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SOUTH CHINA HOLDINGS LIMITED

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

Very Substantial Disposal and Connected Transactions
in relation to indirect disposal by
South China Industries Limited of
the shares in Praise Rich Limited

Major and Connected Transactions
in relation to the Guarantee

Very Substantial Acquisition
in relation to the full conversion of
Convertible Bond



SOUTH CHINA INDUSTRIES LIMITED

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

Very Substantial Disposal and Connected Transactions
in relation to indirect disposal of shares in Praise Rich Limited

Major and Connected Transactions
in relation to the Guarantee

Very Substantial Acquisition
in relation to the full conversion of
Convertible Bond



South China Capital Limited

**Financial Adviser to South China Holdings Limited
and South China Industries Limited**



CAPITAL PUBLICATIONS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8155)

Very Substantial Acquisition and Connected Transactions
in relation to acquisition of shares in Praise Rich Limited

Proposed Change of Name

JOINT ANNOUNCEMENT

THE ACQUISITION

On 20 October 2006, CPL, the Vendor and SCI entered into the Agreement pursuant to which the Vendor has conditionally agreed to sell the Sale Share and procure the sale of the Sale Debt to CPL at a consideration of HK\$800 million. The Consideration is to be satisfied by CPL issuing to the Noteholder the Convertible Bond.

It is a term under the Agreement that SCI agreed to continue granting a guarantee in favour of the Bank without charging for any guarantee fee to secure the liabilities of Ever Talent in respect of a loan facility of HK\$80,000,000 granted under the Loan Agreement provided that each of the Loan Agreement and the Guarantee has not been terminated on or prior to Completion.

In addition, it is a term under the Agreement that SCI has undertaken with CPL to provide the Guarantee without charging for any guarantee fee for a period of 3 years from Completion for securing the full obligation and liabilities of Acquired Group under the Proposed Facility up to an aggregate principal amount of HK\$500 million.

CERTAIN EFFECTS OF THE TRANSACTIONS UNDER THE AGREEMENT, THE GUARANTEE AND FULL CONVERSION OF CONVERTIBLE BOND

Praise Rich, an indirect subsidiary of SCI, is an investment holding company holding all of the shares of Ever Talent which in turn is the 80% foreign investor in Liaoning Dafa. Immediately after Completion, CPL will own all of the Shares in Praise Rich, representing 80% of the economic interest in Liaoning Dafa.

Immediately after Completion and upon full conversion of the Convertible Bond (assuming no further Shares will be issued from the date of this announcement until such conversion), the Noteholder will become the controlling shareholder of CPL interested in 95.47% of CPL's enlarged issued share capital.

CPL Directors, SCI Directors and SCH Directors had jointly requested Jones Lang LaSalle, an independent valuer not connected with any of the directors, chief executive and substantial shareholders of any of CPL, SCI and SCH and their respective subsidiaries and associates, to value the Project and the valuation report would be included in the forthcoming circular as additional information for CPL Shareholders, SCI Shareholders and SCH Shareholders respectively.

Mr. Ng and his associates are the existing controlling group of shareholders in both CPL, SCH and SCI. Under the GEM Listing Rules, the Transaction will constitute a connected transaction and very substantial acquisition for CPL. As there is no security over the assets of CPL is granted to SCI or SCH and the Transaction in on normal commercial terms, the Guarantee will constitute an exempt connected transaction for CPL under rule 20.65(4) of the GEM Listing Rules.

Under the Listing Rules, the Transaction will constitute a connected transaction and very substantial disposal for both SCI and SCH. Upon full conversion of the Convertible Bond, CPL will become a subsidiary of SCI and SCH. The full conversion of the Convertible Bond will constitute a very substantial acquisition for SCI and SCH.

The Transaction is conditional upon, among other things, the approval of the CPL Independent Shareholders, the SCH Independent Shareholders and the SCI Independent Shareholders. Voting on the Transaction will be conducted by way of poll by the CPL Independent Shareholders, the SCH Independent Shareholders and the SCI Independent Shareholders. Mr. Ng and his associates are required to abstain from voting in respect of the resolution to approve the Transaction at the CPL EGM, SCI EGM and SCH EGM. Other conditions precedent to Completion are set out in the subsection headed "Conditions Precedent" in the section headed "The Agreement" below.

The Guarantee will constitute non-exempt connected and major transactions for SCI and SCH. The Guarantee is subject to the approval of the SCH Independent Shareholders and the SCI Independent Shareholders. Voting on the Guarantee will be conducted by way of poll by the SCH Independent Shareholders and the SCI Independent Shareholders. Mr. Ng and his associates are required to abstain from voting in respect of the resolution to approve the Guarantee at the SCI EGM and SCH EGM.

Immediately after Completion and full conversion of the Convertible Bond, the existing controlling stake of Mr. Ng and his associates in CPL (without taking into account his interests in SCI through SCH) will be diluted from their existing collective 68.45% to 3.10% of the enlarged issued share capital of CPL. Immediately after Completion and full conversion of the Convertible Bond, the controlling stake of Mr. Ng and his associates in CPL (taking into account of his interests in SCI through SCH) will be 98.57% of the enlarged issued share capital of CPL. There will be no change in control of CPL upon the full conversion by the Noteholder of the Convertible Bond issued by CPL to the Noteholder.

Submissions has been made to the SFC requesting a ruling that full conversion by the Vendor of the Convertible Bond issued by CPL will not trigger an obligation on the part of the Vendor to make any general offer under rule 26 of the Takeovers Code. The Executive has granted the ruling sought. Accordingly, since the CPL Directors considered that there is no change in control (as defined in the Takeovers Code) as Mr. Ng and his associates will be the ultimate beneficial owner of CPL through his interests in the Vendor, SCI and SCH upon Completion and full conversion of Convertible Notes, the transaction will not be deemed as reverse takeover under rule 19.06(6) of the GEM Listing Rules.

As disclosed above, the total of aggregate amounts guaranteed by SCI to Acquired Group will be up to an aggregate principal amount of HK\$580 million, representing an asset ratio exceeding 8% under the rule 13.13 of the Listing Rules.

PROPOSED CHANGE OF NAME OF CPL

The CPL Directors propose that the name of CPL be changed from “Capital Publications Limited (Chinese translation being 資本出版有限公司, for identification purposes only)” to “South China Land Limited 南華置地有限公司.”

The proposed change of name of CPL is subject to the passing of a special resolution at the CPL EGM by the CPL Shareholders and the Registrar of Companies in the Cayman Islands granting approval for such proposed change of name.

DESPATCH OF CIRCULAR

A circular of CPL, containing, among other things, further particulars of the Transaction and the Sale Share, the Convertible Bond, the Guarantee, the recommendations of the CPL Independent Board Committee, a letter of advice from an independent financial adviser to be appointed to the CPL Independent Board Committee and the CPL Independent Shareholders, an accountants’ report, property valuation reports relating to the Project and notices convening the CPL EGM will be sent to the CPL Shareholders as soon as practicable in accordance with the requirements of the GEM Listing Rules.

A circular of SCI, containing, among other things, further particulars of the Transaction and the Sale Share, the Convertible Bond, the Guarantee, the recommendations of the SCI Independent Board Committee, a letter of advice from an independent financial adviser to be appointed to the SCI Independent Board Committee and the SCI Independent Shareholders, an accountants’ report, property valuation reports relating to the Project and notices convening the SCI EGM will be sent to the SCI Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

A circular of SCH, containing, among other things, further particulars of the Transaction and the Sale Share, the Convertible Bond, the Guarantee, the recommendations of the SCH Independent Board Committee, a letter of advice from an independent financial adviser to be appointed to the SCH Independent Board Committee and the SCH Independent Shareholders, an accountants’ report, property valuation reports relating to the Project and notices convening the SCH EGM will be sent to the SCH Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

As Completion is subject to the fulfilment of a number of conditions precedent, the Transaction may or may not proceed. CPL Shareholders, SCI Shareholders and SCH Shareholders, and potential investors, should exercise caution when dealing in the CPL Shares, SCI Shares and SCH Shares respectively.

