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## **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)**

### **UPDATE ON A DISCLOSEABLE TRANSACTION**

This announcement is made in accordance with Rule 14.36 of the Listing Rules in respect of the Supplemental Agreement which constitutes a material variation of the discloseable transaction announced by the Company on 1 December 2021.

Reference is made to the announcement issued by the Company on 1 December 2021 in relation to the disposal of the 100% equity interest in the Target Company at the consideration of RMB225,000,000 (equivalent to approximately HK\$274,390,000).

On 4 August 2022 (after trading hours), the Purchaser, the Second Purchaser, the Purchaser Guarantor, the Vendor and the Vendor Guarantor entered into the Supplemental Agreement pursuant to which an additional purchaser (i.e. the Second Purchaser) is introduced and the consideration to be paid by the Purchaser and the Second Purchaser shall be in accordance with the terms and conditions set out therein. Upon Completion, the Purchaser and the Second Purchaser will respectively hold 90% and 10% equity interest in the Target Company.

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## **SUPPLEMENTAL AGREEMENT**

Date: 4 August 2022 (after trading hours)

Parties: Vendor;  
Vendor Guarantor;  
Purchaser;  
Second Purchaser; and  
Purchaser Guarantor

to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Purchaser, the Second Purchaser, the Purchaser Guarantor and their ultimate beneficial owner are Independent Third Parties.

Consideration: The consideration of RMB225,000,000 (equivalent to approximately HK\$274,390,000) shall be settled as follows:

- (i) an amount of RMB58,000,000 (equivalent to approximately HK\$70,732,000) shall be paid by the Purchaser within ten (10) Business Days from the date of the Equity Transfer Agreement (as at the date of this announcement, an amount of RMB58,000,000 (equivalent to approximately HK\$70,732,000) was paid by the Purchaser subsequent to the date of the Equity Transfer Agreement (the sharing of such amount between the Purchasers shall be subject to their mutual agreement)); and
- (ii) the balance of the consideration, being RMB167,000,000 (equivalent to approximately HK\$203,658,000) shall be paid by the Purchasers into two (2) escrow accounts designated by the parties thereto upon (1) completion of site inspection of the Property by the Purchasers; and (2) the date of the application of the registration of the Disposal with the relevant governing authorities in the PRC.

Other terms: All the other terms and conditions of the Equity Transfer Agreement remain unchanged and are in full force and effect.

## **INFORMATION ON THE SECOND PURCHASER**

The Second Purchaser is a company incorporated under the laws of PRC. It is principally engaged in the provision of general commercial services and equity investment businesses. As at the date of this announcement, the ultimate beneficial owner of the Second Purchaser is Mr. Chen Jianmin\* (陳健民) who is an Independent Third Party.

## REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT

The terms of the Supplemental Agreement are determined after arm's length's negotiations with the Purchasers. The structure of the Disposal does not have any material change save and except an additional purchaser (i.e. the Second Purchaser) is introduced as per the request of the Purchaser and the total consideration of the Disposal remains unchanged. The Board considers that the terms of the Supplemental Agreement are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

The transaction contemplated under the Equity Transfer Agreement constituted a discloseable transaction for the Company under the Listing Rules and was announced by the Company on 1 December 2021. The Supplemental Agreement constitutes a material variation to such discloseable transaction and this announcement is made in accordance with Rule 14.36 of the Listing Rules.

**Shareholders and potential investors of the Company should note that the Disposal is subject to the satisfaction of the conditions under the Equity Transfer Agreement (as supplemented by the Supplemental Agreement) and therefore may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set opposite them below:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong and the PRC are generally open for business
“Company”	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)
“Completion”	completion of the Disposal under the Equity Transfer Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal by the Vendor of the 100% of the equity interest in the Target Company subject to and upon the terms and conditions of the Equity Transfer Agreement

“Equity Transfer Agreement”	the equity transfer agreement dated 1 December 2021 entered into among the Vendor, the Vendor Guarantor, the Purchaser and the Purchaser Guarantor regarding the sale and purchase of 100% of the equity interest in the Target Company, as supplemented and amended by the Supplemental Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is not a connected person of the Company and is a third party independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Property”	located at Changan Town, Xiaobian Administrative Zone* (長安鎮霄邊管理區), Dongguan City, the PRC with a site area of approximately 34,000 square meters
“Purchaser”	Dongguan City Guanxinzhongnan Shiye Company Limited* (東莞市莞信中南實業投資有限公司), a limited liability company incorporated under the laws of the PRC
“Purchasers”	the Purchaser and the Second Purchaser
“Purchaser Guarantor”	Dongguan City Guangda Property Development Company Limited* (東莞市光大房地產開發有限公司), a limited liability company incorporated under the laws of the PRC, the guarantor for the Purchaser and the Second Purchaser
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the holders of the ordinary shares in the issued share capital of the Company

“Second Purchaser”	Dongguan City Jianxing Equity Investment Company Limited* (東莞市健行股權投資有限公司), a limited liability company incorporated under the laws of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement dated 4 August 2022 entered into among the Vendor, the Vendor Guarantor, the Purchaser, the Second Purchaser and the Purchaser Guarantor regarding the sale and purchase of 100% of the equity interest in the Target Company
“Target Company”	Dongguan Nority Corporate Management Limited* (東莞耐力企業管理有限公司), a limited liability company incorporated under the laws of the PRC which is wholly-owned by the Vendor, having a land use right of the Property with a site area of approximately 34,000 square meters
“Vendor”	Hong Kong Nority Development Limited, a company incorporated under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Vendor Guarantor”	Taimei Huasheng (Huizhou) Electronics Company Limited* (泰美華升(惠州)電子有限公司), a limited liability company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“%”	per cent

*In this announcement, for reference only, the exchange rate between HK\$ and RMB is at the rate of HK\$100 = RMB82.*

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

Hong Kong, 4 August 2022

*As at the date of this announcement, the Directors are: (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor 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) Mrs. Tse Wong Siu Yin Elizabeth, Mr. Kam Yiu Shing Tony, Ms. Pong Scarlett Oi Lan, BBS, J.P. and Mr. Wong Chun Tat, J.P. as independent non-executive Directors.*

*The English translation of an entity or company's name in Chinese which is marked with "\*" is for identification purpose only. If there is any inconsistency between the Chinese names of entities or companies established in the PRC and their English translations, the Chinese names shall prevail.*