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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)

PROFIT ALERT

This announcement is made by South China Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the information currently available and the preliminary review of the latest available unaudited consolidated management accounts of the Group, the Group is expected to record a turnaround of profit attributable to equity holders of the Company of approximately HK\$6 million for the six months ended 30 June 2021 (the “**Interim Period**”) as compared to a loss of HK\$169.6 million for the six months ended 30 June 2020.

The Board considers that such turnaround was primarily attributable to the following factors:

1. a profit on trading and investment of approximately HK\$11 million for the Interim Period as compared to loss of HK\$29.3 million for the six months ended 30 June 2020;
2. a fair value gain on financial assets of approximately HK\$16 million for the Interim Period as compared to loss of HK\$76.9 million for the six months ended 30 June 2020; and
3. a significant decrease in other operating expenses by approximately HK\$40 million for the Interim Period as compared to that for the six months ended 30 June 2020 as a result of efforts in cost control.

As the Company is still in the process of finalising the interim results of the Group for the Interim Period, the information contained in this announcement is only based on the Company's preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available to the Group. The interim results of the Group for the Interim Period are not yet finalised nor reviewed by the audit committee of the Company. Further details of the Group's financial information for the Interim Period will be disclosed in the unaudited interim results announcement, which is expected to be published on 31 August 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
South China Financial Holdings Limited
南華金融控股有限公司
Ng Yuk Mui Jessica
Executive Director

Hong Kong, 18 August 2021

As at the date of this announcement, the directors of the Company 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.