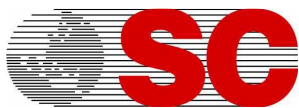
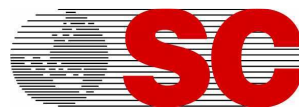


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**SOUTH CHINA LAND LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8155)**



**SOUTH CHINA FINANCIAL HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 619)**

**JOINT ANNOUNCEMENT  
CONNECTED TRANSACTION  
SALE AND PURCHASE OF  
THE ENTIRE ISSUED SHARE CAPITAL OF  
SOUTH CHINA ASSET MANAGEMENT LIMITED**

**INTRODUCTION**

On 18 May 2015 (after trading hours), SCF entered into the Agreement with WAHL (a direct wholly-owned subsidiary of SCL), whereby SCF has agreed to sell and WAHL has agreed to purchase the Sale Shares for the Net Asset Value subject to the terms and conditions set out in the Agreement.

**THE AGREEMENT**

**Date** : 18 May 2015

**Vendor** : SCF

**Purchaser** : WAHL

**Asset under the sale and purchase** : The Sale Shares

**Consideration**

The Consideration, shall be the Net Asset Value, was arrived at after arm's length negotiation between the Vendor and the Purchaser with reference to the net asset value of the Target Company as at 30 April 2015, the date to which the latest available financial statements of the Target Company were made up. As such, the Transaction is not expected to have any significant impact on the profit or loss of SCF. According to the latest available financial statements, the net asset value of the Target Company is approximately HK\$5.6 million. The Consideration shall be paid by the Purchaser to the Vendor in cash, cashier order or telegraphic or other electronic means of transfer of cleared funds at Completion.

## Conditions precedent

The Completion is conditional upon and subject to the fulfillment of certain conditions precedent as set out in the Agreement including, among other things, the approval in relation to the change of substantial shareholder (as defined under the SFO) of the Target Company having been granted by the SFC, and all other approvals, consents and authorizations of the SFC and other authorities or bodies having been obtained for the Purchaser to conduct the business of the Target Company in the Regulated Activities after Completion.

## Completion

Upon fulfillment of the conditions precedent as set out in the Agreement, Completion shall take place on the Completion Date. Upon Completion, the Target Company shall cease to be a subsidiary of SCF, and the Purchaser shall own the entire equity interest of the Target Company which will become an indirect wholly-owned subsidiary of SCL. As such, the assets and financial results of the Target Company will be consolidated into the accounts of SCL with effect from the Completion Date.

The sales proceeds from the Transaction will be used by SCF as general working capital.

The payment of the Consideration will be funded by internal resources of SCL.

## INFORMATION OF THE TARGET COMPANY

### Overview

The Target Company is a company incorporated on 7 November 1991 in Hong Kong and is a wholly-owned subsidiary of SCF. SCF acquired the Target Company as a shelf company on 22 November 1991. As at the date of this announcement, the issued share capital of the Target Company amounts to HK\$6.6 million. Its principal activities consist of the provision of investment advisory and asset management services. It is a licensed corporation to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO.

### Financial Information

The audited loss before and after tax of the Target Company for the 2 years ended 31 December 2013 and 31 December 2014 are as follows:

	Year Ended 31 December 2014 HK\$	Year Ended 31 December 2013 HK\$
Loss before and after tax for the year	135,154	116,494

## INFORMATION ON SCF

SCF is an investment holding company. The principal activities of its subsidiaries consist of securities, commodities, bullion and forex broking and trading, margin financing, money lending, provision of corporate advisory and underwriting services, wealth management, property investment and investment holding.

## **INFORMATION ON SCL AND THE PURCHASER**

SCL is an investment holding company. Its subsidiaries are principally engaged in property investment and development business in the People's Republic of China.

The Purchaser is a direct wholly-owned subsidiary of SCL and an investment holding company.

