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SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

**ORIENT VICTORY REAL ESTATE
GROUP HOLDINGS LIMITED**

(Incorporated in the British Virgin Islands with

limited liability)

JOINT ANNOUNCEMENT

- (1) SHARE PURCHASE AGREEMENT IN RELATION TO SALE AND PURCHASE OF
65% INTEREST IN SOUTH CHINA HOLDINGS LIMITED**
- (2) POSSIBLE MANDATORY UNCONDITIONAL 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) POSSIBLE VERY SUBSTANTIAL DISPOSAL, CONNECTED TRANSACTION AND
SPECIAL DEALS IN RELATION TO THE DISPOSAL AGREEMENT**
- (4) POSSIBLE CONNECTED TRANSACTION, CONTINUING CONNECTED
TRANSACTIONS AND SPECIAL DEALS**
- (5) RESUMPTION OF TRADING IN THE SHARES OF
SOUTH CHINA HOLDINGS LIMITED**

Financial adviser to the Offeror



SHARE PURCHASE AGREEMENT

The Offeror and the Company jointly announce that on 30 April 2014 (after trading hours), the Offeror and the Vendors entered into the Share Purchase Agreement, pursuant to which the Offeror has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the Sale Shares, being 1,185,210,894 Shares in aggregate, at a total consideration of HK\$325,044,087 (representing a purchase price of HK\$0.27425 per Sale Share). The Sale Shares represent approximately 65% of the existing issued share capital of the Company as at the date of this joint announcement.

Share Purchase Completion is conditional upon the conditions described in the section headed “THE SHARE PURCHASE AGREEMENT – Completion Conditions” in this joint announcement. Share Purchase Completion shall take place on the third Business Day after the day on which the last of the Share Purchase Conditions is fulfilled (or, where applicable, waived) or such other date as may be agreed by the Vendors and the Offeror in writing.

POSSIBLE MANDATORY UNCONDITIONAL GENERAL CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it are not interested in the share capital or voting rights of the Company, other than the interest in the Sale Shares under the Share Purchase Agreement. Immediately after Share Purchase Completion, the Offeror and the parties acting in concert with it will be interested in a total of 1,185,210,894 Shares, representing approximately 65% of the existing issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will be required to make a mandatory unconditional general offer in cash for all the issued Shares (other than those already acquired or agreed to be acquired by the Offeror and parties acting in concert with it) upon Share Purchase Completion.

Subject to Share Purchase Completion, CCBI, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer on the terms to be set out in the composite offer document to be issued in accordance with the Takeovers Code on the following basis:–

For each Share accepted under the Offer HK\$0.27425 in cash

After Disposal Completion and Share Purchase Completion, the Company shall assign, among others, the rights and benefits and liabilities of certain litigation cases (the “Cases”) as the plaintiff to a company or company(ies) which Mr. Ng has an interest in, as Mr. Ng has genuine commercial interest in continuing as plaintiff in the Cases.

As at the date of this joint announcement, the Company has 1,823,401,376 Shares in issue. As the Offeror and parties acting in concert with it will own 1,185,210,894 Shares subject to and immediately after Share Purchase Completion, 638,190,482 Shares will be subject to the Offer and the total consideration of the Offer would be approximately HK\$175,023,740 based on the Offer Price. The principal terms of the possible Offer are summarised in the section headed “POSSIBLE MANDATORY UNCONDITIONAL GENERAL CASH OFFER” of this joint announcement.

The Offer Price of HK\$0.27425 per Offer Share is the same as the price per Sale Share paid by the Offeror to the Vendors under the Share Purchase Agreement.

CCBI, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

Warning: The Offer is a possibility only.

The Offer will only be made if the Share Purchase Agreement is completed. Share Purchase Completion is conditional upon the fulfilment (or, where applicable, waiver) of all the conditions referred to in the section headed “THE SHARE PURCHASE AGREEMENT – Completion Conditions” in this joint announcement. Accordingly, the Offer may or may not be made. Shareholders and potential investors are advised to exercise caution in dealing in the Shares.

THE DISPOSAL AGREEMENT

The Company also announces that on 30 April 2014 (after trading hours), the Company and Tremendous Success entered into the Disposal Agreement, pursuant to which the Company agreed to sell and Tremendous Success agreed to purchase the entire issued share capital of South China (BVI), which will hold the Disposal Group after the Reorganisation. The Disposal (including the transactions contemplated under the Deed of Assignment) constitutes a special deal for the Company under note 4 to Rule 25 of the Takeovers Code and therefore requires the consent of the Executive. Such consent, if granted, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion, the terms of the Special Deals are fair and reasonable; and (ii) the approval of the Special Deals by the Independent Shareholders by way of poll at the EGM. Completion of the Disposal Agreement and the Share Purchase Agreement are inter-conditional and shall take place simultaneously.

As one or more of the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Disposal Agreement is over 75%, the Disposal constitutes a very substantial disposal of the Company and is subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As at the date of this joint announcement, the entire share capital of Tremendous Success is wholly, beneficially and directly owned by Mr. Ng, an executive Director, the chairman of the Board and a substantial Shareholder. Accordingly, Tremendous Success is a connected person of the Company. As such, the Disposal also constitutes a connected transaction for the Company pursuant to Rule 14A.11(4) of the Listing Rules, and is therefore subject to the reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

The Company will make an application to the Executive for consent under note 4 to Rule 25 of the Takeovers Code in relation to the Disposal.

POSSIBLE CONNECTED TRANSACTION, CONTINUING CONNECTED TRANSACTIONS AND SPECIAL DEALS

After Disposal Completion and Share Purchase Completion, certain arrangements between the Disposal Group and the Remaining Group may be entered into. Upon Disposal Completion, Four Seas will be held as to 65% and 35% by New Holdco 2, which is a member of the Remaining Group, and Four Seas (BVI), which is a member of the Disposal Group, respectively. New Holdco 2, Four Seas (BVI) and Four Seas will enter into the Four Seas Shareholders' Agreement at Disposal Completion to govern the shareholders' interest in Four Seas. Similarly, upon Disposal Completion, King Link will be held as to 85% and 15% by New Holdco 2, which is a member of the Remaining Group, and Tek Lee, which is a member of the Disposal Group, respectively. New Holdco 2, Tek Lee and King Link will enter into the King Link Shareholders' Agreement at Disposal Completion to govern the shareholders' interest in King Link.

According to the Share Purchase Agreement, the Company, Four Seas and HK Four Seas shall enter into the Service Agreement, pursuant to which HK Four Seas will provide certain information technology, trade mark licensing, back office support and air ticket purchase agency services to Four Seas.

As members of the Disposal Group are connected persons of the Company, the aforesaid arrangements contemplated under the Four Seas Shareholders' Agreement, the King Link Shareholders' Agreement and the Service Agreement will constitute continuing connected transactions of the Company. Also, the Assignment, which will be carried out pursuant to the Deed of Assignment, will constitute a connected transaction of the Company. The Company will comply with the reporting, annual review (as the case may be), announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules if and to extent that they are applicable.

The Service Agreement will also constitute a special deal under Rule 25 of the Takeovers Code. An application will be made by the Company to the Executive for consent under Rule 25 of the Takeovers Code in relation to the Service Agreement. Such consent, if granted, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion, the terms of the Special Deals are fair and reasonable; and (ii) the approval of the Special Deals by the Independent Shareholders by way of poll at the EGM.

REGULATORY REQUIREMENTS

Takeovers Code

It is the intention of the Offeror and the Company that the offer document and the offeree board circular be combined in a composite document. Under the Takeovers Code, the composite document should be despatched to Shareholders within 21 days of the date of this joint announcement or such other date as may be approved by the Executive. As there is a pre-condition (i.e. Share Purchase Completion) to the making of the Offer, application will be made by the Offeror and the Company for the Executive's consent under note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for despatch of the composite document to within seven days from Share Purchase Completion. The composite document will set out, among other things, details of the Offer, a letter of advice from the Independent Board Committee in relation to the Offer and a letter of advice from the Independent Financial Adviser to be appointed to advise the Independent Board Committee in respect of the Offer.

An Independent Board Committee will be established by the Company to advise the Independent Shareholders in respect of the Offer, the Special Deals, the Connected Transactions and the transactions contemplated thereunder. The Independent Financial Adviser to the Independent Board Committee in respect of the Offer, the Special Deals, the Connected Transactions and the transactions contemplated thereunder will be identified and appointed by the Independent Board Committee. The Company will make a separate announcement once the Independent Financial Adviser is appointed.

DECLARATION OF SPECIAL DIVIDEND

The Board proposes that, subject to and upon Disposal Completion, the Special Dividend of approximately HK\$63.466 million will be declared and paid to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date (being a date falling before Share Purchase Completion Date, which is to be fixed by the Board for determining entitlements to the payment of the Special Dividend). Based on 1,823,401,376 Shares in issue as at the date of this joint announcement, the proposed Special Dividend will be approximately HK\$0.0348 per Share. The proposed Special Dividend will be paid in cash out of the Company's reserves which will be partly contributed by the net proceeds to be received by the Company from the Disposal. An ordinary resolution will be put forward at the EGM for declaration of the Special Dividend.

