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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)**

### **INSIDE INFORMATION WINDING-UP PETITION AGAINST A SUBSIDIARY**

This announcement is made by South China Holdings Company Limited (the “**Company**” and its subsidiaries collectively, the “**Group**”) pursuant to Rule 13.09(2)(a) and Rule 13.25(1)(b) 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 in 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**”) announces that it came to the attention of the Company that a winding-up petition (the “**Petition 1**”) was filed by Hongyi (Hong Kong) Packaging Products Company Limited on 17 June 2026 and another winding-up petition (the “**Petition 2**”) was filed by Yuen Fat Paper Products Factory Limited on 18 June 2026, against Wah Shing Toys Company Limited (“**WST**”), an indirect wholly-owned subsidiary of the Company, in the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Petition 1 and the Petition 2 (collectively, the “**Petitions**”) seek an order for the winding-up of WST, both of which are scheduled to be heard before the High Court on 2 September 2026.

The Petition 1 was filed in relation to the outstanding amounts of the prices for goods sold and delivered to WST in the total sums of HK\$2,678,268.12 and US\$138,103.49 (equivalent to approximately HK\$1,077,207). The Petition 2 was filed in relation to the outstanding amount of the prices for goods sold and delivered to WST in the total sum of HK\$4,969,392.78. As at the date of this announcement, no winding-up order has been granted by the High Court against WST.

The Company is currently seeking legal advice to determine the appropriate course of action in response to the Petitions, with the objective of protecting the interests of the Company and its shareholders as a whole.

WST is a company incorporated in Hong Kong with limited liability and is principally engaged in toys manufacturing business.

Pursuant to Rule 13.25(2) of the Listing Rules, Rule 13.25(1)(b) of the Listing Rules applies to WST as the revenue of WST as at 31 December 2025 represents more than 5% of the total revenue of the Group, as disclosed in the audited consolidated financial statements of the Group for the year ended 31 December 2025. For the five months ended 31 May 2026, WST accounted for about 28.2% of the Group's revenue of approximately HK\$87,269,000 and accounted for about 0.7% of the Group's net assets of approximately HK\$32,976,000. WST's unaudited loss for the five months ended 31 May 2026 was approximately HK\$190,215,000 which accounted for about 57.0% of the Group's loss. The business performance of WST has been deteriorated since 2025 resulting from the substantial decrease in purchase orders from the overseas customers due to (i) tariffs imposed by the USA government; (ii) decrease in demand for toys because of slow-down in consumer market and issue of toy product design; and (iii) continuous appreciation of Renminbi since 2025. WST has been facing difficulties, and therefore the Board has decided to reengineer and streamline the Group's toys business by redeploying its resources, including manpower and cash flow, to other businesses of the Group.

Notwithstanding the Petitions, the Board considers that the Group is able to continue to carry out other key businesses, having substance, with sufficient level of operations and assets of sufficient value.

The Group also continues to seek for other potential businesses and investment opportunities with an aim to strengthen its source of income to reinforce the Group's businesses and sustainability.

The Company will keep the shareholders and the public informed of any major development in relation to the Petitions by issuing further announcement(s) as and when appropriate.

**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 of  
**South China Holdings Company Limited**  
南華集團控股有限公司  
**Cheung Choi Ngor**  
*Executive Director*

Hong Kong, 7 July 2026

*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. Yu Pui Hang*

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

*Mr. Kam Yiu Shing Tony*

*Ms. Pong Scarlett Oi Lan, BBS, J.P.*

*Mr. Wong Chun Tat, J.P.*