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SOUTH CHINA FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00619)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL
OF GOLDEN WAYS LIMITED AND MEDIA BONUS LIMITED;
AND
(2) APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER**

**Independent financial adviser to
the Independent Board Committee and the Independent Shareholders**

***Hercules*
Hercules Capital Limited**

DISCLOSEABLE AND CONNECTED TRANSACTION

On 3 November 2016 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendors entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire issued share capital of the Target Companies at the Consideration of HK\$20,000,000, subject to adjustment.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios for the Acquisition under the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Ng, who was an executive Director, the Chairman of the Board and a Substantial Shareholder of the Company, directly wholly owned Vendor 1 and indirectly wholly owned Vendor 2. Each of the Vendors is an associate of Mr. Ng and therefore a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction for the Company, and is subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will seek the Independent Shareholders' approval for the Acquisition at the EGM.

APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee to advise the Independent Shareholders in connection with the Agreement and the transactions contemplated thereunder. The Independent Board Committee has approved the appointment of Hercules as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Agreement and the transactions contemplated thereunder.

A circular containing, among others, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Hercules to the Independent Board Committee and the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder; and (iv) the notice of EGM, will be despatched to the Shareholders on or about 24 November 2016.

DISCLOSEABLE AND CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated 5 October 2016 in relation to the MOU, pursuant to which the Company intended to purchase the financial media businesses, including, among others, the publication of the magazines, namely, Capital Weekly (資本壹週), Capital Money (資本創富), Capital Entrepreneur (資本企業家), Capital CEO (資本才俊) and Capital (資本雜誌), event management, marketing services and other related businesses, and the related tangible and/or intangible assets.

In light of the above, on 3 November 2016 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendors entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire issued share capital of the Target Companies at the Consideration of HK\$20,000,000, subject to adjustment.

Details of the Agreement and the transactions contemplated thereunder are set out below:

THE AGREEMENT

Date	3 November 2016
Parties	(1) the Purchaser (as purchaser); (2) Vendor 1 (as vendor); and (3) Vendor 2 (as vendor).

As at the date of this announcement, Mr. Ng, who was an executive Director, the Chairman of the Board and a Substantial Shareholder of the Company, directly wholly owned Vendor 1 and indirectly wholly owned Vendor 2.

Subject matter

Pursuant to the Agreement, the Purchaser agreed to acquire and the Vendors agreed to sell the entire issued share capital of the Target Companies, subject to the terms contained therein.

As at the date of this announcement, Target Company 1 was a company incorporated in the BVI with limited liability and wholly owned by Vendor 1; and Target Company 2 was a company incorporated in Hong Kong with limited liability and wholly owned by Vendor 2.

Consideration and adjustment to the Consideration

The Consideration is HK\$20,000,000 in aggregate, as to HK\$18,000,000 payable to Vendor 1 and as to HK\$2,000,000 payable to Vendor 2, subject to the adjustment set out below. The Consideration shall be payable to the Vendors by the Purchaser in the following manner:

1. HK\$5,000,000, being 25% of the Consideration, as to HK\$4,500,000 payable to Vendor 1 and as to HK\$500,000 payable to Vendor 2, shall be payable upon signing of the Agreement as initial deposit and part payment (the “**Initial Deposit**”) of the Consideration. The sum of HK\$5,000,000 previously paid by the Company on behalf of the Purchaser on 5 October 2016 under the MOU shall be treated as the Initial Deposit paid to the Vendors under the Agreement;
2. HK\$5,000,000, being 25% of the Consideration, as to HK\$4,500,000 payable to Vendor 1 and as to HK\$500,000 payable to Vendor 2, shall be payable upon signing of the Agreement as further deposit and part payment (the “**Further Deposit**”) of the Consideration; and
3. the remaining balance of HK\$10,000,000 of the Consideration, as to HK\$9,000,000 payable to Vendor 1 and as to HK\$1,000,000 payable to Vendor 2, shall be payable within two Business Days from the Completion Date.

Adjustment to the Consideration

The Vendors shall prepare the Completion Accounts and deliver the same to the Purchaser within one month from the Completion Date.

