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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)

**1. POSSIBLE TRANSACTIONS IN CONNECTION WITH THE
RESTRUCTURING INVOLVING, AMONG OTHERS:**

**(1) ISSUE OF MANDATORY CONVERTIBLE BONDS UNDER SPECIFIC
MANDATE;**

**(2) ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE;
AND**

2. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

1. BACKGROUND

References are made to the announcements of the Company dated 26 June 2025, 7 August 2025, 4 September 2025, 16 October 2025 and 20 November 2025 in relation to the Restructuring.

As set out in the announcement of the Company dated 20 November 2025, as of the date of such announcement, Scheme Creditors including both holders of the Existing Notes and the lenders of Existing Loans, holding approximately 78% of the aggregate outstanding principal amount of the In-Scope Debt, have acceded to the RSA.

Consenting creditors who have acceded to the RSA have undertaken to, among other things, vote in favour of the Scheme in respect of the aggregate outstanding principal amount of all consenting debt in which it holds a beneficial interest (or, with respect to the Existing Loans, legal and beneficial interest) as principal in accordance with the terms of the RSA.

The Restructuring will involve a compromise of all claims relating to the In-Scope Debt (the aggregate outstanding principal amount of which was approximately US\$2.27 billion as at 31 December 2025) against (among others) the Company and other relevant members of the Group in exchange for the Restructuring Consideration taking effect on and from the Restructuring Effective Date in accordance with the terms of the Scheme.

The Restructuring Consideration will be issued and/or distributed to the relevant Scheme Creditors under the Scheme based on their election among three Options for the Restructuring Consideration (subject to allocation, reallocation and adjustments):

- (a) Option 1: cash consideration and new short term notes with special distribution;
- (b) Option 2: MCB, New Shares and new medium term notes; and
- (c) Option 3: new long term notes.

Each Scheme Creditor may elect for any one or a combination of the three Options.

Each claim of Option 1 and Option 3 is subject to a maximum acceptance amount, and any over-subscribed portion of a Scheme Creditor's claims will be reallocated to Option 2. Any Scheme Creditor that fails to submit its selection of the Options by the stipulated deadline shall be deemed to have selected Option 2.

Option 2 comprises the following:

- (i) MCB (constituting 41.25% of the claims of Scheme Creditors who have elected or are deemed to have elected for this option);
- (ii) New Shares (constituting 13.75% of the claims of Scheme Creditors who have elected or are deemed to have elected for this option);
- (iii) new medium term notes (constituting 35% of the claims of Scheme Creditors who have elected or are deemed to have elected for this option); and
- (iv) the remaining 10% of the claims of Scheme Creditors who have elected or are deemed to have elected for this option will be forfeited.

This announcement provides further details on the MCB and the New Shares under Option 2.

2. ISSUE OF MCB UNDER SPECIFIC MANDATE

Assuming that all of the Scheme Creditors will elect or are deemed to have elected Option 2, the principal amount of the MCB to be issued would be up to US\$1,047,750,000, being 41.25% multiplied by the Maximum Scheme Creditors' Claims of US\$2,540,000,000.

The allotment and issue of the MCB Conversion Shares is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the MCB Conversion Shares.

An application will be made for the listing and quotation of the MCB on the SGX.

3. ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

Assuming that all of the Scheme Creditors will elect or are deemed to have elected Option 2, the maximum number of the New Shares to be allotted and issued would be 1,696,787,468 Shares, which has been calculated by dividing (i) US\$349,250,000 (or HK\$2,714,859,950 at the agreed exchange rate of US\$1 = HK\$7.7734), being 13.75% of the Maximum Scheme Creditors' Claims of US\$2,540,000,000 by (ii) the Issue Price of HK\$1.60 per Share.

The allotment and issue of the New Shares is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the New Shares.

4. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to seek the approval by way of ordinary resolution at the EGM by the Shareholders of an increase in its authorised share capital from HK\$1,000,000,000 divided into 10,000,000,000 Shares to HK\$1,200,000,000 divided into 12,000,000,000 Shares by creating an additional 2,000,000,000 unissued Shares, such Shares shall rank *pari passu* in all respects.

In order to facilitate the transactions contemplated under the Restructuring (including the MCB Issue and the Share Issue), and taking into account that the Company's authorised share capital is insufficient to cover the new shares to be issued pursuant to the aforementioned transactions as of the date of this announcement, and to accommodate subsequent business development of the Group and to provide the Company with greater flexibility to raise funds in the future, the Board proposed the Increase in Authorised Share Capital. The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

5. GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve by way of poll, the MCB Issue and the transactions contemplated thereunder (including the grant of the specific mandate for the allotment and issue of the MCB Conversion Shares), the Share Issue and the transactions contemplated thereunder (including the grant of the specific mandate for the allotment and issue of the New Shares) and the Increase in Authorised Share Capital.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder was required to abstain from voting for the resolutions to approve the MCB Issue, the Share Issue and the Increase in Authorised Share Capital at the EGM.

