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SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

**TERMINATION OF A
DISCLOSEABLE AND
CONNECTED TRANSACTION**



SOUTH CHINA INDUSTRIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 413)

**TERMINATION OF A
DISCLOSEABLE AND
CONNECTED TRANSACTION**



JESSICA PUBLICATIONS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8137)

**TERMINATION OF A VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION
RESUMPTION OF TRADING**

Reference was made to the suspension of trading of Jessica Publications Limited (“JPL”) on 22 December 2006 for pending the release of an announcement for JPL’s very substantial acquisition and connected transaction as a result of the entering into a share purchase agreement (the “Agreement”) on 21 December 2006 among JPL as the Purchaser, South China Strategic Limited (“SCS”) as the Vendor and South China Industries Limited (“SCI”) as the Guarantor. SCI is a subsidiary of South China Holdings Limited (“SCH”).

Pursuant to the Agreement, SCS has conditionally agreed to sell the projects regarding the PRC agricultural businesses to JPL at a consideration of HK\$140 million. The consideration is to be satisfied by JPL issuing a convertible note. Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the transaction will constitute a discloseable and connected transaction for both SCI and SCH.

The directors of JPL consider that the investment in the PRC agricultural business will provide a good opportunity for the JPL group. The directors of SCH and SCI consider that such restructure will give investors a clearer picture on the business strategy of SCI and SCH groups.

However, the completion of this transaction is expected to take place about three to four months from the date of the Agreement due to the necessary compliance requirements under the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM Listing Rules”) and the Listing Rules for JPL, SCI and SCH. The directors of JPL, SCI and SCH believe that exceptional long delay for completion will cause unnecessary confusion in the market when investors deal in the shares of JPL, SCI and SCH with an uncertainty that the transaction may or may not proceed. As a result, JPL, SCS and SCI have entered into a termination agreement on 27 December 2006 (the “Termination Agreement”) to terminate the Agreement with immediate effect.

The respective directors of JPL, SCI and SCH consider that it is in the interests of the respective companies and their respective shareholders as a whole to enter into the Termination Agreement.

JPL has applied to The Stock Exchange of Hong Kong Limited for the resumption of trading of the shares of JPL with effect from 9:30 a.m. on 28 December 2006.

On behalf of the Board of
South China Holdings Limited
Cheung Choi Ngor
Director

On behalf of the Board of
South China Industries Limited
Cheung Choi Ngor
Director

On behalf of the Board of
Jessica Publications Limited
Ng Yuk Fung, Peter
Director

Hong Kong, 27 December 2006

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

As at the date of this announcement, the SCI Board comprises four executive directors, being Mr. Ng Hung Sang, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor and Mr. Ng Yuk Fung, Peter; one non-executive director, being Ms. Ng Yuk Mui, Jessica; and three independent non-executive directors, being Mr. Chiu Sin Chun, Ms. Wong Siu Yin, Elizabeth, and Ms. Li Yuen Yu, Alice.

As at the date of this announcement, the JPL Board comprises (1) Mr. Ng Hung Sang, Mr. Ng Yuk Fung, Peter, Ms. Foo Kit Tak and Ms. Cheung Mei Yu as Executive Directors; (2) Ms. Ng Yuk Mui, Jessica as a Non-executive Director; and (3) Mr. So Siu Ming, George, Ms. Pong Oi Lan, Scarlett and Mr. Cheng Yuk Wo as Independent Non-executive Directors.

This announcement, for which the directors of the JPL collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the JPL. The directors of JPL, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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