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**SOUTH CHINA HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands  
with limited liability)  
(Stock Code: 265)*



**SOUTH CHINA (CHINA) LIMITED**

*(Incorporated in the Cayman Islands  
with limited liability)  
(Stock Code: 413)*

**CLARIFICATION ANNOUNCEMENT**

This clarification announcement is made in response to the articles appeared in a website and newspapers in relation to the intention of SCC, a 74.78% subsidiary of SCH, to spin-off for a separate listing of each of its toys, electronics and shoes businesses.

This clarification announcement is made in response to the articles appeared in a website and newspapers in relation to the intention of South China (China) Limited (“SCC”), a 74.78% subsidiary of South China (Holdings) Limited (“SCH”), to spin-off for a separate listing of each of its toys, electronic and shoes businesses.

The boards of SCC and SCH would like to clarify that they are currently considering the possibility to spin-off each of the toys, electronics and shoes businesses for a separate listing on the Stock Exchange of Hong Kong Limited. The consideration is at an early stage.

SCC and SCH will keep the shareholders appraised of the development and will make further announcement as and when necessary.

Shareholders and potential investors of SCC and SCH are advised to exercise caution when dealing with the securities of SCC and SCH.

By order of the board of  
**South China (China) Limited**  
**Cheung Choi Ngor**  
*Director*

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

Hong Kong, 17 February 2009

*As at the date of this announcement, the board of directors of SCH comprises (1) Mr. Ng Hung Sang, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor and Mr. Ng Yuk Fung, Peter as executive directors; (2) Mr. David Michael Norman and Ms. Ng Yuk Mui, Jessica 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.*

*As of the date of this announcement, the board of directors of SCC comprises (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor, Mr. Richard Howard Gorges and Mr. Ng Yuk Fung, Peter as executive directors; (2) Ms. Ng Yuk Mui, Jessica as non-executive director; and (3) Mr. Chiu Sin Chun, Mrs. Tse Wong Siu Yin, Elizabeth and Ms. Li Yuen Yu, Alice as independent non-executive directors.*