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CHINA SCE GROUP HOLDINGS LIMITED
中駿集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1966)

SCE Intelligent Commercial Management Holdings Limited
中駿商管智慧服務控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 606)

JOINT ANNOUNCEMENT

VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL OF SUBSIDIARIES HOLDING COMMERCIAL PROPERTIES TO SCE CM GROUP

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF COMPANIES HOLDING COMMERCIAL PROPERTIES FROM CHINA SCE GROUP

Independent Financial Adviser to SCE CM Independent Board Committee and SCE CM Independent Shareholders

RAINBOW CAPITAL (HK) LIMITED
滾博資本有限公司

Rainbow Capital (HK) Limited

THE INDEBTEDNESS

Reference is made to the announcements of SCE CM dated 24 November 2022, 30 December 2022, 19 November 2024 and 31 December 2024 respectively and the circulars of SCE CM dated 12 December 2022 and 13 December 2024 respectively.

On 24 November 2022, the Lender (an indirect wholly-owned subsidiary of SCE CM) entered into the Loan Agreement with the Borrower (an indirect wholly-owned subsidiary of China SCE), pursuant to which the Lender conditionally agreed to grant the Loan to the Borrower in the principal amount up to RMB900.0 million for a fixed term commencing on the date of drawdown and ending on 31 December 2024. On 19 November 2024, the Lender entered into the Supplemental Loan Agreement with the Borrower, pursuant to which the Lender conditionally agreed to, among other things, extend the maturity date of the Loan to 31 December 2026. As at 31 August 2026 (being the latest practicable date prior to the issue of this announcement for the purpose of ascertaining the amount of the Indebtedness), the Indebtedness of the China SCE Group to the SCE CM Group under the Amended Loan Agreement amounted to approximately RMB908.4 million, being the sum of the principal amount of the Loan that remained outstanding of RMB900.0 million and the accrued interest payable by the Borrower under the Amended Loan Agreement of approximately RMB8.4 million.

THE SHARE TRANSFER AGREEMENT

In the light of the imminent maturity of the Loan, on 27 October 2026, the Vendor (an indirect wholly-owned subsidiary of China SCE) and the Purchaser (a direct wholly-owned subsidiary of SCE CM) entered into the Share Transfer Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to acquire the Target Shares, in settlement of the Indebtedness. The Consideration payable by the Purchaser to the Vendor in connection with the Transaction under the Share Transfer Agreement is RMB1,060.0 million, which should first be satisfied by way of pro tanto offset of the Indebtedness (in the aggregate accrued amount as at the Completion Date) against the Consideration upon Completion. Any remaining balance of the Consideration after the above offset should be settled by way of payment by the Purchaser to the Vendor upon Completion.

The Target Shares are comprised of the entire issued share capital of each of Target Company A, Target Company B and Target Company C. As at the date of the Share Transfer Agreement and immediately prior to Completion, each member of the Target Groups is an indirect wholly-owned subsidiary of China SCE. Upon Completion, (1) each member of the Target Groups will become an indirect non-wholly-owned subsidiary of China SCE; and (2) the SCE CM Group will acquire the entire issued share capital of the Target Companies, and each member of the Target Groups will become an indirect wholly-owned subsidiary of SCE CM.

IMPLICATIONS UNDER THE LISTING RULES

China SCE

From China SCE's perspective, the Transaction is a disposal of assets by the China SCE Group under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio in respect of the Transaction exceeds 75%, the Transaction constitutes a very substantial disposal and is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SCE CM

From SCE CM's perspective, the Transaction is an acquisition of assets by the SCE CM Group under Chapter 14 of the Listing Rules. Further, as at the date of the Share Transfer Agreement, the Vendor is an indirect wholly-owned subsidiary of China SCE, which is a controlling Shareholder of SCE CM. Hence, the Vendor is a connected person of SCE CM, and the Transaction constitutes a connected transaction under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio in respect of the Transaction exceeds 100%, the Transaction constitutes a very substantial acquisition under Chapter 14 of the Listing Rules and a non-exempt connected transaction under Chapter 14A of the Listing Rules. Accordingly, the Transaction is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules, and to the announcement, circular (including independent financial advice), independent shareholders' approval and annual reporting requirements under Chapter 14A of the Listing Rules.

GENERAL

China SCE

China SCE will convene the China SCE EGM for the China SCE Shareholders to consider and, if thought fit, pass the requisite resolution to approve the Share Transfer Agreement and the Transaction. The votes of the China SCE Shareholders at the China SCE EGM will be taken by poll.

A circular including, among other things, (i) a letter from the China SCE Board containing detailed information about the Share Transfer Agreement and the Transaction; (ii) other information as required under the Listing Rules; and (iii) a notice convening the China SCE EGM, together with the relevant proxy form, is expected to be despatched to the China SCE Shareholders on or before 16 December 2026. The expected despatch date is more than 15 business days from the date of publication of this joint announcement because additional time may be required to gather the relevant information and prepare the disclosures to be included in the circular.

