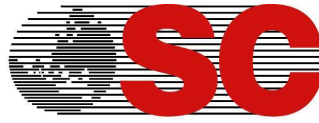


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## **SOUTH CHINA FINANCIAL HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 619)**

### **ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE**

Reference is made to the announcement of South China Financial Holdings Limited (the “Company”) dated 24 March 2014 (the “Announcement”) regarding the inside information in respect of an intermediary which approached the Company and expressed its interest in exploring the possibilities of a sale of the shareholding in the Company by its controlling shareholder (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) to a third party. Unless otherwise defined, all capitalized terms used herein shall have the respective meanings ascribed to them in the Announcement.

The board of directors of the Company (the “Board”) wishes to update its shareholders and potential investors that the Controlling Shareholder has confirmed that no formal agreement nor commitment has been entered into in respect of his interests in the shareholding in the Company. Apart from the above, the Company was not aware of any significant development in the Possibilities Explored, which should be brought to the attention of its shareholders and potential investors, since the date of the Announcement to date.

After the offer period (as defined under the Takeovers Code) begins, the Company allotted 2,000,000 Shares on 2 April 2014 due to the exercise of share options by an employee. As at the date of this announcement, the relevant securities of the Company under Rule 3.8 of the Takeovers Code comprised 5,028,084,500 Shares in issue. 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.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possibilities Explored will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

**There is no assurance whatsoever that the intermediary’s 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.**

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

Hong Kong, 24 April 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.*