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SOUTH CHINA FINANCIAL HOLDINGS LIMITED

南華金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00619)

COMPLETION OF CONNECTED TRANSACTION IN RELATION TO CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Reference is made to the circular (the “**Circular**”) of South China Financial Holdings Limited (the “**Company**”) dated 15 May 2020 in relation to, among others, the connected transaction involving the issue of the Convertible Bonds. Terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that all conditions precedent under the Subscription Agreement have been fulfilled and completion of the Subscription has taken place on 30 June 2020.

Immediately before Completion, the Company had 301,277,070 Shares in issue. Immediately after the issue of the Convertible Bonds, the Subscriber is now interested in the Convertible Bonds in the aggregate principal amount of HK\$50,000,000 and none of the Convertible Bonds is converted as at the date of this announcement.

EFFECT OF THE SHAREHOLDING STRUCTURE

Set out below for illustration purposes are the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) upon conversion of the Convertible Bonds not resulting the Subscriber and the parties acting concert with it exceeding the 2% creeper rule under Rule 26.1 of the Takeovers Code; and (iii) upon full conversion of the Convertible Bonds (on the assumptions that the Convertible Bonds are converted at the initial Conversion Price being HK\$0.22 and there is no other change in the number of issued Shares from the Latest Practicable Date up to the date of full conversion of the Convertible Bonds):

	As at the date of this announcement		Upon conversion of the Convertible Bonds not resulting the Subscriber and the parties acting concert with it exceeding the 2% creeper rule under Rule 26.1 of the Takeovers Code		Upon full conversion of the Convertible Bonds (Note 1)	
	No. of Shares	Approximate % (Note 2)	No. of Shares	Approximate % (Note 2)	No. of Shares	Approximate % (Note 2)
Subscriber and parties acting in concert						
Mr. Ng (Notes 3 and 4)	11,133,264	3.70	11,133,264	3.58	11,133,264	2.11
Uni-Spark (Notes 3 and 4)	7,178,761	2.38	7,178,761	2.31	7,178,761	1.36
Fung Shing (Note 3)	23,526,030	7.81	23,526,030	7.56	23,526,030	4.45
Parkfield (Note 3)	44,623,680	14.81	44,623,680	14.33	44,623,680	8.44
Ronastar (Note 3)	1,999,872	0.66	1,999,872	0.64	1,999,872	0.38
The Subscriber (Note 3)	—	—	10,100,000	3.24	227,272,727	43.00
Mr. Paul Ng (Note 5)	11,700,000	3.88	11,700,000	3.76	11,700,000	2.21
Ms. Cheung Choi Ngor (Notes 4 and 6)	12,300,311	4.08	12,300,311	3.95	12,300,311	2.33
Mr. Richard Howard Gorges (Note 6)	5,000,000	1.66	5,000,000	1.61	5,000,000	0.95
Sub-total	117,461,918	38.98	127,561,918	40.98	344,734,645	65.23
Director						
Hon. Raymond Arthur William Sears, Q.C. (Note 4)	53,000	0.02	53,000	0.02	53,000	0.01
Other public Shareholders	183,762,152	61.00	183,762,152	59.00	183,762,152	34.76
Total:	301,277,070	100.00	311,377,070	100.00	528,549,797	100.00

Notes:

1. This column demonstrates the scenario where (i) the Subscriber and parties acting in concert with it, taken together, will directly or indirectly, make a mandatory offer obligation under Rule 26 of the Takeovers Code; or (ii) a whitewash waiver to waive the requirement for the Subscriber and parties acting in concert with it to make the mandatory general offer will be approved by the Independent Shareholders and will be granted by the Executive upon the conversion.

2. Certain percentages above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
3. Uni-Spark, Fung Shing, Parkfield, Ronastar and the Subscriber are wholly-owned by Mr. Ng. As such, Mr. Ng is the beneficial owner of the Shares held by such companies.
4. Mr. Ng, Ms. Cheung Choi Ngor and Hon. Raymond Arthur William Sears, Q.C. are Directors.
5. Mr. Paul Ng is the son of Mr. Ng.
6. Ms. Cheung Choi Ngor and Mr. Richard Howard Gorges are directors of Uni-Spark.

By Order of the Board
South China Financial Holdings Limited
南華金融控股有限公司
Cheung Choi Ngor
Executive Director

Hong Kong, 30 June 2020

As at the date of this announcement, the Directors are (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor and Ms. Ng Yuk Mui Jessica as executive Directors; and (2) Hon. Raymond Arthur William Sears, Q.C., Mrs. Tse Wong Siu Yin Elizabeth and Mr. Tung Woon Cheung Eric as independent non-executive Directors.