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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in South China Assets Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of South China Assets Holdings Limited (the “Company”) to be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 16 June 2020 at 10:00 a.m. is set out on pages 13 to 16 of this circular.

A proxy form for use at the annual general meeting is enclosed with this circular. Whether or not you are able to attend the annual general meeting or any adjournment thereof, you are requested to read the notice and complete and return the proxy form in accordance with the instructions printed thereon, to the Company’s branch share registrar, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof, should you so wish.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of posting and on the website of the Company at www.scassets.com.

30 March 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 16 June 2020 at 10:00 a.m., notice of which is set out on pages 13 to 16 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the Company’s board of Directors
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	South China Assets Holdings Limited 南華資產控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange
“Director(s)”	the director(s) of the Company
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandates”	the general and unconditional mandates proposed under ordinary resolutions numbered 4(A) and 4(C) in the notice of the AGM set out on pages 13 to 16 of this circular to be granted to the Directors to (i) allot and issue Shares or convertible securities up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of the said ordinary resolution; and (ii) extend the mandate in (i) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company made pursuant to and in accordance with the Repurchase Mandate
“Latest Practicable Date”	19 March 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Memorandum”	the memorandum of association of the Company
“Remuneration and Nomination Committee”	the remuneration and nomination committee of the Company
“Repurchase Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 4(B) in the notice of the AGM set out on page 15 of this circular to be granted to the Directors to repurchase the Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of the said ordinary resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission
“%”	per cent.



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)

Executive Directors:

Mr. Ng Hung Sang (*Chairman*)
Ms. Cheung Choi Ngor
Mr. Richard Howard Gorges
Ms. Ng Yuk Mui Jessica (*Executive Vice Chairman*)

Non-executive Director:

Mr. Ng Yuk Yeung Paul

Independent Non-executive Directors:

Mr. Cheng Hong Kei
Ms. Pong Scarlett Oi Lan, BBS, J.P.
Mr. Yeung Chi Hang

Registered Office:

P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

**Principal Place of Business
in Hong Kong:**

28th Floor
Bank of China Tower
1 Garden Road Central
Hong Kong

30 March 2020

*To the Shareholders and, for information only,
the holders of share options of the Company*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the relevant information regarding (i) the proposed granting of the Issue Mandates and the Repurchase Mandate and (ii) the proposed re-election of Directors, and to give you notice of the AGM at which resolutions will be proposed to consider and, if thought fit, approve at the AGM, among other matters, the granting of the Issue Mandates and the Repurchase Mandate and the re-election of Directors.

LETTER FROM THE BOARD

ISSUE MANDATES AND REPURCHASE MANDATE

At the last annual general meeting of the Company held on 18 June 2019, resolutions were passed by the Shareholders giving general unconditional mandates to the Directors to issue and allot Shares and to exercise the powers of the Company to repurchase its own Shares in accordance with the GEM Listing Rules. These general mandates will lapse at the conclusion of the AGM.

It is therefore necessary to renew the Issue Mandates and the Repurchase Mandate at the AGM and ordinary resolutions will be proposed to seek the Shareholders' approval for granting of the Issue Mandates and the Repurchase Mandate at such meeting. Details of the aforesaid resolutions are set out in ordinary resolution numbered 4(A), 4(B) and 4(C) in the notice of the AGM.

As at the Latest Practicable Date, the number of Shares in issue was 11,178,498,344. Subject to the passing of the resolutions in relation to the Issue Mandates and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Issue Mandates to allot a maximum of 2,235,699,668 Shares, representing 20% of the issued share capital of the Company.

The Issue Mandates and the Repurchase Mandate, if approved at the AGM, will continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held or until revoked or varied by ordinary resolution by the Shareholders in general meeting, whichever occurs first.

An explanatory statement as required by the GEM Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

In accordance with Article 116 of the Articles of Association, Mr. Ng Hung Sang, Ms. Ng Yuk Mui Jessica and Mr. Cheng Hong Kei will retire from the office by rotation and, be eligible, offer themselves for re-election at the AGM.