The payment of the Special Dividend is conditional upon, inter alia, Disposal Completion. The Company will announce the Record Date in accordance with Rule 13.66 of the Listing Rules as and when appropriate.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 May 2014 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 25 June 2014.

THE SHARE PURCHASE AGREEMENT

Date 30 April 2014 (after trading hours)

Parties

Vendors: (1) Parkfield Holdings Limited, which directly holds 371,864,000 Shares, representing approximately 20.39% of the existing issued share capital of the Company as at the date of this joint announcement, of which it has agreed under the Share Purchase Agreement to sell 284,545,282 Shares, representing approximately 15.61% of the existing issued share capital of the Company as at the date of this joint announcement (note 1);

- (2) Fung Shing Group Limited, which directly holds 396,050,252 Shares, representing approximately 21.72% of the existing issued share capital of the Company as at the date of this joint announcement (note 2);
- (3) Ronastar Investments Limited, which directly holds 16,665,600 Shares, representing approximately 0.91% of the existing issued share capital of the Company as at the date of this joint announcement (note 3);
- (4) Bannock Investment Limited, which directly holds 237,303,360 Shares, representing approximately 13.01% of the existing issued share capital of the Company as at the date of this joint announcement (note 4); and
- (5) Earntrade Investments Limited, which directly holds 250,646,400 Shares, representing approximately 13.75% of the existing issued share capital of the Company as at the date of this joint announcement (notes 5 and 6).

Purchaser:	Orient Victory Real Estate Group Holdings Limited, a company incorporated in the British Virgin Islands and which is wholly, beneficially and directly owned by Mr. Shi.
Guarantor of the obligations of the Vendors under the Share Purchase Agreement:	Ms. Cheung, an executive Director and she is interested in 20% of the shareholding of Earntrade

Notes:

As at the date of this joint announcement:

1. Parkfield Holdings Limited is wholly owned by Mr. Ng. Mr. Ng will hold 87,318,718 Shares through Parkfield Holdings Limited and 71,652,200 Shares as beneficial owner immediately after Share Purchase Completion.
2. Fung Shing Group Limited is wholly owned by Mr. Ng.
3. Ronastar Investments Limited is wholly owned by Mr. Ng.

4. Bannock is a wholly-owned subsidiary of Earnttrade which is owned as to 60% by Mr. Ng, 20% by Mr. Richard Howard Gorges and 20% by Ms. Cheung.
5. Earnttrade is owned as to 60% by Mr. Ng, 20% by Mr. Richard Howard Gorges and 20% by Ms. Cheung.
6. Earnttrade is interested in a total of 487,949,760 Shares, under which 250,646,400 Shares are directly held by Earnttrade as beneficial owner and 237,303,360 Shares are directly held by Bannock, a wholly-owned subsidiary of Earnttrade.

Subject of the Share Purchase Agreement

Pursuant to the Share Purchase Agreement, the Offeror has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the Sale Shares, being 1,185,210,894 Shares in aggregate, representing approximately 65% of the issued share capital of the Company as at the date of this joint announcement, free from any encumbrance and together with all rights and benefits (save for the Special Dividend) attaching or accruing thereto on or after the Share Purchase Completion Date at the Share Purchase Price. The Offeror shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all of the Sale Shares is completed simultaneously.

Immediately after Share Purchase Completion, Parkfield Holdings Limited will hold 87,318,718 Shares.

Share Purchase Price

The total purchase price for the Sale Shares of HK\$325,044,087 (equivalent to HK\$0.27425 per Sale Share) was agreed by the Offeror and the Vendors after arm's length negotiations, with reference to, among others, the net asset value of the Company and the Remaining Group Companies (on a combined basis) as of 31 December 2013, the Special Dividend and the listing status of the Company.

Manner of payment of the Share Purchase Price

The Share Purchase Price is payable by the Offeror to the Vendors in the following manner:

- (i) upon signing of the Share Purchase Agreement, a deposit of HK\$32,504,408.70 (the "Deposit") has been paid by the Offeror to the Guarantor and which shall, upon Completion, be applied as part payment of the Share Purchase Price and be released to the Vendors; and

- (ii) at Share Purchase Completion, subject to the Vendors having performed their obligations in relation to Share Purchase Completion, the Offeror shall pay HK\$292,539,678.30 being the balance of the total Share Purchase Price to Eartrade or any other designated person as the Vendors may direct.

Completion Conditions

Share Purchase Completion is conditional upon, among other things:

- (i) the warranties, representations and/or undertakings given by the Vendors and the Guarantor in the Share Purchase Agreement remaining true and accurate in any material respect and not misleading as given as at the date of the Share Purchase Agreement and as at the Share Purchase Completion, and as if given at all times between the date of the Share Purchase Agreement and the Share Purchase Completion;
- (ii) no matter, event, circumstance or change having occurred which has caused, causes or is likely to cause any material adverse effect on the business, operations, prospects or financial condition, or a material portion of the properties or assets, of the Remaining Group Companies as a whole;
- (iii) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any governmental authority, regulatory body or other third party necessary for the consummation of the transactions contemplated in the Share Purchase Agreement having been obtained on terms reasonably acceptable to the Offeror by the Vendors and the Company and remaining in full force and effect;
- (iv) there being no applicable law which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated under the Share Purchase Agreement;
- (v) all relevant consents and approvals from third parties as may be necessary in conjunction with the proposed change in shareholdings of the Company, Four Seas and King Link having been obtained and remaining in full force and effect so as to ensure that the Remaining Group maintains all its existing contractual and other rights in their current state following Share Purchase Completion except for the changes arising from the ordinary course of business during the period from the date of the Share Purchase Agreement to Share Purchase Completion;

- (vi) there being no bona fide legal, administrative or arbitration action, suit, complaint, charge, hearing, injunction, enquiry, investigation or proceedings in effect, pending or genuinely threatened as of the Share Purchase Completion before any court, tribunal or arbitrator of a competent jurisdiction or by any governmental authority which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated under the Share Purchase Agreement;
- (vii) the listing status of the Company on the Stock Exchange not having been revoked or withdrawn at any time prior to Share Purchase Completion, the Shares continuing to be traded on the Stock Exchange at any time prior to the Share Purchase Completion (save for any temporary suspension for no longer than 10 consecutive trading days or such other period as the Offeror may agree in writing or the temporary suspension in connection with transactions contemplated under the Share Purchase Agreement including, without limitation, the Disposal Agreement) and there being no indication from the Stock Exchange or the Executive that the listing status of the Company will be suspended, cancelled, revoked or withdrawn at any time after the Share Purchase Completion as a result of the transactions contemplated under the Share Purchase Agreement and the Disposal Agreement;
- (viii) no obligation (including but not limited to trading halt and/or suspension of trading of the Shares) on the Company concerning sufficiency of operations or assets and/or cash company issue under all relevant Listing Rules (including but not limited to Rules 13.24 and 14.82 of the Listing Rules) having been triggered or decided by the Stock Exchange nor the SFC which is unable to be resolved by the Company absolutely to the satisfaction of the Stock Exchange or the SFC prior to the Longstop Date, and neither the Stock Exchange nor the SFC having indicated that either one of them will object to, suspend, cancel, revoke, withdraw or otherwise have any concerns about the continued listing of the Shares for reasons relating to or arising from the transactions contemplated under the Share Purchase Agreement and the Disposal Agreement including but not limited to Rules 13.24 and 14.82 of the Listing Rules;
- (ix) all indebtedness having been repaid (save for certain indebtedness set forth in the Share Purchase Agreement), and all guarantees, pledges, indemnities and other securities provided by the Remaining Group to secure any indebtedness or liabilities of the Disposal Group as set forth in the Share Purchase Agreement having been fully, absolutely and unconditionally discharged or released;

- (x) the Stock Exchange and the SFC advising that they have no further comment on this joint announcement released in connection with the transactions contemplated under the Share Purchase Agreement and the publication of this joint announcement on the Stock Exchange's website;
- (xi) the passing of all the requisite resolution(s) by the Independent Shareholders to approve the transactions contemplated under the Share Purchase Agreement and, where applicable, the Disposal Agreement, the Service Agreement, the Four Seas Shareholders' Agreement, the King Link Shareholders' Agreement and the Assignment in accordance with the requirements under the Listing Rules and the Takeovers Code;
- (xii) the consent of the Executive in relation to the Disposal Agreement and the Service Agreement and the transactions contemplated thereunder (including the transactions contemplated under the Deed of Assignment) as special deals under Rule 25 of the Takeovers Code having been obtained, and any condition for the giving of such consent having been fulfilled, and such consent not having been revoked prior to completion of the Disposal Agreement and the entering into of the Service Agreement and the Deed of Assignment;
- (xiii) the conditions precedent under the Disposal Agreement (including the completion of the Reorganisation at the sole cost of the Vendors) having been fulfilled or waived (save for the condition requiring the Share Purchase Agreement to become unconditional) and the completion of the Disposal Agreement taking place in accordance with its terms simultaneously with Share Purchase Completion;
- (xiv) the declaration of the Special Dividend by the Company to the Qualifying Shareholders in an amount of approximately HK\$63.466 million which is to be satisfied wholly by the distributable reserves of the Company; and
- (xv) certain outstanding litigations (which will not be assigned under the Assignment) which the Remaining Group are involved as a party as at the date of the Share Purchase Agreement having been terminated.