At the request of SCH, SCI and CPL, trading in the SCH Shares, SCI Shares and CPL Shares on the Stock Exchange was suspended with effect from 11:01 a.m. on Friday, 20 October 2006 pending release of this announcement. Applications have been made by SCH, SCI and CPL to the Stock Exchange for the resumption of trading in the SCH Shares, SCI Shares and CPL Shares with effect from 9:30 a.m. on Tuesday, 24 October 2006.

I. THE AGREEMENT

Date: 20 October 2006

Vendor: WTS International (BVI) Limited, a company incorporated in the British Virgin Islands and beneficially owned as to 97.79% by Mr. Ng and his associates through his controlling stake in SCI and a subsidiary of SCI. It is principally engaged in investment holding. Its subsidiaries are principally engaged in the manufacturing and trading of toys, shoes and electronic products, property development and investment as at the date of this announcement.

Purchaser: CPL, being a company beneficially owned as to 68.45% by Mr. Ng and his associates

Guarantor: SCI, being a company beneficially owned as to 74.79% by Mr. Ng through his controlling stake in SCH

Subject matter and principal terms of the Transaction: The Vendor has agreed conditionally to sell the Sale Share and procure the sale of the Sale Debt to CPL at the Consideration. Further information about the Sale Share and the Sale Debt is set out below.

SCI has unconditionally and irrevocably agreed to guarantee the due performance of the Vendor's obligations under the Agreement.

It is a term under the Agreement that SCI has agreed to continue granting a guarantee in favour of the Bank without charging for any guarantee fee to secure the liabilities of Ever Talent in respect of a loan facility of HK\$80,000,000 under the Loan Agreement provided that each of the Loan Agreement and the Guarantee has not been terminated on or prior to Completion.

It is a term under the Agreement that SCI has undertaken with CPL to provide the Guarantee without charging for any guarantee fee for a period 3 years from Completion for securing the full obligation and liabilities of Acquired Group under the Proposed Facility up to HK\$500 million.

Consideration: The total consideration for the sale and purchase of the Sale Share and the Sale Debt shall be HK\$800 million, which comprises (i) a consideration of HK\$730 million for the Sale Share; and (ii) a consideration of HK\$70 million for the Sale Debt, and will be satisfied by CPL issuing the Convertible Bond to the Noteholder on Completion.

The principal terms of the Convertible Bond will be set out in the section headed "Principal Terms of the Convertible Bond". In the event that the Noteholder does not convert the Convertible Bond in full into CPL Shares before the maturity of the Convertible Bond, upon presentation on the maturity date of the original of the Convertible Bond to CPL, the Convertible Bond shall be redeemed by CPL at its principal amount outstanding. Further details are set out below.

Assuming that the conversion right attached to the Convertible Bond has been fully exercised, 10,666,666,666 CPL Shares will be issued at the agreed issue price of HK\$0.075 per CPL Share. The market value of the 10,666,666,666 CPL Shares (based on the closing price per CPL Shares of HK\$0.05 on 19 October 2006 being the date prior to the suspension of CPL Shares on 20 October 2006) is approximately HK\$533,333,333.

The Consideration was determined after arm's length negotiation between CPL and SCI with reference to, among other things, the face value of the Sale Debt, being HK\$70 million, and the net asset value of Praise Rich per the unaudited consolidated balance sheet as at the six months ended 30 June 2006 of approximately HK\$6 million before re-valuation of Project and the preliminary indicative valuation of the Project for approximately over RMB1 billion as appraised by Jones Lang LaSalle, an independent professional valuer, on open market basis.

CPL Directors, SCI Directors and SCH Directors had jointly requested Jones Lang LaSalle, an independent valuer not connected with any of the directors, chief executive and substantial shareholders of any of CPL, SCI and SCH and their respective subsidiaries and associates, to value the Project and the valuation report would be included in the forthcoming circular as additional information for CPL Shareholders, SCI Shareholders and SCH Shareholders respectively.

The CPL Directors, the SCI Directors and the SCH Directors are of the view that the Consideration is fair and reasonable.

Conditions Precedent: Completion is conditional upon the fulfilment (or waiver, as the case may be) of the following conditions, among others:

- (a) the acquisition of the Sale Share and the Sale Debt, the transactions contemplated thereunder, and the issue of the Convertible Bond all having been approved by resolution of the CPL Shareholders (or such of them as are not required to abstain from voting by the Stock Exchange) in the CPL EGM taken on poll;
- (b) the disposal of the Sale Share and the Sale Debt, the transactions contemplated under the Agreement, and the provision of the Guarantee all having been approved by resolution of the SCI Shareholders (or such of them as are not required to abstain from voting by the Stock Exchange) in the SCI EGM taken on poll;
- (c) the disposal of the Sale Share and the Sale Debt, the transactions contemplated under the Agreement, and the provision of the Guarantee all having been approved by resolution of the SCH Shareholders (or such of them as are not required to abstain from voting by the Stock Exchange) in the SCH EGM taken on poll;
- (d) the Executive having ruled that the Transaction and the full conversion of the Conversion Bond by the Noteholder do not trigger any obligation on the part of the Noteholder and its concert parties to make a general offer for all the CPL Shares not already owned by the Noteholder or its concert parties under rule 26 of the Takeovers Code;
- (e) the listing of, and permission to deal in the CPL Shares to be issued upon the exercise of the Convertible Bond having been granted by the Stock Exchange and not having been revoked prior to Completion;
- (f) the PRC legal opinion confirming that among others, there will be no legal obstacle for Liaoning Dafa to obtain the relevant land use right certificate in respect of the Land; and
- (g) written consent of the Bank in respect of the sale of the Sale Share having been obtained.

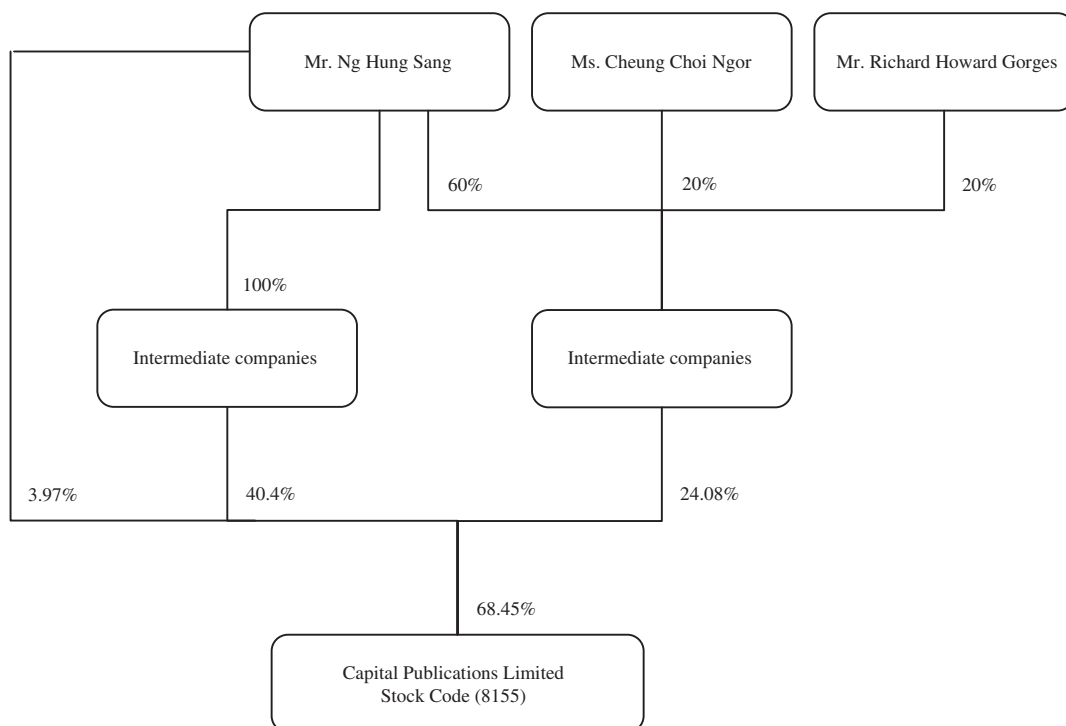
The conditions precedent are required to be fulfilled on or before 31 March 2007. If the conditions precedent have not been satisfied or waived (as the case may be) on or before the date aforesaid, the Agreement shall cease and terminate, provided that the rights and liabilities of the parties to the Agreement which have accrued prior to termination shall subsist. As at the date of this announcement, the condition precedent (d) above has been fulfilled, no other condition precedent have been fulfilled or waived.

