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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)*

**ANNOUNCEMENT RELATING TO
AMENDMENTS OF TERMS OF PROMISSORY NOTES**

The Original Maturity Date of the PN^s issued by Skychance to Mr. Ng Hung Sang, chairman of SCH, SCC and SCL, and his associates as Noteholders for an aggregate amount of HK\$97,078,576.84 for the purchase of 68.45% of the issued share capital of SCL pursuant to the sales and purchase agreement dated 26 October 2007 be extended by 12 months to the Revised Maturity Date and Skychance has the option to redeem, repay or prepay the outstanding principal sum due under each of the PN^s commencing from the day next following the Original Maturity Date.

The Promissory Notes

Reference is made to the joint announcement dated 26 October 2007 in respect of issue of PN^s by Skychance to Mr. Ng Hung Sang, chairman of SCH, SCC and SCL, and his associates as Noteholders for the aggregate amount of HK\$97,078,576.84 for the purchase of 68.45% of the issued share capital of SCL pursuant to the sales and purchase agreement dated 26 October 2007. Under the PN^s, the terms and conditions may not be varied, expanded or amended without the prior written approval of Skychance and the Noteholders. Full completion of purchase of the relevant shares was on 9 January 2008.

To allow a better utilization of its financial resources, Skychance and the Noteholders agreed to extend the Original Maturity Date of each PN by 12 months to the Revised Maturity Date and Skychance has the option to redeem, repay or prepay the outstanding principal sum due under each of the PN^s commencing from the day next following the Original Maturity Date.

Interest rate remains the same at 2% per annum and shall be payable on the Revised Maturity Date or upon the principal sums due under the PN^s are settled.

All other terms remain unchanged.

Definitions

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“GEM”	the Growth Enterprise Market of the Stock Exchange;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Noteholders”	Mr. Ng Hung Sang for HK\$5,633,824.00, Parkfield Holdings Limited for HK\$28,398,160.00, Fung Shing Group Limited for HK\$27,723,517.64, Ronastar Investments Limited for HK\$1,166,592.00, Earntrade Investments Limited for HK\$17,545,248.00, and Bannock Investment Limited for HK\$16,611,235.20;
“Main Board”	the Main Board of the Stock Exchange;
“Original Maturity Date”	the date falling 18 months from the date of issue of the PN(s);
“PN(s)”	The promissory note(s) issued on 18 December 2007 and 9 January 2008 by Skychance to Noteholders for the aggregate amount of HK\$95,958,576.84 and HK\$1,120,000 respectively in respect of the purchase of 68.45% interest in SCL pursuant to the sales and purchase agreement dated 26 October 2007;
“Revised Maturity Date”	the date falling 30 months from the date of issue of the PN(s);
“SCC”	South China (China) Limited, an exempted company incorporated in the Cayman Islands with limited liability, and a 74.78% subsidiary of SCH, the shares of which are listed on the Main Board;
“SCH”	South China Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board;
“SCL”	South China Land Limited 南華置地有限公司, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM;
“Skychance”	Skychance Group Limited, a company incorporated in the British Virgin Islands with limited liability, is a wholly owned subsidiary of SCC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

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

Hong Kong, 30 December 2008

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.