
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 38D of the Companies (WUMP) Ordinance. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of any of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of any of the Prospectus Documents.



SOUTH CHINA FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

RIGHTS ISSUE OF 2,514,042,250 RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF HK\$0.1 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE

Underwriter of the Rights Issue



英皇證券(香港)有限公司
Emperor Securities Limited

Capitalised terms used in this cover shall have the same meanings as those defined in this prospectus.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 8 June 2015. The procedures for acceptance and payment of the Rights Shares and application and payment for excess Rights Shares are set out on pages 11 to 14 of this prospectus.

The Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriter by notice in writing to the Company to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 5 to 6 of this prospectus.

Shareholders should note that the existing Shares have been dealt in on ex-rights basis from Tuesday, 12 May 2015. The Rights Shares in their nil-paid form will be dealt in from Wednesday, 27 May 2015 to Wednesday, 3 June 2015 (both days inclusive). If prior to the Latest Time for Termination, the Underwriter terminates the Underwriting Agreement or if any of the other conditions of the Rights Issue as set out in the paragraphs headed "Conditions of the Rights Issue" contained in this prospectus is not fulfilled or waived (as applicable), the Rights Issue will not proceed.

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases, will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing the Shares who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser.

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2015

First day for dealings in nil-paid Rights Shares	9:00 a.m. on Wednesday, 27 May
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Friday, 29 May
Last day for dealings in nil-paid Rights Shares	4:00 p.m. on Wednesday, 3 June
Latest time for acceptance of, and payments for, the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Monday, 8 June
Latest time for the termination of the Underwriting Agreement and the Rights Issue become unconditional	4:00 p.m. on Thursday, 11 June
Announcement of results of the Rights Issue to be published	Friday, 19 June
Share certificates for fully-paid Rights Shares expected to be posted	Monday, 22 June
Refund cheques for wholly and partially unsuccessful excess applications to be posted	Monday, 22 June
Dealings in fully-paid Rights Shares commences	9:00 a.m. on Tuesday, 23 June
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares	9:00 a.m. on Tuesday, 23 June
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares	4:00 p.m. on Tuesday, 14 July

All times and dates in this prospectus refer to Hong Kong local times and dates.

Dates or deadlines specified in this prospectus are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Latest Time for Acceptance, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event as soon as practicable.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“Announcement”	the announcement of the Company dated 30 April 2015 relating to, inter alia, the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong, as amended or supplemented from time to time
“Company”	South China Financial Holdings Limited, a company incorporated in Hong Kong with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares in connection with the Rights Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Third Party(ies)”	third parties independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company
“Irrevocable Undertaking”	the irrevocable undertaking dated 30 April 2015 executed by each of Mr. Ng, Ms. Cheung Choi Ngor, Mr. Ng Yuk Yeung Paul, Fung Shing Group Limited, Parkfield Holdings Limited and Ronastar Investments Limited in favour of the Company and the Underwriter
“Last Trading Day”	27 April 2015, being the last trading day for the Shares on the Stock Exchange before the publication of the Announcement
“Latest Practicable Date”	18 May 2015, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Monday, 8 June 2015 or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Thursday, 11 June 2015, being the third Business Day after the Latest Time for Acceptance, or such later time as may be agreed between the Company and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ng”	Mr. Ng Hung Sang, the Chairman, Executive Director and substantial Shareholder of the Company
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which is(are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue

DEFINITIONS

“Posting Date”	22 May 2015 or such other date as the Underwriter may agree in writing with the Company, being the date of despatch of the Prospectus Documents
“Prospectus”	this prospectus issued by the Company containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	18 May 2015 or such other date as may be agreed between the Company and the Underwriter, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong
“Rights Issue”	the proposed issue by way of rights on the Record Date at the Subscription Price pursuant to the Prospectus Documents and as contemplated under the Underwriting Agreement
“Rights Share(s)”	2,514,042,250 Shares to be allotted and issued by the Company under the Rights Issue
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which render any of the warranties contained in the Underwriting Agreement untrue, inaccurate or misleading
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.1 per Rights Share
“Sub-underwriter”	South China Securities Limited, a wholly-owned subsidiary of the Company and a licensed corporation to carry out business in type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), the principal business of which includes underwriting of securities, acting on behalf of its clients who are Independent Third Parties

DEFINITIONS

“Takeovers Code”	The Code on Takeovers and Mergers
“Underwriter”	Emperor Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), the principal business of which includes underwriting of securities
“Underwriting Agreement”	the underwriting agreement entered into between the Company and the Underwriter on 30 April 2015 in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	1,436,685,198 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%”	per cent

TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination,

- (A) one or more of the following events or matters shall occur, arise, exist, or come into effect:
- (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) after the signing of the Underwriting Agreement;
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
 - (iii) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
 - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement;
 - (v) after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
 - (vi) there is, after signing of the Underwriting Agreement, any change or any development involving a prospective change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of the clause in the Underwriting Agreement governing the termination of the Underwriting Agreement includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs;
or
 - (vii) the prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company,

TERMINATION OF THE UNDERWRITING AGREEMENT

which event or events is or are in the reasonable opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole;
 - (b) likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or
 - (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue;
- (B) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the representations, warranties and undertakings in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (C) any Specified Event comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Upon giving of notice pursuant to the Underwriting Agreement, all obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement.

If the Underwriter exercises such right, the Rights Issue will not proceed.

