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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)**

### **QUARTERLY UPDATE ON SUSPENSION OF TRADING**

This announcement is made by South China Assets Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 17.26A of the GEM Listing Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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, 15 April 2020, 24 September 2020, 29 September 2020, 27 January 2021 and 29 January 2021 (collectively, the “**Announcements**”). As disclosed in the announcement dated 29 January 2021, the Stock Exchange set out Resumption Guidance for resumption of trading in the Shares, which is to demonstrate the Company’s compliance with Rule 17.26 of the GEM Listing Rules. Unless otherwise specified, all capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

### **QUARTERLY UPDATE ON SUSPENSION OF TRADING**

The Board wishes to provide an update on the development of the Group in respect of resumption of trading of the Shares as follows:

#### **1. Business operations**

The Group is principally engaged in (i) property development (including project management services); (ii) financial services; and (iii) sale of face masks and related products.

##### ***Property development***

As disclosed in the Company’s 2020 annual report, revenue attributed to this segment was approximately HK\$1.3 million for the financial year ended 31 December 2020 which was derived from the provision of comprehensive management services of a property project in Tianjin, the PRC, and no revenue from sale of property was recognized.

As at the date of this announcement, the Group pre-sold approximately 9% residential premises in the first complex of phase 2 of Zhongjie project, and revenue will be recognized when control over the property has been transferred to the customer as per the accounting policy.

As disclosed in the circular of the Company dated 3 February 2021, the Group had entered into two engagement agreements in respect of provision of project management services (including but not limited to design, planning and construction) for a property project in Nanjing, the PRC, which were subsequently approved by its independent shareholders on 23 February 2021, and such engagements would generate total revenue of RMB62.4 million (equivalent to approximately HK\$73.1 million) from 2021 to 2025.

As the life cycle of each property development project involves long period before any revenues are recognized, whilst the preparatory and construction works are carried out, the Group continues to be engaged in provision of project management services for property projects in the PRC by actively sourcing new contracts to drive up higher revenue and operating profit. The Group has been in the final negotiation stage with an independent third party for being engaged to provide project management services for various projects in the PRC, and it is expected that the engagement contract with such independent third party will be effective in early of May 2021.

### ***Financial services***

This segment covers a wide range of financial services including but not limited to investment advisory services, money lending and wealth management. As disclosed in the Company's 2020 annual report, revenue of approximately HK\$1.9 million was generated from money lending business for the financial year ended 31 December 2020 (2019: approximately HK\$1.1 million), and there was no revenue generated from provision of investment advisory services due to poor market sentiment attributable to COVID-19.

The Group is striving to enhance its business scope in regulated activities under Securities and Futures Ordinance by having discussions with a prospective client for engagement of a wholly-owned subsidiary of the Company, and another wholly-owned subsidiary of the Company is in the process of applying an insurance broker company licence for general insurance for expansion of its wealth management business in insurance brokerage, and is in negotiation the cooperation terms with one of the international insurance brokerage companies for co-brokerage.

### ***Sales of face masks and related products***

As disclosed in the Company's 2020 annual report, revenue from this new business starting from the second quarter of 2020 was approximately HK\$2.5 million. The Company will keep sourcing new contracts for improving revenue and profitability.

## **2. Resumption plan**

As disclosed in the announcement of the Company dated 29 January 2021, the Stock Exchange has set out the Resumption Guidance for the Company as follows:

- demonstrate that the Company is in compliance with GEM Listing Rule 17.26.

In order to fulfill the Resumption Guidance, the Group continues to review its current businesses and financial position from time to time and is committed to improving the business operations and identifying business and investment opportunities to expand its source of income.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 28 January 2021 and will continue to be suspended until further notice. Further announcement(s) in respect of the progress of resumption of trading of the Shares will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

In this announcement, for reference only, the exchange rate between HK\$ and RMB is at the rate of HK\$100 = RMB85.4.

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, 27 April 2021

*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 GEM Listing Rules 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](http://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](http://www.scassets.com).*