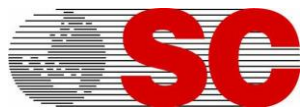


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SOUTH CHINA FINANCIAL HOLDINGS LIMITED

南華金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00619)

**PROFIT WARNING
SIGNIFICANT DECREASE IN LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

This announcement is made by South China Financial Holdings Limited (the “**Company**” together with its subsidiaries, the “**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 (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the management accounts of the Group and the information currently available to the Board, the Group is expected to record a loss for the six months ended 30 June 2017 (the “**Period**”), which would be expected to decrease not less than 50% as compared with the unaudited consolidated loss attributable to the Shareholders of approximately HK\$14.2 million for the same period in 2016.

The loss for the Period is primarily attributable to net trading and fair value gain on financial assets held for trading as opposed to net trading and fair value loss for the corresponding period last year.

The Company is in the process of finalizing the interim results of the Group for Period (the “**Results**”). 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 Period and the information currently available to the Company. Details of the Results will be disclosed as and when the unaudited Results are announced.

Shareholders 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
南華金融控股有限公司
Ng Yuk Mui Jessica
Executive Director

Hong Kong, 11 August 2017

As at the date of this announcement, the directors of the Company are (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor, Ms. Ng Yuk Mui Jessica and Dr. Wang Wei Hsin 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.