The Offeror may, at its absolute discretion, waive any of the above conditions (except conditions set out in paragraphs (iii), (iv), (x), (xi), (xii) and (xiii) above which cannot be waived).

Share Purchase Completion is conditional upon all the Share Purchase Conditions being fulfilled (or, where applicable, waived by the Offeror) on or before the Longstop Date. Share Purchase Completion shall take place on the third Business Day after the day on which the

last of the Share Purchase Conditions is fulfilled (or, otherwise, waived) or such other date as may be agreed by the Vendors and the Offeror in writing.

If any of the Share Purchase Conditions set out above have not been fulfilled (or, otherwise, waived by the Offeror) on or before 31 August 2014, or such later date as may be agreed between Vendors and the Offeror in writing (except the condition set out in paragraph (xiii) above which shall take place simultaneously with Share Purchase Completion), the Share Purchase Agreement shall lapse and cease to have any effect except for certain clauses specified therein, the Guarantor shall refund the Deposit (together with the interest accrued thereon) to the Offeror and no parties to the Share Purchase Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof and any claims arising out of certain continuing provisions specified in the Share Purchase Agreement.

DECLARATION OF SPECIAL DIVIDEND

The Board proposes that, subject to and upon Disposal Completion, the Special Dividend of approximately HK\$63.466 million will be declared and paid to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date (being a date falling before Share Purchase Completion Date, which is to be fixed by the Board for determining entitlements to the payment of the Special Dividend). Based on 1,823,401,376 Shares in issue as at the date of this joint announcement, the proposed Special Dividend will be approximately HK\$0.0348 per Share. The proposed Special Dividend will be paid in cash out of the Company's reserves which will be satisfied by the net proceeds to be received by the Company from the Disposal. An ordinary resolution will be put forward at the EGM for declaration of the Special Dividend.

The payment of the Special Dividend is conditional upon, inter alia, Disposal Completion. The Company will announce the Record Date in accordance with Rule 13.66 of the Listing Rules as and when appropriate.

POSSIBLE MANDATORY UNCONDITIONAL GENERAL CASH OFFER

As at the date of this joint announcement, the Offeror and the parties acting in concert with it are not interested in any Shares, other than the interest in Shares under the Share Purchase Agreement. Immediately after Share Purchase Completion, the Offeror and the parties acting in concert with it will be interested in a total of 1,185,210,894 Shares, representing approximately 65% of the existing issued share capital of the Company and the Offeror will be required to make a mandatory unconditional general cash offer for all the issued Shares (other than those already acquired or agreed to be acquired by the Offeror and parties acting in concert with it) upon Share Purchase Completion pursuant to Rule 26.1 of the Takeovers Code.

Warning: The Offer is a possibility only.

The Offer will only be made if the Share Purchase Agreement is completed. Completion is conditional upon the fulfilment (or, where applicable, waiver) of all the conditions referred to in the section headed “THE SHARE PURCHASE AGREEMENT – Completion Conditions” in this joint announcement. Accordingly, the Offer may or may not be made. Shareholders and potential investors are advised to exercise caution in dealing in the Shares.

The Offer, if made, will be on the terms mentioned below.

Principal terms of the Offer

Subject to and upon Share Purchase Completion, CCBI, on behalf of the Offeror and in compliance with the Takeovers Code, will make a mandatory unconditional general cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it) on the terms to be set out in the composite document to be issued in accordance with the Takeovers Code on the following basis:–

For every Share accepted under the Offer HK\$0.27425 in cash

The Offer Price is the same as the purchase price per Sale Share under the Share Purchase Agreement and was arrived at after arm’s length negotiations between the Offeror and the Vendors.

The Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

The Shares to be acquired under the Offer shall be fully paid, free from all liens, charges and encumbrances.

Save for the Shares, the Company has no outstanding warrants, options, derivatives or securities convertible into Shares and has not entered into any agreement for the issue of such securities, options, derivatives or warrants of the Company.

Save for the Share Purchase Agreement, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them have not dealt in nor do they have any shareholding interest in or control any Shares, convertible securities, warrants or options in the Company during six months immediately prior to the date of the Share Purchase Agreement and up to the date of this joint announcement.

Comparisons of value

The Offer Price of HK\$0.27425 is equivalent to the price per Sale Share paid by the Offeror under the Share Purchase Agreement and represents:

- (i) a discount of approximately 42.26% to the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 40.77% to the average of the closing prices of HK\$0.463 per Share as quoted on the Stock Exchange for the 5 trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 35.77% to the average of the closing prices of HK\$0.427 per Share as quoted on the Stock Exchange for the 10 trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 36.37% to the average of the closing prices of HK\$0.431 per Share as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 38.23% to the average of the closing prices of HK\$0.444 per Share as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 37.70% to the price of HK\$0.4402 per Share (being a theoretical trading price assuming the Special Dividend of approximately HK\$0.0348 per Share had been declared and paid with reference to the closing price of HK\$0.475 per Share as quoted on the Stock Exchange on the Last Trading Day);
- (vii) a discount of approximately 35.95% to the price of HK\$0.4282 per Share (being a theoretical trading price assuming the Special Dividend of approximately HK\$0.0348 per Share had been declared and paid with reference to the average closing price of HK\$0.463 per Share as quoted on the Stock Exchange for the 5 trading days immediately prior to and including the Last Trading Day);
- (viii) a discount of approximately 30.07% to the price of HK\$0.3922 per Share (being a theoretical trading price assuming the Special Dividend of approximately HK\$0.0348 per Share had been declared and paid with reference to the average closing price of HK\$0.427 per Share as quoted on the Stock Exchange for the 10 trading days immediately prior to and including the Last Trading Day);

- (ix) a discount of approximately 30.78% to the price of HK\$0.3962 per Share (being a theoretical trading price assuming the Special Dividend of approximately HK\$0.0348 per Share had been declared and paid with reference to the average closing price of HK\$0.431 per Share as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Day);
- (x) a discount of approximately 32.98% to the price of HK\$0.4092 per Share (being a theoretical trading price assuming the Special Dividend of approximately HK\$0.0348 per Share had been declared and paid with reference to the average closing price of HK\$0.444 per Share as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Day); and
- (xi) a premium of approximately 133.60% over the audited net asset value of approximately HK\$0.1174 per Share as at 31 December 2013.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the Last Trading Day from 30 October 2013 to 30 April 2014 were HK\$0.57 per Share on 28 April 2014 and HK\$0.38 per Share on 23, 24 and 25 April 2014, respectively.

Total consideration for the Offer

As the Offeror and parties acting in concert with it will own 1,185,210,894 Shares subject to and immediately after Share Purchase Completion, 638,190,482 Shares will be subject to the Offer and the total consideration of the Offer would be approximately HK\$175,023,740 based on the Offer Price.

Financial resources available to the Offeror

The Offeror intends to finance the consideration payable by the Offeror under the Offer from the CCBIS Facility. CCBI, the financial adviser to the Offeror, taking into account the total consideration for the full acceptance of the Offer of HK\$175,023,740 and the CCBIS Facility of up to HK\$182 million, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer as described above.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven business days (as defined under the Takeovers Code) of the date on which the relevant documents of title are received by the Offeror to render such acceptance complete and valid.

Effect of accepting the Offer

The Offer, subject to Share Purchase Completion taking place, will be unconditional. By accepting the Offer, Shareholders will sell their Shares free from encumbrances and together with all rights attaching to the Shares, and all dividends and distributions recommended, declared, made or paid on such Shares on or after the date on which the Offer is made (other than the Special Dividend). For the avoidance of doubt, acceptance of the Offer by the Shareholders will not prejudice their entitlement to receive the Special Dividend (if any).

Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions declared, made or paid, if any, on or after the date on which the Offer is made (other than the Special Dividend). Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Stamp duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% (or part thereof) of the consideration payable in respect of the relevant acceptance by the Shareholders or if higher, the market value of the Shares, will be deducted from the amount payable to Shareholders who accept the Offer. The Offeror will bear the buyer's Hong Kong ad valorem stamp duty as purchaser of the Shares and will arrange for the payment of the stamp duty in connection with such sales and purchases.

Other arrangements

The Offeror confirms that, save as disclosed in this joint announcement, as at the date hereof:

- (i) the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offer;
- (ii) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Offer (as referred to in note 8 to Rule 22 of the Takeovers Code);
- (iv) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) save for the Share Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (vi) there is no relevant security (as defined in note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or any person acting in concert with any of them has borrowed or lent.