Recommendations to the Board for the proposal for re-election of Mr. Ng Hung Sang and Ms. Ng Yuk Mui Jessica as executive Directors and Mr. Cheng Hong Kei as an independent non-executive Director were made by the Remuneration and Nomination Committee, after having considered a range of diversity perspectives including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, independence of independent director and diversity of perspective, as set out in the board diversity policy of the Company.

LETTER FROM THE BOARD

At the AGM, ordinary resolutions will be proposed to re-elect the above retiring Directors as Directors in accordance with the Articles of Association. To enable the Shareholders to make an informed decision on the re-election of these retiring Directors, the biographical details of the retiring Directors, as required under Chapter 17 of the GEM Listing Rules, are set out in Appendix II to this circular for the Shareholders' information.

Recommendation of the Remuneration and Nomination Committee with respect to the Independent Non-executive Director subject to re-election at the AGM

The Remuneration and Nomination Committee assessed and reviewed the written confirmation of independence of Mr. Cheng Hong Kei, the independent non-executive Director who has offered himself for re-election at the Annual General Meeting based on the independence criteria as set out in Rule 5.09 of the GEM Listing Rules. In addition, the Remuneration and Nomination Committee evaluated his performance and is of the view that he has provided valuable contributions to the Company and has demonstrated his abilities to provide independent, balanced and objective view to the Company's affairs.

The Remuneration and Nomination Committee is also of the view that Mr. Cheng Hong Kei would bring to the Board his own perspective, skills and experience, as further described in his biography in Appendix II to this circular.

Based on the board diversity policy adopted by the Company, the Remuneration and Nomination Committee considers that Mr. Cheng Hong Kei can contribute to the diversity of the Board, in particular, with his strong educational background and professional experience in his expertise.

Therefore, the Board, with the recommendation of the Remuneration and Committee, has nominated Mr. Cheng Hong Kei for re-election as independent non-executive Director at the AGM.

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 13 to 16 of this circular. At the AGM, relevant resolutions will be proposed to approve the granting of the Issue Mandates, the Repurchase Mandate and the re-election of Directors.

There is enclosed with this circular a proxy form for use at the AGM. Whether or not you are able to attend the AGM or any adjournment thereof, you are requested to read the notice and complete and return the proxy form in accordance with the instructions printed thereon, to the Company's branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof, should you so wish. In the event that a Shareholder having lodged a proxy form attends the AGM, his proxy form will be deemed to be revoked.

LETTER FROM THE BOARD

VOTE BY POLL

Under Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

RECOMMENDATION

The Directors consider that the granting of the Issue Mandates and the Repurchase Mandate and the re-election of Directors are in the best interests of the Company and the Shareholders as a whole and so recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully
By Order of the Board
South China Assets Holdings Limited
南華資產控股有限公司
Ng Hung Sang
Chairman

This is an explanatory statement given to the Shareholders relating to the resolution to be proposed at the AGM authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to the GEM Listing Rules, which is set out as follows:

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the number of Shares in issue was 11,178,498,344.

Subject to the passing of the resolution in relation to the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 1,117,849,834 Shares (representing 10% of the issued share capital of the Company) during the period from the date of the passing of the ordinary resolution numbered 4(B) in the notice of the AGM set out on page 15 of this circular up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company is empowered by its Articles of Association to repurchase its Shares. Under Cayman Islands law, the capital portion payable on a repurchase of Shares by the Company may be paid out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, subject to the Companies Law, out of capital and, in the case of any premium payable on a repurchase, such premium may be paid out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, subject to the Companies Law, out of capital.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31 December 2019) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period.

However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate only in accordance with the GEM Listing Rules, the Memorandum and Articles of Association and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the GEM Listing Rules) have any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company, nor has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as interpreted according to the Takeovers Code), depending on the level of the increase of the Shareholder's interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Ng Hung Sang ("Mr. Ng"), together with his close associates, was taken to be interested in the 7,257,178,811 Shares, representing approximately 64.92% of the issued share capital of the Company, and was a substantial Shareholder of the Company. In the event that the Directors exercise the proposed Repurchase Mandate in full and assuming that there is no change in the issued share capital of the Company and the number of Shares held by Mr. Ng, together with his close associates, remains unchanged, the interests of Mr. Ng and his close associates in the issued share capital of the Company would be increased to approximately 72.13% and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

7. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of any Shares has been made by the Company in the six months prior to the Latest Practicable Date, whether on the Stock Exchange or otherwise.

