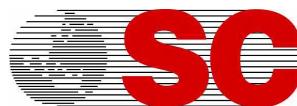


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SOUTH CHINA (CHINA) LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 413)



SOUTH CHINA HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 265)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE FOUR SEAS RENTAL AGREEMENTS

THE FOUR SEAS RENTAL AGREEMENTS

On 30 December 2013, two indirect wholly-owned subsidiaries of SCC, as the landlords entered into the Four Seas Rental Agreements with HK Four Seas and Four Seas respectively, two indirect wholly-owned subsidiaries of SCH, as the tenants for the tenancies of two premises at an aggregate monthly rental of HK\$255,600 for a term of two years commencing on 1 January 2014.

LISTING RULES IMPLICATIONS

Mr. Ng is the Chairman, an Executive Director and a substantial shareholder of each of SCC and SCH, and therefore a connected person of each of SCC and SCH. Accordingly, the transactions under the Four Seas Rental Agreements constitute continuing connected transactions for each of SCC and SCH under Rule 14A.14 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 transactions under the Four Seas Rental Agreements on an annual basis are less than 5%, the transactions under the Four Seas Rental Agreements are only subject to the reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirements under the Listing Rules.

Details of the Four Seas Rental Agreements will be included in the next published annual report and accounts of each of SCC and SCH pursuant to Rule 14A.45 of the Listing Rules.

THE FOUR SEAS RENTAL AGREEMENTS

On 30 December 2013, two indirect wholly-owned subsidiaries of SCC, as the landlords entered into the Four Seas Rental Agreements with HK Four Seas and Four Seas respectively,

two indirect wholly-owned subsidiaries of SCH, as the tenants for the tenancies of two premises at an aggregate monthly rental of HK\$255,600 (exclusive of management fees, government rates and utility charges) for a term of two years commencing on 1 January 2014. Details of which are set out as follows:

	<u>Landlord</u>	<u>Tenant</u>	<u>Event</u>	<u>Monthly rent HK\$</u>	<u>Premises</u>
1.	First City	HK Four Seas	Renewal of tenancy	129,504	1/F, On Lok Yuen Building, 25, 27 and 27A Des Voeux Road Central, Hong Kong
2.	Glorious Dragon	Four Seas	New tenancy	126,096	2/F, On Lok Yuen Building, 25, 27 and 27A Des Voeux Road Central, Hong Kong

REASONS FOR AND BENEFITS OF THE FOUR SEAS RENTAL AGREEMENTS

The rental for the premises was arrived at after arm's length negotiations between the parties by reference to the prevailing market rentals of properties of similar size and area in the vicinity. The consideration to be paid by the SCH Group will be satisfied by internal resources.

One of the principal activities of the SCC Group is to engage in properties investment and the Four Seas Rental Agreements provide the SCC Group with stable rental income without discontinuance and allow the HK Four Seas and Four Seas to continue the business operation in the premises.

Directors of SCC (including the independent non-executive directors) believe that the terms of the Four Seas Rental Agreements are on normal commercial terms and are fair and reasonable and the entering into of the Four Seas Rental Agreements are in the ordinary and usual course of business of SCC and in the interests of SCC Group and the shareholders of SCC as a whole.

Directors of SCH (including the independent non-executive directors) also believe that the terms of the Four Seas Rental Agreements are on normal commercial terms and are fair and reasonable and the entering into of the Four Seas Rental Agreements are in the ordinary and usual course of business of SCH and in the interests of SCH Group and the shareholders of SCH as a whole.

PROPOSED ANNUAL CAP

Directors of SCC propose that the annual cap, which means the maximum aggregate annual value as defined under the Listing Rules, is HK\$3.07 million, being the rental to be received under the Four Seas Rental Agreements for each year.

INFORMATION ON SCC

SCC 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.

INFORMATION ON SCH, HK FOUR SEAS AND FOUR SEAS

SCH is an investment holding company. Its subsidiaries are principally engaged in sale of air-tickets and other travel related and other services, trading and manufacturing of jewellery products, and the SCH Group's management services and other investment holding.

HK Four Seas and Four Seas are principally engaged in the sale of air-tickets and provision of travel related or services.

LISTING RULES IMPLICATIONS

Mr. Ng is the Chairman, an Executive Director and a substantial shareholder of each of SCC and SCH, and therefore a connected person of each of SCC and SCH. Accordingly, the transactions under the Four Seas Rental Agreements constitute continuing connected transactions for each of SCC and SCH under Rule 14A.14 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 transactions under the Four Seas Rental Agreements on an annual basis are less than 5%, the transactions under the Four Seas Rental Agreements are only subject to the reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirements under the Listing Rules.

Details of the Four Seas Rental Agreements will be included in the next published annual report and accounts of each of SCC and SCH pursuant to Rule 14A.45 of the Listing Rules. Each of SCC and SCH will re-comply with the Listing Rules if the Four Seas Rental Agreements be renewed upon maturity.

DEFINITIONS

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

“connected person”	has the meaning ascribed to it under the Listing Rules;
“First City”	First City Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of SCC;

“Four Seas”	Four Seas Tours Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of SCH;
“Four Seas Rental Agreements”	the two rental agreements entered into between two indirect wholly-owned subsidiaries of SCC as the landlords and HK Four Seas and Four Seas as the tenants, the principal particulars of which are set out under the sub-heading “The Four Seas Rental Agreements” of this announcement;
“Glorious Dragon”	Glorious Dragon Investments Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of SCC;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK Four Seas”	Hong Kong Four Seas Tours Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of SCH;
“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 substantial shareholder of each of SCC and SCH;
“Percentage Ratio(s)”	has the meaning ascribed to it under the Listing Rules;
“SCC”	South China (China) Limited, an exempted company incorporated in the Cayman Islands with limited liability and registered as a non-Hong Kong company under the Companies Ordinance, Chapter 32 of the laws of Hong Kong,;
“SCC Group”	SCC and its subsidiaries;
“SCH”	South China Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and registered as a non-Hong Kong company under the Companies Ordinance, Chapter 32 of the laws of Hong Kong;
“SCH Group”	SCH and its subsidiaries;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder”	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
South China (China) Limited
Cheung Choi Ngor
Executive Director

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

Hong Kong, 30 December 2013

As at the date of this announcement, the board of directors of SCC comprises (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 as non-executive director; 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.

As at the date of this announcement, the board of directors of SCH comprises (1) Mr. Ng Hung Sang, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor and Mr. Ng Yuk Fung Peter as executive directors; (2) Ms. Ng Yuk Mui Jessica and Mr. David Michael Norman as non-executive directors; and (3) Mr. David John Blackett, Mrs. Tse Wong Siu Yin Elizabeth and Mr. Cheng Hong Kei as independent non-executive directors.