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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)

DECISION OF THE GEM LISTING COMMITTEE

This announcement is made by South China Assets Holdings Limited (the “Company”) pursuant to Rule 9.17 of the Rules Governing the Listing on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 3 April 2020 and 15 April 2020 respectively (collectively, the “Announcements”). Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board wishes to inform the Shareholders and potential investors that the review hearing of the Decision by the GEM Listing Committee was taken place on 9 September 2020. On 24 September 2020, the Company received a letter dated 24 September 2020 from the GEM Listing Committee, notifying the Company that the GEM Listing Committee had decided to uphold the Decision to suspend trading in the Shares under GEM Listing Rule 9.04(3) (the “LC’s Decision”) as it was of the view that the Company failed to carry out a business with a sufficient level of operations and assets of sufficient value to support its operations under GEM Listing Rule 17.26 to warrant the continued listing.

The GEM Listing Committee arrived at the LC’s Decision, amongst others, the following reasons:

- (a) the Company has three business segments of (i) the property development business; (ii) the financial services business; and (iii) the face mask business with minimal operations, which are not viable and sustainable; and
- (b) the Company’s interim results for the six months ended 30 June 2020 indicated that the Company continued to have minimal operations.

Given GEM Listing Rules 4.06(2) and 4.08(1), the Company may request the LC's Decision be referred to the GEM Listing Review Committee for a further and final review, and the review request must be served on the Secretary of the GEM Listing Review Committee within seven (7) business days of receipt of the LC's Decision, i.e. on or before 7 October 2020. If the Company does not apply for a review of the LC's Decision by 7 October 2020, trading in the Shares will be suspended from 9:00 a.m. on 8 October 2020. Before that, trading in the Shares will continue. The Company is in the process of seeking professional advice and will actively consider lodging a request for reviewing the LC's Decision.

Further announcement will be made by the Company on the development of this matter as and when appropriate in accordance with the GEM Listing Rules.

Shareholders of the Company who have queries about the implication of the delisting of the Shares are advised to seek appropriate professional advice.

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, 24 September 2020

As at the date of this announcement, the directors of the Company are (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.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this 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 announcement misleading.

This 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.