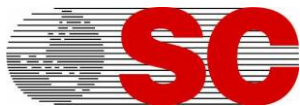


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## **SOUTH CHINA HOLDINGS LIMITED**

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

**(Stock Code: 265)**

### **ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE**

Reference are made to the announcements of South China Holdings Limited (the “Company”) dated 25 April 2014 and 30 April 2014, respectively, (collectively the “Announcements”) in relation to, among others, the discussions between certain shareholders of the Company (the “Vendors”) and an independent third party (the “Offeror”) in respect of a possible transaction (the “Proposed Transaction”). Unless otherwise defined, all capitalized terms used herein shall have the respective meanings ascribed to them in the Announcements.

The Company wishes to inform the public of the current status of the Proposed Transaction. After trading hours of the Stock Exchange on 30 April 2014, the Offeror, the Vendors and a guarantor entered into an agreement in relation to the sale and purchase of 1,185,210,894 shares in the Company (the “Sale Shares”) having a par value of HK\$0.025 each in the share capital of the Company (the “Share Purchase Agreement”), representing approximately 65% of the existing issued share capital of the Company as at the date of this announcement.

Upon completion of the sale and purchase of the Sales Shares pursuant to the Share Purchase Agreement, the Offeror will be required to make mandatory unconditional cash offers (the “Offers”) for all the then issued shares of the Company not already beneficially owned or agreed to be acquired by the Offeror and parties acting in concert with it under Rule 26.1 of the Takeovers Code. However, completion of the sale and purchase of the Sales Shares pursuant to the Share Purchase Agreement is conditional upon the fulfillment of a number of conditions. Details of the said conditions and further details on the Offers will be disclosed in an announcement to be published by the Company with the Offeror jointly (the “Joint Announcement”). The board of the Company requires additional time to prepare the Joint Announcement, which will be published as soon as practicable.

**The Offers are possibilities only. As the Offers will only be made after completion of the sale and purchase of the Sales Shares pursuant to the Share Purchase Agreement, which is subject to a number of conditions, the Offers may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.**

As at the date of this announcement, there were 1,823,401,376 shares of the Company in issue. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

Trading in the shares of the Company on the Stock Exchange will remain suspended pending the release of the Joint Announcement.

The associates of the Company (including shareholders of the Company having interests of 5% or more in the relevant securities of the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

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

*“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 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. 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 \$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.”*

“Executive” in the above has the meaning ascribed to it under the Takeovers Code.

By order of the Board  
**South China Holdings Limited**  
**Cheung Choi Ngor**  
*Executive Director*

Hong Kong, 30 May 2014

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

*All the directors of the Company jointly and severally accept fully responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*