SCE CM

SCE CM will convene the SCE CM EGM for the SCE CM Independent Shareholders to consider and, if thought fit, pass the requisite resolution to approve the Share Transfer Agreement and the Transaction. The votes of the SCE CM Independent Shareholders at the SCE CM EGM will be taken by poll.

Happy Scene Global Limited, an indirect wholly-owned subsidiary of China SCE, and all other SCE CM Shareholders (if any) who/which have a material interest in the Share Transfer Agreement and the Transaction are required under the Listing Rules to abstain from voting on the resolution to be proposed at the SCE CM EGM to approve the Share Transfer Agreement and the Transaction.

The SCE CM Independent Board Committee comprising Mr. Ding Zuyu, Mr. Wang Yongping and Mr. Pang Hon Chung, being all the independent non-executive SCE CM Directors with no material interest in the Share Transfer Agreement and the Transaction, has been established to advise the SCE CM Independent Shareholders in relation to the Share Transfer Agreement and the Transaction. Rainbow Capital (HK) Limited has been appointed as the independent financial adviser to make recommendations to the SCE CM Independent Board Committee and the SCE CM Independent Shareholders in relation to the Share Transfer Agreement and the Transaction.

A circular including, among other things, (i) a letter from the SCE CM Board containing detailed information about the Share Transfer Agreement and the Transaction; (ii) a letter from the SCE CM Independent Board Committee containing its advice to the SCE CM Independent Shareholders in respect of such matters; (iii) a letter from the independent financial adviser containing its advice to the SCE CM Independent Board Committee and the SCE CM Independent Shareholders in respect of such matters; (iv) other information as required under the Listing Rules; and (v) a notice convening the SCE CM EGM, together with the relevant proxy form, is expected to be despatched to the SCE CM Shareholders on or before 16 December 2026. The expected despatch date is more than 15 business days from the date of publication of this joint announcement because additional time may be required to gather the relevant information and prepare the disclosures to be included in the circular.

THE INDEBTEDNESS

Reference is made to (i) the announcement of SCE CM dated 24 November 2022 in relation to the Loan Agreement and the transaction contemplated thereunder; (ii) the circular of SCE CM dated 12 December 2022 for the extraordinary general meeting to be held on 30 December 2022 to approve the Loan Agreement and the transaction contemplated thereunder; (iii) the announcement of SCE CM dated 30 December 2022 in relation to the voting results at the extraordinary general meeting held on 30 December 2022; (iv) the announcement of SCE CM dated 19 November 2024 in relation to the Supplemental Loan Agreement and the transaction contemplated thereunder; (v) the circular of SCE CM dated 13 December 2024 for the extraordinary general meeting to be held on 31 December 2024 to approve the Supplemental Loan Agreement and the transaction contemplated thereunder; and (vi) the announcement of SCE CM dated 31 December 2024 in relation to the voting results at the extraordinary general meeting held on 31 December 2024.

On 24 November 2022, the Lender (an indirect wholly-owned subsidiary of SCE CM) entered into the Loan Agreement with the Borrower (an indirect wholly-owned subsidiary of China SCE), pursuant to which the Lender conditionally agreed to grant the Loan to the Borrower in the principal amount up to RMB900.0 million for a fixed term commencing on the date of drawdown and ending on 31 December 2024 at the fixed interest rate of 7% per annum.

On 19 November 2024, the Lender entered into the Supplemental Loan Agreement with the Borrower, pursuant to which the Lender conditionally agreed to (i) extend the maturity date of the Loan from 31 December 2024 to 31 December 2026; and (ii) amend and supplement certain terms of the Loan Agreement, including, among other things, adjustment of the fixed interest rate to 5.5% per annum for the period from 1 January 2025 onwards.

As at 31 August 2026 (being the latest practicable date prior to the issue of this announcement for the purpose of ascertaining the amount of the Indebtedness), the Indebtedness of the China SCE Group to the SCE CM Group under the Amended Loan Agreement amounted to approximately RMB908.4 million, being the sum of the principal amount of the Loan that remained outstanding of RMB900.0 million and the accrued interest payable by the Borrower under the Amended Loan Agreement of approximately RMB8.4 million. As at the date of this joint announcement, apart from such accrued interest, all amounts of interest payable by the Borrower under the Amended Loan Agreement have been duly settled by the Borrower.

In the light of the imminent maturity of the Loan, on 27 October 2026, the Vendor (an indirect wholly-owned subsidiary of China SCE) and the Purchaser (a direct wholly-owned subsidiary of SCE CM) entered into the Share Transfer Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to acquire the Target Shares, in settlement of the Indebtedness.

THE SHARE TRANSFER AGREEMENT

Set forth below are the principal terms of the Share Transfer Agreement:

Date

27 October 2026

Parties

(a) the Vendor (i.e. China SCE Assets Holdings Limited), as vendor

(b) the Purchaser (i.e. Lofty Idea Enterprises Limited), as purchaser

Subject Matter

Pursuant to the Share Transfer Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Target Shares, which are comprised of Target Shares A, Target Shares B and Target Shares C representing the entire issued share capital of Target Company A, Target Company B and Target Company C respectively.