## **RELATIONSHIP BETWEEN MR. NG AND HIS ASSOCIATES**

SCL is owned as to 20.03% by Earntrade Investments Limited ("Earntrade") (including 9.74% owned by Bannock Investment Limited ("Bannock")), 16.26% by Fung Shing Group Limited ("Fung Shing"), 15.46% by Parkfield Holdings Limited ("Parkfield"), 0.68% by Ronastar Investments Limited ("Ronastar"), 0.58% by South China Strategic Limited ("SC Strategic"), 0.0001% by South China Finance And Management Limited ("SCFM") and 3.25% by Mr. Ng, 8.66% by his spouse, Ms. Ng Lai King Pamela ("Ms. Ng"), 4.41% and 0.02% by each of his sons, Mr. Ng Yuk Fung Peter ("Mr. Peter Ng") and Mr. Ng Yuk Yeung Paul ("Mr. Paul Ng"), respectively. Each of Fung Shing, Parkfield and Ronastar is wholly-owned by Mr. Ng. Bannock is a wholly-owned subsidiary of Earntrade and Earntrade is owned as to 60% by Mr. Ng, 20% by Ms. Cheung and the remaining 20% by Mr. Gorges. Mr. Ng holds SC Strategic and SCFM indirectly via South China (China) Limited ("SCC") and SCF respectively. SCC and SCF were owned as to approximately to 60.87% and 34.90% respectively by Mr. Ng. Each of Earntrade, Bannock, Fung Shing, Parkfield, Ronastar, SC Strategic, SCFM, Ms. Ng, Mr. Peter Ng and Mr. Paul Ng is an associate of Mr. Ng and a connected person of SCL within the meaning of the GEM Listing Rules.

SCF is owned as to 15.75% by Fung Shing, 14.79% by Parkfield, 0.66% by Ronastar and 3.69% by Mr. Ng, and 3.88% by his son, Mr. Paul Ng. Each of Fung Shing, Parkfield and Ronastar is wholly-owned by Mr. Ng. Each of Fung Shing, Parkfield, Ronastar and Mr. Paul Ng is an associate of Mr. Ng and a connected person of SCF within the meaning of the Listing Rules.

## **REASONS AND BENEFITS FOR ENTERING INTO THE AGREEMENT**

So far as SCL is concerned, in a recent review of the scope of its business, SCL is considering to consolidate existing business operation in the mainland property development projects, and to diversify into new line of business which can generate steady revenue stream. The Transaction allows it to diversify into a new line of business with an existing platform which does not call for a substantial investment. SCL is exploring other potential business opportunities in financial services related businesses. Should any business plan or proposal currently under study materialise, further announcement(s) will be made by SCL as and when appropriate in compliance with the GEM Listing Rules.

SCF has been actively reviewing and will continue to review from time to time potential business opportunities. Upon recent review, certain key areas of business (namely, brokerage, margin financing and money lending) have been identified which are to be supported by the new fund-raising exercise as announced by SCF on 30 April 2015. The Target Company has no significant contribution to SCF and the Transaction is in line with the current business direction.

## **GEM LISTING RULES AND LISTING RULES IMPLICATIONS**

In respect of both SCL and SCF, as the Percentage Ratios under the relevant tests are less than 5% and Mr. Ng and his associates are the existing controlling group of shareholders in SCL and SCF, the Transaction constitutes connected transactions for SCL and SCF under GEM Listing Rules and the Listing Rules respectively. As such, Mr. Ng and his associates (namely, Mr. Peter Ng and Mr. Paul