LETTER FROM THE BOARD



SOUTH CHINA FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

Executive Directors:

Mr. Ng Hung Sang (*Chairman*)
Mr. Richard Howard Gorges (*Vice-chairman*)
Ms. Cheung Choi Ngor (*Vice-chairman*)
Mr. Ng Yuk Yeung Paul (*Vice-chairman*)

Registered office:

28th Floor
Bank of China Tower
1 Garden Road
Central
Hong Kong

Independent Non-executive Directors:

Mrs. Tse Wong Siu Yin Elizabeth
Hon. Raymond Arthur William Sears, Q.C.
Mr. Tung Woon Cheung Eric

22 May 2015

*To the Qualifying Shareholders and, for information only,
the Non-Qualifying Shareholders,*

Dear Sir or Madam,

**RIGHTS ISSUE OF 2,514,042,250 RIGHTS SHARES
AT THE SUBSCRIPTION PRICE OF HK\$0.1 EACH
ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE**

INTRODUCTION

On 30 April 2015, the Board announced that the Company proposed to raise approximately HK\$251 million before expenses by way of the Rights Issue of 2,514,042,250 Rights Shares at the subscription price of HK\$0.1 per Rights Share payable in full on acceptance on the basis of one Rights Share for every two existing Shares held on the Record Date. The Rights Issue is not available to the Non-Qualifying Shareholder(s).

The purpose of this prospectus is to provide the Shareholders with further details about the Rights Issue.

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price	:	HK\$0.1 per Rights Share
Number of Shares in issue as at the Record Date	:	5,028,084,500 Shares
Number of Rights Shares	:	2,514,042,250 Rights Shares
Number of issued Shares upon completion of the Rights Issue	:	7,542,126,750 Shares
Amount to be raised	:	Approximately HK\$251 million before expenses
Right of excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

The 2,514,042,250 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the Company's issued share capital as at Latest Practicable Date and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the Rights Issue.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

LETTER FROM THE BOARD

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

Based on the register of members of the Company, there were two Overseas Shareholders with registered addresses in each of Taiwan and Canada who respectively owns 80,000 Shares and 63,000 Shares on the Record Date.

The Company has been advised by its legal advisers on the laws of Taiwan that the Company would be exempt from obtaining approval from, and/or registration or lodgement of the Prospectus Documents with, the relevant regulatory authorities under the applicable laws and regulations of Taiwan since the Company would meet the relevant requirements for exemption. Based on the advice of the Company's legal advisers on the laws of Taiwan, the Directors believe that the Prospectus Documents would not be required to be registered or lodged with the relevant regulatory bodies under the relevant laws and regulations of Taiwan and may be despatched to the Overseas Shareholder with registered address in Taiwan without any restrictions. In view of this, the Directors have decided to extend the Rights Issue to the Overseas Shareholder with registered address in Taiwan and such Overseas Shareholder, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders for the purpose of the Rights Issue. The Company will send the Prospectus Documents to such Qualifying Shareholders.

Having made reasonable enquiries of the securities law requirements for the province of Canada where the Overseas Shareholder in Canada resides, the Directors are of the view that, as at the Latest Practicable Date, the extension of the Rights Issue to the Overseas Shareholder in Canada would or might, in the absence of compliance with the prospectus qualification or registration requirements or pursuant to an exemption from the prospectus qualification or registration requirements and other special formalities under the relevant legislation or regulations of the province of Canada in which the Overseas Shareholder in Canada resides, be unlawful or impracticable, and compliance with the registration or other special formalities in the province of Canada in which the Overseas Shareholder in Canada resides could be both disproportionately costly and time-consuming, particularly in light of the fact that the Overseas Shareholder in Canada holds a very small or nominal amount of Shares. Accordingly, in view of the likely expense and time involved if compliance with the securities laws of the province of Canada in which the Overseas Shareholder in Canada resides were to be observed and the insignificant shareholding of the Overseas Shareholder located in Canada, the Directors believe that the costs and burden of compliance with such laws would outweigh the benefits which the Company and its Shareholders as a whole would stand to receive by having such Overseas Shareholder included in the Rights Issue. Therefore, the Directors have determined that it would not be necessary or expedient to extend the Rights Issue to the Overseas Shareholder located in Canada and accordingly, such Overseas Shareholder will be a Non-Qualifying Shareholder.

Receipt of a copy of any Prospectus Documents does not and will not constitute an offer to the Non-Qualifying Shareholder or any other persons in any jurisdiction or territories in which it would be unlawful to make an offer, and in such circumstances the Company will send the Prospectus to the Non-Qualifying Shareholder for his information only, but will not send any PAL and EAF to him.

LETTER FROM THE BOARD

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholder, to be sold in the market in their nil-paid form during the period from Wednesday, 27 May 2015 to Wednesday, 3 June 2015, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis to the relevant Non-Qualifying Shareholder. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Non-Qualifying Shareholder to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will be made available for excess applications by Qualifying Shareholders under the EAF(s).

No action has been taken to permit the offering of the Rights Shares, or the distribution of this prospectus or any of the PAL or EAF, in any territory or jurisdiction outside Hong Kong. No person receiving a copy of this prospectus and/or the PAL and the EAF in any territory or jurisdiction outside Hong Kong may treat it as an offer or an invitation to apply for the Rights Shares or the excess Rights Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of this prospectus or any of the PAL or EAF outside Hong Kong (including the ultimate beneficial owner(s) of the Qualifying Shareholders) and wishing to take up the Rights Shares or make an application for the excess Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including obtaining any government or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. The Company will not be responsible for verifying the legal qualification of such Overseas Shareholder and/or resident in such territory or jurisdiction, thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of such territory or jurisdiction by any such Overseas Shareholder and/or resident, the Overseas Shareholder and/or resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid Rights Shares or fully-paid Rights Shares to any such Overseas Shareholder and/or resident, if at the Company's absolute discretion issuing the nil-paid Rights Shares or fully-paid Rights Shares to them does not comply with the relevant laws of such territory or jurisdiction. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited has given, or be subject to, any of the above representation or warranty. If you are in any doubt as to your position, you should consult your professional advisers.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.1 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 42.53% to the closing price of HK\$0.174 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (b) a discount of approximately 32.89% to the theoretical ex-rights price of approximately HK\$0.149 per Share based on the closing price of HK\$0.174 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 40.83% to the average closing price of approximately HK\$0.169 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (d) a discount of approximately 59.35% to the closing price of HK\$0.246 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. The Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue, including the Subscription Price which has been set at a reasonable discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company in the future, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.099.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid the record date of which is after the date of allotment of the Rights Shares in their fully-paid form.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAF(s).

