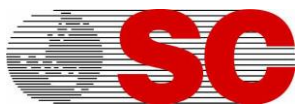


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SOUTH CHINA FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00619)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY ONE SHARE HELD ON THE RECORD DATE AND ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 3 August 2016, the latest time for acceptance of, and payment for, the Rights Shares and for application and payment for the excess Rights Shares, the Company has received a total of 121 valid acceptances and applications for a total of 7,183,188,678 Rights Shares, which comprise: (i) 71 valid acceptances of the provisional allotment under the PALs in respect of a total of 5,473,959,448 Rights Shares; and (ii) 50 valid applications for excess Rights Shares under the EAFs in respect of a total of 1,709,229,230 Rights Shares. In aggregate, they represented approximately 95.24% of the total number of 7,542,126,750 Rights Shares available for subscription under the Rights Issue. As such, the Rights Issue was under-subscribed and the Shareholders who have applied for the excess Rights Shares will be allocated such numbers of the Rights Shares which they applied for in full.

UNDERWRITING AGREEMENT

The Rights Issue and the Underwriting Agreement became unconditional after 5:00 p.m. on Thursday, 4 August 2016. As a result of the under-subscription of the Rights Issue by 358,938,072 Rights Shares, the Underwriter has subscribed for such Rights Shares pursuant to its obligations under the Underwriting Agreement.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Certificates for fully-paid Rights Shares in respect of valid acceptances of Rights Shares under PALs and successful applications for excess Rights Shares under EAFs will be despatched by ordinary post to those entitled thereto, at their own risk, on or before Thursday, 11 August 2016.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Friday, 12 August 2016.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

As a result of the Rights Issue, adjustments to the exercise price of the outstanding Share Options and the number of Shares to be allotted and issued upon the exercise of such Share Options shall be made in accordance with the terms of the share option scheme.

Reference is made to the prospectus issued by the Company on 20 July 2016 (the “Prospectus”) in relation to the Rights Issue. Unless otherwise defined, all capitalized terms used herein shall have the respective meanings ascribed to them in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

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SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue:

	Immediately before completion of the Rights Issue		Immediately after Completion of the Rights Issue	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
The Underwriter	-	-	358,938,072	2.38
Fung Shing Group Limited (<i>Notes 1 and 4</i>)	588,150,756	7.80	1,176,301,512	7.80
Parkfield Holdings Limited (<i>Notes 1 and 4</i>)	1,115,592,000	14.79	2,231,184,000	14.79
Ronastar Investments Limited (<i>Notes 1 and 4</i>)	49,996,800	0.66	99,993,600	0.66
Mr. Ng (<i>Notes 1, 2 and 4</i>)	278,331,600	3.69	556,663,200	3.69
Sub-total of the Underwriter, Mr. Ng and the companies controlled by him	2,032,071,156	26.94	4,423,080,384	29.32
Ms. Cheung (<i>Notes 2 and 4</i>)	307,507,789	4.08	615,015,578	4.08
Mr. Gorges (<i>Note 4</i>)	125,000,000	1.66	250,000,000	1.66
Mr. Paul Ng (<i>Note 5</i>)	292,500,000	3.88	585,000,000	3.88
Sub-total of the Underwriter and parties acting in concert with it	2,757,078,945	36.56	5,873,095,962	38.94
Hon. Raymond Arthur William Sears, Q.C. (<i>Notes 2 and 3</i>)	1,650,000	0.02	2,650,000	0.02
Public Shareholders (excluding the Underwriter, the parties acting in concert therewith and Directors)	4,783,397,805	63.42	9,208,507,538	61.04
Total	7,542,126,750	100.00	15,084,253,500	100.00

Notes:

1. Fung Shing Group Limited, Parkfield Holdings Limited and Ronastar Investments Limited are wholly-owned by Mr. Ng, the sole director of each of the above companies. As such, Mr. Ng is the beneficial owner of the Shares held by such companies.
2. Mr. Ng, Ms. Cheung and Hon. Raymond Arthur William Sears, Q.C. are Directors.
3. The Shares are the interest of spouse of Hon. Raymond Arthur William Sears, Q.C.
4. The parties acting in concert with the Underwriter include Mr. Ng, Fung Shing Group Limited, Parkfield Holdings Limited and Ronastar Investments Limited. The abovementioned companies are under the control of Mr. Ng (see Note 1 above). By virtue of being a director of the Underwriter, each of Ms. Cheung and Mr. Gorges is also a party acting in concert with it.
5. By virtue of being a close relative of Mr. Ng, Mr. Paul Ng is presumed to be a party acting in concert with Mr. Ng and, hence, the Underwriter under the Takeovers Code.

DESPATCH OF CERTIFICATES FOR FULLY-PAID RIGHTS SHARES

Certificates for fully-paid Rights Shares in respect of valid acceptances of Rights Shares under PALs and successful applications for excess Rights Shares under EAFs will be despatched by ordinary post to those entitled thereto, at their own risk, on or before Thursday, 11 August 2016.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Friday, 12 August 2016.

The Board would like to thank the Shareholders for their support in this Rights Issue.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

As at the date of this announcement, there are 45,000,000 outstanding Share Options. As a result of the Rights Issue, adjustments to the exercise price of the outstanding Share Options and the number of Shares for which the holders of such outstanding Share Options are entitled to subscribe upon the exercise of such Share Options shall be made in accordance with the terms of the share option scheme adopted on 5 June 2012 (the "Share Option Scheme").

Save for the abovementioned adjustments, which are detailed below, all other terms and conditions of the Share Option Scheme applicable to the said outstanding Share Options remain unchanged. In accordance with the terms of the Share Option Scheme and in compliance with Rule 17.03(13) of the Listing Rules and supplementary guidance regarding the adjustments to share options issued by the Stock Exchange on 5 September 2005, the exercise price of the outstanding Share Options and the number of Shares for which the holders of such outstanding Share Options may subscribe upon the exercise thereof have been adjusted in the following manner:

Date of grant	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Exercise price per Share	Number of Shares that can be subscribed for upon exercise of the outstanding Share Options	Adjusted exercise price per Share	Adjusted number of Shares that can be subscribed for upon exercise of the outstanding Share Options
9 June 2015	HK\$0.202	45,000,000	HK\$0.195	46,615,386

In accordance with the note to paragraph 17.03(13) of the Listing Rules, the Company has engaged an independent auditor to perform certain agreed-upon procedures on the computation of the adjustments to the exercise price of the outstanding Share Options and the number of Shares for which the holders of such outstanding Share Options may subscribe upon the exercise thereof in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants and issue a report of factual findings to the Directors.

By Order of the Board
South China Financial Holdings Limited
Ng Yuk Mui Jessica
Executive Director

Hong Kong, 10 August 2016

As at the date of this announcement, the Directors of the Company are (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor and Ms. Ng Yuk Mui Jessica as executive Directors; and (2) Hon. Raymond Arthur William Sears, Q.C., Mrs. Tse Wong Siu Yin Elizabeth and Mr. Tung Woon Cheung Eric as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the 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.