Save for the Share Purchase Agreement, neither the Offeror, its ultimate beneficial owners nor any party acting in concert with any one of them has dealt with any Shares or relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) of the Company during the 6-month period immediately prior to the date of this joint announcement up to the date of this joint announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company as at the date of this joint announcement and immediately after Share Purchase Completion (assuming there are no other changes to the issued share capital of the Company since the date of this joint announcement):

	As at the date of this joint announcement		Immediately after Share Purchase Completion	
	<i>Number of Shares held</i>	<i>%</i>	<i>Number of Shares held</i>	<i>%</i>
The Offeror and parties acting in concert with it	–	–	1,185,210,894	65.00
Mr. Ng (<i>Note</i>)	71,652,200	3.94	71,652,200	3.94
The Vendors (<i>Note</i>)	1,272,529,612	69.78	87,318,718	4.78
Mr. Ng and parties acting in concert with him	1,344,181,812	73.72	158,970,918	8.72
Public	479,219,564	26.28	479,219,564	26.28
Total	1,823,401,376	100.00	1,823,401,376	100.00

Note: As at the date of this joint announcement, Parkfield Holdings Limited, Fung Shing Group Limited and Ronastar Investments Limited are wholly owned by Mr. Ng; Bannock is a wholly-owned subsidiary of Earnttrade which is owned as to 60% by Mr. Ng. Mr. Ng is also a director of each of Parkfield Holdings Limited, Fung Shing Group Limited, Ronastar Investments Limited, Bannock and Earnttrade.

INFORMATION OF THE COMPANY

The Company, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on Main Board of the Stock Exchange, is an investment holding company. Its subsidiaries are principally engaged in sale of air-tickets and other travel related and other services (including the Travel Agent Business (Corporate) and the Travelling Services Business), trading of jewellery products, and the Group's management services and other investment holding.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the BVI with limited liability on 3 July 2013. The Offeror is an investment holding company. Its entire issued share capital is beneficially and directly held by Mr. Shi.

Mr. Shi, aged 45, is the founder and the sole director of the Offeror. Mr. Shi has years of experience in property development.

FUTURE INTENTIONS OF THE OFFEROR IN RELATION TO THE COMPANY

Business

The Offeror intends to continue the business of the Remaining Group. Save as contemplated under the Disposal Agreement, the Offeror has no intention to dispose of the Company's existing businesses. The Offeror expects that the Company would need to focus on the smooth transition of the management of the business of the Group following Share Purchase Completion. The Offeror will, following completion of the Offer, conduct a more detailed review on the business operations of the Group for the purpose of formulating long-term business plans and strategies and exploring other business opportunities for the future business development of the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider acquisition of assets and/or business by the Group in order to enhance its profitability. As at the date of this joint announcement, the Offeror has no plan for any acquisition of assets and/or business of the Company. The Remaining Business Companies have an established business operation, therefore the Offeror has no plan to introduce major changes to the Remaining Business after Share Purchase Completion. Also, the Offeror has no intention to discontinue the employment of the employees or to re-deploy the assets of the Remaining Group other than in its ordinary course of business.

Maintaining the listing status of the Company

The Offeror intends that the Company will remain listed on the Stock Exchange after the close of the Offer. The sole director of the Offeror and the new Directors to be appointed will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that the minimum public float requirement under the Listing Rules is complied with by the Company.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

Proposed change of board composition of the Company

The Board is currently made up of nine Directors, comprising (1) Mr. Ng, Mr. Richard Howard Gorges, Ms. Cheung 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. Pursuant to the terms of the Share Purchase Agreement, subject to Share Purchase Completion, the Vendors shall cause such Directors and/or directors of the Remaining Group as may be notified by the Offeror to the Vendors to give notice to resign as Directors or directors of the Remaining Group with effect from the

earliest time permitted under (or pursuant to any dispensation from) the Takeovers Code or by the SFC. Such resignation will not take effect earlier than the date of the close of the Offer Period.

In addition, pursuant to the terms of the Share Purchase Agreement, the Vendors shall cause such persons as the Offeror may nominate to be validly appointed as Directors and/or directors of the Remaining Group with effect from the earliest time permitted under (or pursuant to any dispensation from) the Takeovers Code or by the SFC. Such appointment will not take effect earlier than the date of posting of the composite document in relation to the Offer, subject to the requirements of the Takeovers Code. A further announcement will be made on any further proposed change of the composition of the Board.

Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

THE DISPOSAL

The Company also announces that on 30 April 2014, the Company and Tremendous Success entered into the Disposal Agreement, pursuant to which the Company agreed to sell and Tremendous Success agreed to purchase the Disposal Shares, being the entire issued share capital of South China (BVI), which will hold the Disposal Group (including, among other companies, 35% of the issued shares of Four Seas and 15% of the issued shares of King Link) after the Reorganisation. The Disposal (including the transactions contemplated under the Deed of Assignment) constitutes a special deal for the Company under note 4 to Rule 25 of the Takeovers Code and therefore requires the consent of the Executive. Such consent, if granted, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion, the terms of the Special Deals are fair and reasonable; and (ii) the approval of the Special Deals by the Independent Shareholders by way of poll at the EGM. Completion of the Disposal Agreement and the Share Purchase Agreement are inter-conditional and shall take place simultaneously.

As one or more of the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Disposal Agreement is over 75%, the Disposal constitutes a very substantial disposal of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. (i) Mr. Ng and his associates (including Parkfield Holdings Limited, Fung Shing Group Limited, Ronastar Investments Limited, Bannock and Earntrade, together being interested in 1,344,181,812 Shares, representing approximately 73.72% of the total issued share capital of the Company as at the date of this joint announcement); (ii) any parties acting in concert with Mr. Ng; and (iii) parties involved or interested in the Disposal, will be required to abstain from voting on the resolution(s) approving the Disposal at the EGM in accordance with the Listing Rules and the Takeovers Code since they are interested in the transactions contemplated under the Disposal.

As at the date of this joint announcement, the entire share capital of Tremendous Success is wholly, beneficially and directly owned by Mr. Ng, an executive Director, the chairman of the Board and a substantial Shareholder. Accordingly, Tremendous Success is a connected person of the Company. As such, the Disposal also constitutes a connected transaction for the Company pursuant to Rule 14A.11(4) of the Listing Rules, and is therefore subject to the reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

The Company will make an application to the Executive for consent under note 4 to Rule 25 of the Takeovers Code in relation to the Disposal.

The principal terms of the Disposal Agreement are set out below.

Date 30 April 2014

Parties

Vendor: The Company

Purchaser: Tremendous Success, a company incorporated in the BVI and which is wholly, beneficially and directly owned by Mr. Ng

Assets to be disposed of

Pursuant to the Disposal Agreement, the Company agreed to sell and Tremendous Success agreed to purchase the Disposal Shares, free from all claims, charges, liens, encumbrances, equities and third party rights and together with all rights attached thereto, at the Disposal Consideration. Tremendous Success shall not be obliged to complete the purchase of any of the Disposal Shares unless the sale of all the Disposal Shares are completed simultaneously.

Disposal Consideration

The Disposal Consideration of HK\$95,466,000 was agreed between the Company and Tremendous Success after arm's length negotiations, taking into account, among others, (1) the audited net asset value of the Group attributable to owners of the Company as at 31 December 2013 of approximately HK\$192,489,000; (2) the deduction of the aggregate audited net asset value of the Company (excluding the investment in subsidiaries included therein), Worldunity, King Link and its subsidiary (i.e. Nanjing Baoqing) and Four Seas attributable to owners of the Company as at 31 December 2013 of approximately HK\$84,362,000 and adjusted for 15% interest in the audited net asset value of King Link and

its subsidiary (i.e. Nanjing Baoqing) attributable to owners of the Company as at 31 December 2013 and 35% interest in the audited net asset value of Four Seas attributable to owners of the Company as at 31 December 2013 which in aggregate amounted to approximately HK\$1,581,000; and (3) the waiver of amounts payable by the Remaining Group Companies to the Disposal Group of an aggregate amount of approximately HK\$14,547,000 as at 31 December 2013 as extracted from the respective audited financial statements.

The Disposal Consideration shall be settled by Tremendous Success by cheque in favour of the Company or its nominee to be delivered to the Company on the Share Purchase Completion Date.

Disposal Conditions

Disposal Completion is conditional upon the following Disposal Conditions:-

- (i) the Share Purchase Agreement having become unconditional (other than the fulfilment of any condition(s) in the Share Purchase Agreement requiring completion of the Disposal Agreement and other transactions contemplated therein) and not being terminated in accordance with its terms and conditions;
- (ii) the passing by the Independent Shareholders of an ordinary resolution approving the Disposal Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules and the Takeovers Code;
- (iii) the consent of the Executive in relation to the Disposal Agreement and the transactions contemplated thereunder as a special deal under Rule 25 of the Takeovers Code having been obtained and not revoked prior to the Disposal Completion;
- (iv) the passing by the Independent Shareholders of an ordinary resolution approving the declaration of the Special Dividend in accordance with the requirements of the Listing Rules and the Takeovers Code;
- (v) the completion of the Reorganisation at the sole cost of the Vendors; and
- (vi) the execution of the Deed of Assignment.

If any of the Disposal Conditions set out above have not been fulfilled on or before 31 August 2014 (or such other date as the Company and Tremendous Success may agree in writing), the rights and obligations of the Company and Tremendous Success under the Disposal Agreement shall lapse and the Disposal Agreement shall be of no further effect and the Company and Tremendous Success shall be released from such obligations without any liability save in respect of any antecedent breach or any accrued right or remedies, which shall not be prejudiced or affected.

