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SOUTH CHINA (CHINA) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 413)

CONTINUING CONNECTED TRANSACTION IN RELATION TO THE RENEWAL OF THE PREVIOUS JESSICACODE RENTAL AGREEMENT

THE JESSICACODE RENTAL AGREEMENT

On 30 June 2015, Copthorne, an indirect wholly-owned subsidiary of the Company, as the landlord, entered into the Jessicacode Rental Agreement with Jessicacode, a company indirectly wholly-owned by Mr. Ng, as the tenant, for the lease of the Premises at a monthly rental of HK\$30,123.50 for a term of two years commencing on 1 July 2015.

LISTING RULES IMPLICATIONS

Mr. Ng is the Chairman, an Executive Director and a controlling shareholder of the Company and therefore a connected person of the Company. As Mr. Ng is also the ultimate beneficial owner of Jessicacode, Jessicacode is an associate of Mr. Ng and therefore a connected person of the Company. Accordingly, the transaction under the Jessicacode Rental Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable Percentage Ratios (other than the profits ratio) calculated in accordance with the Listing Rules for the continuing connected transaction under the Jessicacode Rental Agreement on an annual basis is less than 0.1%, the transaction under the Jessicacode Rental Agreement on a standalone basis is fully exempt from Shareholders' approval, annual review and all disclosure requirements under Rule 14A.76(1) of the Listing Rules.

When aggregating the continuing connected transactions under the Jessicacode Rental Agreement and the Other Existing Tenancies in accordance with Rule 14A.81 of the Listing Rules, the applicable Percentage Ratios (other than the profits ratio) in respect of the above aggregated continuing connected transactions on an annual basis are less than 5%. Accordingly, the transactions under the Jessicacode Rental Agreement and the Other Existing Tenancies are exempt from the Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

THE JESSICACODE RENTAL AGREEMENT

The Board announces the entering into of the Jessicacode Rental Agreement by Copthorne, an indirect wholly-owned subsidiary of the Company, as the landlord, and Jessicacode, a company indirectly wholly-owned by Mr. Ng, as the tenant, in respect of the Premises and the principal particulars of the Jessicacode Rental Agreement are set out below:

Date:	30 June 2015
Parties:	(1) Copthorne (as the landlord); and (2) Jessicacode (as the tenant)
Premises:	Unit C, 3rd Floor, Wah Shing Centre, 5 Fung Yip Street, Chai Wan, Hong Kong
Term:	2 years from 1 July 2015 to 30 June 2017 (both days inclusive)
Rental:	HK\$30,123.50 per month (exclusive of management fees, government rates and utility charges)

REASONS FOR AND BENEFITS OF THE JESSICACODE RENTAL AGREEMENT

The rental for the Premises was arrived at after arm's length negotiations between Copthorne and Jessicacode by reference to the rental charged by Copthorne to other subsidiaries of the Company and independent third parties for other units in Wah Shing Centre of which the Premises form a part and the prevailing market rentals in other industrial buildings in the vicinity.

The Premises is held by Copthorne as investment property for rental income. The entering into of the Jessicacode Rental Agreement, which is a renewal of the Previous Jessicacode Rental Agreement, provides the Group with stable rental income without discontinuance. The Directors (including the independent non-executive Directors) consider that the terms of the Jessicacode Rental Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Jessicacode Rental Agreement is in the ordinary and usual course of business of the Company and in the interests of the Group and the Shareholders as a whole.

AGGREGATE ANNUAL CAPS OF THE JESSICACODE RENTAL AGREEMENT AND THE OTHER EXISTING TENANCIES

The Directors propose the aggregate annual caps, being the maximum aggregate annual value as defined under the Listing Rules, for the rental to be received by the Group under the Jessicacode Rental Agreement and the Other Existing Tenancies for the financial year ending 31 December 2015 will be approximately HK\$6 million. As the Other Existing Tenancies will expire on or before 31 December 2015, no aggregate annual caps for the financial years of 2016 and 2017 have been provided.

INFORMATION ON THE COMPANY AND JESSICACODE

The Company is an investment holding company. Its principal subsidiaries are engaged in the trading and manufacturing of toys, shoes, electronic toys and leather products, property investment and development, and agriculture and forestry.

Jessicacode is engaged in the provision of management services.

LISTING RULES IMPLICATIONS

Mr. Ng is the Chairman, an Executive Director and a controlling shareholder of the Company and therefore a connected person of the Company. As Mr. Ng is also the ultimate beneficial owner of Jessicacode, Jessicacode is an associate of Mr. Ng and therefore a connected person of the Company. Accordingly, the transaction under the Jessicacode Rental Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Ms. Ng Yuk Mui Jessica (“Ms. Ng”) is a Non-executive Director of the Company and the sole director of Jessicacode. Therefore, she has an interest in the Jessicacode Rental Agreement.

As Mr. Ng has a material interest in the Jessicacode Rental Agreement and Ms. Ng has an interest in the Jessicacode Rental Agreement, they, together with Mr. Ng Yuk Fung Peter, an Executive Director of the Company and a son of Mr. Ng, for good corporate governance, did not participate in the Board’s deliberations on the Jessicacode Rental Agreement and the transactions contemplated thereunder and abstained from voting on the resolutions at the relevant Board meeting.

