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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)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO TENANCY AGREEMENTS

NEW TENANCY AGREEMENTS

Reference is made to the announcement dated 27 June 2025 of the Company (the “**June Announcement**”) in relation to the continuing connected transactions pursuant to Rule 14A.60 of the Listing Rules subsequent to Completion.

The Board hereby announces that on 11 August 2025 (after trading hours), the parties to Target Subsidiary A Agreement (being Target Subsidiary A as landlord and Shi Feng Company as tenant) and the parties to Target Subsidiary B Agreement (being Target Subsidiary B as landlord and Shi Feng Company as tenant) (i) mutually agreed to terminate Target Subsidiary A Agreement and Target Subsidiary B Agreement respectively, without having any recourse against each other, and at the same time (ii) entered into New Tenancy A Agreement and New Tenancy B Agreement in relation to leasing the same property(ies) as respectively set out in Target Subsidiary A Agreement and Target Subsidiary B Agreement for Shi Feng Company’s own use and/or sub-leasing for the term of three (3) years from 11 August 2025 to 10 August 2028 in accordance with and subject to the terms and conditions of the respective New Tenancy Agreements.

LISTING RULES IMPLICATIONS

Upon Completion, Target Subsidiary A and Target Subsidiary B have become indirect non-wholly-owned subsidiaries of Mr. Ng. Therefore, each of Target Subsidiary A and Target Subsidiary B is an associate of Mr. Ng, and the transactions contemplated under each of the New Tenancy Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps for the continuing connected transactions contemplated under the New Tenancy Agreements exceeds 0.1% but is less than 5%, the continuing connected transactions under the New Tenancy Agreements are subject to reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Before entering into the New Tenancy Agreements, Parafor as landlord and Four Seas Tours as tenant, entered into the Four Seas Tenancy Agreement on 29 May 2024 in respect of leasing a premises in Hong Kong for a period of three (3) years from 1 April 2024 to 31 March 2027, at a monthly rental of HK\$100,000. As the applicable percentage ratios (other than the profits ratio) as defined under Rule 14.07 of the Listing Rules are less than 5% and the annual cap for the continuing connected transaction contemplated under the Four Seas Tenancy Agreement is less than HK\$3,000,000, the continuing connected transaction under the Four Seas Tenancy Agreement is fully exempt from Shareholders' approval, annual review and all disclosure requirements under Rule 14A.76(1)(c) of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transaction under the Four Seas Tenancy Agreement should be aggregated with the continuing connected transactions under the New Tenancy Agreements since the aforesaid agreements were all entered into with the associates of Mr. Ng and such transactions are of similar nature.

As the highest applicable percentage ratio in respect of the aggregated annual caps for the continuing connected transactions contemplated under the Four Seas Tenancy Agreement and the New Tenancy Agreements exceeds 0.1% but is less than 5%, the continuing connected transactions under the Four Seas Tenancy Agreement and the New Tenancy Agreements are subject to reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the June Announcement in relation to the continuing connected transactions pursuant to Rule 14A.60 of the Listing Rules subsequent to Completion.

On 11 August 2025 (after trading hours), the parties to Target Subsidiary A Agreement (being Target Subsidiary A as landlord and Shi Feng Company as tenant) and the parties to Target Subsidiary B Agreement (being Target Subsidiary B as landlord and Shi Feng Company as tenant) (i) mutually agreed to terminate Target Subsidiary A Agreement and Target Subsidiary B Agreement respectively, without having any recourse against each other, and (ii) entered into New Tenancy A Agreement and New Tenancy B Agreement in relation to leasing the same property(ies) as respectively set out in Target Subsidiary A Agreement and Target Subsidiary B Agreement for Shi Feng Company's own use and/or sub-leasing for the term of three (3) years from 11 August 2025 to 10 August 2028 in accordance with and subject to the terms and conditions of the respective New Tenancy Agreements.

