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## **SOUTH CHINA HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 265)**

### **ANNOUNCEMENT**

#### **DISCLOSURE OF CERTAIN FINANCIAL INFORMATION**

**AND**

#### **DESPATCH OF CIRCULAR IN RELATION TO**

**(1) SHARE PURCHASE AGREEMENT IN RELATION TO SALE AND PURCHASE OF  
65% INTEREST IN SOUTH CHINA HOLDINGS LIMITED**

**(2) POSSIBLE UNCONDITIONAL MANDATORY GENERAL CASH OFFER BY  
CCB INTERNATIONAL CAPITAL LIMITED**

**ON BEHALF OF ORIENT VICTORY REAL ESTATE GROUP HOLDINGS LIMITED**

**FOR ALL THE ISSUED SHARES IN SOUTH CHINA HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED  
BY ORIENT VICTORY REAL ESTATE GROUP HOLDINGS LIMITED AND  
PARTIES ACTING IN CONCERT WITH IT)**

**(3) VERY SUBSTANTIAL DISPOSAL, CONNECTED TRANSACTION AND  
SPECIAL DEALS IN RELATION TO THE DISPOSAL AGREEMENT**

**AND**

**(4) POSSIBLE CONNECTED TRANSACTION, CONTINUING CONNECTED  
TRANSACTIONS AND SPECIAL DEALS**

## **INTRODUCTION**

Reference is made to the joint announcements issued by South China Holdings Limited (the “**Company**”) and Orient Victory Real Estate Group Holdings Limited (the “**Offeror**”) dated 25 June 2014 and 17 July 2014 and the announcements issued by the Company dated 16 July 2014 and 31 July 2014 (collectively, the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement have the same meanings as defined in the Announcements.

## **DESPATCH OF CIRCULAR**

The Company is pleased to announce that the Circular containing, among other things, (i) details of the Share Purchase Agreement, the Disposal Agreement, the possible Connected Transactions and the Special Deals; (ii) further information on the Reorganisation and the payment of the Special Dividend; (iii) financial information of the Group; (iv) pro forma financial information of each of the Disposal Group and the Remaining Group; (v) the letter of recommendation from the Takeovers Code Independent Board Committee, the letter of recommendation from the Listing Rules Independent Board Committee, and the letter of advice from Hercules Capital Limited to the Independent Board Committees and the Independent Shareholders; and (vi) a notice convening the EGM, has been despatched to the Shareholders on 12 August 2014.

## FINANCIAL INFORMATION OF THE GROUP FOR THE FOUR MONTHS ENDED 30 APRIL 2014

Pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO, set out below is the financial information of the Group for the four months ended 30 April 2014:

	<b>Four months ended 30 April 2014 (unaudited) (HK\$'000)</b>
Revenue	54,033
Cost of sales	<u>(19,117)</u>
Gross profit	34,916
Other income	1,249
Fair value loss on financial assets at fair value through profit or loss	(8,802)
Selling and distribution expenses	(2,380)
Administrative expenses	(38,988)
Other operating expenses, net	<u>(759)</u>
<b>Loss from operations</b>	(14,764)
Finance costs	<u>(1,559)</u>
<b>Loss before tax</b>	<u><u>(16,323)</u></u>

## FINANCIAL INFORMATION OF THE DISPOSAL GROUP

As disclosed in the joint announcement of the Company dated 25 June 2014, the Stock Exchange had granted to the Company a waiver from inclusion of (i) the net asset value of and the net profit or loss of the Disposal Group; and (ii) the gain or loss expected to accrue to the Group and the basis for calculating such gain or loss as a result of the Disposal (the “**Required Financial Information**”) in that joint announcement as required by Rules 14.58(6), 14.58(7) and 14.60(3)(a) of the Listing Rules subject to certain conditions, one of which being the Company will disclose the Required Financial Information in a further announcement when it despatches the Circular. Set out below is the Required Financial Information as extracted from the Circular.

The unaudited pro forma combined net loss for the four months ended 30 April 2014 and the unaudited pro forma combined net assets as at 30 April 2014 of the Disposal Group were HK\$9,285,000 and HK\$116,942,000 respectively, as prepared by the Directors on bases set out in the Circular and in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The compilation and calculation of such pro forma financial information has been reviewed by the reporting accountants as required by Rule 4.29(7) of the Listing Rules in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus issued by Hong Kong Institute of Certified Public Accountants.

Subject to audit, the Remaining Group will record a gain of approximately HK\$0.3 million as a result of the Disposal, being the difference between the total consideration of the Disposal and the net identifiable assets of the Disposal Group as at 31 December 2013 as shown below:

	<i>HK\$'000</i>
Cash consideration	95,466
Add: Amount due to the Disposal Group being waived	<u>14,547</u>
Total consideration	<u>110,013</u>
Net identifiable assets of the Group (net of non-controlling interests) as at 31 December 2013:	192,489
Less: Net identifiable assets of the Remaining Group	<u>(82,781)</u>
Net identifiable assets of the Disposal Group	<u>109,708</u>
Gain on disposal	<u><u>305</u></u>

Further details of the Share Purchase Agreement and the Disposal Agreement are set out in the Circular.

For and on behalf of  
**South China Holdings Limited**  
**Cheung Choi Ngor**  
*Executive Director*

Hong Kong, 12 August 2014

*As at the date of this announcement, the Board comprises (1) Mr. Ng Hung Sang, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor and Mr. Ng Yuk Fung Peter as executive Directors; (2) Ms. Ng Yuk Mui Jessica and Mr. David Michael Norman as non-executive Directors; and (3) Mr. David John Blackett, Mrs. Tse Wong Siu Yin Elizabeth and Mr. Cheng Hong Kei as independent non-executive Directors.*

*All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Offeror and parties acting in concert with it), 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 contained in this announcement misleading.*