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**SOUTH CHINA ASSETS
HOLDINGS LIMITED**

南華資產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08155)



**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)

JOINT ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

**Independent financial adviser to the Independent Board Committee and
the Independent Shareholders**



THE ENGAGEMENT AGREEMENTS

The SCAH Board and the SCHC Board are pleased to announce that on 31 December 2020 (after trading hours), Nanjing Electrical (an indirect wholly-owned subsidiary of SCHC) and Cangzhou Real Estate (an indirect wholly-owned subsidiary of SCAH) entered into:

- (1) the Engagement Agreement I, pursuant to which Nanjing Electrical has conditionally agreed to engage Cangzhou Real Estate to provide pre-development management services for the Project on its behalf and Cangzhou Real Estate has conditionally agreed to be engaged to provide pre-development management services for the Project for a term of twelve (12) months from the Effective Date (or such other longer period to be mutually agreed between Nanjing Electrical and Cangzhou Real Estate, but the term shall not be more than eighteen (18) months) in total; and
- (2) the Engagement Agreement II, pursuant to which Nanjing Electrical has conditionally agreed to engage Cangzhou Real Estate to provide project development management services (including but not limited to design, planning and construction) for the Project on its behalf and Cangzhou Real Estate has conditionally agreed to be engaged to provide project development management services (including but not limited to design, planning and construction) for the Project for a fixed term of thirty-six (36) months from the date of obtaining the Land Certificate.

LISTING RULES OR GEM LISTING RULES (WHERE APPLICABLE) IMPLICATIONS

As at the date of this joint announcement, Mr. Ng and his associates held approximately 64.92% of the total issued share capital of SCAH and approximately 61.22% of the total issued share capital of SCHC. Therefore, each of SCAH and SCHC is an associate of Mr. Ng. Given the Engagement I is a transaction for a continuous period of twelve (12) months (up to a maximum period of eighteen (18) months) for provision of pre-development management services; and the Engagement II is a transaction for a continuous period of thirty-six (36) months (subject to obtaining the Land Certificate) for provision of project development management services (including but not limited to design, planning and construction) with an associate of a connected person for each of SCAH and SCHC, each of the Engagement I and the Engagement II constitutes a continuing connected transaction for each of SCAH and SCHC under Chapter 20 of the GEM Listing Rules and Chapter 14A of the Listing Rules respectively.

For SCAH, given that the highest of the applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Engagements, when aggregated with Sicundian Project in the last twelve (12) months, is more than 5%, each of the Engagement I and the Engagement II is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

For SCHC, as none of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Engagements, when aggregated with Sicundian Project in the last twelve (12) months, are less than 5%, according to Rule 14A.76(2) of the Listing Rules, each of the Engagement I and the Engagement II is subject to reporting and announcement but exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened and held to consider, and if thought fit, pass the resolution(s) to approve each of the Engagement Agreement I and the Engagement Agreement II and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of each of the Engagement Agreement I and the Engagement Agreement II and the transactions contemplated thereunder; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice convening the EGM, is expected to be despatched to the shareholders of SCAH on or before 22 January 2021.

Warnings: Each of the Engagement I and the Engagement II is subject to the fulfillment of the conditions precedent set out respectively in the Engagement Agreement I and the Engagement Agreement II, therefore, the Engagement I and/or the Engagement II may or may not proceed. Shareholders and potential investors of each of SCAH and SCHC are advised to exercise caution when dealing in the shares of SCAH and SCHC, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

INTRODUCTION

The SCAH Board and the SCHC Board are pleased to announce that on 31 December 2020 (after trading hours), Nanjing Electrical (an indirect wholly-owned subsidiary of SCHC) and Cangzhou Real Estate (an indirect wholly-owned subsidiary of SCAH) entered into:

- (1) the Engagement Agreement I, pursuant to which Nanjing Electrical has conditionally agreed to engage Cangzhou Real Estate to provide pre-development management services for the Project on its behalf and Cangzhou Real Estate has conditionally agreed to be engaged to provide pre-development management services for the Project for a term of twelve (12) months from the Effective Date (or such other longer period to be mutually agreed between Nanjing Electrical and Cangzhou Real Estate, but the term shall not be more than eighteen (18) months) in total; and
- (2) the Engagement Agreement II, pursuant to which Nanjing Electrical has conditionally agreed to engage Cangzhou Real Estate to provide project development management services (including but not limited to design, planning and construction), for the Project on its behalf and Cangzhou Real Estate has conditionally agreed to be engaged to provide project development management services (including but not limited to design, planning and construction) for the Project for a fixed term of thirty-six (36) months from the date of obtaining the Land Certificate.

