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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 year ended 31 December 2022 (the “**Relevant Year**”), it is expected to record a substantial increase in loss attributable to the owners of the Company of approximately HK\$153 million for the Relevant Year as compared to a loss attributable to the owners of the Company amounted to approximately HK\$77 million for the corresponding last year.

During the Relevant Year, the global economic and political uncertainties led to a gloomy macroeconomic environment and the Hong Kong stock market was unexceptionally affected, which directly affected the business performance of the Group. The increase in loss position during the Relevant Year is mainly due to (i) net investment losses on investment in financial assets; (ii) net fair value losses on financial assets; (iii) fair value loss on investment properties; and (iv) impairment of goodwill under negative market sentiment.

The Company is still in the process of preparing the unaudited consolidated financial statements of the Group for the year ended 31 December 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 year ended 31 December 2022 and other information currently available, which has not been reviewed by the Company’s audit committee and/or audited by the independent auditors of the Company. Therefore, the audited financial results of the Group for the year ended 31 December 2022 may differ from the information disclosed in this announcement. Shareholders and potential investors of the Company are advised to refer to the details in the annual results announcement of the Company for the year ended 31 December 2022 which is expected to be published by the end of March 2023.

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, 24 March 2023

As at the date of this announcement, the directors of the Company are (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor, Ms. Ng Yuk Mui Jessica and Mr. Ng Yuk Yeung Paul as executive directors; and (2) Mrs. Tse Wong Siu Yin Elizabeth, Hon. Raymond Arthur William Sears, K.C., Mr. Tung Woon Cheung Eric and Mr. Lam Douglas Tak Yip, SC as independent non-executive directors.