the convertible bonds issued recently in the capital market in Hong Kong, and allows the Independent Shareholders to have a general understanding of recent issues of convertible bonds being conducted. We identified a list of 23 comparables (the “**Comparables**”) which met the said criteria and it is exhaustive as far as we are aware of. Independent Shareholders should note that the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparables.

Table 4: List of Comparables

No.	Company name (stock code)	Date of announcement	Principal amount (HK\$ million)	Market Capitalization on the respective announcement date (HK\$ million)	Conversion Price premium over/ (discount to) the closing price on the last trading day prior to the date of the respective announcement/ agreement	Conversion Price premium over/ (discount to) the average closing price for five trading days prior to/including the date of the respective announcement/ agreement	Interest rate (per annum)	Month(s) of the term to maturity
1	China Carbon Neutral Development Group Limited (1372)	30 May 2025	57.66	1,092.96	(83.53)%	(80.14)%	5.000%	24
2	CROSSTEC Group Holdings Limited (3893)	2 June 2025	57.10	20.16	1.85%	1.85%	2.000%	36
3	CROSSTEC Group Holdings Limited (3893)	2 June 2025	38.40	20.15	1.85%	1.85%	2.000%	36
4	Icon Culture Global Company Limited (8500)	5 June 2025	12.96	129.60	0.00%	1.35%	6.000%	36
5	Celestial Asia Securities Holdings Limited (1049)	10 June 2025	20.00	84.76	19.05%	19.05%	5.000%	36
6	Celestial Asia Securities Holdings Limited (1049)	10 June 2025	20.00	84.76	19.05%	19.05%	5.000%	36
7	Value Convergence Holdings Limited (821)	13 June 2025	5.00	89.11	11.11%	37.93%	1.000%	24
8	Sky Light Holdings Limited (3882)	16 June 2025	70.00	1,017.87	54.46%	54.76%	8.000%	18
9	Zhi Sheng Group Holdings Limited (8370)	19 June 2025	20.00	894.40	10.15%	12.28%	0.000%	7
10	Polyfair Holdings Limited (8532)	30 June 2025	1.27	20.37	0.00%	6.19%	0.000%	36
11	Elate Holdings Limited (76)	17 July 2025	24.34	105.59	25.00%	(20.08)%	0.000%	72
12	USPACE Technology Group Limited (1725)	22 July 2025	109.62	393.16	(19.23)%	(20.25)%	0.000%	12
13	JL MAG RARE-EARTH CO., LTD. (6680)	24 July 2025	915.33	4,425.69	10.00%	7.50%	1.750%	60
14	Dingyi Group Investment Limited (508)	31 July 2025	980.00	263.71	5.81%	2.82%	2.000%	36
15	Pengo Holdings Group Limited (1865)	1 August 2025	120.00	187.86	(14.50)%	(19.30)%	3.000%	12
16	Millennium Pacific Group Holdings Limited (8147)	1 August 2025	8.63	42.31	2.04%	2.04%	5.000%	24

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

No.	Company name (stock code)	Date of announcement	Principal amount <i>(HK\$ million)</i>	Market Capitalization on the respective announcement date <i>(HK\$ million)</i>	Conversion Price premium over/ (discount to) the closing price on the last trading day prior to the date of the respective announcement/ agreement	Conversion Price premium over/ (discount to) the average closing price for five trading days prior to/including the date of the respective announcement/ agreement	Interest rate <i>(per annum)</i>	Month(s) of the term to maturity	
17	CHINA RONGZHONG FINANCIAL HOLDINGS COMPANY LIMITED (3963)	3 September 2025	35.00	145.89	0.00%	(0.17)%	2.750%	36	
18	Tibet Water Resources Ltd. (1115)	17 September 2025	297.00	2,537.86	1.85%	5.77%	5.000%	12	
19	Hatcher Group Limited (8365)	29 September 2025	12.00	251.82	2.04%	(0.53)%	0.000%	36	
20	Moiselle International Holdings Limited (130)	3 October 2025	25.00	71.99	20.00%	97.10%	2.500%	36	
21	Eminence Enterprise Limited (616)	10 October 2025	268.40	164.29	4.32%	(16.34)%	5.000%	60	
22	DTXS Silk Road Investment Holdings Company Limited (620)	17 October 2025	323.00	720.85	5.56%	6.03%	3.850%	36	
23	Mindtell Technology Limited (8611)	27 October 2025	28.60	313.59	(17.90)%	(11.30)%	0.000%	24	
					Maximum:	54.46%	97.10%	8.000%	72
					Minimum:	(83.53)%	(80.14)%	0.000%	7
					Average:	2.56%	4.67%	2.820%	32
South China Financial Holdings Limited (619)						(3.45)%	(3.45)%	2.000%	36