Details of the Engagement Agreement I and the Engagement Agreement II and the transactions contemplated thereunder are set out below respectively:

MAJOR TERMS OF THE ENGAGEMENT AGREEMENT I

Date	31 December 2020
Parties	(1) Nanjing Electrical; and (2) Cangzhou Real Estate

Engagement

Cangzhou Real Estate shall provide pre-development management services for (i) application for and processing of all necessary licences, permits and approvals in relation to the development of the Project (including but not limited to applying for “低效用地再開發 (redevelopment of lower efficient usage of land)*” (i.e. change in use of land)) for the land on which the Project is situated and obtaining official approval of the application; (ii) coordination with relevant government departments (including but not limited to coordination with the land and resources department for assessment of additional land premium for the change in use of land); and (iii) overall positioning, implementation and planning of the Project.

Term

The term of the Engagement Agreement I shall be twelve (12) months from the Effective Date (or such other longer period to be mutually agreed between Nanjing Electrical and Cangzhou Real Estate, but the term shall not be more than eighteen (18) months) in total.

Engagement fee

The engagement fee in respect of the Engagement I shall be paid by Nanjing Electrical to Cangzhou Real Estate in cash in advance on a monthly basis as follows:

A total fee of RMB12 million (equivalent to approximately HK\$14.12 million), i.e., the monthly fee will be RMB1 million (equivalent to approximately HK\$1.18 million). For the avoidance of doubt, the total fee shall remain unchanged in the event that the 12-month period is to be extended to a maximum period of eighteen (18) months subject to mutual agreement between Nanjing Electrical and Cangzhou Real Estate.

The engagement fee was determined after arm's length negotiations between Nanjing Electrical and Cangzhou Real Estate after taking into account of (i) the engagement fee for providing similar services charged by Cangzhou Real Estate on Sicundian Project; (ii) the prevailing market price of similar services; (iii) immediate availability of resources of Cangzhou Real Estate; and (iv) solid experience of Cangzhou Real Estate in property development. SCHC Group intends to finance the engagement fee by means of bank construction loan, its internal resources and/or shareholder's loan.

Conditions precedent

The Engagement I is conditional upon the fulfilment of both the following conditions:

- (i) having obtained the approval by the respective board of directors of Nanjing Electrical and Cangzhou Real Estate on the execution of the Engagement Agreement I by their respective authorised representatives; and
- (ii) having obtained the approval from the Independent Shareholders at the EGM in respect of the Engagement Agreement I and the transactions contemplated thereunder.

The above conditions cannot be waived by either party to the Engagement Agreement I. If the conditions set out above have not been satisfied by 5:00 p.m. on the Long Stop Date, the Engagement Agreement I shall lapse automatically, and thereupon the Engagement Agreement I shall be null and void and of no further effect (for the avoidance of doubt, no party thereto shall have any further claim of whatsoever nature against the other party).

MAJOR TERMS OF THE ENGAGEMENT AGREEMENT II

Date	31 December 2020
Parties	(1) Nanjing Electrical; and (2) Cangzhou Real Estate

Engagement

Cangzhou Real Estate shall provide project development management services for the Project:

- (i) planning and design service — selection of designing unit;
- (ii) managing progress and controlling quality of output;
- (iii) cost control — formulating cost control policy for monitoring the costs of the Project;
- (iv) construction support service — organising tenders of various construction works from different contractors;
- (v) selection, coordination and management of contractors and project managers;
- (vi) overall management of quality and completion progress of the Project (including construction of basic and common ancillary facilities);
- (vii) facilities and utilities report filing service — reporting such facilities and utilities as fire service, quality assurance, security assurance, water supply, gas supply, electricity supply and telecommunication to the relevant authorities;
- (viii) completion inspection and payment service — organising inspections of various works with relevant authorities (including inspection of construction works, fire services and all other works);
- (ix) filing reports of completion of inspections with the relevant authorities, arrangement of payment of fees and expenses to various contractors and authorities;
- (x) record service — recording all information and documents in connection with the Project and handing over a copy of such record to Nanjing Electrical from time to time;
- (xi) contract enforcement service — management of various contracts (including preparation and preliminary review);
- (xii) performing and observing all obligations and exercising all rights of each of the contracts for Nanjing Electrical Group;
- (xiii) resolving all disputes arising out of such contracts for Nanjing Electrical Group; and
- (xiv) financial service — formulating financial control policy, opening bank account(s) for the Project and making payments for the Project.

