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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
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

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 unaudited consolidated management accounts of the Group for the six months ended 30 June 2018 (the “Period”), the Group expects to report an increase of loss attributable to owners of the Company as compared to that for the corresponding period in 2017.

The expected unrealized loss is primarily attributable to decrease in market price on the listed equities portfolio, which is subject to the market sentiments and would change over time. On the other hand, as a result of the strong commercial properties market during the Period, the expected unrealized loss was partially offset by a revaluation gain recorded on the investment properties held by the Group.

The Company is in the process of finalizing the interim results of the Group for the Period. 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 the Period and the unaudited information currently available to the Company. Details of the Group’s results for the Period will be disclosed as and when the unaudited interim results of the Group for the Period is announced.

The 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, 3 August 2018

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.