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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 DISPOSAL OF LISTED SECURITIES**

The Company, through its wholly-owned subsidiaries, disposed of a total of 458,000 Ali Health Shares (which represents approximately 0.003% of the Ali Health Shares) on the market on 16 November 2022 for an aggregate consideration of approximately HK\$2.69 million (exclusive of transaction costs).

The average selling price of each of the Disposed Ali Health Shares was approximately HK\$5.87.

The Disposal, on a standalone basis, 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 Disposal, when aggregated with the Previous Disposals, 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%.

#### **THE DISPOSAL**

The Company, through its wholly-owned subsidiary, disposed of a total of 458,000 Ali Health Shares (which represents approximately 0.003% of the Ali Health Shares) on the market on 16 November 2022 for an aggregate consideration of approximately HK\$2.69 million (exclusive of transaction costs). The average selling price of each of the Disposed Ali Health Shares was approximately HK\$5.87.

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

## REASONS FOR AND BENEFITS OF THE DISPOSAL

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 Disposal was made at the market price of Ali Health Shares. The Board is of the view that the Disposal will enhance the liquidity of the Group. The Group intends to use the proceeds from the Disposal for general working capital.

As at 30 June 2022, the carrying amount of the Disposed Ali Health Shares were approximately HK\$2.47 million. As a result of the Disposal, the Group is expected to recognise a gain of approximately HK\$0.22 million (before taxation and without deduction of expenses related to the Disposal), which is calculated based on the difference between the carrying amount of the Disposed Ali Health Shares as at 30 June 2022 and the aggregate consideration of the Disposal (exclusive of transaction costs). The actual amount of gain or loss as a result of the Disposal to be recorded by the Group will be subject to the review and final audit by the auditor of the Company.

Having considered the factors above, the Directors are of the view that the Disposal was fair and reasonable, on normal commercial terms and in the interests of the Company and the 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:

	<b>For the year ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<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 Disposal, on a standalone basis, 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 Disposal, when aggregated with the Previous Disposals, 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
“Disposal”	the Company, through its wholly-owned subsidiaries, disposed of a total of 458,000 Ali Health Shares on the market on 16 November 2022 for an aggregate consideration of approximately HK\$2.69 million (exclusive of transaction costs)
“Disposed Ali Health Shares”	the Ali Health Shares disposed of under the Disposal
“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
“Previous Disposals”	the Company, through its wholly-owned subsidiary, disposed a total of 650,000 Ali Health Shares on the market for an aggregate consideration of approximately HK\$3.67 million during the period as set out in Rule 14.22 of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“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, 16 November 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, K.C. and Mr. Tung Woon Cheung Eric as independent non-executive Directors.*