Completion:

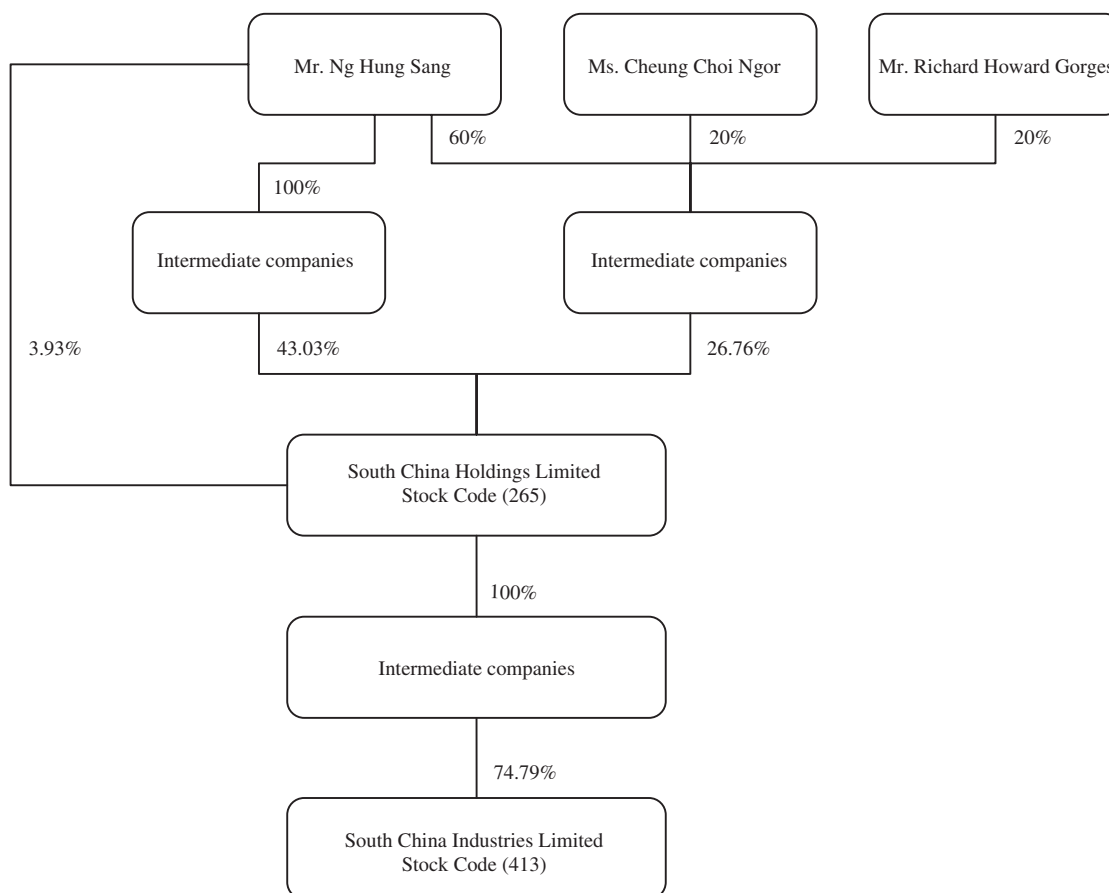
Completion shall take place on the second business days after the day on which the last of the condition precedent is fulfilled or waived or such other date as CPL and the Vendor may agree, subject to the conditions precedent being fulfilled or waived in accordance with the Agreement.

The following diagrams illustrate the corporate and shareholding structure of CPL, SCI and SCH immediately before Completion, and immediately after Completion and before and after full conversion of the Convertible Bond:

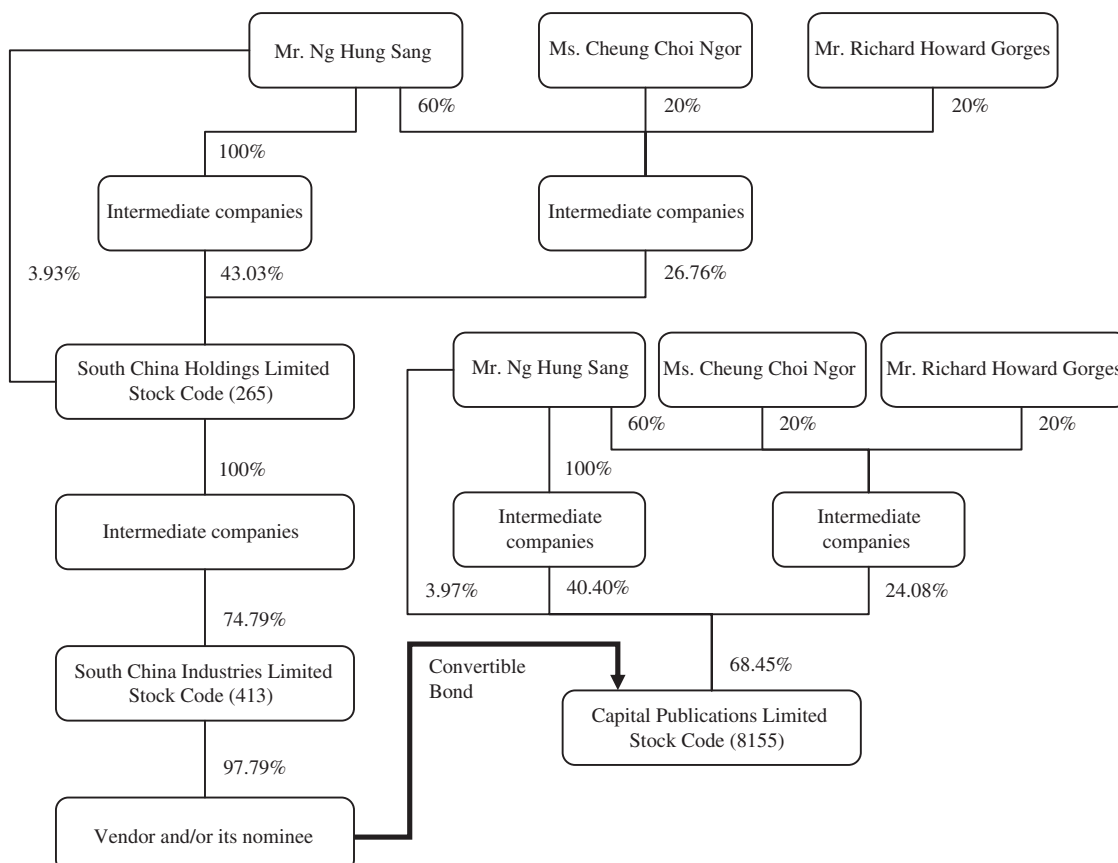
The shareholding structure of CPL immediately before Completion