Procedures for acceptance and payment or transfer

Qualifying Shareholders will find enclosed with this prospectus a PAL which entitles them to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong by no later than 4:00 p.m. on Monday, 8 June 2015. All remittances must be made

LETTER FROM THE BOARD

in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to **"South China Financial Holdings Limited – Provisional Allotment Account"** and crossed **"Account Payee Only"**.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Monday, 8 June 2015, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders.

If the Qualifying Shareholders wish to accept only part of their provisional allotment and/or to transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 29 May 2015 to the Registrar who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited has given, or be subject to, any of the above representation or warranty. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the rights to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk on or before Monday, 22 June 2015.

LETTER FROM THE BOARD

Application and payment for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, for any Rights Shares provisionally allotted but not accepted and for any unsold Rights Shares arising from the aggregation of fractional entitlement.

Any Qualifying Shareholder wishing to apply for any excess Rights Shares must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong by not later than 4:00 p.m. on Monday, 8 June 2015. All remittances must be made in Hong Kong dollars and cheques or cashier's orders must be drawn on a bank account in Hong Kong and made payable to "**South China Financial Holdings Limited – Excess Application Account**" and crossed "**Account Payee Only**".

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL or the existing number of Shares held by Qualifying Shareholders. No preference will be given to topping up odd lots to whole board lots.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

The allocation of excess Rights Shares (if any) made to the Qualifying Shareholders will be announced on or about Friday, 19 June 2015. If no excess Rights Shares are allotted to the Qualifying Shareholders, the amount tendered on application is expected to be refunded in full on or before Monday, 22 June 2015. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application monies are also expected to be refunded to them on or before Monday, 22 June 2015.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection of the EAF and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited has given, or be subject to, any of the above representation or warranty. Completion and return of the EAF together with a cheque or cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

LETTER FROM THE BOARD

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for the amount due, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriter exercises the right to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective addresses at their own risk on or before Monday, 22 June 2015.

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on Monday, 22 June 2015 by ordinary post to the allottees, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on Monday, 22 June 2015 by ordinary post to the applicants, at their own risk, to their registered addresses.

Applicant(s) will receive one share certificate for all the Rights Shares issued to him/her/it/them.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on 9:00 a.m. on Tuesday, 23 June 2015.

Odd lot matching services

In order to alleviate the difficulties in trading of odd lots of Shares arising from the Rights Issue, the Company has procured South China Securities Limited to provide matching service for the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from 23 June 2015 to 14 July 2015 (both dates inclusive). Holders of odd lots of the Shares should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders who wish to take advantage of this matching service either to dispose of their odd lots Shares or to top up to a full board lot, may contact Mr. Lee Tak Sing of South China Securities Limited at telephone number (852) 3102 1159. Any Shareholder, who is in any doubt about the odd lot arrangement, is recommended to consult his/her/its own professional advisers.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings on the Stock Exchange or

LETTER FROM THE BOARD

such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Nil-paid and fully-paid Rights Shares will be traded in board lots of 50,000 (as the Shares are currently traded on the Stock Exchange in board lots of 50,000). Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;
- (b) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Posting Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders by no later than the Posting Date;
- (d) each of the relevant Shareholders and Directors complying with his/its obligations under the Irrevocable Undertaking;
- (e) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination; and
- (f) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement at the Latest Time for Termination.

The conditions precedent set out in paragraphs (a) to (e) above are incapable of being waived by the Underwriter and the Company. The Underwriter may waive the condition precedent set out in paragraph (f) in whole or in part by written notice to the Company.

If the conditions precedent set out in above paragraphs are not satisfied, and/or remained un-fulfilled at the respective time and dates specified therein (or such other time as may be extended by the Underwriter (as permitted under the relevant legal and regulatory requirements)), the Underwriting Agreement shall terminate (save in respect of the provisions in relation to fees and expenses, indemnity,

LETTER FROM THE BOARD

notices and governing law and any rights or obligations which have accrued under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for costs, damages, compensation or otherwise, and the Rights Issue will not proceed. The Irrevocable Undertaking shall lapse upon the termination of the Underwriting Agreement.

As at the Latest Practicable Date, conditions (a) to (d) had not been fulfilled, no notice has been received from the Underwriter in relation to condition (e) and the Company was not aware of any matter which would render condition (f) being unable to be fulfilled.

The Irrevocable Undertaking

As of the Latest Practicable Date, certain Shareholders and Directors have provided an irrevocable and unconditional undertaking to the Company and the Underwriter, among other things, (i) to accept their entitlements to the provisional allotment of 1,077,357,052 Rights Shares; (ii) to deliver the duly completed and signed PALs and all relevant documents to the Registrar with full payment therefor in accordance with the terms of the Prospectus Documents on or before the Latest Time for Acceptance; and (iii) not to sell or transfer Shares held by them in any manner before the completion or lapse of the Rights Issue.

