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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the annual report for the year ended 31 December 2022 (the “**Annual Report**”) of South China Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), which was published on 27 April 2023. Unless the context hereof otherwise specifies, all capitalized terms used herein shall have the same meanings as those defined in the Annual Report.

SHARE OPTION SCHEME

In addition to the disclosures under the sub-section headed “Share Option Scheme” in the “Directors’ Report” section on page 18 of the Annual Report, the Company would like to provide the following information in relation to the Share Option Scheme pursuant to Rules 17.07 and 17.09(3) of the Listing Rules:

The movements in the number of share options under the 2022 Share Option Scheme during the year ended 31 December 2022 are as follows:

Name or category of participant	Number of share options			Date of grant of share options	Exercise period of share options	Number of ordinary shares issuable upon the exercise of share options (Note 1)	Exercise price per share (Note 2)
	As at 29 September 2022 (date of grant of share options)	Lapsed during the period	Outstanding as at 31 December 2022				
Directors and their associates							
Ms. Ng Yuk Mui Jessica	3,012,770	—	3,012,770	29/09/2022	30/09/2022 to 29/09/2032	3,012,770	HK\$0.30
Mr. Pun Chee Hang Kelvin (Note 3)	3,012,770	—	3,012,770	29/09/2022	30/09/2022 to 29/09/2032	3,012,770	HK\$0.30
Mr. Ng Yuk Yeung Paul	3,012,770	—	3,012,770	29/09/2022	30/09/2022 to 29/09/2032	3,012,770	HK\$0.30
Mrs. Ng Cheng Nga Yu Emmi (Note 4)	3,012,770	—	3,012,770	29/09/2022	30/09/2022 to 29/09/2032	3,012,770	HK\$0.30
Employees	6,025,540	—	6,025,540	29/09/2022	30/09/2022 to 29/09/2032	6,025,540	HK\$0.30
Total	18,076,620	—	18,076,620			18,076,620	

Notes:

1. Representing approximately 6.0% of total issued shares of the Company as at 31 December 2022.
2. The closing price of shares of the Company as stated in the Stock Exchange's daily quotations sheet immediately before the date of grant of share options was HK\$0.30.
3. Mr. Pun Chee Hang Kelvin is the spouse of Ms. Ng Yuk Mui Jessica.
4. Mrs. Ng Cheng Nga Yu Emmi is the spouse of Mr. Ng Yuk Yeung Paul.

As at 31 December 2022 and the date of the Annual Report, total number of shares available for issue under the 2022 Share Option Scheme were 12,051,087 shares, representing approximately 4.0% of the total shares of the Company in issue as at the date of the Annual Report.

EMPLOYEES' SHARE AWARD SCHEME

In addition to the disclosures under the sub-section headed "Employees' Share Award Scheme" in the "Directors' Report" section on page 19 of the Annual Report, the Company would like to provide the following information in relation to the Share Award Scheme pursuant to Rule 17.09 of the Listing Rules:

1. Purpose of the Share Award Scheme : (i) to recognize the contributions by certain employees and to give incentives thereto in order to retain them for the continual operation and development of the Group; and
(ii) to attract suitable personnel for further development of the Group.
2. Participants of Share Award Scheme : The Board may, from time to time, select any employee (including without limitation any connected person of the Company as defined under the Listing Rules) of the Group for participation in the Share Award Scheme (the "**Selected Employee**").
3. Total number of shares available for issue under the Share Award Scheme : Since 10 June 2015 (the "**Date of Adoption of the Share Award Scheme**") and up to the date of Annual Report, the Company has granted a total of 8,000 shares of South China Holdings Company Limited ("**SCHC**"), a company listed on the Stock Exchange to the Selected Employee.

As at the date of the Annual Report, 49,992,000 SCHC shares were available for being granted to Selected Employees.

4. Maximum entitlement of each Selected Employee under the Share Award Scheme : No maximum entitlement of each Selected Employee was set.
5. Exercisable period under the Share Award Scheme : No exercise period for the awarded SCHC shares was set.
6. Vesting period of the Share Award Scheme : The vesting period of the awarded SCHC shares shall be determined by the Board at the time of grant of such shares.

In respect of a Selected Employee who died or retired at his/her normal retirement date or earlier by agreement with the Company or any subsidiary of the Company at any time prior to a vesting date, all the awarded SCHC shares and all income derived from the awarded SCHC shares of the Selected Employee shall be deemed to be vested on the date immediately prior to his/her death or retirement at his/her normal retirement date or earlier by agreement with the Company or any subsidiary of the Company.

7. Acceptance price : No amount is payable on acceptance of the grant of the awarded SCHC shares under the Share Award Scheme.
8. Basis of determining the purchase price of awarded shares : The purchase price of each awarded SCHC share shall be determined by the Board at the time of grant of the awarded SCHC shares to each Selected Employee under the Share Award Scheme.
9. Remaining life of the Share Award Scheme : Subject to any early termination as may be determined by the Board pursuant to the terms of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of fifteen (15) years commencing on the Date of Adoption of the Share Award Scheme. The remaining life of the Share Award Scheme shall be approximately seven (7) years.
10. Voting rights of unvested shares of the Share Award Scheme : The trustee shall not exercise the voting rights of the awarded SCHC shares as all such shares are held under the trust constituted by the trust deed dated 10 June 2015 entered into between the Company and the trustee.

Since the Date of Adoption of the Share Award Scheme and up to 31 December 2022, no share of the Company was held by the trustee nor awarded to any Selected Employee under the Share Award Scheme. The existing awarded SCHC shares are not subject to Chapter 17 of the Listing Rules as all such awarded shares are not the Company's shares.

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, 11 September 2023

As at the date of this announcement, the directors of the Company are:

Executive Directors

Mr. Ng Hung Sang

Ms. Cheung Choi Ngor

Ms. Ng Yuk Mui Jessica

Mr. Ng Yuk Yeung Paul

Independent Non-executive Directors

Mrs. Tse Wong Siu Yin Elizabeth

Hon. Raymond Arthur William Sears, K.C.

Mr. Tung Woon Cheung Eric

Mr. Lam Douglas Tak Yip, SC