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SOUTH CHINA HOLDINGS COMPANY LIMITED

南華集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00413)

DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY

THE DISPOSAL

The Board is pleased to announce that on 19 November 2026 after trading hours, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property at the Consideration in accordance with and subject to the terms and conditions of the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio (as defined in the Listing Rules) for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Board is pleased to announce that on 19 November 2026 after trading hours, the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property at the Consideration in accordance with and subject to the terms and conditions of the Sale and Purchase Agreement.

The Sale and Purchase Agreement

The principal terms of the Sale and Purchase Agreement are summarized as follows:

Date

19 November 2026

Parties

(1) The Vendor, an indirect wholly-owned subsidiary of the Company, as the vendor; and

(2) The Purchaser, as the purchaser

To the best knowledge, information and belief of the Board, after having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is a third party independent of and not connected with the Company and its connected persons and their respective associates.

Property

The Property comprises the whole of the 1st Floor (including two lavatories), On Lok Yuen Building, Nos. 25, 27 and 27A Des Voeux Road Central, Hong Kong.

The Property is currently leased to an independent third party and shall be sold subject to the existing tenancy upon Completion.

Consideration

The Consideration payable under the Sale and Purchase Agreement is HK$38,800,000, which shall be paid by the Purchaser in the following manner:

(i) HK$1,940,000, being the initial deposit has been paid to the Vendor's solicitors as stakeholders pending Completion as at the date of the Sale and Purchase Agreement;

(ii) HK$1,940,000, being the further deposit has been paid to the Vendor's solicitors as stakeholders upon signing the Sale and Purchase Agreement; and

(iii) HK$34,920,000, being the balance of the Consideration, shall be paid to the mortgagee bank for discharging the existing mortgage, charge or encumbrance, and to the Vendor or such other party as directed by the Vendor in writing at Completion (on or before 30 December 2026).

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms and with reference to, among other things, (i) the prevailing market conditions and recent transaction prices of comparable properties in the vicinity; (ii) the location, condition and characteristics of the Property; and (iii) the appraised market value of the Property of approximately HK$32,300,000 as at 30 June 2026 under a valuation report prepared by an independent professional valuer using the comparison approach.

Having considered the matters described above, the Board is satisfied that the Consideration represent normal commercial terms, are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Completion

Completion shall take place on or before 30 December 2026.

If the Purchaser fails to complete the Disposal in accordance with the terms of the Sale and Purchase Agreement, the Vendor may rescind the Sale and Purchase Agreement and the initial deposit being HK$1,940,000 shall be forfeited to the Vendor as liquidated damages, which shall not preclude the Vendor from taking any other rights under the Sale and Purchase Agreement for protecting its interests.

Costs and Expenses

The Vendor and the Purchaser shall each pay its own legal costs. The ad valorem stamp duty payable on the sale and purchase of the Property shall be paid by the Purchaser.

INFORMATION OF THE GROUP

The principal businesses of the Group are trading (trading of footwear products and sales of branded ball products), property investment and development, and agriculture and forestry.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in Hong Kong and is a property holding company with the sole purpose of holding a number of properties, including the Property as of the date of this announcement. It is an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in Hong Kong and is principally engaged in investment holding. As at the date of this announcement, the directors of the Purchaser are Ngai Kong and Wong Chi Fan and the sole shareholder of the Purchaser is GRL21 Nominee Limited, a company incorporated in Anguilla.

No consent to the disclosure of the Purchaser's ultimate beneficial owner(s) has been obtained from the Purchaser as at the date of this announcement. As confirmed by the Purchaser's solicitors, the Purchaser is independent of, and not connected with, the Vendor and the Company and their respective connected persons. The Board considers that the information disclosed herein is meaningful and sufficient for investors to make an informed assessment of the Disposal.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are independent of the Company, its subsidiaries and their respective connected persons.

INFORMATION OF THE PROPERTY

The Property is a commercial property with a total saleable area of approximately 2,585 square feet and is currently held by the Group as an investment property.

The carrying value of the Property remained unchanged at approximately HK$32,300,000 as at 31 December 2025 and 31 October 2026. The Property was acquired by the Vendor in 1988 for approximately HK$8,000,000.

Set out below is the financial information attributable to the Property for the years ended 31 December 2024 and 2025:

	For the year ended 31 December	
	2024	**2025**
	HK$'000	*HK$'000*
Rental income	1,414	1,455
Net loss before income tax	(5,382)	(15,576)
Net loss after income tax	(5,382)	(15,576)

The net loss attributable to the Property for the years ended 31 December 2024 and 2025 was primarily attributable to the decrease in fair value of the Property of approximately HK$6,580,000 and HK$16,800,000 respectively.

REASONS FOR THE DISPOSAL

The Directors undertake strategic reviews of the Group's investment assets from time to time with a view to maximizing returns to the Shareholders. Having regard to the prevailing market conditions and the performance of the Property, the Directors are of the view that the Disposal represents an opportunity for the Company to unlock the value of the Property in the current market environment.

The Directors consider that the Disposal, the terms of the Sale and Purchase Agreement and the transaction contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS

Subject to audit and finalization, the Group is expected to record a gain on the Disposal of approximately HK$6,000,000, being the difference between the Consideration and the carrying value of the Property as at 31 October 2026, after deducting the estimated professional fees and other expenses directly attributable to the Disposal.

The net proceeds from the Disposal, after deduction of the estimated professional fees and other related expenses, are expected to amount to approximately HK$38,300,000. The Group intends to apply the net proceeds towards the repayment of bank borrowings. Upon Completion, the Group's total assets are expected to decrease by approximately

HK$32,300,000. Following the application of the net proceeds towards repayment of bank borrowings, the Group's total liabilities are expected to decrease by approximately HK$38,300,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio (as defined in the Listing Rules) for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"associates"	has the same meaning as ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	South China Holdings Company Limited (南華集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, and its ordinary shares are being listed and traded on the main board of the Stock Exchange (stock code: 00413)
"Completion"	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
"connected person"	has the meaning as ascribed to it under the Listing Rules
"Consideration"	the consideration in the amount of HK$38,800,000 payable by the Purchaser in respect of the Disposal
"Directors"	the directors of the Company
"Disposal"	the disposal of the Property by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange

"Property"	the whole of the 1st floor and two lavatories in On Lok Yuen Building, Nos. 25, 27 and 27A Des Voeux Road Central, Hong Kong
"Purchaser"	Honour Century Limited, a company incorporated in Hong Kong with limited liability
"Sale and Purchase Agreement"	the sale and purchase agreement dated 19 November 2026 entered into between the Purchaser and the Vendor in relation to the Disposal
"Shareholders"	holders of the ordinary shares in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the same meaning as ascribed to it under the listing Rules
"Vendor"	First City Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"%"	per cent.

By order of the Board
South China Holdings Company Limited
南華集團控股有限公司
Cheung Choi Ngor
Executive Director

Hong Kong, 19 November 2026

As at the date of this announcement, the Directors are:

Executive Directors:
Mr. Ng Hung Sang
Ms. Cheung Choi Ngor
Mr. Ng Yuk Yeung Paul

Non-executive Directors:
Ms. Ng Yuk Mui Jessica
Mr. Yu Pui Hang

Independent Non-executive Directors:
Mr. Kam Yiu Shing Tony
Ms. Pong Scarlett Oi Lan, BBS, J.P.
Mr. Wong Chun Tat, J.P.