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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, the “**Group**”) pursuant to Rule 17.26A of the 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 provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 3 April 2020, 15 April 2020, 24 September 2020, 29 September 2020, 27 January 2021, 29 January 2021, 27 April 2021, 27 July 2021 and 27 October 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 third quarterly report of the Company for the nine months ended 30 September 2021 (the “**2021 Q3 Report**”), revenue attributable to this segment was approximately HK\$22,076,000 for the nine months ended 30 September 2021 (for the nine months ended 30 September 2020: nil) which was derived from the provision of comprehensive management services of the property projects, and no revenue from sale of property was recognized.

As at the date of this announcement, the Group pre-sold approximately 49% 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.

Since January 2021, the Group has secured new contracts in various short-term projects and will continuously strive to source new contracts (both long-term and short-term) for widening the operation and in turn driving up higher revenue and operating profit. The following table sets out the number of property management projects handled by the Group as at the date of this announcement:

	<b>Completed</b>	<b>In-progress</b>
Long-term (above 6 months) property management projects	—	2
Short-term (below 6 months) property management projects	19	—

### ***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 2021 Q3 Report, revenue attributable to this segment was approximately HK\$698,000 for the nine months ended 30 September 2021 (for the nine months ended 30 September 2020: approximately HK\$1,480,000).

In order to enhance the Group's business scope, a wholly-owned subsidiary of the Company has entered into a contract in respect of co-brokerage business with an international insurance brokerage company in 2021.

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

As disclosed in the 2021 Q3 Report, revenue from this segment for the nine months ended 30 September 2021 was approximately HK\$1,528,000 (for the nine months ended 30 September 2020: approximately HK\$2,272,000).

The Company will keep sourcing new contracts for improving revenue and profitability in this segment.

## **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 sources 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.

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 January 2022

*As at the date of this announcement, the directors of the Company are (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor 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).*