Source: The Stock Exchange's website

Notes:

1. The amount was stated in US\$ and was converted into HK\$ using the exchange rate of US\$1.00 = HK\$7.79
2. The amount was stated in Renminbi and was converted into HK\$ using the exchange rate of Renminbi 1.00 = HK\$1.08
3. Under a normal distribution, approximately 95% of the values would fall within the range of two standard deviations from the average. The premium of relevant transaction was exceptionally high which exceed two standard deviations from the average would be treated as outlier and would be excluded from our analysis in order to avoid the distortion of our analysis results and considered to be an outlier.

(i) Conversion Price

During the Review Period, the conversion prices of the Comparables represent a range of a discount of approximately 83.53% to a premium of approximately 54.46%, with an average of premium of approximately 2.56% over the respective closing price per share on the last trading day prior to the date of the respective announcement/agreement in relation to the respective issue of Comparables. The amended Conversion Price of HK\$0.28 per Conversion Share, which represents a discount of approximately 3.45% to the closing price of HK\$0.29 per share as quoted on the Stock Exchange on the Last Trading Day, is within the conversion price discount range of the Comparables.

In addition, during the Review Period, the conversion price of the Comparables represent a range of a discount of approximately 80.14% to a premium of approximately 97.10%, with an average of premium of approximately 4.67% over the respective average closing price per share for five trading days prior to/including the date of the respective announcement/agreement in relation to the respective issue of convertible bonds. The amended Conversion Price of HK\$0.28 per Conversion Share, which represents a discount of approximately 3.45% to the average closing price of HK\$0.29 per share as quoted on the Stock Exchange for five trading days immediately prior to/including the Last Trading Day, is within the conversion price discount range of the Comparables.

Given the Conversion Price is within the range of the conversion price of the Comparables over the Last Trading Day and the average for five trading days immediately prior to/including the Last Trading Day, we are of the view that the Conversion Price is favourable to the Company when compared to the prevailing market sentiment. Furthermore, it should be noted that, the above analysis may not be useful as a direct reference to the fairness and reasonableness of the terms of the Bonds and we have considered the results of the above analysis together with all other factors stated in this letter as a whole in forming our opinion.

(ii) Interest rate

As shown in the table 4, the interest rates of the Comparables range from 0.0% to approximately 8.0%, with an average of approximately 2.82%. The interest rate of the Bonds of 2.0% per annum falls below the average of the interest rates of the Comparables. Despite the interest rate of the Bonds is proposed to be increased to two (2)% per annum during the extended period of the Maturity Date, we note from the Circular that average cost of fund of the Group was approximately 3.8% per annum, which is higher than the interest rate of the Bonds. Therefore, we consider that the interest rate of the Bonds is acceptable.

(iii) Term to maturity

The terms to maturity of the Comparables range from 7 months to 72 months, with an average of approximately 32 months. According to the Proposed Alterations, the Maturity Date is proposed to be extended for 36 months, which is within the range of maturity of the Comparables.

Taking into account the principal terms of the Bonds as highlighted above, we are of the view that the terms and conditions of the Supplemental Agreement, the Supplemental Deed and the transactions contemplated thereunder (including the Proposed Alterations) are acceptable.

(V) Financial effects of the Proposed Alterations

(i) Effects on liquidity

According to the Interim Report 2025, the cash and bank balances of the Group were approximately HK\$49.57 million as at 30 June 2025, and the net current liabilities of the Group was approximately HK\$262.65 million as at 30 June 2025. The Proposed Alterations would allow the Group to delay cash outflow of HK\$89.84 million as a result of redemption of the Bonds. Having considered (i) the cash and bank balances of the Group were approximately HK\$49.57 million as at 30 June 2025, and the principal amount of the Bonds was HK\$89.84 million; and (ii) the Bonds in the principal amount of HK\$89.84 million will become mature in January 2026. We are of the view that the Proposed Alterations would alleviate the liquidity and working capital pressure of the Group triggered by the redemption of the Bonds due on 12 January 2026.

(ii) Effects on earnings

The interest rate of the Bonds changes from one (1)% per annum to two (2)% per annum under the Proposed Alterations, therefore future earnings will be reduced correspondingly by the amount of interest expenses incurred for the Bonds before the Maturity Date. According to applicable accounting standards, a non-cash imputed finance cost and fair value changes on derivative components of the Bonds may be recorded in the consolidated statement of profit or loss and other comprehensive income during the extended period depending on the result of re-measurement of the fair values of the Bonds as at 31 December 2025, as well as each subsequent reporting date by independent valuer.