Disposal Completion

Subject to the Disposal Conditions having been satisfied, Disposal Completion shall take place on the Share Purchase Completion Date simultaneously with or immediately before Share Purchase Completion. The Disposal Group will cease to be subsidiaries of the Company after Disposal Completion.

The Deed of Assignment

As at the date of this joint announcement, the Company and its wholly-owned subsidiary, Janful, are the plaintiffs to certain litigation cases (“Cases”) and therefore would be entitled to the benefit, interest, liability, cost, damage and/or expenses in connection with or arising from the Cases. As stipulated in the Disposal Agreement, the Company, as assignor (the “Assignor”), shall enter into the Deed of Assignment with a company or company(ies) which Mr. Ng (an executive Director) has an interest in, as assignee (the “Assignee”). Pursuant to the Deed of Assignment, the Assignor shall assign to the Assignee absolutely, among others, any and all of its rights, title, benefit, interest, liability, cost, damage and/or expenses as the plaintiff in the Cases. Upon completion of the Assignment, the Company shall be discharged as the plaintiff of the Cases.

As the genesis of the dispute in the Cases stems from an agreement entered into by Janful which would become an entity of the Disposal Group upon Disposal Completion, Mr. Ng, as the beneficial owner of Tremendous Success, which is the purchaser in the Disposal, has genuine commercial interest in continuing as plaintiffs in the Cases. As such, the Directors consider that the Assignment should have little or no impact on the Company. The Cases involve certain joint venture disputes in China which started in 2004. Janful and/or the joint venture company in China first commenced arbitration proceedings in China in January 2005 and there had been numerous arbitrations, legal proceedings, application for judicial reviews and appeals in China since January 2005. As at the date of this joint announcement, approximately RMB1.7 million has been paid by the joint venture partner to Janful as reimbursement of costs and expenses incurred by Janful, pursuant to an order of the relevant PRC arbitration authority. The Company commenced legal proceedings in Hong Kong to sue, among others, the joint venture partner and/or other related parties in December 2013 and in January 2014. The Company has only just commenced legal proceedings in Hong Kong and pleadings are not closed yet. Further details of the Cases are set out in the announcements of

the Company dated 20 June 2013, 26 June 2013, 24 July 2013, 30 July 2013, 20 August 2013, 2 September 2013, 3 December 2013 and 12 May 2014.

The Deed of Assignment constitutes a special deal for the Company under Rule 25 of the Takeovers Code by virtue of the fact that the Deed of Assignment will be entered into by the Company (as the assignor) and company or company(ies) which Mr. Ng (an executive Director) has an interest in (as the assignee) after Disposal Completion and Share Purchase Completion, which are not extended to all Shareholders. The Deed of Assignment, which constitutes a special deal for the Company under Rule 25 of the Takeovers Code, requires consent from the Executive, whereas the Assignment will constitute a connected transaction of the Company under the Listing Rules.

Each of the Vendors and Guarantor has also given a post-completion undertaking to the Offeror under the Share Purchase Agreement that the Company shall have been withdrawn from the Cases within 2 months after Share Purchase Completion at the sole cost of the Vendors, otherwise the Offeror shall have the right to procure the withdrawal of the Company from the Cases.

Reasons for the Disposal

The Company proposes to dispose of its interests in the Disposal Group which is principally engaged in the Travelling Services Business, management services and other investments holding.

The Directors consider that the potential growth in the businesses of the Disposal Group (other than the Travel Agent Business (Corporate) and the Jewellery Business) is limited. Certain businesses of the Disposal Group generate low profit margins but require a substantial amount of working capital for their operations. Certain entities in the Disposal Group are loss making in general. On the other hand, the Directors are optimistic about the development of the Remaining Business, including the Travel Agent Business (Corporate) and the Jewellery Business. Therefore, the Directors consider that the Disposal provides a good opportunity for the Group to realise its investment in the Disposal Group and generate cash proceeds for payment of the Special Dividend to the Qualifying Shareholders and other potential investments. The Group may also be able to reallocate its resources from the Disposal Group business to other business with higher growth potential.

If the Company were to retain the entire interest in Four Seas and King Link, the current directors of Four Seas and King Link respectively may resign upon Share Purchase Completion and be replaced by directors nominated by the Offeror. In order to ensure the continuous and smooth operation of the Travel Agent Business (Corporate) and the Jewellery Business on an on-going basis after Share Purchase Completion, a commercial decision has been reached amongst the Vendors, the Offeror and the Company after arm's length negotiations such that the Disposal Group shall have a minority interest in the Travel Agent Business (Corporate) (through its 35% interest in Four Seas) and the Jewellery Business

(through its 15% interest in King Link) upon completion of the Reorganisation and the Disposal Agreement and the Share Purchase Agreement. Under this arrangement and in accordance with the Four Seas Shareholders' Agreement, two of the current directors of Four Seas, including Ms. Cheung, both of whom have accumulated considerable experience in the operation and management of the Travel Agent Business (Corporate) for more than 11 years, will continue to act as directors of Four Seas and participate in its management. Similarly, in accordance with the King Link Shareholders' Agreement, one of the current directors of King Link, namely Ms. Cheung, who has accumulated considerable experience in the operation and management of the Jewellery Business for more than 20 years, will continue to act as director of King Link and participate in its management as well as to help maintain the cooperation between King Link and the other shareholder of Nanjing Baoqing. As such, the Directors (excluding the members of the Independent Board Committee whose view is subject to the advice from the Independent Financial Adviser) consider that the above arrangements could ensure the continuous and smooth operation of the Travel Agent Business (Corporate) and the Jewellery Business on an on-going basis after Share Purchase Completion and are therefore in the best interest of the Company and the Shareholders as a whole.

The Directors (excluding the members of the Independent Board Committee whose view is subject to the advice from the Independent Financial Adviser) consider that the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable and the Disposal Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

Financial information in relation to the Disposal

Rules 14.58(6), 14.58(7) and 14.60(3)(a) of the Listing Rules respectively requires the disclosure by the Company of (i) the net asset value of and the net profits 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 this joint announcement. In connection with these requirements, application has been made by the Company for waiver from inclusion of such information in this joint announcement (the "Waiver") and the Waiver had been conditionally granted by the Stock Exchange. Such application has been made on the grounds that (i) the Required Financial Information are unaudited and unpublished figures (which is the only available form as at the date of this joint announcement) and, if disclosed in this joint announcement, will constitute profit forecasts within the meaning of Rule 10 of the Takeovers Code which would need to be reported on by an auditor and an independent financial adviser of the Company, and it would be burdensome for the Company to withhold this joint announcement until such reports are available; (ii) the grant of the Waiver would not result in undue risks to the Shareholders nor would it be repugnant to the general principles under Rule 2.03 of the Listing Rules as the Disposal is still subject to the approvals of the Independent Shareholders who will be properly informed of the Required Financial Information in the circular and will have the benefit of perusing the advice from the Independent Board Committee and the Independent

Financial Adviser before making their decision on how to cast their votes in the EGM; and (iii) the basis upon which the considerations for the Disposal was determined has been disclosed in this joint announcement pursuant to Rule 14.58(5) of the Listing Rules.

The Waiver was granted by the Stock Exchange subject to the conditions that:

- (i) the Company will disclose the Required Financial Information in a further announcement when it despatches the circular; and
- (ii) the Company will include the financial information of the Disposal Group as mentioned in (i) above in the circular.

REORGANISATION

Pursuant to the Reorganisation, among other things:

- (i) New Holdco 1, a Remaining Group Company, which acts as the intermediate holding company holding 100% of Worldunity after the Disposal, will be established;
- (ii) New Holdco 2, a Remaining Group Company, which acts as the intermediate holding company holding 65% of Four Seas and 85% of King Link after the Disposal, will be established;
- (iii) Tek Lee will transfer the entire issued share capital of Worldunity to New Holdco 1;
- (iv) Four Seas (BVI) will transfer 65% of the issued shares of Four Seas to New Holdco 2;
- (v) Tek Lee will transfer 85% of the issued shares of King Link to New Holdco 2; and
- (vi) the Company will transfer the issued share capital of Bounty Gain Group Limited to Tek Lee.

