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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 AND RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE AND RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”) and Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

South China Financial Holdings Limited (the “**Company**”) was informed by a shareholder of the Company, Earntrade Investments Limited (“**Earntrade**”) (a company which is beneficially interested in approximately 19.41% of the existing issued shares of the Company (the “**Shares**”), and together with the other potential selling shareholders (including Fung Shing Group Limited (“**Fung Shing**”, which holds approximately 15.75% interest of the Shares), Parkfield Holdings Limited (“**Parkfield**”, which holds approximately 14.79% interest of the Shares) and other shareholders of the Company, collectively the “**Other Selling Shareholders**”), was interested in approximately 59.38% of the existing issued shares of the Company (which Earntrade was beneficially owned as to 60% by Mr. Ng Hung Sang (“**Mr. Ng**”), 20% by Mr. Richard Howard Gorges, and 20% by Ms. Cheung Choi Ngor, all being directors of the Company, while Fung Shing and Parkfield are wholly-owned by Mr. Ng, as at the date of this announcement), that Earntrade, on behalf of itself and all the Other Selling Shareholders, was in preliminary discussion with an independent third party as purchaser (the “**Potential Purchaser**”) of a possible acquisition of the shares of the Company held by Earntrade and the Other Selling Shareholders, which, if materialised, may lead to a change in control of the Company and a mandatory general offer under the Takeovers Code for all the issued Shares (other than those already owned by or agreed to be acquired by the Potential Purchaser and parties acting in concert with it). Such possible transaction may also constitute notifiable transaction of the Company under the Listing Rules. Earntrade has also confirmed that a memorandum of understanding (“**MOU**”) has been entered into on 6 June 2014 (after trading hours) in respect of such possible transaction. Details of the MOU shall be subject to the signing of a formal agreement by the Potential Purchaser, Earntrade, and the Other Selling Shareholders.

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the aforesaid discussions 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).

The relevant securities of the Company under Rule 3.8 of the Takeovers Code comprised 5,028,084,500 Shares 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.”*

**There is no assurance whatsoever that the MOU may lead to the signing of a formal agreement 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 of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 9 June 2014 pending the release of this announcement. Application has been made by the Company for resumption of trading in its shares on the Stock Exchange with effect from 9:00 a.m. on 10 June 2014.

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

Hong Kong, 9 June 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.*