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SOUTH CHINA HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 265)

**TOTAL GRACE
INVESTMENTS LIMITED**
(Incorporated in the British Virgin Islands
with limited liability)

DELAY IN DESPATCH OF COMPOSITE OFFER DOCUMENT

**Financial Adviser to South China
Holdings Limited**

Hercules
Hercules Capital Limited

Financial Adviser to the Offeror



South China Capital Limited

An application has been made to the Executive for an extension of the deadline for the despatch of the Composite Offer Document to 28 February 2012.
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Reference is made to the joint announcement dated 19 October 2011 made by the Company and the Offeror in relation to, among others, the Acquisition, the Group Reorganization and the Offer (the "Announcement"). Capitalized terms used herein shall have the same meanings as those defined in the Announcement, unless otherwise stated.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Offer Document should be despatched to the Shareholders within 21 days of the date of the Announcement, which is on or before 9 November 2011. As the making of the Offer is subject to completion of the Group Reorganization and the S&P Agreement, which is currently envisaged to take place on or before 21 February 2012, there will be a delay in the despatch of the Composite Offer Document. An application has been made to the Executive for an extension of the deadline for the despatch of the Composite Offer Document to 28 February 2012, being seven days from the date of completion of the Group Reorganization.

The Shareholders should note that the making of the Offer is subject to a number of conditions and is a possibility only. As the Offer may or may not proceed, investors and the Shareholders are urged to exercise caution when dealing in the Shares.

By order of the board
South China Holdings Limited
Cheung Choi Ngor
Director

By order of the board
Total Grace Investments Limited
Ng Hung Sang
Sole Director

Hong Kong, 9 November 2011

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Ng Hung Sang, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor and Mr. Ng Yuk Fung, Peter; two non-executive Directors, namely, Ms. Ng Yuk Mui, Jessica and Mr. David Michael Norman; and three independent non-executive Directors, namely, Mr. David John Blackett, Mrs. Tse Wong Siu Yin, Elizabeth and Mr. Cheng Hong Kei.

As at the date of this announcement, the Offeror has only one director, namely Mr. Ng Hung Sang.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.