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## **SOUTH CHINA FINANCIAL HOLDINGS LIMITED**

### **南華金融控股有限公司**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 00619)**

#### **CESSATION OF CONTINUING CONNECTED TRANSACTIONS**

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The Board announces that the Continuing Connected Transactions will cease upon completion of the disposal of the Sale Share from the Company to SCHC.

##### **LISTING RULES IMPLICATIONS**

Given the cessation of the Continuing Connected Transactions upon completion of the Disposal, the Company issues this announcement pursuant to the Note to Rule 14A.35 of the Listing Rules.

As all the applicable percentage ratio (other than the profits ratio) in respect of the Disposal is less than 5% and the total consideration is less than HK\$3,000,000, it is fully exempt from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.76(1) of the Listing Rules notwithstanding the Disposal constitutes a connected transaction given Mr. Ng holds more than 30% beneficial interest in SCHC and hence SCHC is an associate of Mr. Ng and a connected person of the Company pursuant to Chapter 14A of the Listing Rules.

##### **CESSATION OF CONTINUING CONNECTED TRANSACTIONS**

On 1 February 2019, the Company and the Purchaser entered into a conditional sale and purchase agreement, pursuant to which the Company has agreed to dispose of the Sale Share and the Purchaser has agreed to acquire the Sale Share at the consideration of US\$1.00 by referring to the consolidated net asset value of the Target Group, subject to and in accordance with the terms and conditions thereof, including but not limited to (i) satisfaction with the results of due diligence on the Target Group; and (ii) completion of Internal Restructuring, which shall be fulfilled or waived by 5:00 p.m. (Hong Kong time) on the date falling ninety (90) days after the date of the conditional sale and purchase agreement or such later date as the parties thereto may agree in writing, otherwise, the conditional sale and purchase agreement shall lapse and be of no further effect.

Upon completion of the Disposal, the Target Group will no longer be the subsidiaries of the Company and hence the Continuing Connected Transactions will cease accordingly.

## LISTING RULES IMPLICATIONS

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## DEFINITIONS

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

“Board”	the board of Directors
“Company”	South China Financial Holdings Limited, a company incorporated in Hong Kong, and the ordinary shares of which are listed on the main board of the Stock Exchange (stock code: 00619)
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions in respect of a number of tenancy agreements, property management services agreement and consolidated management services agreements between an indirect wholly-owned subsidiary of the Company and a number of indirect wholly-owned subsidiaries of SCHC as more particularly set forth in an announcement of the Company dated 28 August 2018
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share by the Company to SCHC
“Internal Restructuring”	change of the direct ownership of the entire equity interest in the PRC Subsidiary from 南京華鑫投資管理有限公司, an indirect wholly-owned subsidiary of the Company, to the Target Company, subject to the approval of the governing authorities in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Ng”	Mr. Ng Hung Sang, an executive director, the chairman of the board of directors and a Substantial Shareholder of each of the Company and SCHC
“PRC”	The People’s Republic of China
“PRC Subsidiary”	南京華鑫餐飲管理有限公司, a company incorporated in the PRC, and an indirect wholly-owned subsidiary of the Company
“Purchaser”	South China Industries (BVI) Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of SCHC
“Sale Share”	the one (1) share of US\$1.00 in the capital of the Target Company, representing the entire issued share capital of the Target Company as at the date of this announcement
“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: 00413)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the same meaning ascribed to it under the Listing Rules
“Target Company”	Year Blossom Limited, a company incorporated in the British Virgin Islands, and a direct wholly-owned subsidiary of the Company
“Target Group”	the Target Company and its subsidiaries (including the PRC Subsidiary and its subsidiaries and branches) upon completion the Internal Restructuring
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board  
**South China Financial Holdings Limited**  
南華金融控股有限公司  
**Ng Yuk Mui Jessica**  
*Executive Director*

Hong Kong, 1 February 2019

*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) Hon. Raymond Arthur William Sears, Q.C., Mrs. Tse Wong Siu Yin Elizabeth and Mr. Tung Woon Cheung Eric as independent non-executive Directors.*