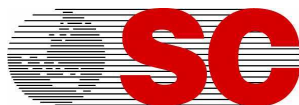


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SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

ANNOUNCEMENT

MAJOR TRANSACTION DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement issued by South China Holdings Limited (the “**Company**”) dated 29 July 2011 (the “**Announcement**”) in relation to the disposal of the entire issued share capital in Genion Limited (the “**Disposal**”). Unless otherwise stated herein, capitalised terms used herein have the meanings ascribed thereto in the Announcement.

As referred to in the Announcement, since none of the Shareholders would be required to abstain from voting on the Disposal and a written approval on the Disposal has been obtained from several Shareholders, which totally held 1,344,181,812 Shares or approximately 73.72% in the issued share capital of the Company as at 29 July 2011, the Company would not hold a general meeting to approve the Disposal pursuant to Rule 14.44 of the Listing Rules. Pursuant to Rule 14.41(a) of the Listing Rules, a circular (the “**Circular**”) is required to be despatched to the Shareholders within 15 business days after publication of the Announcement. The Circular will contain, among other things, an indebtedness statement and a statement as to the sufficiency of working capital which will be subject to a letter of comfort from the auditors.

As additional time is required for the auditors to proceed their necessary work before issuance of the letter of comfort, an application has been made by the Company to the Stock Exchange and the Stock Exchange has granted a waiver from strict compliance with Rule 14.41(a) of the Listing Rules such that the despatch date of the Circular has been extended to be on or before 25 August 2011.

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

Hong Kong, 18 August 2011

As at the date of this announcement, the Directors of the Company are (1) Mr. Ng Hung Sang, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor and Mr. Ng Yuk Fung, Peter as executive directors; (2) Ms. Ng Yuk Mui, Jessica and Mr. David Michael Norman as non-executive directors; and (3) Mr. David John Blackett, Mrs. Tse Wong Siu Yin, Elizabeth and Mr. Cheng Hong Kei as independent non-executive directors.