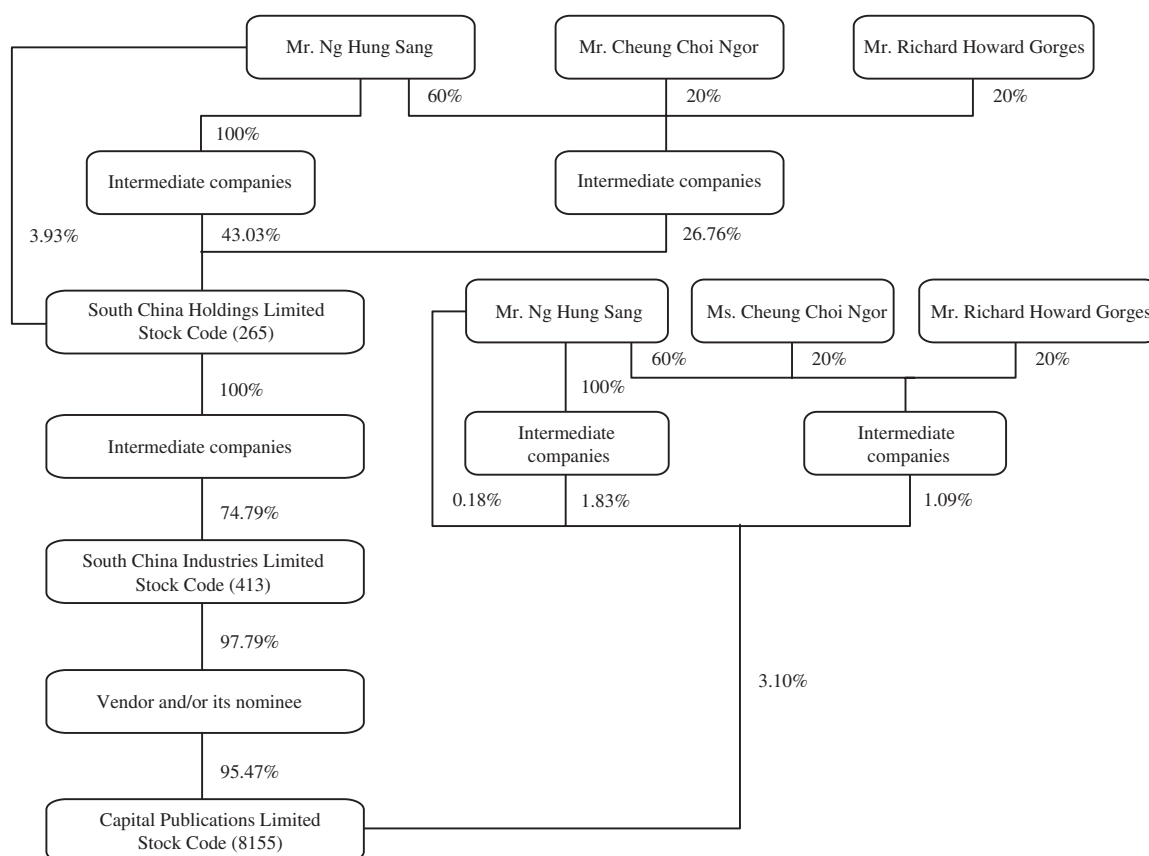
The shareholding structure of SCI and SCH immediately before Completion



The shareholding structure of SCH, SCI and CPL immediately after Completion but before full conversion of the Convertible Bond by the Noteholder



The shareholding structure of SCH, SCI and CPL immediately after Completion and full conversion of the Convertible Bond by the Noteholder



II. PRINCIPAL TERMS OF THE CONVERTIBLE BOND

Principal amount: HK\$800 million

Interest: The Convertible Bond does not bear any interest

Maturity: The fifth anniversary of the date of issue of the Convertible Bond

Conversion rights: The Noteholder will have the right to convert on any Business Day on or prior to the maturity date, the whole or any part(s) of the principal amount of the Convertible Bond into CPL Shares at the conversion price.

Conversion price: HK\$0.075 per CPL Share

The conversion price is subject to adjustments in the event of, among others, consolidation, sub-division or reclassification, capitalisation of profits or reserves, capital distribution, rights issue and other dilutive events.

The conversion price is determined after arm's length negotiation taking into account the 5-year tenor of the Convertible Bond and the potential dilution effect on the shareholding structure of CPL. The conversion price represents (i) a premium of approximately 50% over the closing price of the CPL Shares of HK\$0.05 on 19 October 2006 (being the day prior to the suspension of trading of the CPL Shares on 20 October 2006); (ii) a premium of approximately 29.31% over the average closing price of the CPL Shares of HK\$0.058 on the Stock Exchange for the 5 trading days immediately before 19 October 2006 (being the day prior to the suspension of trading of CPL Shares on 20 October 2006); and (iii) a premium of approximately 58.36 times over the net asset value per CPL Share of approximately HK\$0.001, based on the unaudited consolidated accounts of CPL as at 30 June 2006 and the CPL Shares in issue.

Status of CPL Shares: The CPL Shares to be issued under the Convertible Bond will rank pari passu in all respects with the CPL Shares in issue as at the conversion date.

Based on the conversion price of HK\$0.075 per CPL Share, a maximum amount of 10,666,666,666 CPL Shares will fall to be allotted and issued upon full conversion of the Convertible Bond, representing approximately 21.06 times of the existing issued share capital of CPL or approximately 95.47% of the enlarged issued share capital of CPL upon full exercise of the Convertible Bond.

Application for listing: Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the CPL Shares which may be issued under the Convertible Bond. However, no application will be made for the listing of the Convertible Bond on the Stock Exchange or any other stock exchange.

Transferability: The Convertible Bond or any part(s) thereof may be assigned or transferred to any third party subject to (a) the approval of the Stock Exchange; (b) the compliance of the conditions under the approval for listing in respect of the CPL Shares to be issued under the Convertible Bond; and (c) all applicable laws and regulations.

Early Redemption: The Noteholder has the option to request CPL to redeem the Convertible Bond after the third anniversary of the date of its issue till the maturity date of the Convertible Bond.

CPL will, subject to the conditions of the Agreement as stated in the previous section headed “The Agreement”, issue the Convertible Bond to the Noteholder. The detailed terms of the Convertible Bond will be contained in the circular of CPL, SCI and SCH to be sent to the CPL Shareholders, the SCI Shareholders and the SCH Shareholders respectively. The issue of the Convertible Bond and the CPL Shares fall to be allotted and issued upon conversion of the Convertible Bond will be subject to the approval by the CPL Independent Shareholders in the CPL EGM.

It is the intention of SCH and SCI to procure the Noteholder to convert the Convertible Bond in due course.

III. INFORMATION ON THE ACQUIRED GROUP

Overview

CPL will acquire from the Vendor the Sale Share and the Sale Debt, and indirectly acquire the interest in Liaoning Dafa.

