
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in South China Financial Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



SOUTH CHINA FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of South China Financial Holdings Limited (the "Company") to be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 10 June 2014 at 3:00 p.m. is set out on pages 11 to 14 of this circular.

A proxy form for use at the annual general meeting is enclosed with this circular. Whether or not you are able to attend the annual general meeting or any adjournment thereof, you are requested to read the notice and complete and return the proxy form in accordance with the instructions printed thereon, to the Company's share registrar, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof, should you so wish.

25 April 2014

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
Introduction	3
Issue Mandates and Repurchase Mandate	4
Re-election of Directors	4
Annual General Meeting	5
Vote by Poll	5
Recommendation	5
APPENDIX I — EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE.....	6
APPENDIX II — BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS	9
NOTICE OF ANNUAL GENERAL MEETING	11

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 10 June 2014 at 3:00 p.m., notice of which is set out on pages 11 to 14 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the Company’s board of Directors
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time
“Company”	South China Financial Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandates”	the general and unconditional mandates proposed under ordinary resolutions numbered 7(A) and 7(C) in the notice of the AGM set out on pages 11 to 14 of this circular to be granted to the Directors to (i) allot and issue shares of the Company up to an aggregate number not exceeding 20% of the total number of issued shares of the Company on the date of the passing of the said ordinary resolution; and (ii) to extend the mandate in (i) above by a number representing the aggregate number of the Shares repurchased by the Company made pursuant to and in accordance with the Repurchase Mandate
“Latest Practicable Date”	15 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 7(B) in the notice of the AGM set out on page 13 of this circular to be granted to the Directors to repurchase the Company’s Shares up to a maximum number equivalent to 10% of the total number of issued shares of the Company on the date of the passing of the said ordinary resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



SOUTH CHINA FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

Executive Directors:

Mr. Ng Hung Sang (*Chairman*)
Mr. Richard Howard Gorges (*Vice-chairman*)
Ms. Cheung Choi Ngor (*Vice-chairman*)
Mr. Ng Yuk Yeung Paul (*Vice-chairman*)
Mr. Chan Hing Wah (*Chief Executive Officer*)

Registered Office:

28th Floor
Bank of China Tower
1 Garden Road
Central
Hong Kong

Independent Non-executive Directors:

Mrs. Tse Wong Siu Yin Elizabeth
Hon. Raymond Arthur William Sears, Q.C.
Mr. Tung Woon Cheung Eric

25 April 2014

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the relevant information regarding (i) the proposed granting of the Issue Mandates and the Repurchase Mandate and (ii) the proposed re-election of Directors, and to give you notice of the AGM at which resolutions will be proposed to consider and, if thought fit, approve at the AGM, among other matters, the granting of the Issue Mandates and the Repurchase Mandate and the re-election of Directors.

LETTER FROM THE BOARD

ISSUE MANDATES AND REPURCHASE MANDATE

At the annual general meeting of the Company held on 4 June 2013, resolutions were passed by the Shareholders giving general unconditional mandates to the Directors to issue and allot Shares and to exercise the powers of the Company to repurchase its own Shares in accordance with the Listing Rules. These general mandates will lapse at the conclusion of the AGM.

It is therefore necessary to renew the Issue Mandates and the Repurchase Mandate at the AGM and ordinary resolutions will be proposed to seek the Shareholders' approval for granting of the Issue Mandates and the Repurchase Mandate at such meeting. Details of the aforesaid resolutions are set out in ordinary resolutions numbered 7(A), 7(B) and 7(C) in the notice of the AGM.

As at the Latest Practicable Date, the number of Shares in issue was 5,028,084,500. Subject to the passing of the resolutions in relation to the Issue Mandates and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Issue Mandates to allot a maximum of 1,005,616,900 Shares, representing 20% of the total number of issued shares of the Company.

The Issue Mandates and the Repurchase Mandate, if approved at the AGM, will continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held or until revoked or varied by ordinary resolution by the Shareholders in general meeting, whichever occurs first.

An explanatory statement as required by the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in the Appendix I to this circular.

RE-ELECTION OF DIRECTORS

At the AGM, ordinary resolutions will also be proposed to re-elect Mr. Ng Yuk Yeung Paul, Mrs. Tse Wong Siu Yin Elizabeth and Hon. Raymond Arthur William Sears, Q.C. as Directors in accordance with the Articles of Association. To enable the Shareholders to make an informed decision on the re-election of these retiring Directors, the biographical details of the retiring Directors, as required under Chapter 13 of the Listing Rules, are set out in the Appendix II to this circular.