The Purchaser will, contemporaneously with acquisition of the Target Groups from the China SCE Group, settle on behalf of the Target Groups of the amounts due from the Target Groups to the other members of the China SCE Group as at Completion.

Consideration

The Consideration payable by the Purchaser to the Vendor in connection with the Transaction under the Share Transfer Agreement is RMB1,060.0 million.

The Consideration should first be satisfied by way of pro tanto offset of the Indebtedness (in the aggregate accrued amount as at the Completion Date) against the Consideration upon Completion, on the basis that the Vendor has agreed to settle the Indebtedness owed by the China SCE Group on its behalf and that the Purchaser has procured the SCE CM Group to agree to settlement of the Indebtedness owed by the China SCE Group in the above manner as specified in the Share Transfer Agreement.

Any remaining balance of the Consideration after the above offset should be settled by way of payment by the Purchaser to the Vendor upon Completion, which will be made with the internal resources of the SCE CM Group.

Basis of Determination of the Consideration

The Consideration for the Target Shares has been determined after arm's-length negotiations between the Purchaser and the Vendor taking into account, among other things, (i) the historical operating performance of the Target Groups; (ii) the aggregate net assets value of the Target Groups as at 31 August 2026 of approximately RMB219.4 million; (iii) the amounts due from the Target Groups to the other members of the China SCE Group in the aggregate amount of approximately RMB852.0 million as at 31 August 2026; and (iv) the preliminary valuation of the three commercial properties owned by the Target Groups, namely Shuitou SCE Funworld* (水頭中駿世界城), Pingdingshan SCE Funworld* (平頂山中駿世界城) and Xianyou SCE Funworld* (仙遊中駿世界城), as at 31 August 2026 of RMB350.2 million, RMB468.2 million and RMB277.1 million respectively as determined by an independent professional valuer using the market comparison approach.

The three commercial properties owned by the Target Groups and the amounts due from the Target Groups to the other members of the China SCE Group are the principal assets and liabilities on the consolidated statements of financial position of the Target Groups. The aggregate net assets value of the Target Groups as at 31 August 2026 has taken into account the aggregate appraised values of the commercial properties and approximate their excess over the amounts due to the other members of the China SCE Group as at the same date. As part of the Transaction, the Purchaser will, contemporaneously with acquisition of the Target Groups from the China SCE Group, settle on behalf of the Target Groups the amounts due from the Target Groups to the other members of the China SCE Group as at Completion. Therefore, the Consideration has been set at a level roughly equivalent to, but not higher than, the sum of the aggregate net assets value of the Target Groups as at 31 August 2026 and the aggregate amounts due from the Target Groups to the other members of the China SCE Group. Accordingly, the China SCE Directors and the SCE CM Directors are of the view that the Consideration is fair and reasonable.

Conditions Precedent

Completion is conditional upon fulfilment of the following conditions (unless waived by the Purchaser) on or before the Long Stop Date:

(1) China SCE having obtained the necessary approval in relation to the Share Transfer Agreement and the Transaction contemplated thereunder and all other relevant documents thereto from the China SCE Shareholders at an extraordinary general meeting to be convened;

(2) SCE CM having obtained the necessary approval in relation to the Share Transfer Agreement and the Transaction contemplated thereunder and all other relevant documents thereto from the SCE CM Independent Shareholders at an extraordinary general meeting to be convened;

(3) the Vendor having procured the Borrower and the Purchaser having procured the Lender to enter into the Debt Offset Agreement, and the Debt Offset Agreement remaining effective and not having been terminated or rescinded as at Completion; and

(4) up to the Completion Date, all representations, warranties or undertakings given by the Vendor under the Share Transfer Agreement remaining true, accurate and not misleading in all material aspects.

Other than condition precedent (4) above which may be waived by the Purchaser in writing any time prior to the Long Stop Date, all the above conditions are not capable of being waived.

If any of the above conditions precedent (other than those conditions that, by their terms, are to be satisfied at Completion) are not satisfied or, as the case may be, waived by the Purchaser by the Long Stop Date, the Share Transfer Agreement should lapse and, unless otherwise agreed in the Share Transfer Agreement, each of the parties should be released from its obligations and responsibilities thereunder, except for any antecedent breach.

The Debt Offset Agreement

Under condition precedent (3) to Completion, it is contemplated that the Vendor and the Purchaser should have procured the Borrower and the Lender to enter into the Debt Offset Agreement prior to Completion.

Under the Debt Offset Agreement, the Borrower and the Lender should confirm their agreement to settlement of the Indebtedness by the Vendor on behalf of the China SCE Group by way of pro tanto offset of the Indebtedness (in the aggregate accrued amount as at the Completion Date) against the Consideration upon Completion, and that all Indebtedness of the China SCE Group under the Amended Loan Agreement should be deemed to have been discharged in full and all guarantee and forms of security provided in connection with the Indebtedness should be released following Completion.

