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SOUTH CHINA FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

PROFIT WARNING FOR THE SIX MONTHS ENDED 30 JUNE 2012

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 larger loss for the six months ended 30 June 2012 than the loss for the corresponding period ended 30 June 2011. However, the Group expects that there will be a significant increase in total equity as the re-measurement of the owner-occupied property at fair value at the point of reclassification of the same to investment property in the six months ended 30 June 2012 gave rise to a substantial property revaluation reserve.

This announcement is only based on the preliminary review on 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 (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a larger loss for the six months ended 30 June 2012 than the loss for the corresponding period ended 30 June 2011, mainly due to the reduced brokerage business volume resulting from the shrinkage of the securities market turnover and higher operating costs in the expansion phase of the Group’s overall business development. However, the Group expects that there will be a significant increase in total equity as the re-measurement of the owner-occupied property at fair value at the point of reclassification of the same to investment property in the six months ended 30 June 2012 gave rise to a substantial property revaluation reserve.

This announcement is only based on the preliminary review on the management accounts of the Group. The unaudited consolidated interim results of the Group for the six months ended 30 June 2012 are expected to be announced within this month.

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, 10 August 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.