Term

The term of the Engagement Agreement II shall be thirty-six (36) months from the date of obtaining the Land Certificate. For the avoidance of doubt, if Nanjing Electrical fails to obtain the Land Certificate within twenty-four (24) months after the effective date of the Engagement Agreement II, Cangzhou Real Estate shall have right to terminate the Engagement Agreement II and shall have no obligation to provide services thereunder.

Engagement fee

The engagement fee in respect of the Engagement II shall be paid by Nanjing Electrical to Cangzhou Real Estate in cash in advance on a monthly basis as follows:

A total fee for the 36-month period is RMB50.4 million (equivalent to approximately HK\$59.29 million), i.e., the monthly fee will be RMB1.4 million (equivalent to approximately HK\$1.65 million).

The engagement fee was determined after arm's length negotiations between Nanjing Electrical and Cangzhou Real Estate after taking into account of (i) the engagement fee for providing similar services charged by Cangzhou Real Estate on Sicundian Project; (ii) the prevailing market price of similar services; (iii) immediate availability of resources of Cangzhou Real Estate; and (iv) solid experience of Cangzhou Real Estate in property development. SCHC Group intends to finance the engagement fee by means of bank project development loan, its internal resources and/or shareholder's loan.

Conditions precedent

The Engagement II is conditional upon the fulfilment of both the following conditions:

- (i) having obtained the approval by the respective board of directors of Nanjing Electrical and Cangzhou Real Estate on the execution of the Engagement Agreement II by their respective authorised representatives; and
- (ii) having obtained the approval from the Independent Shareholders at the EGM in respect of the Engagement Agreement II and the transactions contemplated thereunder.

The above conditions cannot be waived by either party to the Engagement Agreement II. If the conditions set out above have not been satisfied by 5:00 p.m. on the Long Stop Date, the Engagement Agreement II shall lapse automatically, and thereupon the Engagement Agreement II shall be null and void and of no further effect (for the avoidance of doubt, no party thereto shall have any further claim of whatsoever nature against the other party).

BASIS OF THE ANNUAL CAP

(1) Engagement I:

A term of twelve (12) months from the Effective Date (or such other longer period to be mutually agreed between Nanjing Electrical and Cangzhou Real Estate, but the term shall not be more than eighteen (18) months in total). By assuming the Effective Date were same as the Long Stop Day, the maximum proposed annual cap for the transactions contemplated under the Engagement Agreement I for each of the two (2) financial years ending 31 December 2022 are as follows:

Period	Annual caps <i>RMB ('000)</i>
For the financial year ending 31 December 2021	11,000
For the financial year ending 31 December 2022	1,000 ^{Note 1}

Note 1: The maximum proposed annual cap for the financial year ending 31 December 2022 shall be RMB12,000,000 assuming the Effective Date were 1 January 2022.

(2) Engagement II:

A fixed term of thirty-six (36) months from the date of obtaining the Land Certificate. By assuming (1) the Effective Date were same as the Long Stop Date; and (2) the date of obtaining the Land Certificate were the date immediately following the last date of the twelfth (12th) month in the Engagement I, the maximum proposed annual cap for the transactions contemplated under the Engagement Agreement II for each of the four (4) financial years ending 31 December 2025 are as follows:

Period	Annual caps <i>RMB ('000)</i>
For the financial year ending 31 December 2022	15,400
For the financial year ending 31 December 2023	16,800
For the financial year ending 31 December 2024	16,800
For the financial year ending 31 December 2025	1,400 ^{Note 2}

Note 2: The maximum proposed annual cap for the financial year ending 31 December 2025 shall be RMB16,800,000 assuming the Land Certificate were obtained on 1 January 2023.