(iii) Effects on net assets

There may be changes in the fair values of the Bonds as a result of the Proposed Alterations. The possible changes will be subject to the valuation from the independent valuer and the review of the Company's independent auditors in the Group's subsequent financial statements.

Independent Shareholders should note that the aforementioned analysis is for illustrative purpose only and does not purport to represent how the financial performance and financial position of the Group would be after the Proposed Alterations.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(VI) Shareholding structure and possible dilution effect of the Bonds

As extracted from the Letter from the Board, the following table illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) 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; (iii) 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 (iv) 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 (assuming that there are no other changes to the shareholding structure of the Company from the Latest Practicable Date and up to the full conversion of the Bonds).

Table 5: Shareholding structure and possible dilution effect of the Bonds

	As at the Latest Practicable Date		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 Shares	Approximately %	No. of Shares	Approximately %	No. of Shares	Approximately %	No. of Shares	Approximately %
Uni-Spark	7,178,761	2.38	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	3.78	23,526,030	4.45	23,526,030	2.77
Parkfield	44,623,680	14.81	44,623,680	7.17	44,623,680	8.44	44,623,680	5.25
Ronastar	1,999,872	0.66	1,999,872	0.32	1,999,872	0.38	1,999,872	0.24
Mr. Ng	13,005,264	4.32	13,005,264	2.09	13,005,264	2.46	13,005,264	1.53
Total Grace	—	0.00	—	0.00	227,272,727	43.00	227,272,727	26.76
Thousand China	—	0.00	320,857,142	51.57	—	0.00	320,857,142	37.77
Mr. Ng and his close associates	90,333,607	29.98	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	2.41	14,988,000	2.84	14,988,000	1.76
Ms. Cheung	13,598,311	4.51	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	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	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	28.51	177,357,152	33.56	177,357,152	20.88
TOTAL	301,277,070	100.00	622,134,212	100.00	528,549,797	100.00	849,406,939	100.00

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Upon full conversion of the Bonds at the Conversion Price, the Bonds will be convertible into 320,857,142 new Shares, representing approximately 106.50% of the total number of issued Shares (excluding treasury shares) and approximately 51.57% of the total number of issued Shares (excluding treasury shares) as enlarged by the allotment and issue of the Conversion Shares as at the Latest Practicable Date.

The theoretical dilution effect of the issue of the Conversion Shares at the revised Conversion Price calculated based on the benchmarked price of approximately HK\$0.29 is approximately 1.8% and thus the issue of the Conversion Shares at the revised Conversion Price will not result in a theoretical dilution effect of 25% or more on its own as referred to under Rule 7.27B of the Listing Rules. The cumulative theoretical dilution effect in aggregation with the conversion shares to be issued in relation to the HK\$50,000,000 convertible bonds, as disclosed in the announcement of the Company dated of 6 November 2025, calculated based on the benchmark price of approximately HK\$0.29 is approximately 7.8%.

Assuming no outstanding Share Options being exercised and that there is no change in the number of issued Shares from the Latest Practicable Date up to the date when the Conversion Rights are exercised in full, the existing shareholding of the Independent Shareholders will be diluted from approximately 58.87% before full conversion of the Bonds to approximately 28.51% immediately after full conversion of the Bonds.

Despite the potential dilution to the shareholding of the Independent Shareholders, after taking into account that (i) the aforementioned reasons for and benefits of the Proposed Alterations; (ii) the terms of the Proposed Alterations being acceptable; (iii) the redemption of the Bonds due on 12 January 2026 would impose pressure on the liquidity and working capital of the Group; and (iv) the theoretical dilution effect would not result in a dilution effect of 25% or more and result in an immediate dilution effect on the shareholding of the existing Shareholders, we are of the view that the extent of dilution to the shareholding interests of the Independent Shareholders as a result of the full conversion of the Bonds is acceptable.