The debt offset arrangement contemplated under the Debt Offset Agreement does not become binding on the parties thereto and are of no force and effect unless and until the Vendor and the Purchaser have entered into the Share Transfer Agreement and the Share Transfer Agreement has become unconditional.

Completion

Completion should take place on the Completion Date, being the day of satisfaction or, as the case may be, waiver of the last condition set forth in the section headed "The Share Transfer Agreement — Conditions Precedent" in this joint announcement (other than those conditions that, by their terms, are to be satisfied at Completion), or such other date as the Vendor and the Purchaser may agree in writing.

As at the date of the Share Transfer Agreement and immediately prior to Completion, each member of the Target Groups is an indirect wholly-owned subsidiary of China SCE. Upon Completion,

- each member of the Target Groups will become an indirect non-wholly-owned subsidiary of China SCE; and

- the SCE CM Group will acquire the entire issued share capital of the Target Companies, and each member of the Target Groups will become an indirect wholly-owned subsidiary of SCE CM.

INFORMATION ABOUT THE PARTIES

Information about the Vendor and the China SCE Group

The Vendor, a company incorporated in the BVI with limited liability, is an investment-holding company and an indirect wholly-owned subsidiary of China SCE as at the date of the Share Transfer Agreement. The China SCE Group is principally engaged in property development, commercial management, property management and long-term rental apartments business in the PRC.

Information about the Purchaser and the SCE CM Group

The Purchaser, a company incorporated in the BVI with limited liability, is an investment-holding company and a direct wholly-owned subsidiary of SCE CM as at the date of the Share Transfer Agreement. The SCE CM Group is principally engaged in provision of commercial property management and operational services and residential property management services in the PRC.

Information about the Target Groups

The Target Groups include

- Target Group A, i.e. Target Company A and its subsidiaries. Target Company A, a company incorporated in the BVI with limited liability, is an investment-holding company, and a direct wholly-owned subsidiary of the Vendor and an indirect wholly-owned subsidiary of China SCE as at the date of the Share Transfer Agreement and immediately prior to Completion.

  Target Company A holds the entire issued share capital of Million Triple Investment Limited, a private company limited by shares incorporated in Hong Kong and an investment-holding company, which in turn holds the entire equity interest in Nan'an Taijin Real Estate Co, Ltd.* (南安泰錦置業有限公司), a limited liability company established under the laws of the PRC that owns Shuitou SCE Funworld* (水頭中駿世界城);

- Target Group B, i.e. Target Company B and its subsidiaries. Target Company B, a company incorporated in the BVI with limited liability, is an investment-holding company, and a direct wholly-owned subsidiary of the Vendor and an indirect wholly-owned subsidiary of China SCE as at the date of the Share Transfer Agreement and immediately prior to Completion.

  Target Company B holds the entire issued share capital of Promise Way International Limited, a private company limited by shares incorporated in Hong Kong and an investment-holding company, which in turn holds the entire equity interest in Pingdingshan Taijun Real Estate Co., Ltd.* (平頂山泰駿置業有限公司), a limited liability company established under the laws of the PRC that owns Pingdingshan SCE Funworld* (平頂山中駿世界城); and

- Target Group C, i.e. Target Company C and its subsidiaries. Target Company C, a company incorporated in the BVI with limited liability, is an investment-holding company, and a direct wholly-owned subsidiary of the Vendor and an indirect wholly-owned subsidiary of China SCE as at the date of the Share Transfer Agreement and immediately prior to Completion.

  Target Company C holds the entire issued share capital of Right Rich Investment Limited, a private company limited by shares incorporated in Hong Kong and an investment-holding company, which in turn holds the entire equity interest in Putian Taiyao Real Estate Co., Ltd.* (莆田泰耀置業有限公司), a limited liability company established under the laws of the PRC that owns Xianyou SCE Funworld* (仙遊中駿世界城).

Set forth below are further details of each of the commercial properties held by the Target Groups as named above, which comprises shopping malls, basement and car-parking spaces and forms the principal asset of the relevant member of the Target Groups holding the commercial property and of the relevant Target Groups:

Commercial property	**Location in the PRC**	**Gross floor area** *Square metres*	**Appraised market value as at 31 August 2026** *RMB million*
Shuitou SCE Funworld* (水頭中駿世界城)	Shuitou Town, Nan'an City, Fujian Province	65,063.30	350.2
Pingdingshan SCE Funworld* (平頂山中駿世界城)	Zhanhe District, Pingdingshan City, Henan Province	110,520.83	468.2
Xianyou SCE Funworld* (仙遊中駿世界城)	Xianyou County, Putian City, Fujian Province	86,368.62	277.1
		261,952.75	1,095.5

The original total acquisition costs incurred by the Target Groups in connection with the above commercial properties were approximately RMB991.9 million.