INFORMATION OF SCAH GROUP, SCHC GROUP, NANJING ELECTRICAL AND CANGZHOU REAL ESTATE

SCAH Group

SCAH Group is principally engaged in (i) property development in the PRC; (ii) financial services (subsidiaries of SCAH are holding licences for types 1, 2, 4 and 9 regulated activities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong, and providing money lending services under Money Lenders Ordinance, Chapter 163 of the laws of Hong Kong) in Hong Kong; and (iii) the manufacturing and sale of medical face masks and related products.

SCHC Group

SCHC Group is principally engaged in the manufacturing and trading of toys, electronic toys, shoes and leather products, property investment and development, and agricultural and forestry businesses.

Nanjing Electrical

Nanjing Electrical is an industrial company in the PRC, which is an indirect wholly-owned subsidiary of SCHC. The Project is 100% owned by Nanjing Electrical.

Cangzhou Real Estate

Cangzhou Real Estate is a property management company in the PRC, which is an indirect wholly-owned subsidiary of SCAH.

REASONS FOR AND BENEFITS OF THE ENGAGEMENTS

The Project is located in Nanjing, which is pending for development. SCHC Group does not have its property development professional team in Nanjing. On the other hand, SCAH Group has solid experience (including having its own professional team) in management (including but not limited to pre-development, design and planning) of small to medium scale property projects, e.g. SCAH Group has commenced the main construction works in Block 3 of Zhongjie Project, and started the pre-sale upon obtaining a pre-sale certificate from the authority on 24 December 2020. In addition, SCAH Group has started the planning and design stage of another property development project in Hebei Province, which is expected to be completed in early of 2021. The site area for the Project is about 9,499.2 sq.m., which is considered to be a small scale property project that SCAH Group is experienced in.

It is the view of the SCHC Board (including the independent non-executive directors of SCHC) that the Engagements are the most cost effective and efficient way to plan and develop the Project, and the Engagements will not prejudice the ownership of SCHC Group in the Project and the sales proceeds of the premises to be generated therefrom in the future.

The SCAH Board (excluding the Independent Board Committee whose opinion will be rendered and stated in the circular to be despatched to the shareholders of SCAH after taking into account of the advice from the Independent Financial Adviser) is of the view that the Engagements will provide a steady stream of positive cash flow for SCAH Group without bearing substantial commercial risk during the term of each of the Engagement Agreement I and the Engagement Agreement II. Despite the Project is not owned by SCAH Group, the SCAH Board (excluding the Independent Board Committee whose opinion will be rendered and stated in the circular to be despatched to the shareholders of SCAH after taking into account of the advice from the Independent Financial Adviser) believes that it is a good opportunity for SCAH Group to expand its property development portfolio not only in Beijing-Tianjin-Hebei urban agglomeration but also Yangtze Delta region in the PRC, which would enhance its sustainability in property development sector, and that SCAH Group is able to enjoy an advantage of economies of scale in the Engagements since it has already had a professional team for property development in Beijing-Tianjin-Hebei urban agglomeration.

Both the SCHC Board (including the independent non-executive directors of SCHC) and the SCAH Board (excluding the Independent Board Committee whose opinion will be rendered and stated in the circular to be despatched to the shareholders of SCAH after taking into account of the advice from the Independent Financial Adviser) are of the view that the Engagements will lead to a “win-win” situation for both SCHC and SCAH, which are on normal commercial terms, and that the terms of each of the Engagement Agreement I and the Engagement Agreement II are fair and reasonable and for the interests of SCHC and SCAH and their respectively shareholders as a whole.

LISTING RULES OR GEM LISTING RULES (WHERE APPLICABLE) IMPLICATIONS

As at the date of this joint announcement, Mr. Ng and his associates held approximately 64.92% of the total issued share capital of SCAH and approximately 61.22% of the total issued share capital of SCHC. Therefore, each of SCAH and SCHC is an associate of Mr. Ng. Given the Engagement I is a transaction for a continuous period of twelve (12) months (up to a maximum of eighteen (18) months) for provision of pre-development management services; and the Engagement II is a transaction for a continuous period of thirty-six (36) months (subject to obtaining the Land Certificate) for provision of project development management services with an associate of a connected person for each of SCAH and SCHC, each of the Engagement I and the Engagement II constitutes a continuing connected transaction for each of SCAH and SCHC under Chapter 20 of the GEM Listing Rules and Chapter 14A of the Listing Rules respectively.