The principal terms of each of the New Tenancy Agreements are set out as follows:

New Tenancy A Agreement

Date	:	11 August 2025
Parties	:	(1) Target Subsidiary A as landlord; and (2) Shi Feng Company as tenant
Property	:	中國天津市河北區昆緯路116號 (116 Kunwei Road, Hebei District, Tianjin, the PRC*), having an area of 8,869 sq. m.
Tenancy period	:	Three (3) years, from 11 August 2025 to 10 August 2028 (both days inclusive)
Rent	:	RMB0.60 (approximately HK\$0.65) per sq. m. (including tax and exclusive of relevant utility charges) per day, with the total rent calculated by referring to the actual leased area of any part of the property and payable on an annual basis (in the event of sub-leasing, Shi Feng Company shall submit such sub-leasing agreement(s) to Target Subsidiary A by the end of the month in which the sub-leasing agreement(s) is/are executed)

New Tenancy B Agreement

Date	:	11 August 2025
Parties	:	(1) Target Subsidiary B as landlord; and (2) Shi Feng Company as tenant
Property	:	中國天津市南開區渭水道西頭新16號 (16 Xitouxin, Weishui Road, Nankai District, Tianjin, the PRC*), having an area of 6,556 sq. m.
Tenancy period	:	Three (3) years, from 11 August 2025 to 10 August 2028 (both days inclusive)
Rent	:	RMB0.60 (approximately HK\$0.65) per sq. m. (including tax and exclusive of relevant utility charges) per day, with the total rent calculated by referring to the actual leased area of any part of the property and payable on an annual basis (in the event of sub-leasing, Shi Feng Company shall submit such sub-leasing agreement(s) to Target Subsidiary B by the end of the month in which the sub-leasing agreement(s) is/are executed)

ANNUAL CAPS OF THE NEW TENANCY AGREEMENTS

The rent payable pursuant to each of the New Tenancy Agreements is subject to actual leased areas of each property thereunder and on an annual basis. The annual caps of the New Tenancy Agreements were determined based on the aggregate amounts of the maximum rent payable by Shi Feng Company under each of the New Tenancy Agreements. The annual caps for each of the three years ending 31 December 2025 (for the period from 11 August 2025 to 31 December 2025), 2026 and 2027 respectively are as follows:

	Year ending 31 December 2025 <i>Approximately (RMB)</i>	Year ending 31 December 2026 <i>Approximately (RMB)</i>	Year ending 31 December 2027 <i>Approximately (RMB)</i>
Annual cap of New Tenancy A Agreement	761,000 (equivalent to approximately HK\$836,000)	1,942,000 (equivalent to approximately HK\$2,134,000)	1,942,000 (equivalent to approximately HK\$2,134,000)
Annual cap of New Tenancy B Agreement	563,000 (equivalent to approximately HK\$618,000)	1,435,000 (equivalent to approximately HK\$1,576,000)	1,435,000 (equivalent to approximately HK\$1,576,000)
Aggregate annual caps of the New Tenancy Agreements	1,324,000 (equivalent to approximately HK\$1,454,000)	3,377,000 (equivalent to approximately HK\$3,710,000)	3,377,000 (equivalent to approximately HK\$3,710,000)

AGGREGATED ANNUAL CAPS OF THE NEW TENANCY AGREEMENTS AND THE FOUR SEAS TENANCY AGREEMENT

The aggregated annual caps of the New Tenancy Agreements and the Four Seas Tenancy Agreement for each of the three years ending 31 December 2025, 2026 and 2027 (for the period from 1 January 2027 to 31 March 2027 for the Four Seas Tenancy Agreement) respectively are as follows:

	Year ending 31 December 2025 <i>Approximately</i>	Year ending 31 December 2026 <i>Approximately</i>	Year ending 31 December 2027 <i>Approximately</i>
Aggregate annual caps of the New Tenancy Agreements	RMB1,324,000 (equivalent to approximately HK\$1,454,000)	RMB3,377,000 (equivalent to Approximately HK\$3,710,000)	RMB3,377,000 (equivalent to Approximately HK\$3,710,000)
Annual cap of the Four Seas Tenancy Agreement	HK\$1,200,000	HK\$1,200,000	HK\$300,000
Aggregate annual caps of the New Tenancy Agreements and the Four Seas Tenancy Agreement	HK\$2,654,000	HK\$4,910,000	HK\$4,010,000

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

Prior to the termination of Target Subsidiary A Agreement and Target Subsidiary B Agreement, Shi Feng Company had entered into sub-leases for sub-leasing parts of the properties under Target Subsidiary A Agreement and Target Subsidiary B Agreement respectively to independent third-party sub-lessees, and the respective expiration dates of the sub-leases are beyond the date of termination (i.e., 11 August 2025). For due observance and performance of the contractual obligations by Shi Feng Company under each of the sub-leases signed with each of the independent third-party sub-lessees on the one hand, but on the other hand allowing more flexibility in utilizing and higher efficiency in managing the areas of each of the properties under the New Tenancy Agreements, Shi Feng Company and each of Target Subsidiary A and Target Subsidiary B after amicable negotiation agreed to terminate Target Subsidiary A Agreement and Target Subsidiary B Agreement simultaneously and enter into the New Tenancy Agreements for shortening the expiration of leasing term from 31 December 2034 to 10 August 2028.

