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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)

DISCLOSEABLE TRANSACTION FURTHER ACQUISITION OF LISTED SECURITIES

The Company, through its wholly-owned subsidiary, further acquired of a total of 300,000 Ali Health Shares (which represents approximately 0.002% of the total issued Ali Health Shares) on the market on 9 June 2022 for an aggregate consideration of approximately HK\$1.5 million (exclusive of transaction costs).

The average purchase price of the acquired Ali Health Shares was approximately HK\$4.99.

The Second Acquisition does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as none of the applicable percentage ratios exceeds 5%.

The Second Acquisition, when aggregate with the First Acquisition, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one of the applicable percentage ratios exceeds 5% but is less than 25%.

Reference is made to the announcement of the Company dated 8 June 2022 in relation to the acquisition of a total of 800,000 Ali Health Shares on the market on 8 June 2022.

THE SECOND ACQUISITION

The Company, through its wholly-owned subsidiary, further acquired of a total of 300,000 Ali Health Shares (which represents approximately 0.002% of the total issued Ali Health Shares) on the market on 9 June 2022 for an aggregate consideration of approximately HK\$1.5 million (exclusive of transaction costs).

The average purchase price of the acquired Ali Health Shares was approximately HK\$4.99.

As the Second Acquisition was made through the market, the Company was not aware of the identities of the sellers of the Ali Health Shares and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers of the Ali Health Shares are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE SECOND ACQUISITION

The Company is an investment holding company. The principal activities and business of the Group consist of securities, commodities and bullion broking and trading, margin financing, money lending, provision of corporate advisory and underwriting services, asset and wealth management, property investment, media publications and financial public relation services, sale of jewellery products and investment holding.

The Second Acquisition was made at market price and given the Second Acquisition is in alignment with the Group's principal activities on trading in securities, the Second Acquisition allows the Group to increase its investment return.

Having considered the factors above, the Directors are of the view that the Second Acquisition was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT ALI HEALTH

According to publicly available information, Ali Health is an investment holding company mainly engaged in the provision of Internet solutions for the medical and pharmaceutical industry. Ali Health is mainly involved in the development of pharmaceutical and healthcare product and service sales business, the operation of pharmaceutical e-commerce platform and consumer healthcare services platform, the development of tracking and digital health business and Internet healthcare business using technologies such as cloud computing and big data.

The following financial information is extracted from the public documents of Ali Health:

	For the year ended 31 March	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	20,577,616	15,518,468
(Loss)/profit before tax	(252,514)	401,219
(Loss)/profit for the year	(265,941)	342,680
Net assets	14,072,232	14,281,604

IMPLICATIONS UNDER THE LISTING RULES

The Second Acquisition does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as none of the applicable percentage ratios exceeds 5%.

The Second Acquisition, when aggregate with the First Acquisition, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one of the applicable percentage ratios exceeds 5% but is less than 25%.

DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Ali Health”	Alibaba Health Information Technology Limited, an exempted company incorporated in Bermuda with limited liabilities and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00241)
“Ali Health Shares”	ordinary shares in the issued share capital of Ali Health
“Board”	board of the Directors
“Company”	South China Financial Holdings Limited, a company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 00619)
“Director(s)”	director(s) of the Company
“First Acquisition”	the Company, through its wholly-owned subsidiary, acquired of a total of 800,000 Ali Health Shares on the market on 8 June 2022 for an aggregate consideration of approximately HK\$3.85 million (exclusive of transaction costs)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third party(ies) independent of the Company and the connected persons of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Second Acquisition”	the Company, through its wholly-owned subsidiary, further acquired of a total of 300,000 Ali Health Shares on the market on 9 June 2022 for an aggregate consideration of approximately HK\$1.5 million (exclusive of transaction costs)
“Shareholder(s)”	holder(s) of the issued share(s) of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

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, 9 June 2022

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) Mrs. Tse Wong Siu Yin Elizabeth, Hon. Raymond Arthur William Sears, Q.C. and Mr. Tung Woon Cheung Eric as independent non-executive Directors.