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SOUTH CHINA FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

PROFIT WARNING FOR THE YEAR ENDED 31 DECEMBER 2011

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the year ended 31 December 2011 as compared to the profit recorded in the year of 2010. This profit warning announcement is only based on the preliminary review of the management accounts of the Group.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Based on the preliminary review of the management accounts of South China Financial Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), the board of directors of the Company (the "Board") wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the year ended 31 December 2011 as compared to the profit recorded in the year of 2010, mainly due to the fair value/trading loss on financial assets resulting from the downturn of the market.

This profit warning announcement is only based on the preliminary review of the management accounts of the Group. The audited consolidated annual results of the Group for the year ended 31 December 2011 are expected to be announced by the end of March 2012.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
South China Financial Holdings Limited
Cheung Choi Ngor
Director

Hong Kong, 3 February 2012

As at the date of this announcement, the Board comprises (1) five executive directors, namely, Mr. Ng Hung Sang, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor, Mr. Ng Yuk Yeung, Paul and Mr. Chan Hing Wah; (2) one non-executive director, namely, Mr. Ng Tze Wai; and (3) three independent non-executive directors, namely, Mrs. Tse Wong Siu Yin, Elizabeth, Hon. Raymond Arthur William Sears, Q.C. and Mr. Tung Woon Cheung, Eric.