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SOUTH CHINA FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of South China Financial Holdings Limited (the “Company”) will be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 5 June 2012 at 10:30 a.m. for the following purposes:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements together with the Directors’ Report and Independent Auditors’ Report for the year ended 31 December 2011.
2. To re-elect Mr. Richard Howard Gorges as Director.
3. To re-elect Mr. Ng Yuk Yeung, Paul as Director.
4. To re-elect Mr. Chan Hing Wah as Director.
5. To re-elect Mrs. Tse Wong Siu Yin, Elizabeth as Director.
6. To authorise the Board of Directors to fix the Directors’ remuneration.
7. To re-appoint Messrs. Ernst & Young as Auditors and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

8. To consider and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions:

(A) **“THAT:**

- (a) subject to sub-paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in sub-paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, or (iii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company, the Companies Ordinance of Hong Kong or any other applicable law to be held; and

- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares in the share capital of the Company or an offer or issue of warrants or options or similar instruments to subscribe for shares in the share capital of the Company open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

(B) **“THAT:**

- (a) subject to sub-paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other exchange in accordance with all the applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which may be repurchased pursuant to the approval in sub-paragraph (a) of this Resolution, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company, the Companies Ordinance of Hong Kong or any other applicable law to be held; and

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

(C) “**THAT** conditional upon the Resolutions Nos. 8(A) and 8(B) set out in the notice convening this Meeting being passed, the aggregate nominal amount of the share capital which is repurchased by the Company after the date of the passing of this Resolution (up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution No. 8(A) set out in the notice convening this Meeting.”

(D) “**THAT**:

- (a) conditional upon the adoption of the New Share Option Scheme (as defined in Resolution No. 8(D)(b)) pursuant to Resolution No. 8(D)(b) below, the termination of the Existing Share Option Scheme be and is hereby approved;
- (b) conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the shares of HK\$0.025 each in the capital of the Company (the “Shares”) which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the new share option scheme (a copy of which is produced to the Meeting and signed by the chairman of this Meeting for the purpose of identification) (the “New Share Option Scheme”), the New Share Option Scheme be and is hereby approved and adopted by the Company and the Directors be and are hereby authorized to allot, issue and deal in the Shares pursuant to the exercise of any options which may fall to be granted under the New Share Option Scheme and to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme, and that to the extent permissible under the Articles of Association of the Company, the Listing Rules and the rules of the New Share Option Scheme, the Directors may vote in respect of any resolution(s) under or affecting the New Share Option Scheme (including the granting of options thereunder or approving the allotment and issue of Shares upon exercise of options thereunder) notwithstanding any interest(s) of any Director(s); and
- (c) the aggregate nominal amount of share capital to be allotted and issued pursuant to Resolution No. 8(D)(b) above, together with any issue of Shares upon the exercise of any options granted under any other share option schemes as may from time to time be adopted by the Company, shall not exceed 10 per cent of the Shares in issue as at the date of the passing of this Resolution.”

9. To transact any other ordinary business.

By order of the Board
South China Financial Holdings Limited
Tong Kai Wing
Company Secretary

Hong Kong, 27 April 2012

Notes:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited with the Company's share registrar, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the annual general meeting or any adjourned meeting thereof should he so wish.
3. The register of members of the Company will be closed from Friday, 1 June 2012 to Tuesday, 5 June 2012, both days inclusive, during which period no share transfers will be effected. In order to be eligible to attend and vote at the annual general meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 31 May 2012.
4. In the case of joint shareholdings, any one of such persons may vote, either personally or by proxy in respect of such share, provided that if more than one of such joint holders be present at the meeting or any adjournment thereof personally or by proxy, the more senior shall alone be entitled to vote and for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members in respect of the joint holding.
5. With regard to the resolutions set out in items 8(A) to 8(C) of this notice, the Directors wish to state that they have no immediate proposals either to issue or repurchase any shares of the Company. Approval is being sought from members as general mandates pursuant to the Listing Rules.

As at the date of this announcement, the Directors of the Company are (1) Mr. Ng Hung Sang, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor, Mr. Ng Yuk Yeung, Paul and Mr. Chan Hing Wah as executive directors; (2) Mr. Ng Tze Wai as non-executive director and (3) Mrs. Tse Wong Siu Yin, Elizabeth, Hon. Raymond Arthur William Sears, Q.C. and Mr. Tung Woon Cheung, Eric as independent non-executive directors.