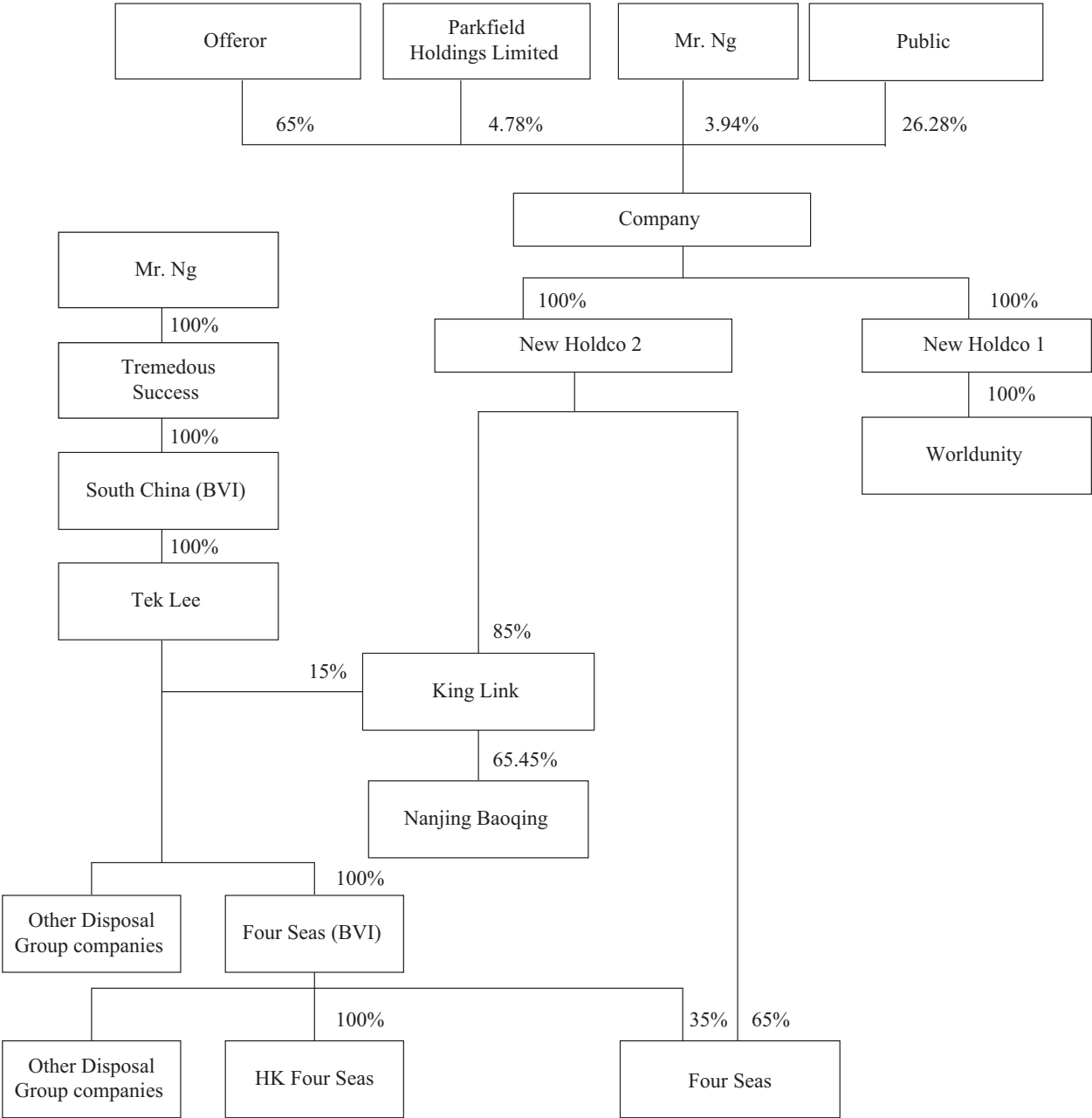
Upon completion of the Reorganisation, the Remaining Group will be principally engaged in the Remaining Business.

The chart below shows the simplified group structure of the Group as at the date of this joint announcement and immediately before completion of the Reorganisation, Disposal Completion and Share Purchase Completion (assuming that there are no other changes in the shareholding structure of the Group since the date of this joint announcement):



Group structure after completion of the Reorganisation, the Disposal Agreement and the Share Purchase Agreement

The chart below shows the respective simplified group structure of the Remaining Group and the Disposal Group immediately after completion of the Reorganisation, Disposal Completion and Share Purchase Completion, but before the commencement of the Offer (assuming that there are no other changes in the shareholding structure of the Company during this period):



POSSIBLE CONNECTED TRANSACTION, CONTINUING CONNECTED TRANSACTIONS AND SPECIAL DEALS

After Disposal Completion and Share Purchase Completion, certain arrangements between the Disposal Group and the Remaining Group may be entered into. Upon Disposal Completion, Four Seas will be held as to 65% and 35% by New Holdco 2, which is a member of the Remaining Group, and Four Seas (BVI), which is a member of the Disposal Group, respectively. New Holdco 2, Four Seas (BVI) and Four Seas will enter into the Four Seas Shareholders' Agreement at Disposal Completion to govern the shareholders' interest in Four Seas. Similarly, upon Disposal Completion, King Link will be held as to 85% and 15% by New Holdco 2, which is a member of the Remaining Group, and Tek Lee, which is a member of the Disposal Group, respectively. New Holdco 2, Tek Lee and King Link will enter into the King Link Shareholders' Agreement at Disposal Completion to govern the shareholders' interest in King Link.

According to the Share Purchase Agreement, the Company, Four Seas and HK Four Seas shall enter into the Service Agreement, pursuant to which HK Four Seas will provide certain information technology, trade mark licensing, back office support and air ticket purchase agency services to Four Seas.

As members of the Disposal Group are connected persons of the Company, any aforesaid arrangements contemplated under the Four Seas Shareholders' Agreement, the King Link Shareholders' Agreement and the Service Agreement will constitute continuing connected transactions of the Company. Also, the Assignment, which will be carried out pursuant to the Deed of Assignment, will constitute connected transaction of the Company. The Company will comply with the reporting, annual review (as the case may be), announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules if and to extent that they are applicable.

The Service Agreement will also constitute a special deal under Rule 25 of the Takeovers Code. An application will be made by the Company to the Executive for consent in relation to the Service Agreement. Such consent, if granted, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion, the terms of the Special Deals are fair and reasonable; and (ii) the approval of the Special Deals by the Independent Shareholders by way of poll at the EGM.

Since HK Four Seas is an indirect wholly-owned subsidiary of the Company, (i) Mr. Ng and his associates (including Parkfield Holdings Limited, Fung Shing Group Limited, Ronastar Investments Limited, Bannock and Earntrade, together being interested in 1,344,181,812 Shares, representing approximately 73.72% of the total issued share capital of the Company as at the date of this joint announcement); (ii) any parties acting in concert with Mr. Ng; and

(iii) parties involved or interested in the Special Deals; will be required to abstain from voting on the resolution(s) approving the Special Deals at the EGM in accordance with the Listing Rules and the Takeovers Code since they are considered to be materially interested in the transactions contemplated under the Special Deals.

THE FOUR SEAS SHAREHOLDERS' AGREEMENT

The proposed terms of the Four Seas Shareholders' Agreement to be entered into at Share Purchase Completion are set out below.

Parties

- (i) New Holdco 2 (as shareholder of Four Seas);
- (ii) Four Seas (BVI) (as shareholder of Four Seas); and
- (iii) Four Seas.

Management of Four Seas

The business of Four Seas shall be managed by the board of directors of Four Seas.

Board composition and proceedings

Unless otherwise agreed by New Holdco 2 and Four Seas (BVI) in writing, the board of directors of Four Seas shall consist of five directors. New Holdco 2 shall have the right to appoint and remove up to three directors and Four Seas (BVI) shall have the right to appoint and remove up to two directors. The directors appointed by New Holdco 2 may elect one of their members to be the chairman of the board.

Questions arising at any board meeting of Four Seas shall be decided by a majority of votes and in the case of an equality of votes, the chairman shall not have a second or casting vote.

No action shall be taken, and no resolution shall be passed, by New Holdco 2, Four Seas (BVI) or the board of directors of Four Seas in respect certain reserved matters of Four Seas without the unanimous prior written approval of New Holdco 2 and Four Seas (BVI), including, among others, (a) change its name or the name under which it carries on business or its memorandum or articles of association; and (b) vary any rights attaching to any shares.

Under the Four Seas Shareholders' Agreement, Four Seas will agree with New Holdco 2 and Four Seas (BVI) that it shall (so far as it is legally able to do so) observe and comply with the provisions, prohibitions and restrictions set out above.

Transfer restrictions

Save where the other shareholders have given their prior written consent, no transfer of shares in Four Seas (or any interest therein) shall be made by either New Holdco 2 or Four Seas (BVI) within 27 months from the Share Purchase Completion Date except for any transfer of shares to the existing shareholders, and no transfer of shares in Four Seas (or any interest therein) shall be made by either New Holdco 2 or Four Seas (BVI) after the expiry of such 27 months unless in compliance with the procedures and provisions relating to right of first refusal as set out in the Four Seas Shareholders' Agreement.

THE KING LINK SHAREHOLDERS' AGREEMENT

The proposed terms of the King Link Shareholders' Agreement to be entered into at Share Purchase Completion are set out below.

Parties

- (i) New Holdco 2 (as shareholder of King Link);
- (ii) Tek Lee (as shareholder of King Link); and
- (iii) King Link.

Management of King Link

The business of King Link shall be managed by the board of directors of King Link.

Board composition and proceedings

Unless otherwise agreed by New Holdco 2 and Tek Lee in writing, the board of directors of King Link shall consist of five directors. New Holdco 2 shall have the right to appoint and remove up to four directors and Tek Lee shall have the right to appoint and remove up to one director. The directors appointed by New Holdco 2 may elect one of their members to be the chairman of the board.