A circular containing, among others, (a) further details of the MCB Issue and the transactions contemplated thereunder, including the allotment and issue of the MCB Conversion Shares under specific mandate; (b) further details of the Share Issue and the transactions contemplated thereunder, including the allotment and issue of the New Shares under specific mandate; (c) further details of the Increase in Authorised Share Capital; and (d) a notice convening the EGM will be despatched by the Company to the Shareholders on or before 13 May 2026.

Completion of the transactions set out in this announcement is subject to the fulfilment or waiver of the conditions precedent as set out in this announcement. The transactions set out in this announcement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

1. BACKGROUND AND KEY FEATURES OF THE RESTRUCTURING

Background

References are made to the announcements of the Company dated 26 June 2025, 7 August 2025, 4 September 2025, 16 October 2025 and 20 November 2025 in relation to the Restructuring.

The Company proposed to implement the Restructuring through the Scheme.

As set out in the aforesaid announcements of the Company, on 26 June 2025, a restructuring support agreement was signed by, among others, the Company and the AHG holding (as at the date of such announcement) approximately 30.56% of the aggregate outstanding principal amount of the Existing Notes, or approximately 24.23% of the principal amount of the In-Scope Debt. On 20 November 2025, the Company and the AHG executed an agreement amending the aforesaid restructuring support agreement.

As set out in the announcement of the Company dated 20 November 2025, as of the date of such announcement, Scheme Creditors including both holders of the Existing Notes and the lenders of Existing Loans, holding approximately 78% of the aggregate outstanding principal amount of the In-Scope Debt, have acceded to the RSA.

Consenting creditors who have acceded to the RSA have undertaken to, among other things, vote in favour of the Scheme in respect of the aggregate outstanding principal amount of all consenting debt in which it holds a beneficial interest (or, with respect to the Existing Loans, legal and beneficial interest) as principal in accordance with the terms of the RSA.

Key Features of the Restructuring

The Restructuring is expected to deal with the In-Scope Debt, details of which are set out in the section headed “7. INFORMATION ON THE IN-SCOPE DEBT” in this announcement. As at 31 December 2025, the aggregate outstanding principal amount of the In-Scope Debt was approximately US\$2.27 billion. The outstanding principal amount of the In-Scope Debt held by the Scheme Creditors at the Record Time and accrued but unpaid interest (except for any default interest or other special interests or fees) on such In-Scope Debt up to (and including) 31 December 2024 will be included in the claim calculation for receiving Restructuring Consideration.

The Restructuring will involve a compromise of all claims relating to the In-Scope Debt against (among others) the Company and other relevant members of the Group and (subject to carve-outs for fraud, dishonesty and wilful misconduct) their respective subsidiaries, shareholders, officers, directors, advisers, representatives and office-holders under or in connection with the In-Scope Debt, in exchange for the Restructuring Consideration taking effect on and from the Restructuring Effective Date in accordance with the terms of the Scheme.

It is expected that the Restructuring shall be implemented by way of a scheme of arrangement in Hong Kong and/or other applicable jurisdictions.

The Restructuring Consideration will be issued and/or distributed to the relevant Scheme Creditors under the Scheme based on their election among three Options for the Restructuring Consideration (subject to allocation, reallocation and adjustments):

- (a) Option 1: cash consideration and new short term notes with special distribution;
 - (i) cash (constituting 2.5% of the claims of Scheme Creditors who have elected for this option, of which 1.5% will be paid as a special distribution on the new short term notes);
 - (ii) new short term notes (constituting 27.5% of the claims of Scheme Creditors who have elected for this option); and
 - (iii) the remaining 70% of the claims of Scheme Creditors who have elected for this option will be forfeited;

(b) Option 2: MCB, New Shares and new medium term notes:

- (i) MCB (constituting 41.25% of the claims of Scheme Creditors who have elected or are deemed to have elected for this option);
- (ii) New Shares (constituting 13.75% of the claims of Scheme Creditors who have elected or are deemed to have elected for this option);
- (iii) new medium term notes (constituting 35% of the claims of Scheme Creditors who have elected or are deemed to have elected for this option); and
- (iv) the remaining 10% of the claims of Scheme Creditors who have elected or are deemed to have elected for this option will be forfeited;

(c) Option 3: new long term notes.

Each Scheme Creditor may elect for any one or a combination of the three Options.

Each claim of Option 1 and Option 3 is subject to a maximum acceptance amount, and any over-subscribed portion of a Scheme Creditor's claims will be reallocated to Option 2. Any Scheme Creditor that fails to submit its selection of the Options by the stipulated deadline shall be deemed to have selected Option 2.

This announcement provides further details on the MCB and the New Shares under Option 2.

Further details of the terms and conditions of the MCB are set out in the section headed "2. ISSUE OF MCB UNDER SPECIFIC MANDATE" in this announcement.

Further details of the New Shares are set out in the section headed "3. ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE" in this announcement.