Mrs. Tse Wong Siu Yin Elizabeth and Hon. Raymond Arthur William Sears, Q.C. were appointed as an Independent Non-executive Director of the Company on 25 November 1992 and 24 March 2000 respectively and they have served the Company for more than 9 years. Pursuant to A.4.3 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, any further appointment of an independent non-executive director in excess of 9 years should be subject to a separate resolution to be approved by Shareholders. During the period of their appointments, they have made valuable advice to the Company due to their extensive knowledge in a wide variety of industries and they have not had any relationship or interest that may interfere with their unfettered and independent judgment when exercising their duties as an Independent Non-executive Director of the Company. They met the independent guidelines set out in Rule 3.13 of the Listing Rules and have provided an annual

LETTER FROM THE BOARD

confirmation of their independence to the Company since 2005. The Directors believe that they continue to be independent and their extensive knowledge and experience of the Group's business continue to be benefit to the Company and therefore recommend Shareholders to vote in favour of their re-election.

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 11 to 14 of this circular. At the AGM, relevant resolutions will be proposed to approve the granting of the Issue Mandates and the Repurchase Mandate and the re-election of Directors.

There is enclosed with the circular a proxy form for use at the AGM. Whether or not you are able to attend the AGM or any adjournment thereof, you are requested to read the notice and complete and return the proxy form in accordance with the instructions printed thereon, to the Company's share registrar, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof, should you so wish. In the event that a Shareholder having lodged a proxy form attends the AGM, his proxy form will be deemed to have been revoked.

VOTE BY POLL

Under Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll.

RECOMMENDATION

The Directors consider that the granting of the Issue Mandates and the Repurchase Mandate and the re-election of Directors are in the best interests of the Company and the Shareholders as a whole and so recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully
For and on behalf of the Board
Ng Hung Sang
Chairman

This is an explanatory statement given to the Shareholders relating to the resolution to be proposed at the AGM authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to the Listing Rules, which is set out as follows:

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the number of Shares in issue was 5,028,084,500.

Subject to the passing of the resolution in relation to the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 502,808,450 Shares (representing 10% of the total number of issued shares of the Company) during the period from the date of the passing of the ordinary resolution numbered 7(B) in the notice of the AGM set out on page 13 of this circular up to (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 or any applicable laws to be held; or (iii) the revocation or variation of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR THE REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the Companies Ordinance. The Company is empowered by its Articles of Association to repurchase its Shares. The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for this purpose of the repurchase to such extent allowable under the Companies Ordinance.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31 December 2013) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate only in accordance with the Listing Rules, the Articles of Association and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) have any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company, nor has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as interpreted according to the Takeovers Code), depending on the level of the increase of the shareholder's interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Ng Hung Sang ("Mr. Ng"), together with his associates, was taken to be interested in 2,963,613,624 Shares of the Company, representing approximately 58.94% of the total number of issued shares of the Company, and was a substantial Shareholder. In the event that the Directors exercise the proposed Repurchase Mandate in full and assuming that there is no change in the issued share capital of the Company and the number of Shares held by Mr. Ng, together with his associates, remains unchanged, the interests of Mr. Ng and his associates in the issued share capital of the Company would be increased to approximately 65.49% and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

7. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of any Shares has been made by the Company in the six months prior to the Latest Practicable Date, whether on the Stock Exchange or otherwise.

8. SHARE PRICES

The highest and lowest prices at which Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Price per Share	
	Highest (HK\$)	Lowest (HK\$)
2013		
April	0.079	0.069
May	0.087	0.075
June	0.083	0.069
July	0.078	0.065
August	0.090	0.071
September	0.182	0.080
October	0.148	0.102
November	0.144	0.115
December	0.132	0.099
2014		
January	0.124	0.100
February	0.260	0.103
March	0.265	0.170
April (up to the Latest Practicable Date)	0.243	0.162

Details of the retiring Directors proposed to be re-elected at the AGM at the Latest Practicable Date are set out as follows:

1. Mr. Ng Yuk Yeung Paul, *Executive Director and Vice-chairman*

Aged 32, is an Executive Director and a Vice-chairman, and a member of the Executive Committee of the Company. He is also an executive director and the chief executive officer of South China Land Limited (“SCL”). The shares of SCL are listed on the Growth Enterprise Market of the Stock Exchange. Mr. Ng graduated in law from Corpus Christi College, University of Cambridge (the “University”) in the United Kingdom and is a Scholar of the University. He is a member of the Chartered Institute of Management Accountants and a member of Liaoning Province Committee of the Chinese People’s Political Consultative Conference. Mr. Ng was appointed as a Director of the Company on 15 September 2003 and was appointed as a Vice-chairman of the Company on 1 December 2010. He has been engaged in the financial services, tourism and media businesses for more than ten years. He is a son of Mr. Ng Hung Sang, the Chairman of the Company.