Questions arising at any board meeting of King Link shall be decided by a majority of votes and in the case of an equality of votes, the chairman shall not have a second or casting vote.

No action shall be taken, and no resolution shall be passed, by New Holdco 2, Tek Lee or the board of directors of King Link in respect of the certain reserved matters of King Link without the unanimous prior written approval of New Holdco 2 and Tek Lee, including, among others: (a) change its name or the name under which it carries on business or its memorandum or articles of association; and (b) vary any rights attaching to any shares.

Under the King Link Shareholders' Agreement, King Link will agree with New Holdco 2 and Tek Lee that it shall (so far as it is legally able to do so) observe and comply with the provisions, prohibitions and restrictions set out above.

Transfer restrictions

Save where the other shareholders have given their prior written consent, no transfer of shares in King Link (or any interest therein) shall be made by either New Holdco 2 or Tek Lee within 27 months from the Share Purchase Completion Date except for any transfer of shares to the existing shareholders, and no transfer of shares in King Link (or any interest therein) shall be made by either New Holdco 2 or Tek Lee after the expiry of such 27 months unless in compliance with the procedures and provisions relating to right of first refusal as set out in the King Link Shareholders' Agreement.

THE SERVICE AGREEMENT

Date	Share Purchase Completion Date
Parties	(i) The Company; (ii) Four Seas; and (iii) HK Four Seas (as service provider).

Term

The appointment of HK Four Seas as service provider shall be for a term of three years commencing on the Share Purchase Completion Date.

Principal business activities of the parties

The Company was involved in investment holding activity while its subsidiaries were principally engaged in sale of air-tickets and other travel related and other services (including the Travel Agent Business (Corporate) and the Travelling Services Business), trading of jewellery products, and the Group's management services and other investment holding.

Four Seas is principally engaged in the Travel Agent Business (Corporate).

HK Four Seas is principally engaged in the Travelling Services Business.

Service to be provided

Pursuant to the Service Agreement, HK Four Seas agrees to provide the following services to Four Seas for a monthly fee of HK\$100,000:

- (i) provision of information technology and administrative resources and services including but not limited to the use of telephone system with designated phone numbers, email addresses, carrier reservation systems, mid and back office system, and webpage design and maintenance;
- (ii) provision of necessary hardware including computers, computer hardware and software systems and the necessary maintenance for such hardware and software provided;
- (iii) licensing of such trademarks owned by HK Four Seas to be used by Four Seas;
- (iv) purchasing of air tickets from airline companies through the International Air Transport Association (“IATA”) and other agencies, which will then be sold to Four Seas on normal commercial terms; and
- (v) such other back-office support services and technical support services necessary to support the smooth operation of Four Seas.

The service fee of HK\$100,000 per month was arrived at after arm’s length negotiation between the parties to the Service Agreement and also taking into account the extent of services required and the estimated costs for HK Four Seas to provide such services to Four Seas.

To comply with Rule 14A.35(2) of the Listing Rules, an annual cap must be set in respect of the fees payable by Four Seas to HK Four Seas under the Service Agreement, which is proposed as follows:

	For the year ending 31 December			
	2014 (HK\$)	2015 (HK\$)	2016 (HK\$)	2017 (HK\$)
Proposed annual caps for				
2014 to 2017	2.32 million	7.29 million	7.66 million	5.36 million

Notes:

1. The services to be provided under the Service Agreement is estimated to commence on 1 September 2014 and end on 31 August 2017.
2. The annual cap has taken into account (i) the fixed monthly service fee of HK\$100,000 payable by Four Seas to HK Four Seas; and (ii) the agency fee payable by Four Seas to HK Four Seas for purchasing air tickets from airline companies through IATA and other agencies under the Service Agreement. The sales of air tickets from HK Four Seas to Four Seas is treated as cash collected on behalf of the principal as an agent, and the revenue of HK Four Seas are recorded on net basis.

The annual caps were determined based on the agreed fixed service fee as well as the amount payable by Four Seas to HK Four Seas resulting from the sales of air tickets from HK Four Seas to Four Seas, after taking into account the historical transaction volume of sales of air tickets from HK Four Seas to Four Seas, the possible inflation and an assumed growth rate of 6% for the relevant period.

Should the annual fees payable by Four Seas to HK Four Seas exceed the above annual caps in any year during the term of the Service Agreement, the Company will revise the annual caps in compliance with the relevant provisions under Chapter 14A of the Listing Rules.

The Directors (excluding the members of the Independent Board Committee whose view is subject to the advice from the Independent Financial Adviser) consider that the terms of the Service Agreement and the annual caps are on normal commercial terms and are fair and reasonable and the Service Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

Reasons for entering into the Service Agreement

HK Four Seas and Four Seas will enter into the Service Agreement for the following reasons:

- (a) Four Seas could leverage on HK Four Seas' administrative and technical support services and information technology capacities which would reduce operating and administrative expenses and enhance the smooth operation of the Travel Agent Business (Corporate) of Four Seas during the transitional period following Share Purchase Completion; and
- (b) HK Four Seas has been operating in the travel industry in Hong Kong for a substantial period of time. Thus, the grant of licence to Four Seas to use HK Four Seas' trademarks and logos could enhance the Remaining Group's market recognition.

In view of the foregoing, the Directors (excluding the members of the Independent Board Committee whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Service Agreement are on commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

GENERAL

Independent Board Committee

An Independent Board Committee (comprising all non-executive Directors except Ms. Ng Yuk Mui Jessica, being the daughter of Mr. Ng) will be established by the Company to advise the Independent Shareholders as to whether the Offer, the Special Deals, the Connected Transactions and the transactions contemplated thereunder are fair and reasonable and as to the acceptance of the Offer. The Independent Financial Adviser to the Independent Committee in respect of the Offer, the Special Deals, the Connected Transactions and the transactions contemplated thereunder will be identified and appointed by the Independent Board Committee.

EGM

The EGM will be convened before Share Purchase Completion to approve, among other things, the Special Deals, the Connected Transactions and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Special Deals, the Connected Transactions and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Special Deals, the Connected Transactions and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to

the Independent Board Committee in relation to the Special Deals, the Connected Transactions and the transactions contemplated thereunder; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 17 July 2014.

Availability of the composite document

It is the intention of the Offeror and the Company that the offer document and the offeree board circular be combined in the composite document. Under the Takeovers Code, the composite document should be despatched to Shareholders within 21 days of the date of this joint announcement or such other date as may be approved by the Executive. As there is a pre-condition (i.e. Share Purchase Completion) to the making of the Offer, application will be made by the Offeror and the Company for the Executive's consent under note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for despatch of the composite document to within seven days from Share Purchase Completion. The composite document, will set out, among other things, details of the Offer, a letter of advice from the Independent Board Committee in relation to the Offer and a letter of advice from the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer.

Disclosure of dealings in the Shares

The respective associates of the Offeror and the Company are hereby reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

Any associates (including persons holding 5% or more of a class of relevant securities of a company) of the Company, any of the Vendors, the Offeror or parties acting in concert with any of them are reminded to disclose their dealings in any securities of the Company.

IMPORTANT NOTE TO SHAREHOLDERS OUTSIDE HONG KONG

The Offeror intends to make the Offer (or any mandatory unconditional general cash offer referred to herein) available to all Shareholders, including those with registered addresses, as shown in the register of members of the Company, outside Hong Kong. The availability of the Offer (or any mandatory unconditional general cash offer referred to herein) to persons not resident in Hong Kong and the ability of Shareholders outside Hong Kong to participate in the Offer will also be subject to, and may be limited by, the laws and regulations of their respective jurisdictions.

Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It will be the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 May 2014 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 25 June 2014.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following terms have the following meanings:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Assignment”	the assignment of, among others, any rights, title, benefit, interest, liability, cost, damage and/or expenses as the plaintiff in the Cases by the Assignor to the Assignee pursuant to the Deed of Assignment, further details of which are set out in the section headed “THE DISPOSAL – The Deed of Assignment” of this joint announcement
“associates”	has the meaning ascribed thereto in the Takeovers Code
“Bannock”	Bannock Investment Limited, a company incorporated under the laws of the Republic of Liberia, being one of the Vendors
“Board”	the board of Directors
“Business Day”	means a day on which banks in Hong Kong are open for business, other than a Saturday or a Sunday; or a day on which a tropical 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.
“BVI”	British Virgin Islands
“CCBI”	CCB International Capital Limited, a licensed corporation under the SFO permitted to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities for the purposes of the SFO and which is the financial adviser to the Offeror in respect of the Offer
“CCBIS Facility”	a margin loan facility of up to HK\$182 million granted by CCB International Securities Limited, a fellow subsidiary of CCBI

