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SOUTH CHINA FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00619)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2015

The board of directors of South China Financial Holdings Limited (the "Board") refers to its interim report (the "Interim Report") for the six months ended 30 June 2015 (the "Period") published on 7 August 2015. Unless otherwise stated, terms defined in the Interim Report are used in this announcement with those defined meanings.

The Company provides the following information about its trading investment activities additional to that in the Interim Report.

Profit represented by net fair value gain on financial assets was significant in the context of its financial position at, and results for the six months ended, 30 June 2015.

The table below sets out a breakdown of the fair value gain on financial assets of approximately HK\$74.9 million included in profit disclosed in the Interim Report.

Fair value gain / (loss) of financial assets as at 30 June 2015

Stock code	Name of securities	Carrying value as of the end of the Period <Note> HK'000	Percentage of shareholding interest (%)	Fair value gain / (loss) during the Period HK'000
670	China Eastern Airlines Corporation Limited	122,057	0.148%	45,895
413	South China Holdings Company Limited	29,412	0.427%	17,605
1105	Sing Tao News Corporation Limited	16,353	1.316%	4,198
1387	Renhe Commercial Holdings Company Limited	14,077	0.069%	5,674
1	CK Hutchison Holdings Limited	13,953	0.003%	(1,011)
Others		81,042		2,509
Total		276,894		74,870

<Note>

The sequence of this table is based on the carrying value of the financial assets as of the end of the Period, and this table shows top five securities held by the Company as of the end of the Period.

The Group's shareholding interest in each of the securities represented not more than 5% of the issued share capital of the relevant listed companies. The Board believes the fair value gain on financial assets for the Period was attributable to the good net performance of the Group's trading investment portfolio and the overall favourable investment sentiment during the Period. The Board considers the performance of the Group's trading investment portfolio may remain susceptible to external market condition. The Group will continue to closely monitor the performance of its investment portfolio and maintain a strategy of diversification to reduce effects of price fluctuation of any single security from time to time.

The above information does not affect other information contained in the Interim Report.

By Order of the Board
South China Financial Holdings Limited
Ng Yuk Mui Jessica
Executive Director

Hong Kong, 1 February 2016

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