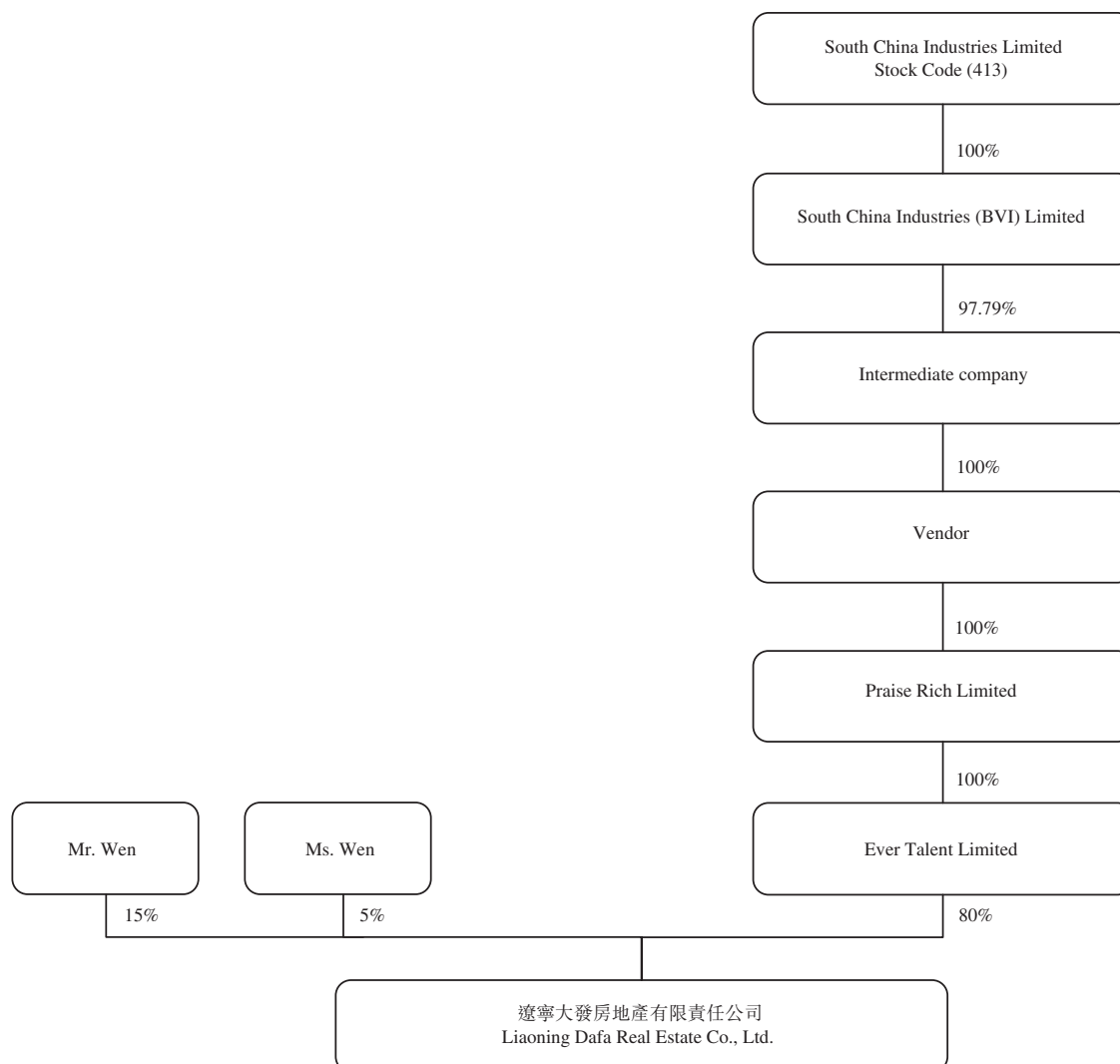
Praise Rich, an indirect subsidiary of SCI, is an investment holding company holding all of the shares of Ever Talent, which is a company incorporated in Hong Kong and in turn is the 80% foreign investor in a PRC equity joint venture, namely, Liaoning Dafa. Liaoning Dafa is a limited liability company which was incorporated in the PRC and registered on 25 September 2000 with two PRC investors, namely Mr. Wen Heyi (溫和义) (“Mr. Wen”) and Ms. Wen Meixia (溫美霞) (“Ms. Wen”).

On 10 July 2005, Ever Talent entered into a conditional agreement to acquire 75% equity interests in Liaoning Dafa from Ms. Wen at a consideration of RMB7.5 million, and Ever Talent and the remaining shareholders should contribute pro-ratedly to Liaoning Dafa in the amount of RMB60 million and RMB20 million respectively as capital injection. Liaoning Dafa was therefore transformed from a domestic PRC company to a Sino-foreign equity joint venture on 14 October 2005. Subsequently on 6 June 2006, Ever Talent further injected cash in stages into Liaoning Dafa while Mr. Wen and Ms. Wen had not made a pro-rata injection of capital and agreed in Ever Talent to increase its shareholding interest from 75% to 80%. As a result, Mr. Wen and Ms. Wen’s interest being diluted from 20% and 5% to 15% and 5% respectively in Liaoning Dafa. Total contribution as of the date of this announcement from Ever Talent, Mr. Wen and Ms. Wen are RMB140 million, RMB26.25 million and RMB8.75 million respectively.

Ms. Wen and Mr. Wen are independent of and unrelated to the Vendor, SCH, SCI, CPL, Mr. Ng and their respective associates, and are not connected persons of the Vendor, SCH, SCI, CPL, Mr. Ng and their respective associates. Mr. Ng and his associates are the existing controlling group of shareholders in both CPL, SCH and SCI. To the best knowledge of the SCI Directors, SCH Directors and CPL Directors, Mr. Wen and Ms. Wen do not hold any SCI Shares, SCH Shares and CPL Shares.

On 24 November 2003, Liaoning Dafa entered into a contract entitled “掛牌交易成交確認書 (Confirmation on Completion of Auction Sales)” with 瀋陽市土地儲備交易中心 (Shenyang Municipal Land Reserve and Exchange Centre) for the acquisition of a piece of land located at Zhaoyang Street in the Shenhe District of Shenyang, the PRC (中國瀋陽市沈河區朝陽街) with a site area of 7,622 sq.m. for approximately RMB35 million and 15,612 sq.m for afforestation, which requires the payment of relocation compensation estimated to be paid by Liaoning Dafa approximately RMB150 million (totaling 23,234 sq.m., collectively, the “**Land**”) for the development of a seven storey shopping mall with a proposed aggregate gross floor area of approximately 125,500 sq.m. Liaoning Dafa is in the process of completing the formal formalities and procedures for the acquisition of the land use right pertaining to the Land. Further details and the progress of acquisition of the land use right pertaining to the Land will be disclosed in the forthcoming circular. As at the date of this announcement, relocation is almost complete and substantial part of the relocation compensation payable to the original occupants of the Land has already been paid. Building construction costs will be funded by shareholder’s equity of Liaoning Dafa and bank loans. The construction of the Project is expected to be completed in 2008.

The following diagram illustrates the shareholding of the Acquired Group before Completion:



Financial Information

Praise Rich was incorporated in the British Virgin Islands on 23 May 2005. Based on the Hong Kong generally accepted accounting principles, the unaudited consolidated net loss before and after taxation, and extraordinary items of Praise Rich and its subsidiaries for the year ended 31 December 2005 and the six months ended 30 June 2006 were both about HK\$1,861,000 and HK\$3,009,000 respectively. No turnover was reported in the book of Praise Rich and its subsidiaries for the year ended 31 December 2005 and the six months ended 30 June 2006 as the Project is in relocation stage. Praise Rich will no longer be a subsidiary of SCH and SCI immediately after Completion but before full conversion of the Convertible Bond. The unaudited consolidated net assets value of Praise Rich as at 30 June 2006 before taking into account the re-valuation of the Project was approximately HK\$6 million. Upon Completion, Praise Rich will be accounted for as a subsidiary of CPL.

Information on the Project

The CPL Directors believe that the Project has the following characteristics which are compelling to potential investors:

- (i) *premium location* – The Project is situated at the prime commercial area in the city of Shenyang, which is located in the heart of Liaoning province, the PRC. With the strong encouragement from the Central Government to develop Northeast China and the well-built infrastructure facilities in Shenyang, the Project can tap on its macro economic competitive advantage to generate a sustainable revenue.
- (ii) *landmark development* – The Project is a large scale shopping plaza complex situated next to old “Imperial Palace” with distinct themes for leisure, entertainment, shopping, dining and cultural activities in Shenyang. It is planned that the underground commercial arcade will be connected to the mass transit system.
- (iii) *calculated financial commitments* – As most of the relocation compensation has been paid, the total development costs can be relatively easy to control. The remaining relocation compensation and land premium will be paid by Liaoning Dafa.

The CPL Directors also believe that the Project will provide CPL with the following strategic and operational benefits:

- (i) The Project will provide a foothold for CPL to enter into the property development market with back up financing support from SCI;
- (ii) Stable revenue stream is expected to be generated from the property leasing market; and
- (iii) The property market experience of the existing CPL Board will be enhanced.

CPL Directors, SCI Directors and SCH Directors had jointly requested Jones Lang LaSalle, an independent valuer not connected with any of the directors, chief executive and substantial shareholders of any of CPL, SCI and SCH and their respective subsidiaries and associates, to value the Project and details of the valuation report will be disclosed in the forthcoming circular.

IV. DIRECTORS AND MANAGEMENT OF CPL

Additional directors may be appointed by CPL to the CPL Board upon Completion to manage the Acquired Group, but no existing CPL Directors will resign. CPL has no present intention to change the control of the CPL Board upon Completion.

