SOUTH CHINA HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00413)

PROFIT WARNING
FOR THE SIX MONTHS ENDED 30 JUNE 2016

This announcement is made by South China Holdings Company Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 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 that, based on the preliminary review of the unaudited consolidated management accounts of the Group, the Group expects to report a significant decrease in profit for the six months ended 30 June 2016 (the "Period") as compared with the unaudited results for the corresponding period in 2015. According to the available information, (i) the fair value gain on investment property recognized in prior period was higher than the amount that the Company is expected to report for the Period; and (ii) the Group recorded a decrease in fair value gain on financial assets at fair value through profit or loss for the Period as compared to prior period. The fair value changes as referred to in (i) and (ii) above arose from re-measurement of the relevant assets as at the respective reporting period end dates at their market values as at such dates pursuant to the applicable accounting standards.

The Company is in the process of finalizing the interim results of the Group for the Period. The information contained in this announcement is only based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the Period and the unaudited information currently available to the Company. Details of the Group's results for the Period will be disclosed as and when the unaudited interim results of the Group for the Period is announced.

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

By Order of the Board
South China Holdings Company Limited
Richard Howard Gorges
Executive Director

Hong Kong, 9 August 2016

As at the date of this announcement, the directors of the Company are (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor, Mr. Richard Howard Gorges, Mr. Ng Yuk Fung Peter, Mr. Ng Yuk Yeung Paul and Mr. Law Albert Yu Kwan as executive directors; (2) Ms. Ng Yuk Mui Jessica and Mr. David Michael Norman as non-executive directors; and (3) Mr. Chiu Sin Chun, Sr Dr. Leung Tony Ka Tung, Ms.Li Yuen Yu Alice, Mrs. Tse Wong Siu Yin Elizabeth and Mr. Yip Dicky Peter, J.P. as independent non-executive directors.