Financial Information of the Target Groups

Set forth below are the unaudited consolidated profits/losses before tax and net profits/losses after tax of the Target Groups for the two years ended 31 December 2024 and 2025:

	For the year ended 31 December 2024 *RMB million*	**For the year ended 31 December 2025** *RMB million*
Target Group A		
Unaudited consolidated loss before tax	(18.2)	(103.2)
Unaudited consolidated net loss after tax	(10.9)	(75.1)
Target Group B		
Unaudited consolidated profit/(loss) before tax	(63.7)	21.0
Unaudited consolidated net profit/(loss) after tax	(43.6)	21.3
Target Group C		
Unaudited consolidated profit/(loss) before tax	2.4	(1.2)
Unaudited consolidated net profit/(loss) after tax	2.4	(0.2)

The unaudited book values of the consolidated net assets of Target Group A, Target Group B and Target Group C as at 31 August 2026 were approximately RMB80.2 million, RMB117.4 million and RMB21.8 million respectively as shown in their respective unaudited consolidated management accounts.

FINANCIAL EFFECTS OF THE TRANSACTION

China SCE

For illustrative purpose, based on:

(i) the unaudited book values of the consolidated net assets of Target Group A, Target Group B and Target Group C as at 31 August 2026 of approximately RMB80.2 million, RMB117.4 million and RMB21.8 million respectively as shown in their respective unaudited consolidated management accounts;

(ii) the amounts due from the Target Groups to the other members of the China SCE Group to be settled by the Purchaser on behalf of the Target Groups as part of the Transaction, which amounted to approximately RMB852.0 million in aggregate as at 31 August 2026;

(iii) the Consideration of RMB1,060.0 million; and

(iv) other expenses attributable to the Transaction to be borne by the China SCE Group of approximately RMB0.8 million,

it is expected that the China SCE Group will record a loss of approximately RMB12.2 million in connection with the Transaction. Such a loss is non-recurring in nature and will be recognised in the consolidated statement of profit or loss and other comprehensive income of the China SCE Group for the financial year ending 31 December 2026. The actual non-recurring loss to be recognised by the China SCE Group will be calculated by reference to the financial position of the Target Groups as at the Completion Date and subject to audit by the auditors of China SCE, and hence may be different from the figure as stated above.

The Consideration will first be used to settle the Indebtedness by way of pro tanto offset of the Indebtedness (in the aggregate accrued amount as at the Completion Date) against the Consideration upon Completion. To the extent that there is any remaining balance of the Consideration after the above offset, the amount will be settled by way of payment by the SCE CM Group to the China SCE Group upon Completion, which the China SCE Group intends to apply for the purpose of its property development business.

Upon Completion, each member of the Target Groups will become an indirect non-wholly-owned subsidiary of China SCE and their financial results, assets and liabilities will continue be consolidated in the consolidated financial statements of the China SCE Group, where China SCE's effective ownership percentage in respect of the Target Groups will be reduced from 100% to approximately 38.47%.

SCE CM

Upon Completion, as the members of the Target Groups will become indirect wholly-owned subsidiaries of SCE CM, the financial results, assets and liabilities of the Target Groups will be consolidated into the consolidated financial statements of the SCE CM Group.

REASONS FOR AND BENEFITS OF THE TRANSACTION

In accordance with the terms of the Amended Loan Agreement, the Loan will mature and be due to be repaid by the China SCE Group to the SCE CM Group on 31 December 2026.

From the perspective of the China SCE Group, the disposal of the Target Shares provides an avenue for effective discharge of its Indebtedness under the Amended Loan Agreement to avoid any default on repayment, without triggering any significant cash outflow. The China SCE Directors consider that the offset against the Consideration is preferable to the alternative settlement methods of the Indebtedness for the following reasons:

- given the continuous net cash outflows recorded by the China SCE Group in recent financial years and its limited cash resources, the significant cash outflow associated with cash repayments of the Indebtedness will further jeopardise its cash position. This is likely to present the China SCE Group with substantial difficulties in meeting its working capital needs and capital expenditures in the near future;

- it is not advisable to seek from the SCE CM Group any further extension of the Loan period, in that the Loan itself is interest-bearing. By settling the Indebtedness in full on or before the currently fixed maturity date, any further increase in the China SCE

Group's financial burden can be avoided. In addition, the Loan repayment serves to lower the China SCE Group's gearing level and improve its financial position, and accordingly reduce its exposure to financial risks and susceptibility to unfavourable developments in the economic environment. The China SCE Group will thereby become better placed to pursue future business development opportunities as and when they arise; and

- refinancing through obtaining additional external borrowings from third parties may not be practicable taking into account the China SCE Group's current liquidity position and the prevailing financing conditions. Moreover, similar to Loan extension, it will give rise to additional interest burden and have an adverse impact on the China SCE Group's gearing position.