Save for the irrevocable undertaking as disclosed above, as at the Latest Practicable Date, the Company had not received any information or irrevocable undertakings from other substantial Shareholders of their intention whether or not to take up their entitlements under the Rights Issue.

The Underwriting Agreement

Agreement date	:	30 April 2015
Underwriter	:	Emperor Securities Limited. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties
Total number of Rights Shares being underwritten by the Underwriter	:	1,436,685,198 Rights Shares (having taken into account the Irrevocable Undertaking and assuming no new Shares being issued and there being no repurchase of Shares by the Company on or before the Record Date)
Commission	:	1% of the aggregate Subscription Price of the Underwritten Shares

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Board considers the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders are concerned.

LETTER FROM THE BOARD

The Sub-underwriting Agreement

On 30 April 2015, the Underwriter entered into a sub-underwriting agreement with the Sub-underwriter. If some or all of the Underwritten Shares is not accepted or applied for under PALs or EAFs, the Sub-underwriter shall, act on behalf of its clients which are Independent Third Parties, subscribe for 131,000,000 Rights Shares that are not taken up by the Qualifying Shareholders. As such, the Sub-underwriter shall in any event not itself take up such Rights Shares pursuant to the sub-underwriting agreement. Details of the sub-underwriting agreement are summarised as below:

Sub-underwriter	:	South China Securities Limited (a wholly-owned subsidiary of the Company), acting on behalf of its clients who are Independent Third Parties
Commission	:	0.75% of the aggregate Subscription Price of the 131,000,000 Rights Shares to be underwritten by the Sub-underwriter

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination,

- (A) one or more of the following events or matters shall occur, arise, exist, or come into effect:
- (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) after the signing of the Underwriting Agreement;
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
 - (iii) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
 - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement;
 - (v) after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;

LETTER FROM THE BOARD

- (vi) there is, after signing of the Underwriting Agreement, any change or any development involving a prospective change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of the clause in the Underwriting Agreement governing the termination of the Underwriting Agreement includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs; or
- (vii) the prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company,

which event or events is or are in the reasonable opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole;
 - (b) likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or
 - (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue;
- (B) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the representations, warranties and undertakings in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (C) any Specified Event comes to the knowledge of the Underwriter.

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Upon giving of notice pursuant to the Underwriting Agreement, all obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement.

If the Underwriter exercises such right, the Rights Issue will not proceed.

LETTER FROM THE BOARD

FUND RAISING EXERCISE OF THE COMPANY

The Company had not conducted any equity fund raising exercise in the past 12 months immediately preceding the Latest Practicable Date.

REASONS FOR THE RIGHTS ISSUE

The principal activity of the Company is investment holding. The principal activities of the subsidiaries consist of securities, commodities, bullion and forex broking and trading, margin financing, money lending, provision of corporate advisory and underwriting services, wealth management, property investment and investment holding.

To transform from a traditional local retail brokerage firm into a versatile financial institution, the Company intends to use the proceeds of the Rights Issue for expanding and leveraging on its existing businesses, in particular, securities trading, share margin, money lending and wealth management, the Directors consider that the Rights Issue represents a good opportunity to strengthen the financial position of the Group and to raise additional funds at a reasonable cost to support the Group's continuing development and business growth. The Rights Issue will also give the Qualifying Shareholders the opportunity to subscribe for the Shares according to their respective shareholding interests in the Company. Hence, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds of the Rights Issue will be approximately HK\$251 million. The net proceeds from the Rights Issue, after the deduction of the relevant commission and other related expenses, are estimated to be approximately HK\$248.5 million. The Company intends to use the net proceeds of the Rights Issue for expansion of the existing businesses of the Company, with 24% of the net proceeds for the brokerage business, 38% for the margin financing business and 32% for the money lending business; and the remaining for general working capital and to finance any future business opportunities to be identified by the Company.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed "Termination of the Underwriting Agreement" above). Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Tuesday, 12 May 2015. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 27 May 2015 to Wednesday, 3 June 2015 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

LETTER FROM THE BOARD

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date; and immediately after completion of the Rights Issue.

Assuming no further issue of new Shares or repurchase of Shares up to completion of the Rights Issue:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
	Number of Shares	%	Assuming all Shareholders have taken up all the Rights Shares	%	Assuming no Shareholders has taken up the Rights Shares (except the relevant Shareholders and Directors under the Irrevocable Undertaking)	%
Fung Shing Group Limited ("Fung Shing") (Note 1)	792,100,504	15.75	1,188,150,756	15.75	1,188,150,756	15.75
Parkfield Holdings Limited ("Parkfield") (Note 1)	743,728,000	14.79	1,115,592,000	14.79	1,115,592,000	14.79
Ronastar Investments Limited ("Ronastar") (Note 1)	33,331,200	0.66	49,996,800	0.66	49,996,800	0.66
Mr. Ng (Notes 1 and 2)	185,554,400	3.69	278,331,600	3.69	278,331,600	3.69
Mr. Richard Howard Gorges ("Mr. Gorges") (Note 2)	209,174,000	4.16	313,761,000	4.16	209,174,000	2.77
Ms. Cheung Choi Ngor ("Ms. Cheung") (Note 2)	205,000,000	4.08	307,500,000	4.08	307,500,000	4.08
Mr. Ng Yuk Yeung Paul ("Mr. Paul Ng") (Note 2)	195,000,000	3.88	292,500,000	3.88	292,500,000	3.88
Hon. Raymond Arthur William Sears, Q.C. (Notes 2 and 3)	1,100,000	0.02	1,650,000	0.02	1,100,000	0.01
The Underwriter (Note 4)	-	-	-	-	1,436,685,198	19.05
Public Shareholders (excluding the Underwriter and the Sub-underwriter)	2,663,096,396	52.96	3,994,644,594	52.96	2,663,096,396	35.31
Total	5,028,084,500	100.00	7,542,126,750	100.00	7,542,126,750	100.00

