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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RESPECT OF PROPOSED FORMATION OF A JOINT VENTURE

This announcement is made by South China Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to inform the shareholders and potential investors of the Company of the latest business strategy and direction of the Group.

The board of directors of the Company (the “**Board**”) is pleased to announce that on 14 November 2025 (after trading hours), the Company entered into a memorandum of understanding (the “**MOU**”) with a company (the “**Counterparty**”) incorporated in the People’s Republic of China (the “**PRC**”), which is principally engaged in (i) Enabling Technology Layer – using artificial intelligence (“**AI**”) to develop tools and algorithms for accelerating data analysis, prediction and research; (ii) Scientific Foundation Layer – using AI to study molecular mechanisms for translating applications and aligning with clinical needs; and (iii) Final Product and Clinical Application – to transform insights from molecular research into pharmaceutical development pipelines and real-world clinical applications, in relation to the proposed formation of a joint venture to be established in either the PRC or Hong Kong for the purposes of developing (a) AI-powered platforms for pharmaceutical research and development, along with relevant technical services; (b) AI platforms for pharmaceutical efficacy prediction for serving cosmetics and beauty clients worldwide; (c) research and development pipelines for diseases and aging therapeutics; and (d) anti-aging products for direct marketing to consumers.

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, the Counterparty and its beneficial owner are independent of and not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

While strengthening its core financial operations, the Group is actively pursuing strategic expansion into high-technology sectors. Investing in AI-powered biotechnology field is one of the key milestones in executing the Group's diversification strategy. The Board believes that through the joint venture, the Group may enter high-growth sectors, including AI-driven pharmaceuticals, beauty technology and anti-aging retail market. This initiative not only mitigates concentration risks inherent in the Group's existing business portfolio, but also unlocks new revenue and profit streams with high potential, paving the way for sustainable long-term value creation.

The collaboration is closely aligned with national and Hong Kong SAR government policies that strongly promote the development of strategic emerging industries such as artificial intelligence and biomedicine. The joint venture's business fully supports the visionary frameworks of "Healthy China" and "Digital China". By advancing this strategic deployment, the Group aims to deeply integrate its financial expertise with cutting-edge technology, thereby contributing to the national innovation ecosystem while significantly enhancing its technological profile and intrinsic value.

Apart from the proposed formation of the joint venture, the Company continues to explore opportunities in high-tech related projects and emerging industries with strong potential.

Further announcement will be made to provide update on the potential transactions contemplated under the MOU as and when appropriate in accordance with the Listing Rules.

The Board wishes to emphasize that no legally binding agreement relating to the proposed formation of the joint venture has been entered as at the date of this announcement. As such, the proposed formation of the joint venture may or may not materialize. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
South China Financial Holdings Limited
南華金融控股有限公司
Cheung Choi Ngor
Executive Director

Hong Kong, 14 November 2025

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

Executive Directors

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

Independent Non-executive Directors

Mrs. Tse Wong Siu Yin Elizabeth
Mr. Tung Woon Cheung Eric
Ms. Li Yuen Yu Alice