To the best knowledge, information and belief of the Board having made reference to the terms under each of Target Subsidiary A Agreement and Target Subsidiary B Agreement, the terms under each of the New Tenancy Agreements were determined after arm's length negotiations between the parties thereto, by taking into account of the main businesses, expertise and experience of each party thereto. In view of the above factors, the Board (including the independent non-executive Directors) are of the view that each of the New Tenancy Agreements was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the New Tenancy Agreements and the respective annual caps are fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

INFORMATION ON THE PARTIES

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

Shi Feng Company is a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, and its principal business activities include property services, cleaning services, building maintenance, hotel management, property leasing, car rental and moving services, etc..

Target Subsidiary A is a company established under the laws of the PRC with limited liability and an indirect non-wholly-owned subsidiary of Mr. Ng, which is the registered owner of the property under the New Tenancy A Agreement.

Target Subsidiary B is a company established under the laws of the PRC with limited liability and an indirect non-wholly-owned subsidiary of Mr. Ng, which is the registered owner of the property under the New Tenancy B Agreement.

LISTING RULES IMPLICATIONS

Upon Completion, Target Subsidiary A and Target Subsidiary B have become indirect non-wholly-owned subsidiaries of Mr. Ng, a controlling Shareholder and Director of the Company. Therefore, each of Target Subsidiary A and Target Subsidiary B is an associate of Mr. Ng, and the transactions contemplated under each of the New Tenancy Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps for the continuing connected transactions contemplated under the New Tenancy Agreements exceeds 0.1% but is less than 5%, the continuing connected transactions under the New Tenancy Agreements are subject to reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rule.

Before entering into the New Tenancy Agreements, Parafor as landlord and Four Seas Tours as tenant, entered into the Four Seas Tenancy Agreement on 29 May 2024 in respect of leasing a premises in Hong Kong for a period of three (3) years from 1 April 2024, at a monthly rental of HK\$100,000. As the applicable percentage ratios (other than the profits ratio) as defined under Rule 14.07 of the Listing Rules are less than 5% and the annual cap for the continuing connected transaction contemplated under the Four Seas Tenancy Agreement is less than HK\$3,000,000, the continuing connected transaction contemplated under the Four Seas Tenancy Agreement is fully exempt from Shareholders' approval, annual review and all disclosure requirements under Rule 14A.76(1)(c) of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transaction as contemplated under the Four Seas Tenancy Agreement should be aggregated with the continuing connected transactions as contemplated under the New Tenancy Agreements since the aforesaid agreements were all entered into with the associates of Mr. Ng and such transactions are of similar nature.

The highest applicable percentage ratio in respect of the aggregated annual caps for the continuing connected transactions contemplated under the Four Seas Tenancy Agreement and the New Tenancy Agreements exceeds 0.1% but is less than 5%, the continuing connected transactions under the Four Seas Tenancy Agreement and the New Tenancy Agreements are subject to reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given (1) Mr. Ng has a material interest in the New Tenancy Agreements and the transactions contemplated thereunder; (2) Ms. Cheung is a common director of each of the Company, Target Subsidiary A and Target Subsidiary B; (3) Mr. Paul Ng is a common director of the Company, Target Subsidiary A and Target Subsidiary B as well as an associate of Mr. Ng; and (4) Ms. Jessica Ng is an associate of Mr. Ng, Mr. Ng, Ms. Cheung, Mr. Paul Ng and Ms. Jessica Ng abstained from voting on the relevant Board resolutions accordingly.

