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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 six months ended 30 June 2026 (the “**Period**”), the Group is expected to record a substantial net loss in the range of approximately HK\$400 million to HK\$500 million for the Period as compared with the net loss of approximately HK\$90 million for the corresponding period in 2025.

The expected loss for the Period was primarily attributable to (i) net fair value loss on investment properties, reflecting the softening of the relevant property markets; (ii) provisions for the write-down of inventories, credit loss on trade receivables and write-off of property, plant and equipment; and (iii) operating loss of the Group’s OEM toys production business.

The Company is in the process of finalizing the interim results of the Group for the Period. The information contained in this announcement is based solely on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group for the Period and the unaudited information currently available to the Company. The actual financial results of the Group for the Period may differ from the information disclosed in this announcement. The Group’s unaudited consolidated results for the Period are expected to be published on 26 August 2026.

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, 21 August 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.