Conditions to the Restructuring

The following conditions must be satisfied or waived in accordance with the RSA prior to or on the Restructuring Effective Date:

- (a) the obtaining of all relevant regulatory and corporate approvals or other consents as are necessary for the proposed Restructuring to take effect;
- (b) the obtaining of the relevant court sanction order(s) in respect of the Scheme and the Scheme becoming effective in accordance with its terms;
- (c) the settlement in full of the consent fees on or prior to the Restructuring Effective Date;
- (d) the settlement in full of all fees associated with the proposed Restructuring that the Company has agreed to pay in writing;
- (e) each major Restructuring document being in agreed form;

- (f) the establishment and maintenance of an allocation account for the purposes of certain cash sweep arrangement;
- (g) the appointment of a monitoring agent in connection with certain cash sweep arrangement;
- (h) the maintenance of listing of the Shares on the Main Board of the Stock Exchange;
- (i) compliance by the Company with the terms of the term sheet in all material aspects; and
- (j) the satisfaction of each of the other conditions precedent contained in the Scheme documents.

The Restructuring Effective Date shall be no later than 31 July 2026, subject to automatic extension to 31 October 2026 under certain circumstances as detailed in the RSA, and shall occur as soon as reasonably practicable after the conditions precedent being satisfied or waived.

2. ISSUE OF MCB UNDER SPECIFIC MANDATE

As set out in the section headed “1. BACKGROUND AND KEY FEATURES OF THE RESTRUCTURING” in this announcement, MCB may be issued to Scheme Creditors for the purpose of satisfying the Restructuring Consideration.

Terms of the MCB

The principal terms of the MCB are set out below:

Issuer:	The Company
Principal amount:	Assuming that all of the Scheme Creditors will elect or are deemed to have elected Option 2, the principal amount of the MCB to be issued would be up to US\$1,047,750,000, being 41.25% multiplied by the Maximum Scheme Creditors’ Claims of US\$2,540,000,000.
Issue date:	Restructuring Effective Date
Maturity:	The date falling 18 months from the original issue date.
Interest:	The MCB is not interest bearing.

**Conversion events/
period:**

(a) Mandatory Conversion:

The below portions of principal amounts of MCB outstanding as of the date falling 20 business days prior to the respective mandatory conversion dates set out below shall be mandatorily converted into Shares:

Mandatory conversion date	Principal amount to be converted
The date falling 6 months after the original issue date	1/3 of the principal amount issued on the original issue date
The date falling 12 months after the original issue date	1/3 of the principal amount issued on the original issue date
The date falling 18 months after the original issue date	The remaining outstanding principal amount of the MCB

For the avoidance of doubt, any voluntary conversion of the MCB shall not affect the amounts or timing of the mandatory conversion.

Notwithstanding the foregoing, should the total outstanding principal amount of the MCB be less than the applicable principal amount to be converted on the relevant mandatory conversion date, the Company shall only be obligated to convert the remaining outstanding MCB on such mandatory conversion date.

Mandatory Conversion shall be suspended automatically upon, among others, (1) any failure by the Company to make any scheduled principal or interest payment under any series of the New Notes or under the MCB within the relevant grace period, (2) the delisting of Shares, or (3) a final winding-up order or final bankruptcy order, as applicable, is made by a competent court against the Company or any of Affluent Way International Limited, Ally Health Investments Limited, South China Group (H.K.) Limited, Pioneer Merit Investments Limited or Fortune Western Investment Limited, until such default or event of default is cured or waived (such period of suspension, the “**Suspension Period**”).

If one or more mandatory conversion date(s) fall(s) within the Suspension Period, the mandatory conversion that should have occurred on such mandatory conversion date(s) shall occur on the first business day after the Suspension Period. For the avoidance of doubt, the MCB shall constitute indebtedness and direct, general and unconditional obligations of the Company and rank *pari passu* with the New Notes, until such MCB are fully converted into Shares.

(b) Voluntary Conversion:

At any time before the date falling twenty (20) business days prior to the maturity date, any holder of the MCB may deliver a conversion notice to convert any MCB it holds into Shares at the MCB Conversion Price.

Conversion price: Subject to the terms and conditions of the MCB, the MCB Conversion Price is initially HK\$1.60 per Share, which may be adjusted upon the occurrence of the adjustment events set out in the paragraph headed “Adjustment events” below.

The initial MCB Conversion Price of HK\$1.60 per Share represents:

- (a) a premium of approximately 1,367.9% over the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on 26 June 2025, being the date of the signing of the original RSA;
- (b) a premium of approximately 2,439.7% over the closing price of HK\$0.063 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (c) a premium of approximately 2,331.6% over the average closing price of approximately HK\$0.066 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of this announcement.

