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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RESPECT OF PROPOSED FORMATION OF A JOINT VENTURE

This announcement is made by South China Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to inform the shareholders and potential investors of the Company of the latest business strategy and direction of the Group.

The board of directors of the Company (the “**Board**”) is pleased to announce that on 6 November 2025 (after trading hours), Luxfield Investment Limited (“**Luxfield**”), an indirect wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the “**MOU**”) with Mr. Zhu Mapao (朱馬炮) (“**Mr. Zhu**”), a Chinese national, who is a substantial shareholder and a director of Beijing Sino-security Hangxin Technology Company Limited 北京中安航信科技有限公司 (“**SH Technology**”) (a company incorporated in the People’s Republic of China, which is principally engaged in (i) the design, production and domestic sales of security and anti-riot products, including but not limited to (1) acoustic denial systems; (2) riot-control equipment; (3) unmanned aerial system and counter unmanned aerial system; and (4) new materials for the aforesaid items (collectively, the “**Products**”) and (ii) provision of overall solutions and operations and maintenance services in relation to the Products to customers), in relation to the proposed formation of a joint venture to be established in Hong Kong, of which Luxfield will be the major shareholder. The Products are widely applied to maritime enforcement, airport, seaport and border control, summit security, emergency management, riot prevention and emergency response, unmanned monitoring and global security.

Pursuant to the MOU, the joint venture is proposed to be engaged in (1) promoting and selling the Products to global markets; (2) provision of relevant technological support and solutions in respect of the Products to the overseas customers; and (3) conducting research and development of the Products for enhancing the functionality and quality for catering the needs of overseas markets. Luxfield is tentatively responsible for assisting the joint venture to establish sales forces in Hong Kong and/or any other overseas countries or regions. Mr. Zhu is tentatively responsible for contributing his competence in management and technical knowledge and bringing in relevant technical personnel to the joint venture as well as using his best endeavours to procure SH Technology to sell the Products to the overseas customers of the joint venture.

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, Mr. Zhu is independent of and not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

The Board believes that, based on the MOU, both parties thereto may integrate relevant resources and expertise. Through the joint venture, the Group can expand into the overseas technologically advanced security and anti-riot equipment market, and seize potential opportunities arising from the substantial global demand, for the following reasons:

1. The Products have a wide range of applications and broad market prospects

The Products offer a wide range of applications on such segments as border control, unmanned monitoring, summit security and emergency management etc.. As global demand for security and intelligent management continues to grow, the Products hold significant potential in overseas markets. By tapping into the overseas technological security market, it would expand the Group’s revenue, enhance overall profitability, and create greater value for the shareholders.

2. In line with the development direction of the nation

The joint venture will align closely with the national Fifteenth Five-Year Plan to promote the development of high-tech industries and the “Going Global” initiative, while also being consistent with the Hong Kong SAR Government’s policy of supporting technological innovation and international collaboration. Through the establishment of the joint venture, the Company aims to further participate in key national development segments and leverage Hong Kong’s strengths as an international financial and trade hub to support the global deployment of high-tech products.

Apart from the establishment of the joint venture, the Company continues to explore opportunities in high-tech (including but not limited to biological technology and financial technology) related projects and emerging industries with strong potential. The establishment of the joint venture marks a strategic expansion of the Company into the high-tech and security sectors. Going forward, the Company will continue to pursue investment and collaboration opportunities that align with its long-term development goals, further enriching its business portfolio and enhancing market competitiveness.

Further announcement will be made to provide update on the potential transactions contemplated under the MOU as and when appropriate in accordance with the Listing Rules.

The Board wishes to emphasize that no legally binding agreement relating to the proposed establishment of the joint venture has been entered as at the date of this announcement. As such, the proposed establishment of the joint venture may or may not materialize. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
South China Financial Holdings Limited
南華金融控股有限公司
Cheung Choi Ngor
Executive Director

Hong Kong, 6 November 2025

As at the date of this announcement, the directors of the Company are:

Executive Directors

Mr. Ng Hung Sang
Ms. Cheung Choi Ngor
Ms. Ng Yuk Mui Jessica
Mr. Ng Yuk Yeung Paul

Independent Non-executive Directors

Mrs. Tse Wong Siu Yin Elizabeth
Mr. Tung Woon Cheung Eric
Ms. Li Yuen Yu Alice