From the perspective of the SCE CM Group, the Transaction guarantees timely and due collection of the amount advanced and the interest income generated under the Amended Loan Agreement on or before maturity in the form of assets of equivalent value and effectively eliminates the underlying credit risks. In evaluating the settlement options, the SCE CM Directors have taken into account the facts that the China SCE Group has a limited balance of cash and cash equivalents and a net liability position at present, and has experienced difficulties in meeting its payment obligations in connection with multiple senior notes issued by China SCE and term loan facilities granted by external lenders. There exists uncertainty as to whether the China SCE Group will have sufficient financial resources to fully discharge the Indebtedness through cash settlement as it falls due. The SCE CM Directors consider it apt and advisable to avoid any potential haircut or delayed payment by accepting settlement of the Indebtedness by way of offset against the Consideration. Further, through acquiring the Target Shares, the SCE CM Group could expand its existing property investment business by acquiring additional commercial properties owned by the Target Groups. Not only will the SCE CM Group be able to enhance its profit generating capability, but it will also stand to capitalise on the growth and earnings potential of the Target Groups and, in particular, the commercial properties held by them. Among the properties of the China SCE Group, the SCE CM Directors have selected the commercial properties held by the Target Groups as the acquisition targets because (1) such properties have been charged in favour of the Lender as security for the Loan and earmarked for settlement of the Indebtedness in case of any inability on the Borrower's part to meet any payment obligation under the Amended Loan Agreement; and (2) the SCE CM Group has been providing management and operational services in respect of such commercial properties and, having developed a degree of involvement in and familiarity with their operations, will be able to achieve efficient deployment of such commercial properties promptly upon Completion, with minimal disruption caused to their daily operations by the change in ownership structure under the Transaction. Following Completion, the plan of the SCE CM Group is to generate rental income from such commercial properties.

The China SCE Directors are of the view that the terms of the Share Transfer Agreement are fair and reasonable and in the interests of the China SCE Shareholders as a whole.

The SCE CM Directors (other than the independent non-executive SCE CM Directors who will express their views in the circular to be despatched to the SCE CM Shareholders after receiving and considering the advice from the independent financial adviser) are of the view

that the terms of the Share Transfer Agreement are fair and reasonable and in the interests of the SCE CM Shareholders as a whole, and that the Transaction, although not in the ordinary and usual course of business of the SCE CM Group, is on normal commercial terms and in the interests of SCE CM and the SCE CM Shareholders as a whole.

None of the China SCE Directors and SCE CM Directors and their respective close associates (as defined in the articles of association of China SCE or (as the case may be) SCE CM) has any material interest in the Share Transfer Agreement and the Transaction and was required to abstain from voting on the resolutions approving such matters at the relevant board meeting under the articles of association of China SCE or (as the case may be) SCE CM.

IMPLICATIONS UNDER THE LISTING RULES

China SCE

From China SCE's perspective, the Transaction will result in a reduction in the China SCE's effective ownership percentage in respect of the Target Groups from 100% to approximately 38.47% and is in substance a disposal of assets by the China SCE Group under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio in respect of the Transaction exceeds 75%, the Transaction constitutes a very substantial disposal and is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SCE CM

From SCE CM's perspective, the Transaction involves acquisition of the entire issued share capital of the Target Companies from the China SCE Group and is an acquisition of assets by the SCE CM Group under Chapter 14 of the Listing Rules. Further, as at the date of the Share Transfer Agreement, the Vendor is an indirect wholly-owned subsidiary of China SCE, which is a controlling Shareholder of SCE CM. Hence, the Vendor is a connected person of SCE CM, and the Transaction constitutes a connected transaction under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio in respect of the Transaction exceeds 100%, the Transaction constitutes a very substantial acquisition under Chapter 14 of the Listing Rules and a non-exempt connected transaction under Chapter 14A of the Listing Rules. Accordingly, the Transaction is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules, and to the announcement, circular (including independent financial advice), independent shareholders' approval and annual reporting requirements under Chapter 14A of the Listing Rules.

GENERAL

China SCE

China SCE will convene the China SCE EGM for the China SCE Shareholders to consider and, if thought fit, pass the requisite resolution to approve the Share Transfer Agreement and the Transaction. The votes of the China SCE Shareholders at the China SCE EGM will be taken by poll.

A circular including, among other things, (i) a letter from the China SCE Board containing detailed information about the Share Transfer Agreement and the Transaction; (ii) other information as required under the Listing Rules; and (iii) a notice convening the China SCE EGM, together with the relevant proxy form, is expected to be despatched to the China SCE Shareholders on or before 16 December 2026. The expected despatch date is more than 15 business days from the date of publication of this joint announcement because additional time may be required to gather the relevant information and prepare the disclosures to be included in the circular.

SCE CM

SCE CM will convene the SCE CM EGM for the SCE CM Independent Shareholders to consider and, if thought fit, pass the requisite resolution to approve the Share Transfer Agreement and the Transaction. The votes of the SCE CM Independent Shareholders at the SCE CM EGM will be taken by poll.