As the Engagements are continuing connected transactions for each of SCAH and SCHC, the common directors of SCAH and SCHC, namely Mr. Ng, Ms. Cheung Choi Ngor, Mr. Richard Howard Gorges, Ms. Ng Yuk Mui Jessica, Mr. Ng Yuk Yeung Paul and Ms. Pong Scarlett Oi Lan, BBS, J.P., have abstained from voting on the board resolutions of each of SCAH and SCHC in relation to the Engagement Agreement I and the Engagement Agreement II and the transactions contemplated thereunder. Save as disclosed above, no other directors of each of SCAH and SCHC have abstained from voting on the said respective board resolutions.

For SCAH, given that the highest of the applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Engagements, when aggregated with Sicundian Project in the last twelve (12) months, is more than 5%, each of the Engagement I and the Engagement II is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

For SCHC, as none of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Engagements, when aggregated with Sicundian Project in the last twelve (12) months, are less than 5%, according to Rule 14A.76(2) of the Listing Rules, each of the Engagement I and the Engagement II is subject to reporting and announcement but exempt from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SCAH has established the Independent Board Committee (comprising of two independent non-executive directors of SCAH) to advise the Independent Shareholders with respect to the relevant resolutions approving the Engagement Agreement I and the Engagement Agreement II and the transactions contemplated thereunder proposed to be passed at the EGM.

SCAH has appointed First Shanghai Capital Limited as the independent financial adviser to advise Independent Board Committee and the Independent Shareholders on the terms of each of the Engagement Agreement I and the Engagement Agreement II and the transactions contemplated thereunder.

The EGM will be convened and held to consider, and if thought fit, pass the resolutions to approve the Engagement Agreement I and the Engagement Agreement II and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Engagement Agreement I and the Engagement Agreement II and the transactions contemplated thereunder; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice convening the EGM, is expected to be despatched to the shareholders of SCAH on or before 22 January 2021.

As at the date of this joint announcement, Mr. Ng and his associates held approximately 61.22% of the issued share capital of SCHC and approximately 64.92% of the total issued share capital of SCAH. Therefore, Mr. Ng was considered to have a material interest in the Engagement Agreement I and the Engagement Agreement II and the transaction contemplated thereunder by virtue of his interests in each of SCHC and SCAH, and he and his associates will abstain from voting on the resolutions approving the Engagement Agreement I and the Engagement Agreement II and the transactions contemplated thereunder in the EGM.

Warnings: Each of the Engagement I and the Engagement II is subject to the fulfillment of the conditions precedent set out respectively in the Engagement Agreement I and the Engagement Agreement II, therefore, the Engagement I and/or the Engagement II may or may not proceed. Shareholders and potential investors of each of SCAH and SCHC are advised to exercise caution when dealing in the shares of SCAH and SCHC, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

DEFINITION

Unless the context otherwise requires, capitalised terms used in this joint announcement shall have the following meanings:

“associates”	has the meaning ascribed to it under the Listing Rules or the GEM Listing Rules, where applicable
“Cangzhou Real Estate”	滄州南華房地產開發有限公司 (Cangzhou South China Real Estate Development Limited)*, an indirect wholly-owned subsidiary of SCAH
“connected person”	has the meaning ascribed to it under the Listing Rules or the GEM Listing Rules, where applicable
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules or the GEM Listing Rules, where applicable
“Effective Date”	the effective date of the Engagement Agreement I, i.e. the date on which all conditions precedent set out in the Engagement Agreement I are fulfilled
“EGM”	an extraordinary general meeting of SCAH to be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the Engagement Agreement I, the Engagement Agreement II and the transactions contemplated thereunder
“Engagement I”	the engagement of Cangzhou Real Estate to provide pre-development management services for the Project on behalf of Nanjing Electrical for a term of twelve (12) months (up to a maximum of eighteen (18) months) from the Effective Date
“Engagement II”	the engagement of Cangzhou Real Estate to provide project development management services for the Project on behalf of Nanjing Electrical for a fixed term of thirty-six (36) months upon the date of obtaining the Land Certificate by Nanjing Electrical