If:

- (a) the aggregate of the net assets/liabilities of Target Company 2 and the consolidated net assets/liabilities of Target Company 1 and its subsidiaries immediately before Completion as at the Completion Date as stated in the Completion Accounts represents net assets on a combined basis (“**Combined Net Assets**”), the amount of Combined Net Assets shall be payable by the Purchaser to Vendor 1 (which collects the sum for itself and/or as the agent of Vendor 2 (as the case may be)) (on a dollar-for-dollar basis); or
- (b) the aggregate of the net assets/liabilities of Target Company 2 and the consolidated net assets/liabilities of Target Company 1 and its subsidiaries immediately before Completion as at the Completion Date as stated in the Completion Accounts represents

net liabilities on a combined basis (“**Combined Net Liabilities**”), the amount of the Combined Net Liabilities shall be payable by the Vendors, jointly and severally, to the Purchaser (on a dollar-for-dollar basis).

Under the Agreement, for administrative convenience, the Purchaser shall not be liable for the payment of the Combined Net Assets and the Vendors shall not be liable for the payment of the Combined Net Liabilities (as the case may be) if the amount of the Combined Net Assets or Combined Net Liabilities (whichever being applicable) is not more than HK\$100,000.

The Combined Net Assets or the Combined Net Liabilities (as the case may be) shall be settled in cash or cashier order or shall be paid by the Purchaser or the Vendors (as the case may be) by transferring the amount payable to a bank account designated by the Vendors or the Purchaser (as the case may be) or in other manners as agreed by the Vendors and the Purchaser within 10 Business Days from the date on which the Completion Accounts are delivered to the Purchaser.

The Consideration was determined after arm’s length negotiation between the Purchaser and the Vendors with reference to the preliminary valuation of the Target Companies Group as at 30 September 2016 of approximately HK\$51 million in aggregate, as appraised by an independent valuer. The Consideration will be funded by internal resources of the Group.

Conditions precedent

Completion is conditional upon the following conditions having been fulfilled or waived (as the case may be):

- a. the passing of resolution(s) by the Independent Shareholders at the EGM in accordance with the Listing Rules and all other applicable laws and regulations to approve the Agreement and the transactions contemplated thereunder;
- b. if required, the Target Companies having obtained all necessary consents and approvals from the government, regulatory authorities or any third parties for the change of beneficial ownership as contemplated under the Agreement;
- c. the Purchaser being satisfied with the results of the due diligence exercise of the Target Companies Group;
- d. the final valuation of the Target Companies Group as appraised by an independent valuer appointed by the Company being not less than HK\$20,000,000 in aggregate; and
- e. settlement of all the existing related party loans owing by the member(s) of the Target Companies Group to the Vendors, its holding company(ies) or the subsidiaries thereof (save and except the Target Companies Group) by any means, such as by cash, assignment, capitalisation, waiver or otherwise.

Save for the condition as stated in (a) above, the Purchaser may at its absolute discretion waive any of the above conditions. In the event that any of the above conditions precedent are not fulfilled or waived (as the case may be) on or before 5:30 p.m. on 2 February 2017 (or such later date as may be agreed by the parties in writing), the Agreement shall lapse

and no party to the Agreement will have any further rights or obligations under the Agreement except in respect of the specific provisions as set out in the Agreement which will continue in full force and effect and no party to the Agreement shall have any claim against or liability to the other party, save for antecedent breaches of the Agreement.

Further, if at any time before Completion, any of the warranties of the Vendors are found to be incorrect or misleading or have not been fully carried out in any material respect, or in the event that any of the Vendors becoming unable or failing to do anything required under the Agreement to be done by it on or before the Completion Date, the Purchaser may rescind the Agreement, the Vendors shall fully indemnify the Purchaser in respect of all fees, costs and expenses incurred by the Purchaser in connection with the negotiation, preparation, execution and rescission of the Agreement.

In the event of lapse of the Agreement or rescission of the Agreement by the Purchaser, the Vendors shall refund the Initial Deposit and the Further Deposit in full to the Purchaser within 10 Business Days from the date of lapse or rescission of the Agreement.

Completion

Completion shall take place on the Completion Date.