The MCB Conversion Price was determined after arms' length negotiations between the Company, the AHG and certain creditors after taking into account, among other things, the share price performance of the Company and the assessment of acceptability of Scheme Creditors towards the terms of the Restructuring with a view to achieving a sustainable capital structure. The initial MCB Conversion Price of HK\$1.60 per Share is at a premium to the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on 26 June 2025, being the date of the signing of the original RSA. The MCB Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Adjustment events:

Subject to the terms of the MCB, the MCB Conversion Price shall be subject to adjustment upon the occurrence of certain adjustment events including:

- (a) an alteration to the nominal value of the Shares as a result of consolidation, subdivision, redesignation or reclassification;
- (b) an issue (other than in lieu of cash dividend and other than issue that would amount to capital distribution) of any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account);
- (c) an issue by way of a scrip dividend where the aggregate value of such issue exceeds the amount of the relevant cash dividend or the relevant part thereof and which would not have constituted a capital distribution;
- (d) a capital distribution to the Shareholders;
- (e) an issue of Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at a consideration per Share the fair market value (on the date of the first public announcement of the terms of the issue or grant) of which is less than 85 per cent. of the current market price per Share on the date of the first public announcement of the terms of the issue or grant;

- (f) an issue of other securities to all or substantially all Shareholders as a class by way of rights, or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any other securities;
- (g) an issue (otherwise than as mentioned in paragraph (e) above) of any Shares (other than Shares issued on the exercise of conversion rights attaching to the MCB, upon mandatory conversion of the MCB or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise than as mentioned in paragraph (e) above) any options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share the fair market value (on the date of the first public announcement of the terms of the issue or grant) of which is less than 85 per cent. of the current market price on the date of the first public announcement of the terms of such issue;
- (h) other issues of securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share the fair market value (on the date of the first public announcement of the terms of the issue or grant) of which is less than 85 per cent. of the current market price on the date of the first public announcement of the terms of issue of such securities;
- (i) modification of the rights of conversion, exchange or subscription attached to any such securities as are mentioned in paragraph (h) above (other than in accordance with the terms of such securities), so that the consideration per Share is reduced and is less than 85 per cent. of the current market price on the date of announcement of the proposal for such modification; and
- (j) issues, sale or distribution by the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity of any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them.

Notwithstanding anything to the contrary in the terms and conditions of the MCB, no adjustment will be made to the MCB Conversion Price when Shares, options or other securities are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of employees (including directors) of the Company or any of its subsidiaries pursuant to any employee share scheme, subject to the terms of the MCB.

**Maximum number of
MCB Conversion
Shares to be issued:**

Assuming that MCB in the maximum aggregate principal amount of US\$1,047,750,000 will be issued by the Company and assuming full conversion of such MCB at the MCB Conversion Price of HK\$1.60 per Share and based on the agreed exchange rate of US\$1 = HK\$7.7734, up to 5,090,362,406 MCB Conversion Shares will be allotted and issued, which represent:

- (a) approximately 120.5% of the existing issued share capital of the Company as at the date of this announcement;
- (b) approximately 54.7% of the issued share capital of the Company as enlarged by the allotment and issue of such MCB Conversion Shares; and
- (c) approximately 46.2% of the issued share capital of the Company as enlarged by (i) the allotment and issue of such MCB Conversion Shares and (ii) the allotment and issue of a maximum of 1,696,787,468 New Shares pursuant to the Share Issue (further assuming there is no other change in the issued share capital of the Company).

The MCB Conversion Shares, upon full conversion, shall have an aggregate nominal value of up to approximately HK\$509.0 million and a market value of approximately HK\$554.8 million based on the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on 26 June 2025, being the date of the original RSA.

There are no treasury shares held by the Company as at the date of this announcement and currently the Company has no intention to transfer treasury shares upon exercise of the conversion rights attaching to the MCB.

**Security and
guarantee:**

The MCB will be secured by the charges over the shares of the relevant members of the Group and over an allocation account, to be shared among the New Notes, the MCB and any other permitted *pari passu* secured indebtedness.

The MCB will be guaranteed by the relevant members of the Group.

Redemption events:

(a) Redemption at the option of the Company

On giving not less than 15 business days' notice to the holders of the relevant MCB and to the trustee and principal agent (which notice shall be irrevocable), the Company may redeem all or any part of such MCB on the date specified in the notice at 100% of their principal amount as at such date, at any time, provided that the Company shall not by way of optional redemption redeem any MCB while any short term notes remains outstanding.

(b) Redemption for taxation reasons

Subject to the terms of the relevant MCB, at any time the Company may, having given not less than 15 business days' notice to the holders of the relevant MCB, the trustee and the principal agent (which notice shall be irrevocable) redeem all but not some only of such MCB at their principal amount as at such date if (i) the Company (or if the guarantees were called, any subsidiary guarantor) has or will become obliged to pay additional taxation amounts as a result of any change in, or amendment to, the laws or regulations of the relevant jurisdictions, and (ii) such obligation cannot be avoided by the Company (or the relevant subsidiary guarantor, as the case may be) taking reasonable measures available to it.

Ranking:

The MCB constitute direct, unsubordinated, unconditional and secured obligations of the Company, and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the MCB shall, save for such exceptions as may be provided by applicable law, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The MCB Conversion Shares, when allotted and issued to a holder, shall rank *pari passu* in all respects with the Shares in issue on the date on which such holder is registered as such in the Company's register of members.