LETTER FROM THE BOARD

Notes:

1. Fung Shing, Parkfield and Ronastar are wholly-owned by Mr. Ng. As such, Mr. Ng is deemed to have interest in the Shares held by the said companies.
2. Mr. Ng, Mr. Gorges, Ms. Cheung, Mr. Paul Ng and Hon. Raymond Arthur William Sears, Q.C. are Directors.
3. The 1,100,000 Shares are the spouse interest of Hon. Raymond Arthur William Sears, Q.C.
4. The Underwriter has sub-underwritten 131,000,000 Underwritten Shares to the Sub-underwriter, which acts on behalf of its clients who are Independent Third Parties.

TAXATION

Qualifying Shareholders are recommended to consult their professional advisors if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

LISTING RULES IMPLICATIONS

As the Rights Issue will increase the issued share capital and the market capitalisation of the Company by not more than 50% within the 12-month period immediately preceding the Latest Practicable Date, the Rights Issue is not conditional on approval by the Shareholders.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this prospectus.

Yours faithfully,
For and on behalf of
South China Financial Holdings Limited
Cheung Choi Ngor
Executive Director

1. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2012

The audited consolidated financial statements of the Group for the financial year ended 31 December 2012 together with the relevant notes to the financial statements are set out on page 23 to page 97 of the annual report of the Company for the year ended 31 December 2012 published on 29 April 2013, which can be accessed from the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.sctrade.com.

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2013

The audited consolidated financial statements of the Group for the financial year ended 31 December 2013 together with the relevant notes to the financial statements are set out on page 23 to page 99 of the annual report of the Company for the year ended 31 December 2013 published on 24 April 2014, which can be accessed from the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.sctrade.com.

3. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2014

The audited consolidated financial statements of the Group for the financial year ended 31 December 2014 together with the relevant notes to the financial statements are set out on page 24 to page 103 of the annual report of the Company for the year ended 31 December 2014 published on 28 April 2015, which can be accessed from the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.sctrade.com.

4. INDEBTEDNESS STATEMENT**Borrowings**

As at the close of business on 30 April 2015, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this prospectus, the Group had outstanding bank borrowings and overdrafts of approximately HK\$595,829,000, which represented (i) bank loans of HK\$289,843,000 secured by certain of the Group's time deposits, listed equity investments of the Group and its margin clients; (ii) mortgage loans of approximately HK\$248,804,000 secured by the Group's investment properties; and (iii) unsecured bank loans and overdrafts of HK\$57,182,000.

Out of the total bank borrowings and overdrafts of approximately HK\$595,829,000, HK\$588,458,000 of secured bank loans, mortgage loans and unsecured bank loans are guaranteed by the Company, HK\$7,371,000 of secured bank loans are guaranteed by third parties.

Contingent liabilities

As at the close of business on 30 April 2015, the Company had contingent liabilities relating to corporate guarantees provided in respect of banking facilities granted to certain subsidiaries of the Group of approximately HK\$834,304,000, of which approximately HK\$588,458,000 was utilized.

Disclaimers

Save as disclosed above and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, the Group did not have, at the close of business on 30 April 2015, any outstanding mortgage, charges, debentures, bank loans and overdrafts, debt securities or loan notes or other similar indebtedness, loan capital issued or outstanding or agreed to be issued, finance lease, liabilities under acceptances or acceptance credits or any finance lease commitments, or any guarantees or other material contingent liabilities.

No material changes

The Directors have confirmed that, save as disclosed herein, there has not been any material change in the indebtedness and contingent liabilities of the Group since 31 December 2014.

5. WORKING CAPITAL

The Directors are satisfied after due and careful enquiry that taking into account the present internal financial resources of the Group, the available banking facilities and the net proceeds to be derived from the Rights Issue, in the absence of unforeseen circumstances, the Group has sufficient working capital for its present requirements, that is for at least twelve months from the date of publication of this prospectus.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in financial or trading position of the Group since 31 December 2014.

7. FINANCIAL AND TRADING PROSPECTS

The Group is positive and optimistic towards its future economic development. The launch of Shanghai-Hong Kong Stock Connect had led Hong Kong securities market into a new era. Such milestone together with the expected launch of Shenzhen-Hong Kong Stock Connect as well as the other cooperation and intermediation between Hong Kong and Mainland in the finance industry shall create business opportunities to the Group.

The Board anticipates that there will be a surge in the number of customers and trading volume. It is expected that there will be a corresponding increase in client demand for margin financing.

Looking ahead, Hong Kong's unemployment rates have maintained at an average of approximately 3.3% since the second half of 2014 shows that Hong Kong's employment market and local economy are relatively strong and healthy comparing to majority of other developed countries, which is conducive to higher domestic consumption demand. As such, the Board expects it will lead to more business opportunities in the money lending area.

1. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had been completed on 31 December 2014.

The unaudited pro forma adjusted consolidated net tangible assets of the Group which has been prepared based on the consolidated net tangible assets of the Group derived from the consolidated statement of financial position of the Group as at 31 December 2014, as extracted from the published annual report of the Company for the year ended 31 December 2014, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Rights Issue.

