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SOUTH CHINA HOLDINGS COMPANY LIMITED

南華集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00413)

PROFIT WARNING

This announcement is made by South China Holdings Company Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) 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 information currently available and the preliminary review of the unaudited consolidated management accounts of the Group, the Group expects to report a significant decrease in profit for the year ended 31 December 2020 (the “Year”) by more than 80% as compared with the audited results for the year ended 31 December 2019. The profit for the year ended 31 December 2019 was mainly attributable to the significant fair value gain on the investment portion of a property project in Shenyang, China. However, no such fair value gain was recognised for the Year and therefore, the profit for the Year would inevitably experience a significant decrease. Furthermore, the COVID-19 pandemic has also brought along adverse impact on the Group’s toy manufacturing business during the Year. Nevertheless, the overall financial, business and trading positions of the Group remain healthy.

The Company is still in the process of finalizing the annual results of the Group for the Year. The information contained in this announcement is only based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group for the Year and the unaudited information currently available to the Company. Details of the Group’s results for the Year will be disclosed as and when the audited annual results of the Group for the Year is 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 Holdings Company Limited
南華集團控股有限公司
Cheung Choi Ngor
Executive Director

Hong Kong, 15 March 2021

As at the date of this announcement, the directors of the Company are: (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor, Mr. Richard Howard Gorges and Mr. Ng Yuk Yeung Paul as executive directors; (2) Ms. Ng Yuk Mui Jessica, Mr. Ng Yuk Fung Peter, Mr. David Michael Norman and Ms. Li Yuen Yu Alice as non-executive directors; and (3) Mr. Chiu Sin Chun, Mrs. Tse Wong Siu Yin Elizabeth, Mr. Kam Yiu Shing Tony and Ms. Pong Scarlett Oi Lan, BBS. J.P. as independent non-executive directors.