Happy Scene Global Limited, an indirect wholly-owned subsidiary of China SCE which is interested in 744,490,946 SCE CM Shares representing approximately 38.47% of the entire issued share capital of SCE CM, and all other SCE CM Shareholders (if any) who/which have a material interest in the Share Transfer Agreement and the Transaction are required under the Listing Rules to abstain from voting on the resolution to be proposed at the SCE CM EGM to approve the Share Transfer Agreement and the Transaction. To the best of the knowledge of the SCE CM Directors, as at the date of this joint announcement, no SCE CM Shareholder other than Happy Scene Global Limited is required to abstain from voting on the resolution to be proposed at the SCE CM EGM to approve the Share Transfer Agreement and the Transaction.

The SCE CM Independent Board Committee comprising Mr. Ding Zuyu, Mr. Wang Yongping and Mr. Pang Hon Chung, being all the independent non-executive SCE CM Directors with no material interest in the Share Transfer Agreement and the Transaction, has been established to advise the SCE CM Independent Shareholders in relation to the Share Transfer Agreement and the Transaction. Rainbow Capital (HK) Limited has been appointed as the independent financial adviser to make recommendations to the SCE CM Independent Board Committee and the SCE CM Independent Shareholders in relation to the Share Transfer Agreement and the Transaction.

A circular including, among other things, (i) a letter from the SCE CM Board containing detailed information about the Share Transfer Agreement and the Transaction; (ii) a letter from the SCE CM Independent Board Committee containing its advice to the SCE CM Independent Shareholders in respect of such matters; (iii) a letter from the independent financial adviser containing its advice to the SCE CM Independent Board Committee and the SCE CM Independent Shareholders in respect of such matters; (iv) other information as required under the Listing Rules; and (v) a notice convening the SCE CM EGM, together with the relevant proxy form, is expected to be despatched to the SCE CM Shareholders on or before 16 December 2026. The expected despatch date is more than 15 business days from the date of publication of this joint announcement because additional time may be required to gather the relevant information and prepare the disclosures to be included in the circular.

DEFINITIONS

In this joint announcement, unless otherwise specified or the context requires otherwise, the following terms and expressions should have the meanings set forth below:

"Amended Loan Agreement"	the Loan Agreement as amended and supplemented by the Supplemental Loan Agreement
"Borrower"	Shanghai Zhongjun Property Co., Ltd.* (上海中駿置業有限公司), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of China SCE as at the respective dates of the Loan Agreement, the Supplemental Loan Agreement and the Share Transfer Agreement
"BVI"	the British Virgin Islands
"China SCE"	China SCE Group Holdings Limited (中駿集團控股有限公司), a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 1966), which indirectly holds approximately 38.47% of the issued share capital of SCE CM and is a controlling Shareholder of SCE CM as at the date of the Share Transfer Agreement
"China SCE Board"	the board of directors of China SCE
"China SCE Director(s)"	the director(s) of China SCE
"China SCE EGM"	the extraordinary general meeting of China SCE to be convened and held for the China SCE Shareholders to consider and, if thought fit, pass the requisite resolution to approve the Share Transfer Agreement and the Transaction
"China SCE Group"	collectively, China SCE and its subsidiaries
"China SCE Share(s)"	the ordinary share(s) of HK$0.1 each in the share capital of China SCE
"China SCE Shareholder(s)"	the holder(s) of the China SCE Share(s)
"Completion"	the completion of the disposal by the Vendor and the acquisition by the Purchaser of the Target Shares in accordance with the terms of the Share Transfer Agreement

"Completion Date"	the date on which the Completion should take place in accordance with the terms of the Share Transfer Agreement, being the day of satisfaction or, as the case may be, waiver of the last condition set forth in the section headed "The Share Transfer Agreement — Conditions Precedent" in this joint announcement (other than those conditions that, by their terms, are to be satisfied at Completion), or such other date as the Vendor and the Purchaser may agree in writing
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	RMB1,060.0 million, being the consideration payable by the Purchaser to the Vendor in connection with the Transaction under the Share Transfer Agreement
"controlling Shareholder"	has the meaning ascribed to it under the Listing Rules
"Debt Offset Agreement"	the agreement to be entered into between the Borrower and the Lender, as a condition precedent to Completion, in relation to settlement of the Indebtedness by the Vendor on behalf of the China SCE Group by way of pro tanto offset of the Indebtedness (in the aggregate accrued amount as at the Completion Date) against the Consideration upon Completion
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Indebtedness"	the indebtedness of the China SCE Group to the SCE CM Group under the Amended Loan Agreement
"Lender"	Shanghai China SCE Commercial Management Co., Ltd.* (上海中駿商業管理有限公司), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of SCE CM as at the respective dates of the Loan Agreement, the Supplemental Loan Agreement and the Share Transfer Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan"	the loan in the principal amount up to RMB900.0 million
"Loan Agreement"	the loan agreement dated 24 November 2022 entered into between the Lender as lender and the Borrower as borrower in relation to the Loan