Voting rights:	The holder(s) of the MCB shall not have any right to attend or vote in any general meeting of the Company.
Transferability:	The MCB are freely transferable subject to conditions.
Application for listing:	An application will be made by the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the MCB Conversion Shares. An application will be made for the listing and quotation of the MCB on the SGX.

3. ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

As set out in the section headed “1. BACKGROUND AND KEY FEATURES OF THE RESTRUCTURING” in this announcement, New Shares may be issued to Scheme Creditors for the purpose of satisfying the Restructuring Consideration.

Number of New Shares

Assuming that all of the Scheme Creditors will elect or are deemed to have elected Option 2, the maximum number of the New Shares to be allotted and issued would be 1,696,787,468 Shares, which has been calculated as follows:

X/Y

Where

X is equal to US\$349,250,000 (or HK\$2,714,859,950 at the agreed exchange rate of US\$1 = HK\$7.7734), being 13.75% of the Maximum Scheme Creditors’ Claims of US\$2,540,000,000

Y is equal to the Issue Price

Such New Shares represent:

- (a) approximately 40.2% of the existing issued share capital of the Company as at the date of this announcement;
- (b) approximately 28.7% of the issued share capital of the Company as enlarged by the allotment and issue of such Shares; and
- (c) approximately 15.4% of the issued share capital of the Company as enlarged by (i) the allotment and issue of such New Shares and (ii) the allotment and issue of the maximum number of 5,090,362,406 MCB Conversion Shares (further assuming there is no other change in the issued share capital of the Company).

Such New Shares shall have an aggregate nominal value of approximately HK\$169.7 million and market value of approximately HK\$184.9 million based on the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on 26 June 2025, being the date of the original RSA.

Issue Price

The New Shares will be allotted and issued at the Issue Price of HK\$1.60 per Share.

The Issue Price represents:

- (a) a premium of approximately 1,367.9% over the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on 26 June 2025, being the date of the signing of the original RSA;
- (b) a premium of approximately 2,439.7% over the closing price of HK\$0.063 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (c) a premium of approximately 2,331.6% over the average closing price of approximately HK\$0.066 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of this announcement.

Taking into account prevailing market price of the Shares, further negotiation with the relevant creditors and assessment of creditors' acceptability towards the Restructuring terms and the reasons and benefits as set out in the paragraph headed "**4. REASONS FOR AND BENEFITS OF THE POSSIBLE TRANSACTIONS IN CONNECTION WITH THE RESTRUCTURING**" below, the Board is of the view that the Issue Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions to the Share Issue

The Share Issue is conditional upon the following conditions being satisfied:

- (a) the occurrence of the Restructuring Effective Date; and
- (b) the grant by Listing Committee of the listing of, and permission to deal in, the New Shares on the Stock Exchange.

Allotment and issue of the New Shares and Ranking of the New Shares

Subject to the occurrence of the Restructuring Effective Date, the New Shares will be allotted and issued to or on behalf of the relevant Scheme Creditors on the Restructuring Effective Date.

The New Shares, when allotted and issued, will be free of all encumbrances and rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the New Shares.

4. REASONS FOR AND BENEFITS OF THE POSSIBLE TRANSACTIONS IN CONNECTION WITH THE RESTRUCTURING

The Company is a company incorporated in the Cayman Islands with limited liability, which is listed on the main board of the Stock Exchange. The Group's major businesses include property development, commercial management, property management and long-term rental apartments business. The Company is headquartered in Shanghai for its business operations, while implementing regional focused development strategy in the Yangtze River Delta Economic Zone, the Bohai Rim Economic Zone, the Guangdong-Hong Kong-Macao Greater Bay Area, the West Taiwan Strait Economic Zone and the Central Western Region.

Overview of the Group's financial situation

The Group recorded a loss attributable to owners of the parent of approximately RMB7.447 billion for the year ended 31 December 2025. As at 31 December 2025, the Group recorded net current liabilities of approximately RMB19.931 billion. As at 31 December 2025, the interest-bearing bank and other borrowings, senior notes and domestic bonds of the Group amounted to approximately RMB33.087 billion, while its cash and cash equivalents amounted to approximately RMB2.336 billion. The Group did not make payment of principal and interest on offshore senior notes and certain interest-bearing bank and other borrowings since October 2023, triggering events of default or cross default of various borrowings pursuant to the terms and conditions of respective agreements. As at 31 December 2025, the Group's defaulted or cross-defaulted principal and accrued interest of offshore senior notes and certain interest-bearing bank and other borrowings amounted to approximately RMB20.259 billion and RMB3.625 billion respectively.

Further details of the indebtedness situation of the Group as at 31 December 2025 are set out in the annual results announcement of the Company for the year ended 31 December 2025 dated 27 March 2026.

The Restructuring

In light of the financial situation of the Group and the current industry conditions, the Company has been actively working with its financial adviser and legal adviser to assess its current financial and operational conditions, and has maintained constructive dialogue with offshore creditors, with a view to formulating a viable holistic offshore debt solution to completely address the offshore debt risks, establishing a sustainable capital structure and stable operating environment to support its long-term business recovery. On 26 June 2025, the Company reached agreement with the AHG on the terms of the Restructuring (as subsequently amended on 20 November 2025).