Undertakings

Non-competition and non-solicitation

Each of the Vendors undertakes that it will not, and will procure that their associated companies (as defined under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) and agent (save and except any member of the Group) will not, at any time, either for itself or as agent of any person and either directly or indirectly:

- a. for a period of two years from the Completion Date, carry on, be engaged, concerned or interested in or in any way assist in any business in Hong Kong similar to or which competes (either directly or indirectly) with any major business carried on by the Target Companies Group as at the date of the Agreement, namely the publication of printed solely finance related magazines which are sold and circulated in Hong Kong (the “**Restricted Activity**”);
- b. for a period of two years from the Completion Date, in competition with the Restricted Activity, canvass or solicit or accept orders from or do business with any person with whom any member(s) of the Target Companies Group has/have done business regarding the Restricted Activity during the twelve months preceding the date of the Agreement, or otherwise induce or endeavour to induce any such person to cease being a customer of any member(s) of the Target Companies Group regarding the Restricted Activity; and
- c. at any time after the date of the Agreement do or say anything which may be harmful to the reputation of the Target Companies Group.

Transfer of intellectual properties

In addition, the Vendors shall, as soon as practicable after signing of the Agreement, procure the relevant owner(s) or applicant(s) of certain trademarks currently used by the Target Companies Group (the “**Transferred Trademarks**”) to transfer and assign the Transferred Trademarks, at nominal consideration, to any member(s) of the Target Companies Group (as directed by the Purchaser), and to do all such things necessary and to execute all documents required for the transfer and assignment of the ownership and rights attached to the Transferred Trademarks to any member(s) of the Target Companies Group (as directed by the Purchaser). Upon the execution of relevant transfer document(s) and/or assignment(s) evidencing the transfer and assignment of the Transferred Trademarks, the Vendors shall procure the relevant owner(s) or applicant(s) of the Transferred Trademarks to take all necessary actions to assist any member of the Target Companies Group (as directed by the Purchaser) to register the transfer and/or assignment of the Transferred Trademarks with relevant authority in accordance with applicable laws and regulations.

Entering into the New Tenancy Agreement(s)

As at the date of the announcement, certain members of the Target Companies Group are using the Premises as their offices, which was leased by certain companies indirectly wholly-owned by Mr. Ng (as tenants) from Copthorne (as landlord).

Pursuant to the Agreement, the Vendors shall, as soon as practicable after the signing of the Agreement, and in any event before Completion, procure Copthorne (as landlord) to enter into the New Tenancy Agreement(s) with any members of the Target Companies Group (as tenant). If the New Tenancy Agreement(s) is/are not entered into prior to or at Completion, the relevant tenant shall, at no costs provide and allow the Premises to be used by member(s) of the Target Companies Group until the New Tenancy Agreement(s) are executed.

Copthorne is an indirectly wholly-owned subsidiary of SCHC. While Mr. Ng is the chairman, an executive director and the controlling shareholder of SCHC and hence, a connected person of SCHC, he is also an executive Director, the Chairman of the Board and a Substantial Shareholder of the Company. Thus, Copthorne is a connected person of the Company. In addition, any member of the Target Companies Group will become a wholly-owned subsidiary of the Company upon Completion. Thus, the execution of the New Tenancy Agreement(s) upon or after Completion will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. In case where the annual caps exceed the de minimis threshold, an announcement complying with the requirements under the Listing Rules will be published by the Company as and when appropriate and necessary.

INFORMATION ON THE GROUP

The Purchaser is a company incorporated in BVI with limited liability and is a direct wholly-owned subsidiary of the Company. The Company is an investment holding company. The principal activities of the Company’s subsidiaries consist of securities, commodities, bullion and forex broking and trading, margin financing, money lending, provision of corporate advisory, underwriting and wealth management services, property investment and investment holding.

INFORMATION ON THE VENDORS AND THE TARGET COMPANIES GROUP

As at the date of this announcement, Target Company 1 was a company incorporated in BVI with limited liability and wholly-owned by Vendor 1; and Target Company 2 was a company incorporated in Hong Kong with limited liability and wholly-owned by Vendor 2. To the best knowledge, information and belief of the Directors, each of the Vendors is an investment holding company incorporated in BVI with limited liability. As at the date of this announcement, Mr. Ng, who was an executive Director, the Chairman of the Board and a Substantial Shareholder of the Company, directly wholly owned Vendor 1 and indirectly wholly owned Vendor 2.

Target Company 1 wholly-owns six subsidiaries, namely Capital Publishing Management Limited, Capital CEO Limited, Capital Publishing Limited, Capital Entrepreneur Limited, Watson Century Limited and Capital Marketing and Corporate Services Limited, each of them is a company incorporated in Hong Kong with limited liability.

