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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 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, the Group expects to report a significant decrease in profit for the six months ended 30 June 2018 (the “Period”) as compared with the unaudited results for the corresponding period in 2017. This is mainly attributable to (1) rising costs of material and labour cost leading to increase in cost of sales; and (2) fluctuation of Renminbi leading to a loss arising from operations and foreign currency forward contracts, as compared with a gain reported in the corresponding period in 2017.

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 result 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 Holdings Company Limited
Cheung Choi Ngor
Executive Director

Hong Kong, 23 August 2018

As at the date of this announcement, the directors 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; (3) Mr. Chiu Sin Chun, Mrs. Tse Wong Siu Yin Elizabeth, Mr. Yip Dicky Peter, J.P., and Mr. Kam Yiu Shing Tony as independent non-executive directors.