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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 of the Company that, based on the information currently available and the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (the “**Year**”), the Group expects to report a net loss of not more than HK\$50 million for the Year as compared with a net profit of approximately HK\$66 million for the year ended 31 December 2022. This is mainly attributable to (i) drop in operating profit from the trade and manufacturing segment as a result of decrease in sales orders received from the major customers during the Year for the major customers adopted prudent ordering strategies after aggressive approach to pull in their respective shipment schedules in 2022 for avoidance of deadlock in logistics that they suffered in 2021; (ii) increase in finance costs due to increase in the Hong Kong Interbank Offered Rate during the Year; and (iii) decrease in gain on disposal of debentures of berths recognised during the Year. The impacts of above outweighed the increase in gain on disposal of subsidiaries recognised during the Year.

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. The audited annual results of the Group for the Year is expected to be published in the late March 2024.

**Shareholders and potential investors of the Company 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 2024

*As at the date of this announcement, the directors of the Company are:*

***Executive Directors:***

*Mr. Ng Hung Sang*  
*Ms. Cheung Choi Ngor*  
*Mr. Ng Yuk Yeung Paul*

***Non-executive Directors:***

*Ms. Ng Yuk Mui Jessica*  
*Mr. Ng Yuk Fung Peter*  
*Ms. Li Yuen Yu Alice*  
*Mr. Yu Pui Hang*

***Independent Non-executive Directors:***

*Mrs. Tse Wong Siu Yin Elizabeth*  
*Mr. Kam Yiu Shing Tony*  
*Ms. Pong Scarlett Oi Lan, BBS, J.P.*  
*Mr. Wong Chun Tat, J.P.*