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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 2013

This announcement is made by South China Financial Holdings Limited (the “Company” together with its subsidiaries, “Group”) pursuant to Rule 13.09 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.

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group, the Group is expected to report a significant decrease in profit for the year ended 31 December 2013 (“Year 2013”) as compared with the audited results for the year ended 31 December 2012 (“Year 2012”).

The Group has recorded a fair value loss on financial assets at fair value through profit or loss in Year 2013 as opposed to a fair value gain as reported in Year 2012. Although certain business segments have recorded revenue growth in Year 2013, there was a significant decrease in profit on trading of securities and other financial instruments as compared with Year 2012. As such, the revenue of the Group decreased in Year 2013. Given the above, it was expected that the Group will report a significant decrease in profit for Year 2013 as compared with the profit for Year 2012 notwithstanding the significant increase in fair value gain on investment properties recognized in Year 2013, which only partially offset the combined effect of the above.

The Company is in the process of finalizing the annual results of the Group for Year 2013. The information contained in this announcement is only based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for Year 2013 and the information currently available to the Company. Details of the Group’s results for Year 2013 will be disclosed as and when the audited annual results of the Group for Year 2013 is announced.

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
Executive Director

Hong Kong, 27 February 2014

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