The Restructuring aims to provide a fair and equitable solution that maximises recovery for creditors, while preserving the Group's ability to operate as a going concern and creating a win-win outcome for all stakeholders. Specifically, the Restructuring will (a) provide Scheme Creditors with the opportunity to convert their debt into equity, allowing them to benefit from near-term liquidity and potential equity upside; (b) completely address the Group's offshore debt risks and establish a sustainable capital structure. The Restructuring seeks to address the In-Scope Debt. Details of the creditors of such indebtedness are set out in the section headed **"7. INFORMATION ON THE IN-SCOPE DEBT"** below.

Through the settlement of part of the In-Scope Debt by way of the MCB Issue and the Share Issue, less cash flow pressure will be created on the Group while more Scheme Creditors can be incentivised to support the Scheme. Although the relative shareholding in the Company of the existing Shareholders would be diluted as a result of the conversion of the MCB or the allotment and issue of New Shares under the Share Issue, the Board is of the view that it would be in the best interest of the Company and the Shareholders as a whole if the liquidity of the Group would be significantly improved as a result of the completion of the Restructuring.

The Restructuring will be implemented through the Scheme. Upon the occurrence of the Restructuring Effective Date, all the In-Scope Debt claims of the Scheme Creditors will be discharged and extinguished and the Scheme Creditors will not be allowed to make any claim against the Company or other related persons in respect of the relevant In-Scope Debt.

No net proceeds will be received by the Group from the MCB Issue or the Share Issue. All proceeds from the MCB Issue and the Share Issue will be applied towards the satisfaction of part of the Restructuring Consideration, thereby reducing the overall debt size and debt pressure of the Group, enhancing its net asset value and significantly improving the financial position. The exchange of the relevant debts of the Group into MCB and Shares will greatly improve the liquidity of the Company. The MCB Issue and the Share Issue would also increase the capital base through the issue of Shares and help the Company achieve a sustainable capital structure with substantially reduced offshore debts risks.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the MCB Issue and the Share Issue are fair and reasonable based on the current market conditions and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the MCB Issue or the Share Issue and is required to abstain from voting on the relevant resolution(s).

5. EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any equity fund raising activities in the past 12 months immediately before the date of this announcement.

6. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company.

- (a) as at the date of this announcement;
- (b) assuming that all of the Scheme Creditors will elect or are deemed to have elected Option 2, resulting in 1,696,787,468 New Shares being allotted and issued under the Share Issue; and
- (c) assuming occurrence of the scenario in (b) and assuming that all of the Scheme Creditors will elect or are deemed to have elected Option 2, resulting in the principal amount of the MCB to be issued being US\$1,047,750,000, and assuming full conversion of such MCB at the initial MCB Conversion Price of HK\$1.60 per Share;

further assuming there is no other change in the issued share capital of the Company from the date of this announcement up to the date of the full conversion of the aforementioned instruments and based on the agreed exchange rate of US\$1 = HK\$7.7734:

	(a) As at the date of this announcement		(b) Immediately upon the allotment and issue of 1,696,787,468 New Shares under the Share Issue based on the assumptions stated above		(c) Immediately upon the allotment and issue of 1,696,787,468 New Shares under the Share Issue and full conversion of the MCB under the MCB Issue, based on the assumptions stated above	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Mr. Wong Chiu Yeung (Note 1)	2,120,500,000	50.2%	2,120,500,000	35.8%	2,120,500,000	19.3%
Mr. Cheng Hiu Lok (Note 2)	230,230,000	5.5%	230,230,000	3.9%	230,230,000	2.1%
Holders of New Shares	—	—	1,696,787,468	28.7%	1,696,787,468	15.4%
Holders of MCB	—	—	—	—	5,090,362,406	46.2%
Other Shareholders (Note 3)	<u>1,872,256,126</u>	<u>44.3%</u>	<u>1,872,256,126</u>	<u>31.6%</u>	<u>1,872,256,126</u>	<u>17.0%</u>
Total:	<u>4,222,986,126</u>	<u>100.0%</u>	<u>5,919,773,594</u>	<u>100.0%</u>	<u>11,010,136,000</u>	<u>100.0%</u>

Notes:

- These 2,120,500,000 Shares comprised 1,660,040,000 Shares registered in the name of Newup Holdings Limited (“**Newup**”), 230,230,000 Shares registered in the name of East Waves Investments Limited (“**East Waves**”) and 230,230,000 Shares registered in the name of Keen Century Investments Limited (“**Keen Century**”). Mr. Wong Chiu Yeung held 100% of the entire issued share capital of each of Newup, East Waves and Keen Century and was deemed to be interested in the aggregate of 2,120,500,000 Shares held by Newup, East Waves and Keen Century pursuant to the SFO.
- These 230,230,000 Shares were registered in the name of Wealthy Gate Holdings Limited (“**Wealthy Gate**”). Mr. Cheng Hiu Lok held 100% of the entire issued share capital of Wealthy Gate and was deemed to be interested in the 230,230,000 Shares held by Wealthy Gate pursuant to the SFO.