As the applicable Percentage Ratios (other than the profits ratio) calculated in accordance with the Listing Rules for the continuing connected transaction under the Jessicacode Rental Agreement on an annual basis is less than 0.1%, the transaction under the Jessicacode Rental Agreement on a standalone basis is fully exempt from Shareholders’ approval, annual review and all disclosure requirements under Rule 14A.76(1) of the Listing Rules.

When aggregating the continuing connected transactions under the Jessicacode Rental Agreement and the Other Existing Tenancies in accordance with Rule 14A.81 of the Listing Rules, the applicable Percentage Ratios (other than the profits ratio) in respect of the above aggregated continuing connected transactions on an annual basis are less than 5%. Accordingly, the transactions under the Jessicacode Rental Agreement and the Other Existing Tenancies are exempt from the Shareholders’ approval requirement and only subject to the reporting, announcement and annual review requirements under Rule 14A.76(2) of the Listing Rules.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	South China (China) Limited, an exempted company incorporated in the Cayman Islands with limited liability;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Copthorne”	Copthorne Holdings Corp., a company incorporated in Panama with limited liability, which is an indirect wholly-owned subsidiary of the Company;
“Directors”	directors of the Company;
“Four Seas Tenancy Agreement”	the tenancy agreement entered into between Glorious Dragon Investments Limited, an indirect wholly-owned subsidiary of the Company, as the landlord and Four Seas Tours Limited, a company incorporated in Hong Kong with limited liability and indirectly non-wholly owned by Mr. Ng, as the tenant, on 30 December 2013, in respect of the premise at 2/F., On Lok Yuen Building, 25, 27 and 27A Des Voeux Road Central, Hong Kong at a monthly rental of HK\$126,096 for a term of two years from 1 January 2014 to 31 December 2015, the particulars of which are disclosed in the announcement of the Company dated 30 December 2013;
“Group”	the Company and its subsidiaries;
“HK Four Seas Tenancy Agreement”	the tenancy agreement entered into between First City Limited, an indirect wholly-owned subsidiary of the Company, as the landlord and Hong Kong Four Seas Tours Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Mr. Ng, as the tenant, on 30 December 2013, in respect of the premise at 1/F., On Lok Yuen Building, 25, 27 and 27A Des Voeux Road Central, Hong Kong at a monthly rental of HK\$129,504 for a term of two years from 1 January 2014 to 31 December 2015, the particulars of which are disclosed in the announcement of the Company dated 30 December 2013;

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Jessicacode”	Jessicacode Management Limited, a company incorporated in Hong Kong with limited liability, which is indirectly wholly-owned by Mr. Ng;
“Jessicacode Rental Agreement”	the rental agreement entered into between Copthorne as the landlord and Jessicacode as the tenant, the principal particulars of which are set out under the sub-heading “The Jessicacode Rental Agreement” of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Ng”	Mr. Ng Hung Sang, the Chairman, an Executive Director and a controlling shareholder of the Company, who is also the ultimate beneficial owner of Jessicacode;
“Other Existing Tenancies”	the tenancies under the SCM Rental Agreements, the Four Seas Tenancy Agreement, the HK Four Seas Tenancy Agreement and the Previous Jessicacode Rental Agreement;
“Percentage Ratio(s)”	has the meaning ascribed to it under the Listing Rules;
“Premises”	Unit C, 3rd Floor, Wah Shing Centre, 5 Fung Yip Street, Chai Wan, Hong Kong;
“Previous Jessicacode Rental Agreement”	the tenancy agreement entered into between Copthorne as the landlord and Jessicacode as the tenant on 25 June 2013 in respect of the Premises at a monthly rental of HK\$27,385 (exclusive of management fees, government rates and utility charges) for a term of two years from 1 July 2013 to 30 June 2015, the particulars of which are disclosed in the announcement of the Company dated 25 June 2013;
“SCM Rental Agreements”	the rental agreements entered into between Copthorne as the landlord and South China Media Management Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Mr. Ng, as the tenant, on 30 December 2013, in respect of the premises at Units A, B and D on 3rd Floor, Units A, B, C and D on 4th Floor and Unit B on 12th Floor together with car parking spaces no. 12A, 12B, 13A and 13B of Wah Shing Centre, 5 Fung Yip Street, Chai Wan, Hong Kong for a term of two years from 1 January 2014 to 31

December 2015 at an aggregate monthly rental of HK\$215,505, the particulars of which are disclosed in the announcement of the Company dated 30 December 2013;

“Shareholders”	the holders of the ordinary shares in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

By Order of the Board of
South China (China) Limited
Cheung Choi Ngor
Executive Director

Hong Kong, 30 June 2015

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, Mr. Ng Yuk Fung Peter and Mr. Law Albert Yu Kwan as executive directors; (2) Ms. Ng Yuk Mui Jessica and Mr. David Michael Norman as non-executive directors; and (3) Mr. Chiu Sin Chun, Mrs. Tse Wong Siu Yin Elizabeth, Ms. Li Yuen Yu Alice, Mr. Yip Dicky Peter, J.P., Dr. Leung Tony Ka Tung and Mr. Lau Lai Chiu Patrick as independent non-executive directors.