

TARGET

Intelligence Report

VOLUME XXIII No. 217

T U E S D A Y

October 5, 2021

SOUTH CHINA FINANCIAL HOLDINGS LTD: THE TRUTH WILL OUT

There is a German proverb that states:

‘Eine schlechte Entschuldigung ist besser als keine.’

The English translation of this proverb is:

‘A bad excuse is better than none.’

Could this German proverb aptly be suggestive of the many excuses, found in numerous reports, caused to have been published by Senior Management of South China Financial Holdings Ltd (南華金融控股有限公司) (Code: 619, Main Board, The Stock Exchange of Hongkong Ltd), over the years?

This is not to suggest that Senior Management’s questionable excuses were inaccurate, far be it – although some of them might have been considered borderline by quite a number of members of the intelligential – but the financial results mirrored that which was (unfortunately) sought and, in the final analysis, came into being: An anaemic Bottom Line.

An anaemic Bottom Line, however, was certainly not the case in respect of the Interim Report of South China Financial Holdings Ltd with regard to the six months, ended June 30, 2021 – far from it, in fact.

However, as is a well-known proverb: *‘One swallow does not make a summer.’*

The Interim Report Of South China Financial Holdings Ltd

On Tuesday, August 31, 2021, South China Financial Holdings Ltd published and disseminated its unaudited financial results in respect of the First Half of its 2021 Financial Year.

The following are some of the highlights of this report:

	Six Months, Ended June 30		Percentage Increase/(Decrease)
	2021	2020	

	All Figures Are Denominated In \$HK'000 (Except where otherwise indicated)		
Revenue	63,724	34,291	85.83
Net Profit Attributable To Shareholders	5,674	(169,577)	103.35
Interest-Bearing Banks and Other Borrowings	654,505	505,757	29.41
Shareholders' Funds	571,064	565,404	1.00

The 2020 Annual Report Of South China Financial Holdings Ltd

On Tuesday, April 27, 2021, Management of South China Financial Holdings Ltd published and disseminated its Annual Report in respect of the Financial Year, ended December 31, 2020.

The Bottom Line of South China Financial Holdings Ltd, in respect of the 2020 Financial Year, was a Net Loss Attributable to Shareholders of \$HK268,229,000.

The 2020 Financial Year's Results represented a Net Loss appreciation, Year-On-Year, of about 244.40 percent, compared with the 2019 Net Loss Attributable to Shareholders of about \$HK77,884,000.

Revenue for the 2020 Financial Year came in at \$HK89,489,000, equivalent to a depreciation of \$HK114,630,000, or about 56.16 percent, Year-On-Year.

Revenue, in respect of the 2020 Financial Year, was the lowest of the past five Financial Years.

The following table illustrates geographical information as to from where the Company obtained its financial sustenance from external customers with regard to the 2020 Financial Year as well as the corresponding 2019 Financial Year:

	2020	2019
	\$HK'000	\$HK'000
The Hongkong Special Administrative Region	63,754	154,836
The People's Republic of China (proper), being separate and distinct from the HKSAR	25,732	41,570
Other Countries	3	7,713
TOTAL	89,489	204,119

The Net Assets of the Company (Shareholders' Funds), in respect of the 2020 Financial Year, had fallen to \$HK565,404,000, a decrease of about \$HK270,415,000, or about 32.35 percent, compared with the corresponding figure of \$HK835,819,000, logged in with regard to the 2019 Financial Year.

Needless to state, the Company did not recommend the payment of a dividend to shareholders with regard to the 2020 Financial Year.

In fact, Management has not recommended, or paid any dividend to shareholders, throughout the past five Financial Years, going back to the 2016 Financial Year.

In ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.