"Long Stop Date"	31 March 2027, or such other date as the Vendor and the Purchaser may agree in writing
"percentage ratios"	the percentage ratios as defined in Rule 14.07 of the Listing Rules, and "percentage ratio" should mean any of them
"PRC"	the People's Republic of China, which, for the purpose of this joint announcement, excludes Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"Purchaser"	Lofty Idea Enterprises Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of SCE CM as at the date of the Share Transfer Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"SCE CM"	SCE Intelligent Commercial Management Holdings Limited (中駿商管智慧服務控股有限公司), a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 606)
"SCE CM Board"	the board of directors of SCE CM
"SCE CM Director(s)"	the director(s) of SCE CM
"SCE CM EGM"	the extraordinary general meeting of SCE CM to be convened and held for the SCE CM Independent Shareholders to consider and, if thought fit, pass the requisite resolution to approve the Share Transfer Agreement and the Transaction
"SCE CM Group"	collectively, SCE CM and its subsidiaries
"SCE CM Independent Board Committee"	the independent board committee of the SCE CM Board comprising Mr. Ding Zuyu, Mr. Wang Yongping and Mr. Pang Hon Chung, being all the independent non-executive SCE CM Directors with no material interest in the Share Transfer Agreement and the Transaction, established for the purpose of advising the SCE CM Independent Shareholders in relation to the Share Transfer Agreement and the Transaction

"SCE CM Independent Shareholders"	the SCE CM Shareholders other than Happy Scene Global Limited, an indirect wholly-owned subsidiary of China SCE, and all other SCE CM Shareholders (if any) who/which have a material interest in the Share Transfer Agreement and the Transaction and are required under the Listing Rules to abstain from voting on the resolution to be proposed at the SCE CM EGM to approve the Share Transfer Agreement and the Transaction
"SCE CM Share(s)"	the ordinary share(s) of HK$0.01 each in the share capital of SCE CM
"SCE CM Shareholder(s)"	the holder(s) of the SCE CM Share(s)
"Share Transfer Agreement"	the share transfer agreement dated 27 October 2026 entered into between the Vendor as vendor and the Purchaser as purchaser in relation to the Transaction
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Loan Agreement"	the supplemental agreement dated 19 November 2024 entered into between the Lender as lender and the Borrower as borrower in relation to the renewal of the Loan
"Target Companies"	collectively, Target Company A, Target Company B and Target Company C
"Target Company A"	Kang Jin Developments Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Vendor and an indirect wholly-owned subsidiary of China SCE as at the date of the Share Transfer Agreement and immediately prior to Completion
"Target Company B"	Excel Victory Investments Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Vendor and an indirect wholly-owned subsidiary of China SCE as at the date of the Share Transfer Agreement and immediately prior to Completion
"Target Company C"	Delight Maple Developments Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Vendor and an indirect wholly-owned subsidiary of China SCE as at the date of the Share Transfer Agreement and immediately prior to Completion
"Target Group A"	collectively, Target Company A and its subsidiaries
"Target Group B"	collectively, Target Company B and its subsidiaries

"Target Group C"	collectively, Target Company C and its subsidiaries
"Target Groups"	collectively, Target Group A, Target Group B and Target Group C
"Target Shares"	collectively, Target Shares A, Target Shares B and Target Shares C
"Target Shares A"	the 100 shares of US$1 each in the share capital of Target Company A, representing the entire issued share capital of Target Company A
"Target Shares B"	the 100 shares of US$1 each in the share capital of Target Company B, representing the entire issued share capital of Target Company B
"Target Shares C"	the 100 shares of US$1 each in the share capital of Target Company C, representing the entire issued share capital of Target Company C
"Transaction"	the disposal by the Vendor and the acquisition by the Purchaser of the Target Shares, together with the contemporaneous settlement by the Purchaser on behalf of the Target Groups of the amounts due from the Target Groups to the other members of the China SCE Group as at Completion
"Vendor"	China SCE Assets Holdings Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of China SCE as at the date of the Share Transfer Agreement
"%"	per cent

* *For identification purpose only*

By order of the board of directors of
China SCE Group Holdings Limited
Wong Chiu Yeung
Chairman

By order of the board of directors of
SCE Intelligent Commercial Management Holdings Limited
Wong Lun
Chairman

Hong Kong, 27 October 2026

As at the date of this joint announcement, the executive directors of China SCE are Mr. Wong Chiu Yeung, Mr. Cheng Hiu Lok, Mr. Huang Youquan and Ms. Zhang Haitao and the independent non-executive directors of China SCE are Mr. Ting Leung Huel Stephen, Mr. Dai Yiyi and Mr. Mao Zhenhua.

As at the date of this joint announcement, the executive directors of SCE CM are Mr. Wong Lun, Mr. Niu Wei, Mr. Sun Qiang, Mr. Zheng Quanlou and Ms. Ku Weihong and the independent non-executive directors of SCE CM are Mr. Ding Zuyu, Mr. Wang Yongping and Mr. Pang Hon Chung.