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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 EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE BONDS

PROPOSED EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE BONDS

On 6 November 2025 (after trading hours), the Company and the Bondholder entered into the Second Supplemental Agreement pursuant to which the parties thereto conditionally agreed to further extend the Maturity Date by three (3) years from 30 June 2026 to 30 June 2029 by way of execution of the Second Supplemental Deed by the Company.

LISTING RULES IMPLICATIONS

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 Extension pursuant to Rule 28.05 of the Listing Rules.

The Bondholder is wholly and beneficially owned by Mr. Ng, who is an executive Director and a substantial Shareholder and is directly and indirectly beneficially holding 88,937,607 Shares (representing approximately 29.52% of the total number of issued Shares) as at the date of this announcement. Accordingly, the Bondholder is a connected person of the Company under Chapter 14A of the Listing Rules.

Therefore, the Proposed Extension to be effected by the Second Supplemental Agreement entered into between the Company and the Bondholder constitutes a connected transaction of the Company, which is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Bondholder and its associates, namely Mr. Ng, Uni-Spark, Ronastar, Parkfield, Fung Shing and Mr. Paul Ng, holding approximately 33.57% of the total number of issued Shares in aggregate as at the date of this announcement, shall abstain from voting at the EGM to be convened to consider and, if thought fit, approve the Proposed Extension as contemplated under the Second Supplemental Agreement.

GENERAL

The Independent Board Committee has been established by the Board to advise the Independent Shareholders in relation to the Proposed Extension as contemplated under the Second Supplemental Agreement.

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 Proposed Extension as contemplated under the Second Supplemental Agreement.

A circular containing, inter alia, (i) further information on the Second Supplemental Agreement and the Proposed Extension; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Second Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Extension); (iii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Second Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Extension); and (iv) a notice of the EGM together with a proxy form is expected to be despatched to the Shareholders on or before 27 November 2025.

Warning: The Proposed Extension is subject to fulfilment of a number of conditions set out in the Second Supplemental Agreement. As such, the transactions contemplated under the Second Supplemental Agreement may or may not proceed.

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

BACKGROUND INFORMATION

Reference is made to the announcement dated 16 May 2022 and the circular dated 2 June 2022 of the Company (the “**Circular**”) in relation to extension of the Maturity Date by three (3) years from 30 June 2023 to 30 June 2026. As at the date of this announcement, the Convertible Bonds with an aggregate amount of HK\$50,000,000 held by the Bondholder are still outstanding.

For further details of the Convertible Bonds, please refer to the Circular.

PROPOSED EXTENSION

After arm's length negotiations, the Company and the Bondholder entered into the Second Supplemental Agreement on 6 November 2025, pursuant to which the parties thereto conditionally agreed to further extend the Maturity Date by three (3) years from 30 June 2026 to 30 June 2029.

The Proposed Extension will be effective by way of execution of the Second Supplemental Deed by the Company. Save for the Proposed Extension, all other terms and conditions of the Convertible Bonds shall remain unchanged.

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

- (i) the Stock Exchange granting the approval in relation to the Proposed Extension in accordance with Rule 28.05 of the Listing Rules;
- (ii) the passing by the Independent Shareholders of all necessary resolution(s) at the EGM to approve the Proposed Extension and the transactions contemplated under the Second Supplemental Agreement;
- (iii) all necessary consents and approvals in respect of the Proposed Extension and the transactions contemplated under the Second Supplemental Agreement (including but not limited to the necessary approvals to be obtained under the Listing Rules) required to be obtained by the Company 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 Convertible Bonds.

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

REASONS FOR AND BENEFITS OF THE PROPOSED EXTENSION

Given the current financial situation of the Company and subsequent to the discussions with the Bondholder, it is not practicable for the Company to repay the principal of the Convertible Bonds upon the original Maturity Date. By extending the Maturity Date pursuant to the Second Supplemental Agreement and the Second Supplemental Deed, it would enable the Company to postpone a substantial cash outflow so as to ease the financial burden of the Group to repay the principal of the Convertible Bonds. It also facilitates the Group in securing alternative financial resources to fulfil its payment obligations under the Convertible 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.

Given the Convertible Bonds is carrying zero coupon rate, all other financing alternatives to raise funds to settle the Convertible Bonds including bank borrowings and equity financing are not meaningful alternatives.

In view of the above factors, the Board (excluding the independent non-executive Directors who will express their view after considering the advice from the Independent Financial Adviser to the Independent Board Committee) is of the view that the terms and conditions of the Second Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Extension) are on normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

INFORMATION OF 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.

