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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)**

### **POSITIVE PROFIT ALERT**

This announcement is made by South China Financial Holdings Limited (the “**Company**” and together with its subsidiaries, collectively 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 (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the announcement (the “**Announcement**”) published by the Company dated 3 July 2019 in relation to, among other matters, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to inform the Shareholders and potential investors that, based on the unaudited condensed consolidated results of the Group for the six months ended 30 June 2018 and 30 June 2019, the Group recorded (i) a fair value gain on the listed equity investments for the six months ended 30 June 2019 of not less than approximately HK\$21 million against the fair value loss on the listed equity investment of not more than approximately HK\$99 million in the corresponding period in 2018; and (ii) gain on the trading of securities, forex and futures contracts for the six months ended 30 June 2019 of not less than approximately HK\$37 million against the loss on the trading of securities, forex and futures contracts of not more than approximately HK\$20 million in the corresponding period in 2018, which may together positively affect the unaudited consolidated profit before tax from continuing operations of the Group for the six months ended 30 June 2019 (the “**Positive Profit Alert Statement**”).



The Company is still in the process of finalising the unaudited interim results of the Group for the six months ended 30 June 2019. The information contained in this announcement is only based on preliminary assessment of the information currently available including unaudited consolidated management accounts of the Group for the six months ended 30 June 2019, which has not been reviewed or confirmed by the audit committee of the Board and the auditors of the Company and may be subject to adjustment.

**Further details of the unaudited interim results of the Group for the six months ended 30 June 2019 are expected to be announced in August 2019.**

Pursuant to Rule 10 of the Takeovers Code, the Positive Profit Alert Statement constitutes a profit forecast and is required to be reported on by the Company's financial adviser and its auditors or reporting accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code. The Company would like to draw the attention of the Shareholders and potential investors of the Company that the Positive Profit Alert Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise caution in placing reliance on the Positive Profit Alert Statement in assessing the merits and demerits in dealing with the securities of the Company. It is expected that if the Circular referred to in the Announcement is despatched earlier than the publication of the Company's announcement of its unaudited interim results for the six months ended 30 June 2019, reports from the Company's financial adviser and its auditors or reporting accountants on the Positive Profit Alert Statement will be included in such Circular in compliance with Rule 10.4 of the Takeovers Code.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

By order of the Board  
**South China Financial Holdings Limited**  
**Ng Yuk Mui Jessica**  
*Executive Director and Chief Executive Officer*

Hong Kong, 30 July 2019

*As at the date of this announcement, the Board comprises Mr. Ng Hung Sang, Ms. Cheung Choi Ngor and Ms. Ng Yuk Mui Jessica as Executive Directors; and Hon. Raymond Arthur William Sears, Q.C., Mrs. Tse Wong Siu Yin Elizabeth and Mr. Tung Woon Cheung Eric as Independent Non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*