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2 August 2019

The Board of Directors
South China Financial Holdings Limited

Dear Sirs,

South China Financial Holdings Limited (the "Company") and its subsidiaries (the "Group")

Profit estimate for the six months ended 30 June 2019

We refer to the estimate of the unaudited consolidated profit before tax from continuing operations of the Group for the six months ended 30 June 2019 (the "Profit Estimate") set forth in the section headed "Material Change" in Appendix IA to the circular of the Company dated 2 August 2019 (the "Circular") in connection with the Company's proposed rights issue on the basis of three rights shares for every two shares. The Profit Estimate is required to be reported on under Rule 10 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission.

Directors' responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the unaudited consolidated results of the Group for the six months ended 30 June 2019 as shown in the management accounts of the Group for the six months ended 30 June 2019.

The Company's directors are solely responsible for the Profit Estimate.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

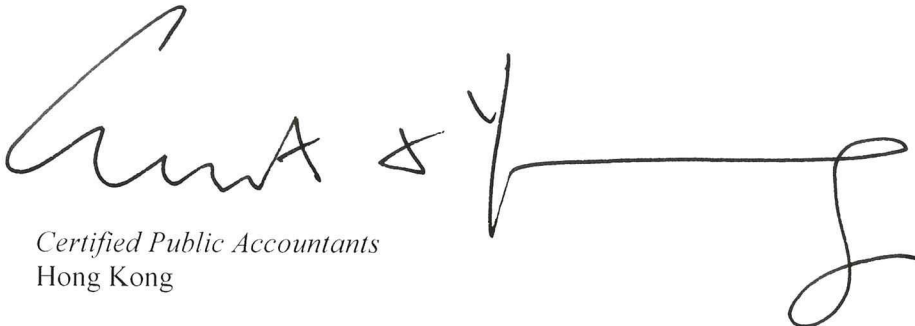
Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 *Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness* and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors as set out in Note 2.1 headed "Basis of Preparation" on pages IA-14 to IA-15 of the Circular and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in Note 2.1 headed "Basis of Preparation" on pages IA-14 to IA-15 of the Circular and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Company for the year ended 31 December 2018.

Yours faithfully,



Certified Public Accountants
Hong Kong