Ng) together with Ms. Cheung and Mr. Gorges, who are executive directors of both SCL and SCF, have abstained from voting on the board resolutions approving the Transaction. The SCL Directors and SCF Directors (including the respective independent non-executive directors) considered that the Transaction is on normal commercial terms, fair and reasonable, and in the interests of respective companies and the shareholders of respective companies as a whole. The Transaction is subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules and Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“Agreement”	the sale and purchase agreement dated 18 May 2015 entered into by SCF as vendor and WAHL as purchaser in relation to the Transaction;
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules;
“Business Day”	a day (other than a Saturday, Sunday, public or statutory holiday and days on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules;
“Completion”	completion of the Transaction contemplated in the Agreement;
“Completion Accounts”	the unaudited balance sheet and unaudited profit and loss statement of the Target Company as at the Completion Accounts Date signed by the directors of the Target Company;
“Completion Accounts Date”	the date that is seven (7) days prior to Completion or such other date as agreed by the Vendor and the Purchaser in writing;
“Completion Date”	on or before the Long Stop Date, the second Business Day after the day on which the last of the conditions precedent pursuant to the Agreement are fulfilled, or otherwise waived, or such other date as may be agreed by the Vendor and the Purchaser in writing;
“Consideration”	the consideration for the Transaction, at Net Asset Value;
“GEM”	The Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of the China;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;

“Long Stop Date”	31 July 2015 (or such later date as may be agreed between the Vendor and the Purchaser in writing);
“Mr. Gorges”	Mr. Richard Howard Gorges, an executive director of each of SCL and SCF;
“Mr. Ng”	Mr. Ng Hung Sang, the Chairman, an executive director and a substantial shareholder of each of SCL and SCF;
“Ms. Cheung”	Ms. Cheung Choi Ngor, an executive director of each of SCL and SCF;
“Net Asset Value”	of the Target Company as provided in the management accounts of the Target Company as at 30 April 2015 which shall be adjusted on Completion by reference to the Completion Accounts and the adjusted amount shall be equivalent to the net assets of the Target Company as provided in the Completion Accounts and prepared under generally accepted accounting principles in Hong Kong;
“Percentage Ratio(s)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules;
“Regulated Activities”	the activities which the Target Company is currently licensed to conduct its business in which include type 4 (advising on securities) and type 9 (asset management) under the SFO;
“Purchaser”	WAHL;
“Sale Shares”	6,600,000 ordinary shares in the capital of the Target Company, being the entire issued share capital of the Target Company;
“SCF”	South China Financial Holdings Limited, a company incorporated in Hong Kong with limited liability and the ordinary shares therein listed on Main Board of the Stock Exchange;
“SCF Directors”	the directors (including the independent non-executive directors) of SCF;
“SCF Group”	SCF and its subsidiaries;
“SCL”	South China Land Limited, an exempted company incorporated in the Cayman Islands with limited liability and the ordinary shares therein listed on GEM Board of the Stock Exchange;
“SCL Directors”	the directors (including the independent non-executive directors) of SCL;
“SCL Group”	SCL and its subsidiaries;
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules;
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules;
“Target Company”	South China Asset Management Limited, a company incorporated in Hong Kong with limited liability;
“Transaction”	the sale and purchase of the Sale Shares;
“Vendor”	SCF;
“WAHL”	Wealth Anchor Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of SCL;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“% ”	per cent.

On behalf of the Board of  
**South China Land Limited**  
**Cheung Choi Ngor**  
*Executive Director*

On behalf of the Board of  
**South China Financial Holdings Limited**  
**Cheung Choi Ngor**  
*Executive Director*

Hong Kong, 18 May 2015

*As at the date of this announcement, the SCL Directors are (1) Mr. Ng Hung Sang, Mr. Ng Yuk Yeung Paul, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor, Mr. Ng Yuk Fung Peter and Mr. Law Albert Yu Kwan as executive directors; (2) Ms. Ng Yuk Mui Jessica and Mr. David Michael Norman as non-executive directors; and (3) Ms. Pong Scarlett Oi Lan, J.P., Dr. Leung Tony Ka Tung, Mr. Lau Lai Chiu Patrick and Ms. Chan Mei Bo Mabel as independent non-executive directors.*

*As at the date of this announcement, the SCF Directors are (1) Mr. Ng Hung Sang, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor and Mr. Ng Yuk Yeung Paul 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.*

*This announcement, for which the SCL Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to SCL. The SCL Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its publication and on the website of SCL at [www.scland.co](http://www.scland.co).*