“Engagement Agreement I”	an engagement agreement dated 31 December 2020 and entered into between Nanjing Electrical and Cangzhou Real Estate in respect of the Engagement I
“Engagement Agreement II”	an engagement agreement dated 31 December 2020 and entered into between Nanjing Electrical and Cangzhou Real Estate in respect of the Engagement II
“Engagements”	the Engagement I and the Engagement II
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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 SCAH Board established by the SCAH Board, comprising of two independent non-executive directors of SCAH, namely Mr. Cheng Hong Kei and Mr. Yeung Chi Hang, to advise the Independent Shareholders with respect to the Engagement Agreement I and the Engagement Agreement II and the transactions contemplated thereunder
“Independent Financial Adviser”	First Shanghai Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity 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 to the Engagement Agreement I and the Engagement Agreement II and the transactions contemplated thereunder
“Independent Shareholders”	shareholders of SCAH, other than Mr. Ng and his associates who are required to abstain from voting at the EGM pursuant to the GEM Listing Rules
“Land Certificate”	the land certificate to be obtained by applying for “redevelopment of lower efficient usage of land (低效用地再開發)” (i.e. change in use of land) for the land on which the Project is situated
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	11 February 2021 or such other date as Nanjing Electrical and Cangzhou Real Estate may further agree in writing

“Mr. Ng”	Mr. Ng Hung Sang, chairman, executive director of each of SCAH Board and SCHC Board, an ultimate controlling shareholder of each of SCAH and SCHC
“Nanjing Electrical”	南京電機有限公司(Nanjing Electrical Limited)*, an indirect wholly-owned subsidiary of SCHC
“Nanjing Electrical Group”	Nanjing Electrical and its subsidiaries
“PRC”	the People’s Republic of China, but excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan for the purpose of this joint announcement
“Project”	a property development project located in 雨花西路262號 (262 Rain Flower West Road)* in Nanjing, the PRC, having an area of approximately 9,499.2 sq.m. for commercial, offices and residential development
“RMB”	Renminbi, the lawful currency of the PRC
“SCAH”	South China Assets Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, and its ordinary shares are being listed and traded on GEM (stock code: 08155)
“SCAH Board”	board of directors of SCAH
“SCAH Group”	SCAH and its subsidiaries
“SCHC”	South China Holdings Company Limited, 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)
“SCHC Board”	board of directors of SCHC
“SCHC Group”	SCHC and its subsidiaries
“Sicundian Project”	the engagement of Cangzhou Real Estate by an indirect wholly-owned subsidiary of SCHC to provide comprehensive management services for a property development project located in Sicundian town (泗村店鎮) of Wuqing district (武清區) in Tianjin, details of which were set out in the announcement of SCAH dated 6 October 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Zhongjie Project”	a residential property project located in 滄州市中捷產業園區 (Cangzhou Zhongjie Industrial Park District)*, Hebei Province, the PRC. The project has 4 blocks, having a total gross floor area of approximately 17,300 sq.m.
“%”	per cent.
“sq.m.”	square meters

In this joint announcement, for reference only, the exchange rate between HK\$ and RMB is at the rate of HK\$100 = RMB85.

* *Denotes English translation of a Chinese name and is provided for identification purpose only.*

By Order of the SCAH Board
South China Assets Holdings Limited
 南華資產控股有限公司
Ng Yuk Mui Jessica
Executive Director

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

Hong Kong, 31 December 2020

As at the date of this joint announcement, the SCAH Board comprises (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor, Mr. Richard Howard Gorges and Ms. Ng Yuk Mui Jessica as executive directors; (2) Mr. Ng Yuk Yeung Paul as non-executive director; and (3) Mr. Cheng Hong Kei, Ms. Pong Scarlett Oi Lan, BBS, J.P. and Mr. Yeung Chi Hang as independent non-executive directors.

As at the date of this joint announcement, the SCHC Board comprises (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor, Mr. Richard Howard Gorges and Mr. Ng Yuk Yeung Paul as executive directors; (2) Ms. Ng Yuk Mui Jessica, Mr. Ng Yuk Fung Peter, Mr. David Michael Norman and Ms. Li Yuen Yu Alice as non-executive directors; and (3) Mr. Chiu Sin Chun, Mr. Kam Yiu Shing Tony, Ms. Pong Scarlett Oi Lan, BBS, J.P. and Mrs. Tse Wong Siu Yin Elizabeth as independent non-executive directors.

This joint announcement, for which the directors of SCAH collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard SCAH. The directors of SCAH, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this joint announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the website of the Company at www.scassets.com.