Mr. Ng has not entered into any service contract with the Company. He is subject to retirement at the AGM by rotation and eligible for re-election in accordance with the Articles of Association. He received a director’s fee of HK\$10,000 for the year ended 31 December 2013, which was determined by reference to his duties, experience and involvement. As at the Latest Practicable Date, Mr. Ng is holding as beneficial owner of 250,000 shares in South China Financial Credits Limited, an associated corporation of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Ng does not hold any directorship in the last three years in any other public company, the securities of which being listed in Hong Kong or overseas. He also does not hold any other position in the Company and does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

In relation to the re-election of Mr. Ng as an Executive Director of the Company, there is no other information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

2. Mrs. Tse Wong Siu Yin Elizabeth, *Independent Non-executive Director*

Aged 56, is an Independent Non-executive Director, a member of the Audit Committee and the chairman of the Remuneration and Nomination Committee of the Company. She is also an independent non-executive director of South China Holdings Limited (“SCH”) and South China (China) Limited (“SCC”). The shares of SCH and SCC are listed on the Main Board of the Stock Exchange. Mrs. Tse is also the chairman of the Hong Kong Flower Retailers Association, the convenor of Youth Skills Competition in Floristry of Vocational Training Council, the technical advisor of the Environmental Services Industry of the Employees Retraining Board, a member of the judge panel of Hong Kong Flower Show and she received an award of the Hundred Outstanding Women Entrepreneur in China in 2009. She holds a Bachelor degree of Science from the University of Western Ontario in Canada. Mrs. Tse was appointed as a Director of the Company on 25 November 1992.

Mrs. Tse has not entered into any service contract with the Company. She is subject to retirement at the AGM by rotation and eligible for re-election in accordance with the Articles of Association. She received a director's fee of HK\$75,000 for the year ended 31 December 2013, which was determined by reference to her duties, experience and involvement. As at the Latest Practicable Date, Mrs. Tse did not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mrs. Tse does not hold any directorship in the last three years in any other public company, the securities of which being listed in Hong Kong or overseas. She also does not hold any other position in the Company and does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

In relation to the re-election of Mrs. Tse as an Independent Non-executive Director of the Company, there is no other information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

3. Hon. Raymond Arthur William Sears, Q.C., *Independent Non-executive Director*

Aged 81, is an Independent Non-executive Director, a member of the Audit Committee and the Remuneration and Nomination Committee of the Company. He is a retired High Court Judge and holds a Master's degree in law from Cambridge University in the United Kingdom. Mr. Sears became a Queen's Counsel in 1975 and was a former vice-chairman of the Judicial Section of the International Bar Association. In the United Kingdom, he had been a leading Counsel in England to the Government and large Authorities on redevelopment and construction projects and to the General Medical Council. In 1986 and 1987, Mr. Sears was a Justice of the Supreme Court of Hong Kong and the Commissioner to the Sultan of Brunei, respectively. From 1994 to 1999, he was a Senior Civil High Court Judge. Mr. Sears was appointed as an Independent Non-executive Director of the Company on 24 March 2000.

Mr. Sears has not entered into any service contract with the Company. He is subject to retirement at the AGM by rotation and eligible for re-election in accordance with the Articles of Association. He received a director's fee of HK\$100,000 for the year ended 31 December 2013, which was determined by reference to his duties, experience and involvement. As at the Latest Practicable Date, Mr. Sears is holding 1,600,000 Shares as interest of spouse within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Sears does not hold any directorship in the last three years in any other public company, the securities of which being listed in Hong Kong or overseas. He also does not hold any other position in the Company and does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

In relation to the re-election of Mr. Sears as an Independent Non-executive Director of the Company, there is no other information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



SOUTH CHINA FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

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, 10 June 2014 at 3:00 p.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 2013.
2. To re-elect Mr. Ng Yuk Yeung Paul as Director.
3. To re-elect Mrs. Tse Wong Siu Yin Elizabeth as Director.
4. To re-elect Hon. Raymond Arthur William Sears, Q.C. as Director.
5. To authorise the Board of Directors to fix the Directors’ remuneration.
6. To re-appoint Messrs. Ernst & Young as Auditors and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

7. 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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 number of share of the Company 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 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 total number of issued shares 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.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares in the 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 number of 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 total number of issued shares of the Company 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.”

NOTICE OF ANNUAL GENERAL MEETING

- (C) “**THAT** conditional upon the Resolutions Nos. 7(A) and 7(B) set out in the notice convening this meeting being passed, the aggregate number of the shares in the Company which are repurchased by the Company after the date of the passing of this Resolution (up to a maximum of 10% of the aggregate number of the issued shares of the Company as at the date of passing of this Resolution) shall be added to the aggregate number 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. 7(A) set out in the notice convening this meeting.”

8. To transact any other business.

By Order of the Board
South China Financial Holdings Limited
Shing On Wai
Company Secretary

Hong Kong, 25 April 2014

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. 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.
4. With regard to the resolutions set out in items 7(A) to 7(C) of this notice, the Directors wish to state that they have no immediate proposals either to issue or repurchase any securities of the Company. Approval is being sought from members as general mandates pursuant to the Listing Rules.