RECOMMENDATION

We have considered the above principal factors and reasons and, in particular, having taken into account the following in arriving at our opinion:

- (i) the terms and conditions of the Supplemental Agreement, the Supplemental Deed and the transactions contemplated thereunder (including the Proposed Alterations) are on normal commercial terms and are acceptable;
- (ii) the potential dilution effect to the shareholding interest of the Independent Shareholders arising from the full conversion of the Bonds is acceptable; and
- (iii) the cash and bank balances of the Group were approximately HK\$49.57 million as at 30 June 2025, and the principal amount of the Bonds was HK\$89.84 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We are of the view that the Supplemental Agreement, the Supplemental Deed and the transactions contemplated thereunder (including the Proposed Alterations) are not conducted in the ordinary and usual course of business of the Group, but the terms and conditions are on normal commercial terms, fair and reasonable 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, the Supplemental Deed 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
Gransing Securities Co., Limited
Beverly Seeto
Managing Director

Ms. Beverly Seeto is a licensed person registered with the SFC and a responsible officer of Gransing Securities Co., Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. She has over 10 years of experience in the corporate finance industry and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

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 executives' interests in the Company or its associated corporations

As at the Latest Practicable Date, the interests of the Directors, the chief executives and their associates in the shares, underlying shares or 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 referred to under section 352 of the SFO or to be 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:

(i) Long positions in the Shares

Name of Director	Capacity	Number of Shares held			Total number of Shares held	Approximate percentage of shareholding to total issued Shares (Note 4)
		Personal interests	Family interests	Corporate interests		
Mr. Ng	Beneficial owner/ Interests of controlled corporations	13,005,264	—	77,328,343 (Note 1)	90,333,607	29.98
Ms. Cheung	Beneficial owner	13,598,311	—	—	13,598,311	4.51
Mr. Paul Ng	Beneficial owner	14,988,000	—	—	14,988,000	4.97

(ii) Long positions in underlying shares of the Company

Name of Director	Capacity	Number of underlying Shares			Total interests	Approximate percentage of total interests to total issued Shares (Note 4)
		Personal interests	Family interests	Corporate interests		
Mr. Ng	Interests of controlled corporations	—	—	508,022,727 (Note 2)	508,022,727	168.62
Ms. Jessica Ng	Beneficial owner	3,012,770	—	—	3,012,770 (Note 3)	1.00
Mr. Paul Ng	Beneficial owner/ Interests of spouse	3,012,770	3,012,770	—	6,025,540 (Note 3)	2.00

Notes:

- The 77,328,343 shares of the Company held by Mr. Ng through controlled corporations included 23,526,030 shares held by Fung Shing, 44,623,680 shares held by Parkfield, 1,999,872 shares held by Ronastar and 7,178,761 shares held by Uni-spark. Fung Shing, Parkfield and Ronastar are directly wholly-owned by Mr. Ng. Uni-spark is indirect wholly-owned by Mr. Ng.
- Comprising (i) principal amount of HK\$50,000,000 convertible bonds at the conversion price of HK\$0.22 per conversion share issued by the Company to Total Grace, a company wholly-owned by Mr. Ng on 30 June 2020 (the “CB 2020”); and (ii) the Bonds.

Assuming (i) the CB 2020 are exercised in full; and (ii) there is no other change to the total number of issued shares of the Company, a total of 227,272,727 new ordinary shares will be allotted and issued to Total Grace, representing approximately 75.44% of the total number of issued shares of the Company as at the Latest Practicable Date and approximately 43.00% of the total number of issued shares of the Company as enlarged by the allotment and issue of the conversion shares.

Assuming (i) the Bonds are exercised in full; and (ii) there is no other change to the total number of issued shares of the Company, a total of 280,750,000 new ordinary shares will be allotted and issued to Thousand China, representing approximately 93.19% of the total number of issued shares of the Company as at the Latest Practicable Date and approximately 48.24% of the total number of issued shares of the Company as enlarged by the allotment and issue of the conversion shares.

- The underlying shares were the share options granted under the share option scheme adopted by the Company on 9 August 2022 for the option holder(s) to subscribe for the Shares.
- These percentages are calculated on the basis of 301,277,070 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, 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 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/underlying Shares held			Total number of Shares/underlying Shares held	Approximate percentage of shareholding to total issued Shares (Note 6)
	Beneficial interests	Family interests	Corporate interests		
Ms. Ng Lai King Pamela (Note 1)	—	598,356,334	—	598,356,334	198.61
Parkfield (Note 2)	44,623,680	—	—	44,623,680	14.81
Fung Shing (Note 3)	23,526,030	—	—	23,526,030	7.81
Total Grace (Note 4)	227,272,727	—	—	227,272,727	75.44
Thousand China (Note 5)	280,750,000	—	—	280,750,000	93.19

Notes:

- Ms. Ng Lai King Pamela is the spouse of Mr. Ng. By virtue of the SFO, Ms. Ng Lai King Pamela is deemed to be interested in the 90,333,607 Shares and 508,022,727 underlying shares of which Mr. Ng is interested in.
- Parkfield is a company wholly-owned by Mr. Ng.
- Fung Shing is a company wholly-owned by Mr. Ng.
- Assuming (i) the CB 2020 are exercised in full; and (ii) there is no other change to the total number of issued shares of the Company, a total of 227,272,727 new ordinary shares will be allotted and issued to Total Grace, representing approximately 75.44% of the total number of issued shares of the Company and approximately 43.00% of the total number of issued shares of the Company as enlarged by the allotment and issue of the conversion shares as at the Latest Practicable Date.

