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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 RESUMPTION OF TRADING

Reference is made to the announcement of South China Financial Holdings Limited (the “**Company**”) dated 9 June 2014 (the “**First Announcement**”) regarding the inside information in respect of the possible acquisition of the shares of the Company held by Earnttrade and the Other Selling Shareholders by the Potential Purchaser (the “**Possible Transaction**”), and the announcements of the Company dated 9 July 2014, 9 August 2014 and 1 September 2014. Unless otherwise defined, all capitalized terms used herein shall have the respective meanings ascribed to them in the First Announcement.

The board of directors of the Company (the “**Board**”) wishes to update the shareholders of the Company (the “**Shareholders**”) and potential investors that, as confirmed by Earnttrade, the discussions with the Potential Purchaser about the Possible Transaction has discontinued, and Earnttrade, on behalf of itself and the Other Selling Shareholders, had agreed with the Potential Purchaser to terminate the MOU on 29 September 2014.

Therefore, the Company will cease to publish further monthly announcement in respect of the progress of the MOU and the Possible Transaction, which would otherwise be required under Rule 3.7 of the Takeovers Code. The offer period for the purpose of the Takeovers Code will end on the date of this announcement.

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 30 September 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 1:00 p.m. on 30 September 2014.

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

Hong Kong, 30 September 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.