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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 WARNING

This announcement is made by South China Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the management of the Company and the preliminary review of the Group’s latest available unaudited consolidated management accounts for the six months ended 30 June 2022, it is expected to record a loss attributable to the owners of the Company of approximately HK\$72 million for the six months ended 30 June 2022 (the “**Relevant Period**”) as compared to a profit attributable to the owners of the Company amounted to approximately HK\$5.7 million for the corresponding period last year.

The change from profit to loss during the Relevant Period is mainly due to (i) net investment losses on investment in financial assets; (ii) net fair value losses on financial assets; and (iii) decrease in the revenue from brokerage and margin financing business under negative market sentiment.

Interim Results for the six months ended 30 June 2022 to be published by the end of August 2022

The Company is still in the process of preparing the unaudited consolidated financial statements of the Group for the six months ended 30 June 2022. The information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the Group’s unaudited consolidated management accounts for the six months ended 30 June 2022 and other information currently available, which may be subject to changes upon further review. Shareholders and potential investors of the Company are advised to refer to the details in the interim results announcement of the Company for the six months ended 30 June 2022 which is expected to be published by the end of August 2022.

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
Ng Yuk Mui Jessica
Executive Director

Hong Kong, 19 August 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.