5. Assuming (i) the Bonds are exercised in full; and (ii) there is no other change to the total number of issued shares of the Company, a total of 280,750,000 new ordinary shares will be allotted and issued to Thousand China, representing approximately 93.19% of the total number of issued shares of the Company and approximately 48.24% of the total number of issued shares of the Company as enlarged by the allotment and issue of the conversion shares as at the Latest Practicable Date.
6. These percentages are calculated on the basis of 301,277,070 Shares in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, save as (i) Mr. Ng, a director of Fung Shing, Parkfield and Total Grace; (ii) Ms. Cheung and Mr. Paul Ng, directors of Thousand China, 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

Based on the information provided by SCH, (a) SCH does not hold any forestry land in Hubei Province and does not conduct any business related to carbon credit trading and (b) given the forestry lands are located in Chongyang County, Xianning City, Hubei Province, are the only forestry land project held by the Company, the Board considers that the business focus (in terms of the location and size of the projects) of the Company and SCH are different and hence the competition between the businesses of the Company and SCH is considered to be relatively remote.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or his or her respective close associates was considered to have an interest in a business which competed or was likely to compete, enter directly or indirectly, with the business of the Group or any other conflicts of interests with the Group other than those business to which the Directors 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 year without payment of compensation (other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group that would have a material adverse effect on the results of operations or financial conditions 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 date of this circular and up to the Latest Practicable Date:

(a) Supplemental Agreement; and

(b) Second Supplemental Agreement dated 6 November 2025 in relation to the CB 2020.

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

Name	Qualification
Gransing Securities Co., Limited	A licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

As at the Latest Practicable Date, Gransing Securities Co., 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, Gransing Securities Co., 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 at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong.
- (b) The share registrar 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.sctrade.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 from pages 6 to 17 of 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;
- (e) the letter from the Independent Financial Adviser, the text of which is set out from pages IFA-1 to IFA-20 in this circular; and
- (f) this circular.



SOUTH CHINA FINANCIAL HOLDINGS LIMITED

南華金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00619)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of South China Financial Holdings 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 11:00 a.m. (the “**EGM**”) for the purpose of considering and, if thought fit, passing with or without amendment(s), passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the supplemental agreement (the “**Supplemental Agreement**”) dated 6 November 2025 entered into between the Company as issuer and Thousand China Investments Limited as bondholder (the “**Bondholder**”) (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 (the “**Convertible Bonds**”); (iii) the conversion price and the transactions as contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) subject to and conditional upon The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) approving the listing of, and granting the permission to deal in, the Conversion Shares (as defined below), the directors of the Company (the “**Directors**”) be and are hereby authorised to: (i) issue the Convertible Bonds to the Bondholder; and (ii) allot and issue such shares of the Company which may fall to be issued upon exercise of the conversion rights attaching to the Convertible Bonds (the “**Conversion Shares**”) on the terms and subject to the conditions of the Convertible Bonds;
- (c) an unconditional specific mandate granted to the Directors to exercise the powers to allot, issue and deal with such number of Conversion Shares as may be required to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds pursuant to the terms of the Convertible Bonds be and is hereby confirmed and approved; and

NOTICE OF THE EGM

- (d) subject to and conditional upon the fulfillment of the conditions set out in the Supplemental Agreement and the transactions contemplated thereunder, any one or more of the Director(s) 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 of
South China Financial Holdings Limited
南華金融控股有限公司
Ng Yuk Mui Jessica
Executive Director

Hong Kong, 4 December 2025

Registered office:

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, Union Registrars Limited at Suites 3301-04, 33/F., 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, 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 meeting 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 meeting 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.

NOTICE OF THE EGM

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.sctrade.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.
7. As at the date of this notice, the board of directors of the Company are:

Executive Directors:

Mr. Ng Hung Sang
Ms. Cheung Choi Ngor
Ms. Ng Yuk Mui Jessica
Mr. Ng Yuk Yeung Paul

Independent Non-executive Directors:

Mr. Tung Woon Cheung Eric
Mrs. Tse Wong Siu Yin Elizabeth
Ms. Li Yuen Yu Alice