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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)**

### **CONTINUING CONNECTED TRANSACTIONS — EARLY TERMINATION OF (1) THE ENGAGEMENT AGREEMENT; (2) THE ENGAGEMENT AGREEMENT I AND THE ENGAGEMENT AGREEMENT II**

References are made to the announcements of South China Holdings Company Limited (the “**Company**”) dated 6 October 2020 and 31 December 2020 (collectively, the “**Announcements**”) in relation to (i) the Engagement; and (ii) the Engagement I and the Engagement II. Unless otherwise specified, all capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

The SCHC Board wishes to announce that (i) on 11 March 2022, Tianjin Yuji served a notice to Cangzhou Real Estate in accordance with the terms of the Engagement Agreement to early terminate the Engagement Agreement with effect from 18 March 2022; (ii) on 11 March 2022, Nanjing Electrical served a notice to Cangzhou Real Estate in accordance with the terms of the Engagement Agreement I to early terminate the Engagement Agreement I with effect from 18 March 2022; and (iii) on 11 March 2022, Nanjing Electrical served a notice to Cangzhou Real Estate in accordance with the terms of the Engagement Agreement II to early terminate the Engagement Agreement II with effect from 18 March 2022. Upon such terminations, all rights and obligations of the parties to the Engagement Agreement, the Engagement Agreement I and the Engagement Agreement II shall cease and no party shall have any claim against each other in connection with the Engagement Agreement, the Engagement Agreement I and the Engagement Agreement II.

Although the SCHC is optimistic about the development of the property market in the PRC in the long run, the property market in the PRC is suffering the headwinds from the third quarter of 2021. In order to mitigate the impact of the slowdown on the property market in the PRC, the SCHC Board is of the view that the development of small-scale property projects should be postponed. The SCHC Board believes that the termination of the Engagement Agreement, the Engagement Agreement I and the Engagement Agreement II is in the interests of the Company and the Shareholders as a whole as the Company could focus its resources to develop the flag-ship property project in Shenyang, the PRC.

The SCHC Board is of the view that the termination of the Engagement Agreement, the Engagement Agreement I and the Engagement Agreement II does not have any material adverse impact on the overall performance of the existing business and financial position of the Group.

After the termination of the Engagement Agreement, the Engagement Agreement I and the Engagement Agreement II, the continuing connected transactions will be terminated correspondingly.

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, 11 March 2022

*As at the date of this announcement, the directors of the Company 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) Mr. Chiu Sin Chun, 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.*