V. CHANGES TO THE SHAREHOLDING IN CPL AS A RESULT OF THE TRANSACTION AND CONVERSION OF THE CONVERTIBLE BOND

The following table sets out the shareholding structure of CPL (based on information received by CPL and notified pursuant to Part XV of the SFO as at the date of this announcement) immediately before and after Completion and full conversion of the Convertible Bond (assuming that there are no changes other than those contemplated in the Agreement):

	Immediately Before Completion		After Completion, assuming no conversion rights attached to the Convertible Bond have been exercised by the Noteholder		After Completion, assuming the conversion rights attached to the Convertible Bond have been fully exercised by the Noteholder	
	No. of CPL Shares	Approximate %	No. of CPL Shares	Approximate %	No. of CPL Shares	Approximate %
Mr. Ng and his associates	346,709,203	68.45	346,709,203	68.45	11,013,375,869	98.57
Public	159,789,141	31.55	159,789,141	31.55	159,789,141	1.43
Total	506,498,344	100.00	506,498,344	100.00	11,173,165,010	100.00

Under the terms of the Convertible Bond, the Noteholder shall exercise the right of conversion to the extent that the public float of the Company will not be less than 25% immediately after such conversion.

VI. INFORMATION ON SCH

SCH is an investment holding company. Its subsidiaries and associates are principally engaged in the trading and manufacturing, securities, bullion and commodities brokerage and trading, margin financing, money lending, provision of corporate advisory services and underwriting services, information technology related businesses, real estate investment and development, implementation and marketing of software applications, magazines publishing and printing businesses, marketing and promotional services, agricultural production, sale of air tickets and the provision of other related services.

VII. INFORMATION ON SCI

SCI is an investment holding company. Its subsidiaries and associates are principally engaged in the manufacturing and trading of toys, compressors, shoes, metal tooling, leather products, motors, machinery, capacitors, clothing, property investment and development, agriculture, information technology and travel related businesses. SCH beneficially holds 74.79% of the total issued share capital of SCI.

VIII. INFORMATION ON CPL

CPL is an investment holding company. Its subsidiaries are principally engaged in publication and marketing of a monthly Chinese financial and economy magazines, namely “資本雜誌 Capital”, “資本才俊 Capital CEO” and “資本企業家 Capital Entrepreneur”.

IX. RELATIONSHIP BETWEEN MR. NG AND HIS ASSOCIATES

CPL is owned as to 20.02% by Parkfield, 19.55% by Fung Shing, 0.83% by Ronastar, 12.37% by Eartrade and 11.71% by Bannock. All of Parkfield, Fung Shing and Ronastar are each wholly-owned by Mr. Ng. Bannock is a wholly-owned subsidiary of Eartrade and Eartrade is owned as to 60% by Mr. Ng, as to 20% by Ms. Cheung and as to the remaining 20% by Mr. Gorges. Each of Parkfield, Fung Shing, Ronastar, Eartrade and Bannock is an associate of Mr. Ng within the meaning of the GEM Listing Rules and a connected person of CPL within the meaning of the GEM Listing Rules.

SCH is owned as to 20.39% by Parkfield, 21.72% by Fung Shing, 0.92% by Ronastar, 13.75% by Eartrade and 13.01% by Bannock. All of Parkfield, Fung Shing and Ronastar are each wholly-owned by Mr. Ng. Bannock is a wholly-owned subsidiary of Eartrade and Eartrade is owned as to 60% by Mr. Ng, as to 20% by Ms. Cheung and as to the remaining 20% by Mr. Gorges. Each of Parkfield, Fung Shing, Ronastar, Eartrade and Bannock is an associate of Mr. Ng within the meaning of the Listing Rules and a connected person of SCH within the meaning of the Listing Rules.

SCI is owned as to 51.59% by Super Giant, 18.51% by Worldunity and 4.69% by Greenearn. All Super Giant, Worldunity and Greenearn are wholly-owned by SCH through its wholly-owned subsidiaries, South China (BVI) Limited and Tek Lee Finance and Investment Corporation Limited. Mr. Ng is the controlling shareholder of SCH and each of Super Giant, Worldunity and Greenearn is an associate of Mr. Ng within the meaning of the Listing Rules and a connected person of SCH within the meaning of the Listing Rules.

X. REASONS FOR THE TRANSACTION

The principal business activity of the CPL Group is publication and marketing of monthly Chinese financial and economy magazines, namely “資本雜誌 Capital”, “資本才俊 Capital CEO” and “資本企業家 Capital Entrepreneur”. The CPL Directors consider that investment in the Acquired Group will provide a good opportunity for the CPL Group to participate in property development and investment business in the PRC which the CPL Directors consider to have substantial growth potential in the future in light of rapid growth in economy in PRC.

The CPL Directors believe that the investment in the Acquired Group would allow CPL to move into a solid business area which will generate recurrent cashflow and thus contribute positively to CPL's operating results in the future. It is proposed that the Consideration will be paid for by the issue of the Convertible Bond and not by payment of cash because this is the best financing method available to CPL.

The CPL Directors have no intention of disposing of CPL's existing business after Completion and will, following the Completion, conduct a more detailed review of its operations with a view to developing a corporate strategy to enhance its existing businesses and asset base and broaden its income stream by various measures, which may include further investing in and expansion of existing businesses or divesting of loss-making operations should appropriate opportunities arise.

The CPL Directors believe that the terms of the Agreement are on normal commercial terms and are fair and reasonable, and in the interests of CPL and the CPL Shareholders as a whole. The CPL Directors consider the issue of Convertible Bond as Consideration is fair and reasonable and in the best interest of CPL and CPL Shareholders as a whole as it is the best financing method for CPL given that the Convertible Bond is non-interest bearing and that CPL will not need to use substantial amount of its existing cash resources to fund the Transaction.

Given the diversified portfolio in SCI, SCH Directors and SCI Directors consider there is a need for the corporate restructure in order to segregate the property development portfolio from manufacturing business so that the different businesses can be more clearly delineated. The proposed disposal will put SCI's major property development project in the PRC into a listed vehicle. Such restructure will give investors a clearer picture on the group's business strategy and to create a platform for SCI to foster its property development business through CPL. Further, SCH Directors and SCI Directors expect that such segregation can attract different investors with different investment criteria. SCI intends to transact future property acquisitions in the PRC through the vehicle of CPL. The proposed disposal will also allow the existing management to focus on its core manufacturing business. In addition, the SCI Directors and SCH Directors consider the undertaking to provide the Guarantee can support the Acquired Group to have adequate funding to finance the Project.

The SCI Directors believe that the terms of the Agreement together with the undertaking to provide the Guarantee are on normal commercial terms and are fair and reasonable, and in the interests of SCI and the SCI Shareholders as a whole.

The SCH Directors concur with the view of SCI Directors and believe that the terms of the Agreement together with the undertaking to provide the Guarantee are on normal commercial terms and are fair and reasonable, and in the interests of SCH and the SCH Shareholders as a whole.

XI. GAIN/LOSS ON DISPOSAL OF THE SALE SHARE BY THE VENDOR

Immediately after Completion but before full conversion of the Convertible Bond by the Noteholder

Assuming that the value of the Convertible Bond (which is subject to early redemption after 3 years) is not discounted to its net present value, SCH (through SCI) and SCI would have a gain on disposal of approximately HK\$460 million arising from the Transaction. On the basis that the value of the zero coupon Convertible Bond (which is subject to early redemption after 3 years) is discounted to its net present value based on an estimated discount rate of 4.78%, SCH (through SCI) and SCI would have a gain on disposal of approximately HK\$350 million arising from the Transaction.

Immediately after Completion and full conversion of the Convertible Bond by the Noteholder

Immediately upon Completion and full conversion of the Convertible Bond (assuming that there will be no change in the issued share capital of CPL from the date of this announcement and up to Completion, save for the issue of the CPL Shares), CPL will become a 95.47% subsidiary of SCH and SCI. All gains or losses will be eliminated in full in the consolidated financial accounts of SCH and SCI as CPL is put under the same group of SCH and SCI.

XII. PROPOSED CHANGE OF NAME OF CPL

The CPL Directors propose that the name of CPL be changed from “Capital Publications Limited (Chinese translation being 資本出版有限公司, for identification purposes only)” to “South China Land Limited 南華置地有限公司.” The Proposed change of name of CPL is subject to Completion and the passing of a special resolution at the CPL EGM by the CPL Shareholders and the Registrars of Companies in the Cayman Islands granting approval for such proposed change of name.