The Target Companies Group is principally engaged in financial media businesses including publication of the magazines (namely, Capital Weekly (資本壹週), Capital Money (資本創富), Capital Entrepreneur (資本企業家), Capital CEO (資本才俊) and Capital (資本雜誌)), event management, marketing services and other related businesses.

Set out below is the financial information extracted from the unaudited consolidated accounts of Target Company 1 and its subsidiaries for the relevant period:

	For the year ended	
	31 December	31 December
	2014	2015
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Profit/(loss) before taxation and extraordinary items	(6,342)	(2,020)
Profit/(loss) after taxation and extraordinary items	(6,342)	(2,020)
		As at
		31 December
		2015
		<i>(HK\$'000)</i>
Net liabilities		(34,122)

Set out below is the financial information extracted from the audited accounts of Target Company 2 for the relevant period:

	For the year ended	
	31 December 2014	31 December 2015
	(HK\$'000)	(HK\$'000)
Profit/(loss) before taxation and extraordinary items	(9,602)	(10,709)
Profit/(loss) after taxation and extraordinary items	(9,602)	(10,709)
		As at
		31 December
		2015
		(HK\$'000)
Net liabilities		(73,268)

Upon Completion, the Target Companies Group will become indirectly wholly-owned subsidiaries of the Company and the financial results of the Target Companies Group will be consolidated into the consolidated financial statements of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the announcement of the Company dated 5 October 2016 in relation to the MOU, the Group intended to build and develop the financial public relation business. The Company's management expected that the Acquisition will have synergy with the Company's current business and potential business expansion plan. Upon Completion, the Target Companies Group will become indirect wholly-owned subsidiaries of the Company. It has been the Company's business strategy to make investments that creates synergy with its existing operations and diversifies its revenue streams. The Target Companies Group is principally engaged in the financial media businesses, including, among others, the publication of the magazines namely, Capital Weekly (資本壹週), Capital Money (資本創富), Capital Entrepreneur (資本企業家), Capital CEO (資本才俊) and Capital (資本雜誌), event hosting and other related businesses. Capital Weekly (資本壹週), Capital Money (資本創富), Capital Entrepreneur (資本企業家), Capital CEO (資本才俊) and Capital (資本雜誌) have been financial media magazines circulated in Hong Kong appealing to professionals, top decision makers, chief executive officers, entrepreneurs, owners of private and listed companies, fund managers, analysts and investors in Hong Kong, which are target clients of the Group. The Board believes that, considering the popularity of the financial magazines produced by the Target Companies Group, it may create various business opportunities for the Group, including relationship-building across various business lines as well as providing value-added services to its existing clients. Through the financial media platform of the Target Companies Group, the Group will also be able to further enhance its public publicity and brand awareness to capture potential business opportunities.

Taking into account of the above factors, the Directors (excluding the independent non-executive Directors) believe the terms of the Agreement are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

Mr. Ng is considered to have material interests in the Acquisition by virtue of his directorship in the Company and interests in the Target Companies, and therefore he has abstained from voting on the Board resolutions approving the Acquisition. Further, Ms. Ng Yuk Mui Jessica is an executive Director and a director of each of Vendor 2, Target Company 1 and its subsidiaries. Thus, Ms. Ng Yuk Mui Jessica is also considered to have material interests in the Acquisition by virtue of her common directorship in the Company and each of Vendor 2, Target Company 1 and its subsidiaries, and therefore she has also abstained from voting on the Board resolutions approving the Acquisition. Save as disclosed above, no other Directors have abstained from voting on the said Board resolutions.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios for the Acquisition under the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Ng, who was an executive Director, the Chairman of the Board and a Substantial Shareholder of the Company, directly wholly owned Vendor 1 and indirectly wholly owned Vendor 2. Each of the Vendors is an associate of Mr. Ng and therefore a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction for the Company, and is subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will seek the Independent Shareholders' approval for the Acquisition at the EGM.

APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee to advise the Independent Shareholders in connection with the Agreement and the transactions contemplated thereunder. The Independent Board Committee has approved the appointment of Hercules as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Agreement and the transactions contemplated thereunder.

GENERAL

The EGM will be convened to consider and, if thought fit, to approve, the Agreement and the transactions contemplated thereunder. A circular containing, among others, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from

Hercules to the Independent Board Committee and the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder; and (iv) notice of EGM, will be despatched to the Shareholders on or about 24 November 2016.