3. To the best of the Directors' knowledge, information and belief, all of these Shareholders are members of the public as defined in Rule 8.24 of the Listing Rules as at the date of this announcement.

7. INFORMATION ON THE IN-SCOPE DEBT

The Scheme Creditors comprise the persons who hold beneficial interests as principal in, or who are the lenders under, the following instruments as at the Record Time for the Scheme:

- (a) The New York law-governed 7.375% senior notes due April 2024 (ISIN: XS1974405893) (the “**April 2024 Notes**”) issued by the Company. As at the date of the RSA, the aggregate principal amount of the April 2024 Notes outstanding is US\$500.0 million;
- (b) The New York law-governed 5.95% senior notes due September 2024 (ISIN: XS2316077572) (the “**September 2024 Notes**”) issued by the Company. As at the date of the RSA, the aggregate principal amount of the September 2024 Notes outstanding is US\$450.0 million;
- (c) The New York law-governed 7.0% senior notes due May 2025 (ISIN: XS2227351900) (the “**May 2025 Notes**”) issued by the Company. As at the date of the RSA, the aggregate principal amount of the May 2025 Notes outstanding is US\$500.0 million;
- (d) The New York law-governed 6.0% senior notes due February 2026 (ISIN: XS2286966093) (the “**February 2026 Notes**,” together with the April 2024 Notes, the September 2024 Notes and the May 2025 Notes, the “**Existing Notes**”) issued by the Company. As at the date of the RSA, the aggregate principal amount of the February 2026 Notes outstanding is US\$350.0 million;
- (e) The Hong Kong law-governed facility agreement dated 22 March 2021, entered into by (among others) the Company in respect of approximately HK\$351.0 million and approximately US\$342.5 million dual tranche term loan facilities made by certain financial institutions as lenders and relevant agent as agent (the “**2021 Syndicated Loan**”). As at the date of the RSA, the aggregate principal amount of the 2021 Syndicated Loan outstanding is approximately HK\$315.9 million and US\$308.3 million; and
- (f) The Hong Kong law-governed facility agreement dated 4 July 2023, entered into by (among others) the Company in respect of approximately HK\$255.4 million and approximately US\$89.1 million dual tranche term loan facilities made by certain financial institutions as lenders and relevant agent as agent (the “**2023 Syndicated Loan**”, together with the 2021 Syndicated Loan, the “**Existing Loans**”, together with the Existing Notes, the “**In-Scope Debt**”). As at the date of the RSA, the aggregate principal amount of the 2023 Syndicated Loan outstanding is approximately HK\$255.4 million and US\$89.1 million.

As at 31 December 2025, the aggregate outstanding principal amount of the In-Scope Debt was approximately US\$2.27 billion.

All figures set out in this announcement in relation to the In-Scope Debt or any part thereof are only estimates as at the date of the RSA. The final amounts are subject to review and determination by the Scheme administrator.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Scheme Creditors was independent of the Company and connected persons of the Company. The Company does not expect that any additional creditors to be included in the Scheme (if any) would be a connected person of the Company.

8. LISTING RULES IMPLICATIONS

MCB Issue

The MCB Conversion Shares will be allotted and issued under the specific mandate to be sought from the Shareholders at the EGM. The MCB Issue and the transactions contemplated thereunder (including the grant of the specific mandate for the allotment and issue of the MCB Conversion Shares) are subject to the passing of necessary resolution by the Shareholders at the EGM. The allotment and issue of the MCB Conversion Shares is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the MCB Conversion Shares.

Share Issue

The New Shares will be allotted and issued under the specific mandate to be sought from the Shareholders at the EGM. The Share Issue and the transactions contemplated thereunder (including the grant of the specific mandate for the allotment and issue of the New Shares) are subject to the passing of necessary resolution by the Shareholders at the EGM. The allotment and issue of the New Shares is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the New Shares.

9. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to seek the approval by way of ordinary resolution at the EGM by the Shareholders of an increase in its authorised share capital from HK\$1,000,000,000 divided into 10,000,000,000 Shares to HK\$1,200,000,000 divided into 12,000,000,000 Shares by creating an additional 2,000,000,000 unissued Shares, such Shares shall rank *pari passu* in all respects.

In order to facilitate the transactions contemplated under the Restructuring (including the MCB Issue and the Share Issue), and taking into account that the Company's authorised share capital is insufficient to cover the new shares to be issued pursuant to the aforementioned transactions as of the date of this announcement, and to accommodate subsequent business development of the Group and to provide the Company with greater flexibility to raise funds in the future, the Board proposed the Increase in Authorised Share Capital. The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

10. GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve by way of poll, the MCB Issue and the transactions contemplated thereunder (including the grant of the specific mandate for the allotment and issue of the MCB Conversion Shares), the Share Issue and the transactions contemplated thereunder (including the grant of the specific mandate for the allotment and issue of the New Shares) and the Increase in Authorised Share Capital.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder was required to abstain from voting for the resolutions to approve the MCB Issue, the Share Issue and the Increase in Authorised Share Capital at the EGM.