	Consolidated net tangible assets attributable to the shareholders of the Company as at 31 December 2014 <i>Note 1</i> <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>Note 2</i> <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to the shareholders of the Company immediately after completion of the Rights Issue <i>Note 3</i> <i>HK\$'000</i>	Consolidated net tangible assets of the Group per share as at 31 December 2014 <i>Note 3</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group per share immediately after completion of the Rights Issue <i>Note 4</i>
Based on 2,514,042,250 Rights Issue at a Subscription Price of HK\$0.1 per Rights Share	432,498	248,500	680,998	HK\$0.086	HK\$0.090

Notes:

1. The consolidated net tangible assets attributable to the shareholders of the Company as at 31 December 2014 is calculated based on the consolidated net assets attributable to the shareholders of the Company of approximately HK\$433,334,000 as at 31 December 2014 after deducting intangible assets of approximately HK\$836,000.
2. The estimated net proceeds from the Rights Issue of approximately HK\$248,500,000 is calculated based on 2,514,042,250 Rights Shares assuming to be issued on the completion of the Rights Issue (based on 5,028,084,500 Shares in issue as at the Latest Practicable Date) at the Subscription Price of HK\$0.1 per Rights Share and after deduction of estimated related expenses of approximately HK\$2,904,000.
3. The number of Shares used for the calculation of the adjusted consolidated net tangible assets of the Group per Share as at 31 December 2014 is based on 5,028,084,500 Shares of the Company in issue as at 31 December 2014.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group per Share immediately after completion of the Rights Issue is calculated based on 7,542,126,750 Shares which comprise 5,028,084,500 Shares in issue as at 31 December 2014 and 2,514,042,250 Rights Shares assumed to be issued on completion of the Rights Issue.
5. Save as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2014.

2. REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, in respect of the unaudited pro forma financial information of the Group for the purpose of incorporation in this prospectus.



Ernst & Young
Certified Public Accountants
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

The Board of Directors
South China Financial Holdings Limited
28th Floor, Bank of China Tower
1 Garden Road
Central
Hong Kong

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of South China Financial Holdings Limited (the "Company") and its subsidiaries (the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 December 2014 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 24 to 25 of the prospectus of the Company dated 22 May 2015 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue in the proportion of one rights share for every two existing shares held on the record date (the "Rights Issue") on the Group's financial position as at 31 December 2014 as if the Rights Issue had taken place as at 31 December 2014. As part of this process, information about the Group's consolidated net tangible assets has been derived by the Directors from the consolidated statement of financial position of the Group as at 31 December 2014, on which an audit report has been published.

Directors' responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 ("AG 7") *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Reporting Accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Rights Issue in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young

Certified Public Accountants

Hong Kong

22 May 2015

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

2. SHARE CAPITAL

The issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue were as follows:

Issued and to be issued:

5,028,084,500	Shares in issue as at the Latest Practicable Date
2,514,042,250	Rights Shares to be allotted and issued under the Rights Issue
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7,542,126,750	Shares in issue immediately after completion of the Rights Issue
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All of the Rights Shares, when allotted and fully paid, will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Rights Shares in their fully-paid form. The Rights Shares to be issued will be listed on the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

No capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at the Latest Practicable Date, the interests and short positions of the Directors in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(a) The Company

Long positions in shares

Name of Directors	Capacity	Number of ordinary shares	Total number of ordinary shares	Approximate percentage of shareholding to total issued ordinary shares
Mr. Ng	Beneficial owner Interest of controlled corporation	185,554,400 1,569,159,704 (Note a)	1,754,714,104	34.90%
Mr. Gorges	Beneficial owner	209,174,000	209,174,000	4.16%
Ms. Cheung	Beneficial owner	205,000,000	205,000,000	4.08%
Raymond Arthur William Sears, Q.C.	Interest of spouse	1,100,000	1,100,000	0.02%
Mr. Paul Ng	Beneficial owner	195,000,000	195,000,000	3.88%

(b) Associated corporation**South China Financial Credits Limited (“SCFC”) (Note b)***Long positions in shares*

Name of Director	Capacity	Number of ordinary shares	Approximate percentage of shareholding to total issued ordinary shares
Mr. Paul Ng	Beneficial owner	250,000	0.59%

Notes:

- (a) The 1,569,159,704 Shares held by Mr. Ng through controlled corporations included 792,100,504 shares held by Fung Shing, 743,728,000 shares held by Parkfield and 33,331,200 shares held by Ronastar. Fung Shing, Parkfield and Ronastar were wholly-owned by Mr. Ng.
- (b) SCFC is a 98.81%-owned subsidiary of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the Register of Directors’ and Chief Executives’ Interests, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

4. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons/corporations (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the interest of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in the Shares

Name of shareholders	Capacity	Number of ordinary shares	Approximate percentage of shareholding to total issued ordinary shares
Parkfield	Beneficial owner	743,728,000	14.79%
Fung Shing	Beneficial owner	792,100,504	15.75%
Ng Lai King Pamela ("Ms. Ng")	Interest of spouse	1,754,714,104 (Note a)	34.90%
Emperor Capital Group Limited (Note b)	Interest of a controlled corporation	1,436,685,198	19.05% (Note c)
Albert Yeung Holdings Limited (Note b)	Interest of a controlled corporation	1,436,685,198	19.05% (Note c)
STC International Limited (Note b)	Interest of a controlled corporation	1,436,685,198	19.05% (Note c)
Dr. Yeung Sau Shing Albert (Note b)	Founder of discretionary trust	1,436,685,198	19.05% (Note c)
Ms. Luk Siu Man Semon (Note b)	Interest of spouse	1,436,685,198	19.05% (Note c)