“Company”	South China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 265)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Connected Transactions”	the possible connected transactions between the Disposal Group and the Remaining Group, details of which are described in the section headed “POSSIBLE CONNECTED TRANSACTION, CONTINUING CONNECTED TRANSACTIONS AND SPECIAL DEALS” of this joint announcement
“Deed of Assignment”	the deed of assignment to be entered into between the Company and a company or company(ies) which Mr. Ng has an interest whereby the Company shall assign, among others, the rights and benefits and liabilities of certain litigation cases as the plaintiff to such a company or company(ies) relating to Mr. Ng
“Director(s)”	director(s) of the Company
“Disposal”	the conditional sale by the Company of the entire issued share capital of South China (BVI), which will hold the Disposal Group after the Reorganisation
“Disposal Agreement”	the agreement dated 30 April 2014 entered into between the Company and Tremendous Success in respect of the Disposal, as amended by the supplemental agreement dated 24 June 2014 entered into between the Company and Tremendous Success
“Disposal Completion”	completion of the sale and purchase of the Disposal Shares under the Disposal Agreement
“Disposal Condition(s)”	condition(s) precedent to the Disposal Completion, further details of which are set out in the section headed “THE DISPOSAL – Disposal Conditions” of this joint announcement
“Disposal Consideration”	the consideration of the Disposal

“Disposal Group”	South China (BVI) and its subsidiaries and associated companies after the Reorganisation
“Disposal Shares”	the entire issued share capital of South China (BVI)
“Earntrade”	Earntrade Investments Limited (盈麗投資有限公司), a company incorporated under the laws of Hong Kong, being one of the Vendors
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of, amongst other things, approving the Special Deals and the Connected Transactions and the transactions contemplated thereunder by the Independent Shareholders
“encumbrance”	any mortgage, charge, pledge, lien (otherwise than arising by statue or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Four Seas”	Four Seas Tours Limited (四海旅行社有限公司), a company incorporated in Hong Kong with limited liability, being a Remaining Group Company after the Disposal
“Four Seas (BVI)”	Four Seas Travel (BVI) Limited, a company incorporated in the BVI with limited liability, which will hold 35% of Four Seas after the Disposal
“Four Seas Shareholders’ Agreement”	the shareholders’ agreement to be entered into among New Holdco 2, Four Seas (BVI) and Four Seas to govern the shareholders’ interest in Four Seas
“Group”	the Company and its subsidiaries

“Guarantor”	Ms. Cheung
“HK Four Seas”	Hong Kong Four Seas Tours Limited (香港四海旅行社有限公司), a company incorporated in Hong Kong with limited liability, which may provide certain services to Four Seas after the Disposal pursuant to the Service Agreement and will become a member of the Disposal Group after the Disposal
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the non-executive Directors except Ms. Ng Yuk Mui Jessica, being the daughter of Mr. Ng, namely Mr. David Michael Norman, Mr. David John Blackett, Mrs. Tse Wong Siu Yin Elizabeth and Mr. Cheng Hong Kei, which will be established by the Company to make recommendations to the Independent Shareholders in respect of the Offer, the Special Deals and the Connected Transactions as well as the respective transactions contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the terms of the Offer and the Special Deals and the Connected Transactions as well as the respective transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than (i) the Vendors, their associates and parties acting in concert with any of them; (ii) the Offeror, its ultimate beneficial owner(s) and any parties acting in concert with any of them; and (iii) any Shareholders who are involved in or interested in or interested in the Share Purchase Agreement, the Special Deals, the Connected Transactions and/or the transactions contemplated therein
“Janful”	Janful Limited (晉皓有限公司), a company incorporated in Hong Kong with limited liability, being an entity of the Disposal Group after the Disposal

“Jewellery Business”	the trading of jewellery products being conducted by Nanjing Baoqing
“King Link”	King Link Investments Limited (聯勁投資有限公司), a company incorporated in Hong Kong with limited liability, being a Remaining Group Company after the Disposal
“King Link Shareholders’ Agreement”	the shareholders’ agreement to be entered into among New Holdco 2, Tek Lee and King Link to govern the shareholders’ interest in King Link
“Last Trading Day”	30 April 2014, being the last full trading day for the Shares prior to the suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 August 2014, or such later date as may be agreed among the Vendors and the Offeror in writing
“Mr. Ng”	Mr. Ng Hung Sang, an executive Director, the chairman of the Board and a substantial Shareholder
“Mr. Shi”	Mr. Shi Baodong (石保棟), the sole beneficial owner of the Offeror
“Ms. Cheung”	Ms. Cheung Choi Ngor, an executive Director and she is interested in 20% of the shareholding of Earntrade
“Nanjing Baoqing”	南京南華寶慶珠寶首飾有限公司, a sino-foreign joint venture established in the PRC, being a Remaining Group Company after the Disposal
“New Holdco 1”	a company to be incorporated in the BVI with limited liability, being a Remaining Group Company and a direct wholly-owned subsidiary of the Company, which will hold the entire issued share capital of Worldunity after the Disposal

“New Holdco 2”	a company to be incorporated in the BVI with limited liability, being a Remaining Group Company, and a direct wholly-owned subsidiary of the Company), which will hold 65% of Four Seas and 85% of King Link after the Disposal
“Offer”	the mandatory unconditional general cash offer to be made by CCBI on behalf of the Offeror to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code as a result of (and subject to and upon) the Share Purchase Completion
“Offer Period”	has the meaning ascribed thereto in the Takeovers Code
“Offer Price”	the cash amount of HK\$0.27425 payable by the Offeror for each Share in respect of the Offer
“Offer Share(s)”	Share(s) in respect of which the Offer is made, being Share(s) not already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Orient Victory Real Estate Group Holdings Limited, a company incorporated under the BVI
“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China which, for the purposes of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Qualifying Shareholders”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date
“Record Date”	the record date to determine entitlements of the Shareholders to the Special Dividend, which will be determined and announced by the Company

“Remaining Business”	the businesses as carried on by each of the Remaining Group Companies including the Travel Agent Business (Corporate) and the Jewellery Business, after the Disposal
“Remaining Business Companies”	Four Seas, King Link, Nanjing Baoqing and Worldunity
“Remaining Group” or “Remaining Group Company(ies)”	the subsidiaries of the Company after the Disposal, including the New Holdco 1, New Holdco 2, Four Seas, King Link, Nanjing Baoqing and Worldunity
“Reorganisation”	the proposed reorganisation of the Group to be undertaken by the Company for the purpose of Disposal Completion
“Sale Share(s)”	a total of 1,185,210,894 Shares agreed to be acquired by the Offeror from the Vendors pursuant to the terms of the Share Purchase Agreement, representing approximately 65% of the existing issued share capital of the Company as at the date of this joint announcement
“Service Agreement”	the service agreement to be entered into among the Company, Four Seas and HK Four Seas
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the share(s) having a par value of HK\$0.025 each in the share capital of the Company as at the date of this joint announcement
“Share Purchase Agreement”	the sale and purchase agreement dated 30 April 2014 entered into between the Vendors, the Offeror and the Guarantor in relation to the sale and purchase of the Sale Shares, as amended by the supplemental agreement dated 24 June 2014 entered into between the Vendors, the Offeror and the Guarantor

“Share Purchase Completion”	completion of the sale and purchase of the Sale Shares under the Share Purchase Agreement
“Share Purchase Completion Date”	the date of the Share Purchase Completion, which shall be the third Business Day after the fulfilment (or, where applicable, waiver) of the last of the Share Purchase Conditions (or such later date as may be agreed by the Vendors and the Offeror in writing)
“Share Purchase Condition(s)”	condition(s) precedent to the Share Purchase Completion, further details of which are set out in the section headed “THE SHARE PURCHASE AGREEMENT – Completion Conditions” of this joint announcement
“Share Purchase Price”	HK\$325,044,087, being the total consideration payable by the Offeror to the Vendors for the purchase of the Sale Shares
“Shareholders”	holder(s) of the Share(s)
“South China (BVI)”	South China (BVI) Limited, a company incorporated in the BVI with limited liability
“Special Deal(s)”	the Disposal (including the transaction contemplated under the Deed of Assignment) and the Service Agreement as special deals under Rule 25 of the Takeovers Code
“Special Dividend”	subject to, among other things, and following Disposal Completion, the special dividend in cash to be proposed by the Board, details of which are set out in the section headed “DECLARATION OF SPECIAL DIVIDEND” of this joint announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers

“Tek Lee”	Tek Lee Finance And Investment Corporation Limited (德利投資有限公司), a company incorporated in Hong Kong with limited liability, which will hold 15% of King Link after the Disposal
“Travel Agent Business (Corporate)”	the sale of air tickets and other travel-related services principally provided to corporate clients being conducted by Four Seas
“Travelling Services Business”	the sale of air tickets and other travel-related services principally provided to travel agents being conducted by HK Four Seas and certain other Disposal Group companies
“Tremendous Success”	Tremendous Success Holdings Limited, a company incorporated in the BVI with limited liability
“Vendors”	Parkfield Holdings Limited, Fung Shing Group Limited, Ronastar Investments Limited, Bannock and Earntrade
“Worldunity”	Worldunity Investments Limited (世統投資有限公司), a company incorporated in Hong Kong with limited liability, being a Remaining Group Company after the Disposal
“%”	per cent.

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

For and on behalf of
Orient Victory Real Estate
Group Holdings Limited
Shi Baodong
Director

Hong Kong, 25 June 2014

As at the date of this joint 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.

As at the date of this joint announcement, Mr. Shi Baodong is the sole director of the Offeror.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint 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 joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendors and parties acting in concert with them), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.