8. SHARE PRICES

The highest and lowest prices at which Shares have been traded on GEM during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2019		
March	0.028	0.021
April	0.023	0.019
May	0.026	0.019
June	0.021	0.015
July	0.017	0.015
August	0.022	0.016
September	0.018	0.015
October	0.018	0.015
November	0.017	0.012
December	0.017	0.013
2020		
January	0.018	0.013
February	0.015	0.012
March (up to the Latest Practicable Date)	0.017	0.011

Details of the retiring Directors proposed to be re-elected at the AGM at the Latest Practicable Date are set out as follows:

1. MR. NG HUNG SANG
EXECUTIVE DIRECTOR AND CHAIRMAN

Aged 70, is an Executive Director, the Chairman and a member of the Executive Committee of the Company. He is actively involved in the overall corporate policies, strategic planning and business development of the Group. He is also an executive director and the chairman of South China Financial Holdings Limited and South China Holdings Company Limited, both being listed on the Main Board of the Stock Exchange. He holds a Master degree in Marketing from Lancaster University in the United Kingdom and is a fellow member of the Chartered Institute of Management Accountants. He was appointed as a Director of the Company on 28 January 2002. He is the father of Ms. Ng Yuk Mui Jessica, an Executive Director and the Executive Vice Chairman of the Company and Mr. Ng Yuk Yeung Paul, a Non-executive Director of the Company, and a director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Ng entered into a service contract with the Company for an initial fixed term of one year commencing on 28 January 2002, which continues thereafter unless and until terminated by not less than three months' notice in writing served by either party on the other. He is subject to retirement at the AGM by rotation and eligible for re-election in accordance with the Articles of Association. He does not receive any emoluments for his directorship of the Company. As at the Latest Practicable Date, he is holding 363,393,739 Shares as beneficial owner, 967,923,744 Shares as interests of spouse and 5,925,872,490 Shares as interests of controlled corporations within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Ng does not hold any directorship in the last three years in any other public company, the securities of which being listed in Hong Kong or overseas. He also does not hold any other position in the Company and does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

In relation to the re-election of Mr. Ng as an Executive Director of the Company, there is no other information to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

2. MS. NG YUK MUI JESSICA***EXECUTIVE DIRECTOR AND EXECUTIVE VICE CHAIRMAN***

Aged 41, is an Executive Director, an Executive Vice Chairman and a member of the Executive Committee of the Company. She is also an executive director, an executive vice chairman and chief executive officer of South China Financial Holdings Limited and a non-executive director of South China Holdings Company Limited and i-Cable Communications Limited, all being listed on the Main Board of the Stock Exchange. She is the executive vice chairman of South China Media Limited. She also holds several directorships in certain subsidiaries of the Group. She holds a Bachelor degree in Law from King's College London, University of London in the United Kingdom and was admitted to the Hong Kong Bar in 2006. She is an associate member of the Chartered Institute of Management Accountants and a member of 12th Hebei Provisional Committee of the Chinese People's Political Consultative Conference. She was appointed as Director of the Company on 20 August 2003. She is the daughter of Mr. Ng Hung Sang, an Executive Director, the Chairman and a controlling shareholder of the Company, and is the elder sister of Mr. Ng Yuk Yeung Paul, a Non-executive Director of the Company.

Ms. Ng has not entered into any service contract with the Company. She is subject to retirement at the AGM by rotation and eligible for re-election in accordance with the Articles of Association. She does not receive any emoluments for her directorship of the Company. As at the Latest Practicable Date, she does not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Ms. Ng does not hold any directorship in the last three years in any other public company, the securities of which being listed in Hong Kong or overseas. She also does not hold any other position in the Company and does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

In relation to the re-election of Ms. Ng as an Executive Director of the Company, there is no other information to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

3. MR. CHENG HONG KEI
INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 65, is an Independent Non-executive Director, the chairman of the Audit Committee and a member of the Remuneration and Nomination Committee of the Company. He studied accountancy in Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University). He is a fellow member of the Hong Kong Institute of Certified Public Accountants (Practicing), the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. He is a co-founding director of Cheng & Cheng Limited and had worked as an assessor for the Hong Kong Inland Revenue Department for 12 years. He has extensive experience in accounting and taxation. He is currently an independent non-executive director of Great China Properties Holdings Limited and China Apex Group Limited (formerly known as KEE Holdings Company Limited), both being listed on the Main Board of the Stock Exchange and GET Holdings Limited, being listed on GEM of the Stock Exchange. He was appointed as a Director of the Company on 31 March 2017.