Notes:

- (a) Ms. Ng was the spouse of Mr. Ng, the Chairman and an Executive Director of the Company. By virtue of the SFO, Ms. Ng was deemed to be interested in the 185,554,400 shares and 1,569,159,704 shares held by Mr. Ng beneficially and through controlled corporations respectively as disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation" above.
- (b) Emperor Securities Limited is deemed to be interested in these Shares by virtue of the Underwriting Agreement. Emperor Securities Limited is an indirect wholly-owned subsidiary of Emperor Capital Group Limited, the shares of which are listed on the Stock Exchange. 67.38% of the shares of Emperor Capital Group Limited are held by Emperor Capital Group Holdings Limited. The entire issued share capital of Emperor Capital Group Holdings Limited is held by Albert Yeung Holdings Limited, which in turn is held by STC International Limited on trust for The Albert Yeung Discretionary Trust ("AY Trust"). Dr. Yeung Sau Shing, Albert, as founder of the AY Trust, and Ms. Luk Siu Man, Semon, as the spouse of Dr. Yeung Sau Shing, Albert, are deemed to be interested in the 1,436,685,198 Rights Shares for the purposes of the SFO.
- (c) Upon completion of the Rights Issue.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person/corporation (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the interest of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (i) Save for the sale and purchase agreement dated 18 May 2015 (announced by the Company on 18 May 2015) entered into by the Company as vendor and Wealth Anchor Holdings Limited, a direct wholly-owned subsidiary of South China Land Limited (the shares of which Mr. Ng and Mr. Paul Ng, each being an executive Director, are interested in/deemed to be interested in 64.92% and 0.02% respectively), as purchaser in relation to the sale and purchase of the entire issued share capital of South China Asset Management Limited for a consideration of HK\$5.6 million (subject to adjustment), as at the Latest Practicable Date, none of the Directors had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group since 31 December 2014, the date to which the latest published audited financial statements of the Group were made up.
- (ii) There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

6. EXPERT

The following is the qualifications of the expert who has given opinions or advice, which are contained in this prospectus:

Name	Qualification
Ernst & Young	Certified Public Accountants

As at the Latest Practicable Date, Ernst & Young did not have any direct or indirect interest in any securities of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did they have any interest, either directly or indirectly, in any assets which had been, since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Company and its subsidiaries were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

Ernst & Young has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its letters, reports and/or summary of its opinions (as the case may be) and references to its name in the form and context in which they respectively appear herein.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any other member of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

9. MATERIAL CONTRACT

The following contract has been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date and is or may be material:

- the Underwriting Agreement

10. CORPORATION INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office of the Company	28th Floor Bank of China Tower 1 Garden Road Central Hong Kong
The Registrar	Union Registrars Limited A18/F., Asia Orient Tower Town Place, 33 Lockhart Road Wanchai, Hong Kong
Authorised representatives	Ms. Cheung Choi Ngor 28th Floor Bank of China Tower 1 Garden Road Central Hong Kong Mr. Shing On Wai 28th Floor Bank of China Tower 1 Garden Road Central Hong Kong
Company Secretary	Mr. Shing On Wai a solicitor of the High Court of Hong Kong 28th Floor Bank of China Tower 1 Garden Road Central Hong Kong

Underwriter of the Rights Issue	Emperor Securities Limited 23-24/F, Emperor Group Centre 288 Hennessy Road, Wanchai Hong Kong
Legal adviser to the Company for the Rights Issue	<i>(As to Hong Kong Law)</i> Chiu & Partners 40/F, Jardine House 1 Connaught Place Central Hong Kong
Auditor	Ernst & Young <i>Certified Public Accountants</i> 22/F CITIC Tower 1 Tim Mei Avenue Central Hong Kong
Principal banker	Standard Chartered Bank (HK) Limited Standard Chartered Bank Building 4-4A Des Voeux Road Central Hong Kong

11. DIRECTORS AND SENIOR MANAGEMENT**(A) Particulars***Executive Directors*

Mr. Ng Hung Sang, aged 65, is an Executive Director, the Chairman and a member of the Executive Committee of the Company. Mr. Ng is actively involved in the overall corporate policies, strategic planning and business development of the Group. He is also an executive director and the chairman of South China (China) Limited (“SCC”), being listed on the Main Board of the Stock Exchange and South China Land Limited (“SCL”), being listed on the Growth Enterprises Market of the Stock Exchange. Mr. Ng was an executive director and the chairman of South China Holdings Limited (“SCH”, now renamed as Orient Victory China Holdings Limited), a company listed on the Main Board of the Stock Exchange, from 24 June 1992 to 3 October 2014. He holds a Master degree in marketing from Lancaster University in the United Kingdom and is a fellow member of the Chartered Institute of Management Accountants. Mr. Ng was appointed as a Director of the Company on 7 December 1988. Mr. Ng is the father of Mr. Ng Yuk Yeung Paul, an Executive Director of the Company, and a director of certain substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Richard Howard Gorges, aged 71, is an Executive Director, a Vice-chairman and a member of the Executive Committee of the Company. He is also an executive director and a vice-chairman of SCC, and an executive director of SCL. Mr. Gorges was an executive director of SCH from 24 June 1992 to 3 October 2014. He holds a Master degree in law from Cambridge University in the United Kingdom. Mr. Gorges was appointed as a Director of the Company on 7 December 1988.