Subject to Completion and approval of CPL Shareholders, CPL will carry out necessary filing procedures and actions with the Registrars of Companies in Hong Kong and in the Cayman Islands, the change of name will become effective upon the issuance of a certificate of incorporation on change of name by the Registrar of the Cayman Islands. The proposed change of name is to reflect the nature of the business of CPL as well as it is a member of the South China group following Completion of the Agreement and full conversion of the Convertible Bond.

Upon the proposed change of name of CPL becoming effective, all existing share certificates of CPL in issue bearing the existing name of CPL will continue to be evidence of title to the CPL Shares and will continue to be valid for trading, settlement, registration and delivery for the same number of CPL Shares in the new name of CPL and the rights of any shareholders will not be affected as a result of the proposed change of name. Once the proposed change of name has become effective, any issues of share certificates of CPL thereafter will be in the new name of CPL and the CPL Shares will be traded on the Stock Exchange in the new name. However, there will be no special arrangement for free exchange of the existing share certificates of CPL for new share certificates printed in the CPL’s new name.

Further announcement will be made by CPL upon the change of name has become effective and the adoption of new stock short name and the proposed effective date.

XIII. MAINTENANCE OF THE LISTING OF THE CPL SHARES

It is the intention of CPL to maintain the listing of CPL on the Stock Exchange after Completion. Under the terms of the Convertible Bond, the Noteholder shall exercise the right of conversion to the extent that the public float of the Company will not be less than 25% immediately after such conversion.

XIV. GENERAL

Praise Rich, an indirect subsidiary of SCI, is an investment holding company holding all of the shares of Ever Talent which in turn is the 80% foreign investor in Liaoning Dafa. Immediately after Completion, CPL will own all of the Shares in Praise Rich, representing 80% of the economic interest in Liaoning Dafa.

Immediately after Completion and upon full conversion of the Convertible Bond (assuming no further Shares will be issued from the date of this announcement until such conversion), the Noteholder will become the controlling shareholder of CPL interested in 95.47% of CPL’s enlarged issued share capital.

Mr. Ng and his associates are the existing controlling group of shareholders in both CPL, SCH and SCI. Under the GEM Listing Rules, the Transaction will constitute a connected transaction and very substantial acquisition for CPL. As there is no security over the assets of CPL is granted to SCI or SCH and the Transaction is on normal commercial terms, the Guarantee will constitute an exempt connected transaction for CPL under rule 20.65(4) of the GEM Listing Rules.

Under the Listing Rules, the Transaction will constitute a connected transaction and very substantial disposal for both SCI and SCH. Upon full conversion of the Convertible Bond, CPL will become a subsidiary of SCI and SCH. The full conversion of the Convertible Bond will constitute a very substantial acquisition for SCI and SCH.

The Transaction is conditional upon, among other things, the approval of the CPL Independent Shareholders, the SCH Independent Shareholders and the SCI Independent Shareholders. Voting on the Transaction will be conducted by way of poll by the CPL Independent Shareholders, the SCH Independent Shareholders and the SCI Independent Shareholders. Mr. Ng and his associates are required to abstain from voting in respect of the resolution to approve the Transaction at the CPL EGM, SCI EGM and SCH EGM.

The Guarantee will constitute non-exempt connected and major transactions for SCI and SCH. The Guarantee is subject to the approval of the SCH Independent Shareholders and the SCI Independent Shareholders. Voting on the Guarantee will be conducted by way of poll by the SCH Independent Shareholders and the SCI Independent Shareholders. Mr. Ng and his associates are required to abstain from voting in respect of the resolution to approve the Guarantee at the SCI EGM and SCH EGM.

SCI Directors and SCH Directors consider that the terms of the Transaction together with the undertaking to provide the Guarantee by SCI are on normal commercial terms and are fair and reasonable, and in the interests of SCI and SCH and SCI Shareholders and SCH Shareholders as a whole.

As disclosed above, the total of aggregate amounts guaranteed by SCI to Acquired Group will be up to an aggregate principal amount of HK\$580 million, exceeding 8% under the asset ratio test under the rule 13.13 of the Listing Rules.

The CPL Independent Board Committee comprising of Mr. Law Cho Wa, Dr. Lo Wing Yan, William and Mr. Cheng Yuk Wo, will make recommendations to the CPL Independent Shareholders in relation to the Transaction. CPL will appoint an independent financial adviser to advise the CPL Independent Board Committee and the CPL Independent Shareholders in relation to the Transaction.

The SCI Independent Board Committee comprising of Mr. Chiu Sin Chun, Ms. Wong Siu Yin, Elizabeth and Ms. Li Yuen Yu, Alice, will make recommendations to the SCI Independent Shareholders in relation to the Transaction and the Guarantee. SCI will appoint an independent financial adviser to advise the SCI Independent Board Committee and the SCI Independent Shareholders in relation to the Transaction and the Guarantee.

The SCH Independent Board Committee comprising of Mr. Cheng Hong Kei, Mr. David John Blackett, Ms. Wong Siu Yin, Elizabeth, will make recommendations to the SCH Independent Shareholders in relation to the Transaction. SCH will appoint an independent financial adviser to advise the SCH Independent Board Committee and the SCH Independent Shareholders in relation to the Transaction and the Guarantee.

As both SCI and SCH represent the interest of the Vendor in the Transaction and the Guarantee, SCI Directors and SCH Directors confirm that conflict of interest will not arise on appointment of Ms. Wong Siu Yin, Elizabeth as a member of both the SCI Independent Board Committee and the SCH Independent Board Committee.

A circular of CPL, containing, among other things, further particulars of the Transaction and the Sale Share, the Convertible Bond, the Guarantee, the recommendations of the CPL Independent Board Committee, a letter of advice from an independent financial adviser to be appointed to the CPL Independent Board Committee and the CPL Independent Shareholders, an accountants' report, property valuation reports relating to the Project and notices convening the CPL EGM will be sent to the CPL Shareholders as soon as practicable in accordance with the requirements of the GEM Listing Rules.

A circular of SCI, containing, among other things, further particulars of the Transaction and the Sale Share, the Convertible Bond, the Guarantee, the recommendations of the SCI Independent Board Committee, a letter of advice from an independent financial adviser to be appointed to the SCI Independent Board Committee and the SCI Independent Shareholders, an accountants' report, property valuation reports relating to the Project and notices convening the SCI EGM will be sent to the SCI Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

A circular of SCH, containing, among other things, further particulars of the Transaction and the Sale Share, the Convertible Bond, the Guarantee, the recommendations of the SCH Independent Board Committee, a letter of advice from an independent financial adviser to be appointed to the SCH Independent Board Committee and the SCH Independent Shareholders, an accountants' report, property valuation reports relating to the Project and notices convening the SCH EGM will be sent to the SCH Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

As Completion is subject to the fulfillment of a number of conditions precedent, the Transaction may or may not proceed. CPL Shareholders, SCI Shareholders and SCH Shareholders, and potential investors should exercise caution when dealing in the CPL Shares, SCI Shares and SCH Shares respectively.

SUSPENSION AND RESUMPTION

At the request of SCH, SCI and CPL, trading in the SCH Shares, SCI Shares and CPL Shares on the Stock Exchange was suspended with effect from 11:01 a.m. on Friday, 20 October 2006 pending release of this announcement. Applications have been made by SCH, SCI and CPL to the Stock Exchange for the resumption of trading in the SCH Shares, SCI Shares and CPL Shares with effect from 9:30 a.m. on Tuesday, 24 October 2006.