Mr. Cheng has not entered into any service contract with the Company. He is subject to retirement at the AGM by rotation and eligible for re-election in accordance with the Articles of Association. He is entitled to receive a director's fee of HK\$100,000 per annum, which is determined by reference to his duties, experience and involvement. As at the Latest Practicable Date, he does not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Cheng does not hold any directorship in the last three years in any other public company, the securities of which being listed in Hong Kong or overseas. He also does not hold any other position in the Company and does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

In relation to the re-election of Mr. Cheng as an Independent Non-executive Director of the Company, there is no other information to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) of the GEM Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.



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)

NOTICE IS HEREBY GIVEN that an annual general meeting of South China Assets Holdings Limited (the “Company”) will be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 16 June 2020 at 10:00 a.m. for the following purposes:

1. To consider and adopt the audited financial statements together with the Directors’ Report and the Independent Auditor’s Report for the year ended 31 December 2019.
2. (A) To re-elect Mr. Ng Hung Sang as Director.

(B) To re-elect Ms. Ng Yuk Mui Jessica as Director.

(C) To re-elect Mr. Cheng Hong Kei as Director.

(D) To authorise the Board of Directors to fix the Directors’ remuneration.
3. To re-appoint Messrs. BDO Limited as Auditor and authorise the Board of Directors to fix its remuneration.
4. To consider and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions:
 - (A) “**THAT:**
 - (a) subject to sub-paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares or securities convertible into shares of the Company, or options, warrants or similar rights to subscribe for any shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in sub-paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in sub-paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, or (iii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“**Rights Issue**” means an offer of shares in the share capital of the Company or an offer or issue of warrants or options or similar instruments to subscribe for shares in the share capital of the Company open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

(B) “**THAT**:

- (a) subject to sub-paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other exchange in accordance with all the applicable laws and the requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which may be repurchased pursuant to the approval in sub-paragraph (a) of this Resolution, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

“**Relevant Period**” shall have the same meaning as ascribed to it under sub-paragraph (d) of Resolution No. 4(A) set out in the notice convening this meeting.”

- (C) “**THAT** conditional upon Resolutions Nos. 4(A) and 4(B) set out in the notice convening this meeting being passed, the aggregate nominal amount of the share capital which are repurchased by the Company after the date of the passing of this Resolution (up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution No. 4(A) set out in the notice convening this meeting.”

5. To transact any other ordinary business.

By Order of the Board
South China Assets Holdings Limited
南華資產控股有限公司
Cheung Choi Ngor
Executive Director

Hong Kong, 30 March 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from 10 June 2020 to 16 June 2020, both days inclusive, during which period no transfer of shares of the Company will be effected for the purpose of determining the identity of members who are entitled to attend and vote at the meeting. In order to register the transfers, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on 9 June 2020.
2. A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and on a poll vote in his/her stead in accordance with the Articles of Association. A proxy need not be a member of the Company.
3. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited with the Company's branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the annual general meeting or any adjourned meeting thereof, should he/she so wish.
4. In the case of joint shareholdings, any one of such persons may vote, either personally or by proxy in respect of such share, provided that if more than one of such joint holders be present at the meeting or any adjournment thereof, personally or by proxy, the more senior shall alone be entitled to vote and for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members in respect of the joint holding.
5. With regard to the resolutions set out in items 4(A) to 4(C) of this notice, the Directors wish to state that they have no immediate proposals either to issue or repurchase any securities of the Company. Approval is being sought from members for general mandates pursuant to the GEM Listing Rules.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 8:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.scassets.com and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify the shareholders of the Company of the date, time and venue of the rescheduled meeting.