The Bondholder is an investment holding company, which is wholly and beneficially owned by Mr. Ng who is an executive Director and a substantial Shareholder as at the date of this announcement.

LISTING RULES IMPLICATIONS

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 Extension pursuant to Rule 28.05 of the Listing Rules.

The Bondholder is wholly and beneficially owned by Mr. Ng, who is an executive Director and a substantial Shareholder and is directly and indirectly beneficially holding 88,937,607 Shares (representing approximately 29.52% of the total number of issued Shares) as at the date of this announcement. Accordingly, the Bondholder is a connected person of the Company under Chapter 14A of the Listing Rules.

Therefore, the Proposed Extension to be effected by the Second Supplemental Agreement entered into between the Company and the Bondholder constitutes a connected transaction of the Company, which is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Bondholder and its associates, namely Mr. Ng, Uni-Spark, Ronastar, Parkfield, Fung Shing and Mr. Paul Ng, holding approximately 33.57% of the total number of issued Shares in aggregate as at the date of this announcement, shall abstain from voting at the EGM to be convened to consider, and if thought fit, to approve the Proposed Extension as contemplated under the Second Supplemental Agreement.

GENERAL

The Independent Board Committee has been established by the Board to give recommendations to the Independent Shareholders on the Proposed Extension as contemplated under the Second Supplemental Agreement. Gransing Securities Co., Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, inter alia, (i) further information on the Second Supplemental Agreement and the Proposed Extension; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Second Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Extension); (iii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Second Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Extension); and (iv) a notice of the EGM together with a proxy form is expected to be despatched to the Shareholders on or before 27 November 2025.

Warnings: The Proposed Extension is subject to the fulfilment of a number of conditions set out in the Second Supplemental Agreement. As such, the transaction contemplated under the Second Supplemental Agreement may or may not proceed.

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

DEFINITIONS

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

“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bondholder”	Total Grace Investments Limited, a company incorporated in the BVI, which is wholly and beneficially owned by Mr. Ng, being the holder of the Convertible Bonds
“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 liability, and its ordinary shares are being listed and traded on the Main Board of the Stock Exchange (stock code: 00619)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules

“Conversion Share(s)”	Share(s) to be issued pursuant to the exercise of the conversion rights attached to the Convertible Bonds
“Convertible Bonds”	the outstanding HK\$50,000,000 convertible bonds issued by the Company to the Bondholder on 30 June 2020
“Director(s)”	director(s) of the Company
“Effective Date”	a date determined in accordance with the Second Supplemental Agreement, subject to fulfilment of all conditions precedent set out therein
“EGM”	an extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Second Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Extension)
“Fung Shing”	Fung Shing Group Limited, a company incorporated in the BVI, which is 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 Company, comprising of 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 Second Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Extension)
“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 activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders with respect of the Second Supplemental Agreement and the transactions contemplated thereunder (including the Proposed Extension)
“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 Convertible 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
“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 the Bondholder may agree in writing
“Maturity Date”	maturity date of the Convertible Bonds
“Mr. Ng”	Mr. Ng Hung Sang, an executive Director and a substantial Shareholder
“Mr. Paul Ng”	Mr. Ng Yuk Yeung Paul, an executive Director and the son of Mr. Ng
“Ms. Cheung”	Ms. Cheung Choi Ngor, an executive Director
“Ms. Jessica Ng”	Ms. Ng Yuk Mui Jessica, an executive Director and the daughter of Mr. Ng
“Parkfield”	Parkfield Holdings Limited, a company incorporated in the BVI, which is wholly and beneficially owned by Mr. Ng
“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
“Proposed Extension”	the proposed extension of the Maturity Date (from 30 June 2026 to 30 June 2029) as contemplated under the Second Supplemental Agreement and to be effected by way of execution of the Second Supplemental Deed by the Company
“Ronastar”	Ronastar Investments Limited, a company incorporated in the BVI, which is wholly and beneficially owned by Mr. Ng
“Second Supplemental Agreement”	the second supplemental agreement dated 6 November 2025 entered into between the Company and the Bondholder to effect the Proposed Extension by way of execution of the Second Supplement Deed by the Company

“Second Supplemental Deed”	the second supplemental deed of Instrument to be executed by the Company on the Effective Date for the Proposed Extension
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Uni-Spark”	Uni-Spark Investments Limited, a company incorporated in the BVI, which is wholly and beneficially owned by Mr. Ng
“%”	per cent.

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

Hong Kong, 6 November 2025

As at the date of this announcement, the 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

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