As at the date of this announcement, Mr. Ng, an executive Director, the Chairman of the Board and a Substantial Shareholder of the Company, was interested in 4,423,080,384 Shares, representing approximately 29.32% of the issued share capital of the Company. Mr. Ng was considered to have a material interest in the Acquisition by virtue of his interests in the Target Companies, and he and his associates will abstain from voting on the resolutions approving the Agreement and the transactions contemplated thereunder in the EGM.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Acquisition”	the conditional acquisition of the entire issued share capital of the Target Companies by the Purchaser at a consideration of HK\$20,000,000
“Agreement”	the agreement dated 3 November 2016 and entered into between the Purchaser and the Vendors in relation to the Acquisition
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“BVI”	British Virgin Islands
“Company”	South China Financial Holdings Limited, a company incorporated in Hong Kong with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 619)
“Completion”	completion of the Agreement, which shall take place on the Completion Date

“Completion Accounts”	the unaudited consolidated financial statements of Target Company 1 and its subsidiaries for the period from 1 October 2016 to the Completion Date, and the unaudited financial statements of Target Company 2 for the period from 1 October 2016 to the Completion Date, prepared in accordance with the terms and conditions of the Agreement
“Completion Date”	the next Business Day immediately following the date on which all the conditions precedent to the Acquisition have been fulfilled or waived (if applicable), or such other date as the parties to the Agreement agree in writing
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$20,000,000, being the consideration for the Acquisition, which is subject to adjustments in accordance with the terms of the Agreement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Copthorne”	Copthorne Holdings Corp., a company incorporated in Panama with limited liability and an indirect wholly-owned subsidiary of SCHC
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hercules”	Hercules Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Agreement
“HK\$”	Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder

“Independent Shareholders”	the Shareholders, other than the Shareholders who have material interests in the transactions contemplated under the Agreement (i.e. Shareholders other than Mr. Ng and his associates)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 5 October 2016 entered into between the Company (as potential purchaser) and (i) Target Company 2; (ii) Capital Entrepreneur Limited; (iii) Capital CEO Limited; and (iv) Capital Publishing Limited (as potential vendors), regarding the possible acquisition of the financial media businesses
“Mr. Ng”	Mr. Ng Hung Sang, an executive Director, the Chairman of the Board and a Substantial Shareholder of the Company, and the ultimate beneficial owner of each of the Vendors
“New Tenancy Agreement(s)”	the tenancy agreement to be entered into between Copthorne (as landlord) and any member(s) of the Target Companies Group (as tenant), for the lease of the Premises on terms substantially the same as or no less favourable than the existing tenancy agreement in respect of the Premises entered into between Copthorne and certain companies indirectly wholly-owned by Mr. Ng
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan)
“Premises”	the premises at Unit C and D, 3rd Floor, Wah Shing Centre, 5 Fung Yip Street, Chai Wan, Hong Kong
“Purchaser”	Perfect Mind Ventures Limited, a company incorporated under the laws of BVI and a directly wholly-owned subsidiary of the Company
“SCHC”	South China Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 413)
“Shares”	ordinary shares in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules

“Target Company 1”	Media Bonus Limited, a company incorporated under the laws of BVI and a directly wholly-owned subsidiary of Vendor 1 as at the date of this announcement
“Target Company 2”	Golden Ways Limited, a company incorporated under the laws of Hong Kong and a directly wholly-owned subsidiary of Vendor 2 as at the date of this announcement
“Target Companies”	Target Company 1 and Target Company 2
“Target Companies Group”	collectively, Target Company 1, and its wholly-owned subsidiaries, namely Capital Publishing Management Limited, Capital CEO Limited, Capital Publishing Limited, Capital Entrepreneur Limited, Watson Century Limited and Capital Marketing and Corporate Services Limited (all being companies incorporated in Hong Kong with limited liability), and Target Company 2
“Vendor 1”	Win Gain Investments Limited, a company incorporated under the laws of BVI and directly wholly owned by Mr. Ng as at the date of this announcement
“Vendor 2”	Surge Fast Assets Limited, a company incorporated under the laws of BVI and indirectly wholly-owned by Mr. Ng as at the date of this announcement
“Vendors”	Vendor 1 and Vendor 2
“%”	per cent.

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

Hong Kong, 3 November 2016

As at the date of this announcement, the Board comprises (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor and Ms. Ng Yuk Mui Jessica 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.