Ms. Cheung Choi Ngor, aged 61, is an Executive Director, a Vice-chairman and a member of the Executive Committee of the Company. She is also an executive director, a vice-chairman and the chief executive officer of SCC, and an executive director of SCL. Ms. Cheung was an executive director of SCH from 24 June 1992 to 3 October 2014. She holds a Master degree in business administration from University of Illinois in the United States of America. Ms. Cheung is a member of the National Committee of the Chinese People’s Political Consultative Conference. Ms. Cheung was appointed as a Director of the Company on 7 December 1988.

Mr. Ng Yuk Yeung Paul, aged 34, is an Executive Director, a Vice-chairman and a member of the Executive Committee of the Company. He is also an executive director and the chief executive officer of SCL. Mr. Ng graduated in law from Corpus Christi College, University of Cambridge (the “University”) in the United Kingdom and is a Scholar of the University. Mr. Ng is an associate member of the Chartered Institute of Management Accountants and a standing committee member of Liaoning Province Committee of the Chinese People’s Political Consultative Conference. Mr. Ng was appointed as a Director of the Company on 15 September 2003 and was appointed as a Vice-chairman of the Company on 1 December 2010. He has been engaged in the financial services, tourism and media businesses for more than ten years. Mr. Ng is a son of Mr. Ng Hung Sang, the Chairman of the Company.

Independent Non-executive Directors

Mrs. Tse Wong Siu Yin Elizabeth, aged 57, is an Independent Non-executive Director, a member of the Audit Committee and the chairman of the Remuneration and Nomination Committee of the Company. Mrs. Tse is also an independent non-executive director of SCC. She was an independent non-executive director of SCH from 21 September 2004 to 3 October 2014. Mrs. Tse is also the chairman of the Hong Kong Flower Retailers Association, the convenor of Youth Skills Competition in Floristry of Vocational Training Council, the technical advisor of the Environmental Services Industry of Employees Retraining Board, a member of the judge panel of Hong Kong Flower Show and a member of Small and Medium Enterprises Committee. She received an award of the Hundred Outstanding Women Entrepreneur in China in 2009. She holds a Bachelor degree of Science from the University of Western Ontario in Canada. Mrs. Tse was appointed as an Independent Non-executive Director of the Company on 25 November 1992.

Hon. Raymond Arthur William Sears, Q.C., aged 82, is an Independent Non-executive Director, a member of the Audit Committee and the Remuneration and Nomination Committee of the Company. He is a retired High Court Judge and holds a Master's degree in law from Cambridge University in the United Kingdom. Mr. Sears became a Queen's Counsel in 1975 and was a former vice-chairman of the Judicial Section of the International Bar Association. In the United Kingdom, he had been a leading Counsel in England to the Government and large Authorities on redevelopment and construction projects and to the General Medical Council. In 1986 and 1987, Mr. Sears was a Justice of the Supreme Court of Hong Kong and the Commissioner to the Sultan of Brunei, respectively. From 1994 to 1999, he was a Senior Civil High Court Judge. Mr. Sears was appointed as an Independent Non-executive Director of the Company on 24 March 2000.

Mr. Tung Woon Cheung Eric, aged 44, is an Independent Non-executive Director, the chairman of the Audit Committee and a member of the Remuneration and Nomination Committee of the Company. He is the assistant president and general manager of the finance department of Beijing Enterprises Holdings Limited, a company listed on the Main Board of the Stock Exchange; an executive director, the chief financial officer and company secretary of Beijing Enterprises Water Group Limited, a company listed on the Main Board of the Stock Exchange; an independent non-executive director of GR Properties Limited, a company listed on the Main Board of the Stock Exchange; the company secretary of Biosino Bio-technology and Science Incorporation, a company listed on the Growth Enterprise Market of the Stock Exchange. Mr. Tung graduated from York University, Toronto, Canada with a bachelor honours degree in administrative studies. He is a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants and a U.S. Certified Public Accountant of The American Institute of Certified Public Accountants. Mr. Tung was appointed as an Independent Non-executive Director of the Company on 21 September 2004.

Senior Management

Ms. Yau Shing Yam Angela, aged 44, was appointed as the Chief Executive Officer of the Company in July 2014. Ms. Yau has extensive management experience in the financial service industry. She was the chief executive officer of Kim Eng Securities (Hong Kong) Limited from 2011 to 2014. From 2000 to 2011, Ms. Yau worked at the Guoco Group and was the general manager of Guoco Capital Limited during 2005 to 2011. Ms. Yau possesses a Master Degree in Business Administration from Institut Européen d'Administration des Affaires (INSEAD), a Master Degree in Engineering (Internet Computing) from the University of Hong Kong, a Bachelor Degree in Law from the University of London, and a Bachelor Degree in Applied Science (Electrical Engineering) from the University of Waterloo, Canada.

(B) Business address

The business address of all the Directors and is same as the registered office of the Company at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong.

12. MISCELLANEOUS

The English texts of this prospectus, the PAL and the EAF shall prevail over their Chinese texts in case of inconsistencies.

The Company has no founder shares, management shares or deferred shares.

13. EXPENSES

The expenses in connection with the Rights Issue, including the underwriting commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$2.9 million, and will be payable by the Company.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus, the PAL and the EAF, having attached thereto the written consent referred to under the paragraph headed "Expert" in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 38D of the Companies (WUMP) Ordinance.

15. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong from the date of this prospectus up to and including 5 June 2015:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 December 2012, 2013 and 2014;
- (c) the letter on the unaudited pro forma financial information of the Group issued by Ernst Young set out in appendix II to this prospectus;
- (d) the material contract disclosed in the paragraph under the heading “Material Contract” in this appendix;
- (e) the letter of consent referred to in the paragraph under the heading “Expert” in this appendix;
- (f) this prospectus; and
- (g) the Irrevocable Undertaking.