Save as disclosed above, no other Director has a material interest in the New Tenancy Agreements and the transactions contemplated thereunder, who was required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless otherwise specified in the context hereof:

“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	South China Holdings Company Limited (南華集團控股有限公司), an exempted company incorporated in the Cayman Islands 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 sale and purchase of the Sale Shares under the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendors to the Purchaser pursuant to the Sale and Purchase Agreement
“Four Seas Tenancy Agreement”	the tenancy agreement dated 29 May 2024 entered into between Parafor as landlord and Four Seas Tours as tenant
“Four Seas Tours”	Four Seas Tours Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Ng”	Mr. Ng Hung Sang, the controlling Shareholder of the Company, the chairman of the Board and an executive Director of the Company
“Mr. Paul Ng”	Mr. Ng Yuk Yeung Paul, a son of Mr. Ng and a common director of the Company, Target Subsidiary A and Target Subsidiary B

“Ms. Cheung”	Ms. Cheung Choi Ngor, a common director of the Company, Target Subsidiary A and Target Subsidiary B
“Ms. Jessica Ng”	Ms. Ng Yuk Mui Jessica, a daughter of Mr. Ng and a non-executive Director
“New Tenancy Agreements”	New Tenancy A Agreement and New Tenancy B Agreement
“New Tenancy A Agreement”	the tenancy agreement dated 11 August 2025 entered into between Target Subsidiary A as landlord and Shi Feng Company as tenant
“New Tenancy B Agreement”	the tenancy agreement dated 11 August 2025 entered into between Target Subsidiary B as landlord and Shi Feng Company as tenant
“Paraford”	Paraford Investments Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Splendid Enterprises Limited, a company incorporated in the BVI with limited liability and is ultimately wholly-owned by Mr. Ng
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 6 May 2025 entered into between and among the Vendors, the Purchaser and Target Companies in respect of the Disposal
“Sale Shares”	Target Company A Sale Shares, Target Company B Sale Shares and Target Company C Sale Shares
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shi Feng Company”	世豐(天津)物業管理有限公司 (Shifeng (Tianjin) Property Management Limited*), a company established under the laws of the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“sq. m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Companies”	Target Company A, Target Company B and Target Company C
“Target Company A”	World Mastery Limited (宇翹有限公司), a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Purchaser
“Target Company A Sale Shares”	two (2) ordinary shares in the share capital of Target Company A, representing 100% of the issued share capital of Target Company A
“Target Company B”	Crosslight Limited (航輝有限公司), a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Purchaser
“Target Company B Sale Shares”	two (2) ordinary shares in the share capital of Target Company B, representing 100% of the issued share capital of Target Company B
“Target Company C”	Chun Wing Company Limited (浚榮有限公司), a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Purchaser
“Target Company C Sale Shares”	two (2) ordinary shares in the share capital of Target Company C, representing 100% of the issued share capital of Target Company C
“Target Subsidiary A”	天津南華利生體育用品有限公司(Tianjin South China Lisheng Sports Goods Company Limited*), a company established under the laws of the PRC with limited liability, and a subsidiary of Target Company A which owns 80% of its paid-up capital (the remaining 20% of its paid-up capital is being owned by an independent third party)
“Target Subsidiary A Agreement”	the tenancy agreement entered into between Target Subsidiary A and Shi Feng Company dated 3 February 2015
“Target Subsidiary B”	天津南華皮革化工有限公司(Tianjin South China Leather Chemical Company Limited*), a company established under the laws of the PRC with limited liability, and a subsidiary of Target Company B which owns 80% of its paid-up capital (the remaining 20% of its paid-up capital is being owned by an independent third party)
“Target Subsidiary B Agreement”	the tenancy agreement entered into between Target Subsidiary B and Shi Feng Company dated 3 February 2015
“Vendor 1”	South China Industries (China) Limited (南華工業(中國)有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

“Vendor 2”	Sino Pioneer International Limited, a company incorporated in the BVI with limited liability, and an indirect wholly-owned subsidiary of the Company
“Vendors”	the Vendor 1 and the Vendor 2
“%”	per cent.

In this announcement, for reference only, the exchange rate between HK\$ and RMB is at the rate of HK\$100 = RMB91.

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, 11 August 2025

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

Executive Directors:

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

Non-executive Directors:

Ms. Ng Yuk Mui Jessica
Mr. Yu Pui Hang

Independent Non-executive Directors:

Mr. Kam Yiu Shing Tony
Ms. Pong Scarlett Oi Lan, BBS, J.P.
Mr. Wong Chun Tat, J.P.

* *English translation denoting Chinese names is for identification purpose only*