DEFINITIONS

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

“Acquired Group”	Praise Rich and its subsidiaries;
“Agreement”	the agreement dated 20 October 2006 entered into between CPL, the Vendor and SCI, in relation to the Transaction;
“associate(s)”	the meaning ascribed to it in the Listing Rules and the GEM Listing Rules;
“Bank”	China Construction Bank Corporation;
“Bannock”	Bannock Investment Limited, a company incorporated in the Republic of Liberia and a wholly owned subsidiary of Eartrade, which is owned as to 60% by Mr. Ng, 20% by Ms. Cheung and 20% by Mr. Gorges, as more particularly described in the section headed “Relationship between Mr. Ng and his associates”;
“Business Day”	a day (other than a Saturday) on which banks are open for business in Hong Kong;
“Completion”	completion of the Transaction pursuant to the Agreement;
“connected person”	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules;
“Consideration”	HK\$800 million, being consideration for the Sale Share and the Sale Debt;

“Convertible Bond”	a non-interest bearing convertible bond in the principal amount of HK\$800 million due 2011 carrying a right to subscribe for the CPL Shares at HK\$0.075 per CPL Share at any time during the period commencing from the date of issue and ending on the date of final maturity;
“CPL”	Capital Publications Limited, a company incorporated in the Cayman Islands, the shares of which are listed on GEM board of the Stock Exchange;
“CPL Board”	the board of CPL Directors;
“CPL Directors”	the directors (including the independent non-executive directors) of CPL;
“CPL EGM”	the extraordinary general meeting of CPL to be held to approve, among other things, the Transaction and the issue of the Convertible Bond and the issue of CPL Shares upon exercise of the Convertible Bond;
“CPL Group”	CPL and its subsidiaries;
“CPL Independent Board Committee”	an independent committee of the CPL Board established to advise CPL Independent Shareholders on the Transaction;
“CPL Independent Shareholders”	holders of CPL Shares other than Parkfield, Fung Shing, Ronastar, Earntrade, Bannock and their respective ultimate beneficial owners and their respective associates;
“CPL Shares”	shares of HK\$0.01 each in the capital of CPL;
“CPL Shareholders”	holders of CPL Shares;
“Earntrade”	Earntrade Investments Limited, a company incorporated in Hong Kong and owned as to 60% by Mr. Ng, as to 20% by Ms. Cheung and as to the remaining 20% by Mr. Gorges, as more particularly described in the section headed “Relationship between Mr. Ng and his associates”;
“Executive”	the executive director of the Corporate Finance Division of the SFC;
“Ever Talent”	Ever Talent Limited, a company incorporated in Hong Kong and the 80% foreign investor in Liaoning Dafa;
“Fung Shing”	Fung Shing Group Limited, a company incorporated in the British Virgin Islands wholly owned by Mr. Ng, as more particularly described in the section headed “Relationship between Mr. Ng and his associates”;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“Greenearn”	Greenearn Investments Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of SCH, as more particularly described in the section headed “Relationship between Mr. Ng and his associates”;
“Guarantee”	a guarantee agreed under the Agreement to be provided by SCI in favour of an Independent Third Party to secure the Proposed Facility;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Independent Third Party(ies)”	third party(ies) independent of, and not connected with CPL, SCI and SCH, their subsidiaries and their respective connected persons as defined under the Listing Rules and GEM Listing Rules;
“Liaoning Dafa”	遼寧大發房地產有限責任公司 (Liaoning Dafa Real Estate Co., Ltd.), a company incorporated with limited liability under the laws of the PRC and is indirectly owned as to 80% by the Vendor;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Agreement”	An agreement dated 14 June 2006 entered into between Ever Talent and the Bank, whereby the Bank agreed to grant a loan facility of HK\$80,000,000 to Ever Talent;
“Mr. Gorges”	Mr. Richard Howard Gorges, a director of SCH and SCI;
“Mr. Ng”	Mr. Ng Hung Sang, a director of SCH, SCI and CPL;
“Ms. Cheung”	Ms. Cheung Choi Ngor, a director of SCH and SCI;
“Noteholder”	The Vendor or as it may direct any subsidiary of SCI as nominee
“Parkfield”	Parkfield Holdings Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Ng, as more particularly described in the section headed “Relationship between Mr. Ng and his associates”;
“Praise Rich”	Praise Rich Limited, a company incorporated in the British Virgin Islands and an indirect subsidiary of SCI and is owned as to 100% by the Vendor;
“Proposed Facility”	The proposed loan facility of up to an aggregate principal amount of HK\$500 million proposed to be borrowed by any member of the Acquired Group from Independent Third Party on normal commercial terms at market interest rate to finance the development cost of the Project;
“PRC”	The People’s Republic of China, excluding Hong Kong, Macau and Taiwan;
“Project”	the development of the Property as described in the section headed “Information on the Acquired Group”;
“Property”	a site at Zhaoyang Street in the Shenhe District of Shenyang, the PRC (中國瀋陽市瀋河區朝陽街);
“Ronastar”	Ronastar Investments Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Ng, as more particularly described in the section headed “Relationship between Mr. Ng and his associates”;
“Sale Debt”	a debt in the sum of HK\$70,000,000 advanced to Ever Talent by Able Management Limited which is a wholly-owned subsidiary of SCI;
“Sale Share”	one share of US\$1.00 each in the capital of Praise Rich, representing the entire issued share capital of Praise Rich;
“SCH”	South China Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange;
“SCH Board”	the board of SCH Directors;
“SCH Directors”	the directors (including the independent non-executive directors) of SCH;

“SCH EGM”	the extraordinary general meeting of SCH to be held to approve, among other things, the Transaction and the provision of the Guarantee;
“SCH Independent Board Committee”	an independent committee of the SCH Board established to advise SCH Independent Shareholders on the Transaction and the provision of the Guarantee;
“SCH Independent Shareholders”	holders of SCH Shares other than Parkfield, Fung Shing, Ronastar, Earntrade, Bannock and their respective ultimate beneficial owners and their respective associates;
“SCH Shares”	shares of HK\$0.025 each in the share capital of SCH;
“SCH Shareholders”	holders of SCH Shares;
“SCI”	South China Industries Limited, a company incorporated in the Cayman Islands, the shares of which are listed on Main Board of the Stock Exchange;
“SCI Board”	the board of SCI Directors;
“SCI Directors”	the directors (including the independent non-executive directors) of SCI;
“SCI EGM”	the extraordinary general meeting of SCI to be held to approve, among other things, the Transaction and the provision of the Guarantee;
“SCI Independent Board Committee”	an independent committee of the SCI Board established to advise SCI Independent Shareholders on the Transaction and the provision of the Guarantee;
“SCI Independent Shareholders”	holders of SCI Shares other than Super Giant, Worldunity, Greenearn and their respective ultimate beneficial owners and their respective associates;
“SCI Shares”	shares of HK\$0.1 each in the share capital of SCI;
“SCI Shareholders”	holders of SCI Shares;
“SFC”	the Securities and Futures Commission;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Super Giant”	Super Giant Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of SCH, as more particularly described in the section headed “Relationship between Mr. Ng and his associates”;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases;
“Transaction”	the proposed acquisition of the Sale Share and the Sale Debt by CPL from the Vendor;
“Vendor”	WTS International (BVI) Limited, a company incorporated in the British Virgin Island and beneficially owned as to 97.79% by Mr. Ng and his associates through his controlling stake in SCI. The remaining 2.21% are held by independent third parties not connected with SCH, SCI, CPL, Mr. Ng and their respective associates; and

“Worldunity”

Worldunity Investments Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of SCH, as more particularly described in the section headed “Relationship between Mr. Ng and his associates”.

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
Capital Publications Limited
Ng Yuk Yeung, Paul
Director

Hong Kong, 23 October 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 CPL Board comprises five executive directors, being Mr. Ng Hung Sang, Mr. Fung Ka Pun, Mr. Ng Yuk Yeung, Paul, Mr. Hui Ping and Mr. Ng Yuk Fung, Peter; one non-executive director, being Ms. Ng Yuk Mui, Jessica; and three independent non-executive directors, being Mr. Law Cho Wa, Dr. Lo Wing Yan, William, JP and Mr. Cheng Yuk Wo.

This announcement, for which the CPL Directors 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 CPL. The CPL Directors, 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, other than that relating to SCI and SCH, have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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

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

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the website of CPL at www.capital-hk.com.

Please also refer to the published version of this announcement in The Standard.