

**SOUTH CHINA HOLDINGS LTD:
PRINTER SUES CHAIRMAN'S COMPANY FOR \$HK22 MILLION**

A former, wholly owned subsidiary of South China Holdings Ltd () (Code: 265, Main Board, The Stock Exchange of Hongkong Ltd) has been sued for the best part of \$HK22 million.

The former subsidiary is South China Media Ltd (), which is mentioned in the 2007 Annual Report of South China Holdings Ltd as being wholly owned, but which, in February of 2008, was acquired, beneficially, by the Chairman of South China Holdings Ltd for \$HK30 million.

On Page 114 of the 2008 Annual Report of South China Holdings Ltd, it is stated, inter alia:

‘DISPOSAL OF INTEREST IN SUBSIDIARIES

‘In February 2008, the Group disposed of its entire interest in South China Medial Limited (“SCM”) and the shareholders’ loan to Broaden Base Investments Limited (“BBIL”), a BVI incorporated company of which a director of the Company is the controlling shareholder, for a consideration of HK\$30 million payable in cash. Details of which are disclosed in the circular of the Company dated 16 January 2008’

The announcement of January 16, 2008, mentioned on Page 114 of the 2008 Annual Report of South China Holdings Ltd, stated, among other things:

‘REASONS AND BENEFITS OF THE SALE

‘As mentioned in previous announcements of the Company made in this year, the Group has undergone various corporate restructure for the purpose of streamlining its business activities, so that resources can be more focused on business segments where upside potential is identified. In view of the continuous loss making of the publication business, the Group has devoted tremendous management time and efforts in the past with the hope to bring the business from a negative contribution to a positive contribution. Resources have been inappropriately allocated. The sale of the publication business will enable the Group to reserve its energy in core activities with better earning potential.

‘Currently, both of Mr. Ng (Mr Ng Hung Sang, the Chairman of South China Holdings Ltd) and Mr. Ng Yuk Fung, Peter are executive directors of the Company and Mr. Ng is the controlling shareholder and a director of and Mr. Ng Yuk Fung, Peter is also a director of a private group which engage in publication business. The Sale has the advantage of reducing the likely business conflicts and competition, if any, between the companies.

‘Upon Completion, the Company will cease to hold any equity interest in SC Media Group and SC Media will cease to be a subsidiary of the Company...’.

The announcement, also, stated, under the heading of information on the purchaser:

‘The Purchaser (Broaden Base Investments Ltd) is an investment holding company incorporated in British Virgin Islands in which Mr. Ng, the chairman and a substantial

shareholder of the Company (South China Holdings Ltd), and Mr. Ng Yuk Fung, Peter, a director of the Company, are the directors. Mr. Ng also owns 100% of the entire issued share capital of the Purchaser. Hence the Purchaser is considered a connected person of the Company.'

According to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), Broaden Base Investments Ltd of the British Virgin Islands has, as one of its Directors ... [CLICK TO ORDER FULL ARTICLE](#)

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