A circular containing, among others, (a) further details of the MCB Issue and the transactions contemplated thereunder, including the allotment and issue of the MCB Conversion Shares under specific mandate; (b) further details of the Share Issue and the transactions contemplated thereunder, including the allotment and issue of the New Shares under specific mandate; (c) further details of the Increase in Authorised Share Capital; and (d) a notice convening the EGM will be despatched by the Company to the Shareholders on or before 13 May 2026.

Completion of the transactions set out in this announcement is subject to the fulfilment or waiver of the conditions precedent as set out in this announcement. The transactions set out in this announcement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

11. DEFINITIONS

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

“AHG”	an ad hoc group of offshore creditors of the Company
“Bank Group”	certain lenders of the Existing Loans who accede to the Amended and Restated RSA
“Board”	the board of the Company
“Company”	China SCE Group Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1966)
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened, or any adjournment thereof, for the Shareholders to consider and, if thought fit, to approve by way of poll, the MCB Issue and the transactions contemplated thereunder (including the grant of the specific mandate for the allotment and issue of the MCB Conversion Shares), the Share Issue and the transactions contemplated thereunder (including the grant of the specific mandate for the allotment and issue of the New Shares) and the Increase in Authorised Share Capital
“Existing Loans”	has the meaning given to such term in the section headed “7. INFORMATION ON THE IN-SCOPE DEBT” in this announcement
“Existing Notes”	has the meaning given to such term in the section headed “7. INFORMATION ON THE IN-SCOPE DEBT” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“In-Scope Debt”	has the meaning given to such term in the section headed “7. INFORMATION ON THE IN-SCOPE DEBT” in this announcement
“Increase in Authorised Share Capital”	the proposed increase in the Company’s authorised share capital from HK\$1,000,000,000 divided into 10,000,000,000 Shares to HK\$1,200,000,000 divided into 12,000,000,000 Shares by creating an additional 2,000,000,000 unissued Shares
“Information Agent”	D.F. King Ltd., or any other person appointed by the Company to act as information agent in connection with the Scheme and the RSA
“Issue Price”	HK\$1.60 per Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maximum Scheme Creditors’ Claims”	US\$2,540,000,000, the maximum Scheme Creditors’ Claims estimated based on the In-Scope Debt

“MCB”	new zero-coupon mandatory convertible bonds of the Company with a term of 18 months from the date of issue which may be issued to the Scheme Creditors as part of the Restructuring Consideration
“MCB Conversion Price”	the conversion price per Share (subject to adjustments) in respect of the MCB
“MCB Conversion Shares”	the Shares to be allotted and issued upon conversion of the MCB
“MCB Issue”	the issue of the MCB
“New Notes”	the new short term notes, new medium term notes and/or new long term notes which may be issued to the Scheme Creditors as part of the Restructuring Consideration
“New Shares”	Shares which may be allotted and issued to the Scheme Creditors as part of the Restructuring Consideration
“Option 1”	the option 1 as described in the section headed “1. BACKGROUND AND KEY FEATURES OF THE RESTRUCTURING” in this announcement
“Option 2”	the option 2 as described in the section headed “1. BACKGROUND AND KEY FEATURES OF THE RESTRUCTURING” in this announcement
“Option 3”	the option 3 as described in the section headed “1. BACKGROUND AND KEY FEATURES OF THE RESTRUCTURING” in this announcement
“Options”	collectively, Option 1, Option 2 and Option 3
“PRC”	the People’s Republic of China
“Record Time”	the time designated by the Company for the determination of claims of Scheme Creditors for the purposes of voting at the Scheme Meeting
“Restructuring”	a restructuring of the offshore indebtedness of the Company, to be conducted materially in the manner envisaged by, and materially on the terms set out in, the RSA
“Restructuring Consideration”	the restructuring consideration to be distributed to the Scheme Creditors in exchange for the discharge and release of the relevant claims against the relevant members of the Group and other relevant persons

“Restructuring Effective Date”	the day on which the Restructuring takes effect
“RMB”	Renminbi, the lawful currency of the PRC
“RSA”	the restructuring support agreement dated 26 June 2025 entered into by, among others, the Company and the AHG, as amended from time to time (including the amendment dated 20 November 2025)
“Scheme”	the scheme(s) of arrangement proposed to be effected between the Company and the Scheme Creditors for the purpose of implementing the Restructuring, as contemplated under the RSA
“Scheme Creditors”	creditors or debt holders of the Company, whose claims against the Company and any other obligors under the In-Scope Debt are or will be the subject of the Scheme
“Scheme Meeting”	the meeting or meetings of the Scheme Creditors for the purposes of voting on, and if thought fit to approve, the Scheme, which will be convened pursuant to an order of the court (and any adjournment of such meeting)
“SFC”	The Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX”	Singapore Exchange Securities Trading Limited
“Share Issue”	the allotment and issue of the New Shares
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency of the United States of America

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

Hong Kong, 13 April 2026

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