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## **SOUTH CHINA FINANCIAL HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 619)**

### **ANNOUNCEMENT PURSUANT TO RULE 13.09 OF THE LISTING RULES, INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE AND RULE 3.7 OF THE TAKEOVERS CODE AND RESUMPTION OF TRADING**

This announcement is made by South China Financial Holdings Limited (the “Company”) pursuant to Rule 13.09 of the rules governing the listing of securities on the stock exchange of Hong Kong Limited (the “listing rules”) and the inside information provisions (as defined under the listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “Board”) wishes to inform the shareholders that an intermediary has approached the Company, expressing its interest in exploring the possibilities of a sale of the shareholding in the Company by its controlling shareholder (as defined under the Listing Rules) (the “Controlling Shareholder”) to a third party (the “Possibilities Explored”). If the Possibilities Explored materialize and result in an acquisition of 30% of the voting rights of the Company or above by any party and parties acting in concert therewith (collectively the “Investors”), if any, in aggregate, the Investors will be required to make a mandatory offer for all issued shares in and all outstanding share options of the Company (other than those already owned by or agreed to be acquired by such Investors, if any) in accordance with Rule 26.1 of the Code on Takeovers and Mergers (the “Takeovers Code”).

The Controlling Shareholder has confirmed that there were negotiations relating to the Possibilities Explored. The Controlling Shareholder has also confirmed that no formal agreement nor commitment has been entered into in respect of his interests in the shareholding in the Company.

The relevant securities of the Company under Rule 3.8 of the Takeovers Code comprised 5,026,084,500 shares of the Company (the “Shares”) in issue and 2,000,000 outstanding share options as at the date of this announcement. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

The associates (with the meaning ascribed thereto under the Takeovers Code, including persons holding 5% or more of a class of relevant securities of the Company) of the Company are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below in accordance with Rule 3.8 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries: stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

“Executive” in the above has the meaning ascribed to it under the Takeovers Code.

**There is no assurance whatsoever that the intermediaries’ interest in the Possibilities Explored in respect of the sale of the shareholding in the Company by its Controlling Shareholder may lead to further discussion or negotiation among them and, hence, any offer for the Shares in the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has been halted from 1:00 p.m. on Monday, 24 March 2014 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Tuesday, 25 March 2014.

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

Hong Kong, 24 March 2014

*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; and (2) Mrs. Tse Wong Siu Yin Elizabeth, Hon. Raymond Arthur William Sears, Q.C. and Mr. Tung Woon Cheung Eric as independent non-executive directors.*

*All the directors of the Company jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*