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**South China Holdings Limited**

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



**South China Brokerage Company Limited**

*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 619)

## **JOINT ANNOUNCEMENT DELAY IN DESPATCH OF CIRCULARS**

Application for extension of time limit for despatch of the Circulars to 31 August 2006.

References are made to the joint announcements of SCB and SCH dated 7 March 2006 and 29 March 2006 (the “Joint Announcements”) in respect of the acquisition of 100% interest in a company with a controlling interest in exploration/mining rights in gold, copper and tungsten mines and extension of time to despatch of the Circulars on or before 29 June 2006. Terms used in this announcement shall have the same meaning as defined in the Joint Announcements unless the context otherwise provides.

The board of directors of each of SCB and SCH announces that the appointed technical adviser (the “Technical Adviser”) was unable to satisfactorily comply with the requirements set out in rule 18.09(6), including but not limited to rules 18.09(6)(a), 18.09(6)(b) and 18.09(6)(f) of the Listing Rules in its technical report to SCB for inclusion in the Circulars. SCB was of the opinion that, among others, the Technical Report was not prepared in accordance with internationally recognised and commonly used standards as reporting and estimates classification standards. SCB contacted the Technical Adviser on several occasions for compliance with the above requirements. Having received no satisfactory response from the Technical Adviser by the deadline on 24 June 2006, the board of directors of SCB decided to engage another technical adviser to prepare the Technical Report. According to the advice of a technical adviser to be appointed and taken into account the time in preparing the Technical Report, the time limit for despatch of the Circulars is required to be extended. Both SCB and SCH have applied to the Stock Exchange for the extension of time for despatch of the Circulars on or before 31 August 2006.

The board of directors of each of SCB and SCH wishes to remind the shareholders that pursuant to the joint announcement of SCB and SCH dated 7 March 2006, the Agreement is conditional upon, among others, SCB’s satisfaction to the due diligence work on PRC Co and its subsidiaries for a period of 3 months from the date of the Agreement. Due to the fact stated above, SCB has not obtained satisfactory advice from the Technical Adviser hence the due diligence process in connection with the Acquisition is still underway.

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

On behalf of the Board  
**South China Brokerage Company Limited**  
**Cheung Choi Ngor**  
*Director*

Hong Kong, 29 June 2006

*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) Ms. Ng Yuk Mui, Jessica and Mr. David Michael Norman as non-executive directors; and (3) Mr. David John Blackett, Ms. Wong Siu Yin, Elizabeth and Mr. Cheng Hong Kei as independent non-executive directors.*

*As at the date of this announcement, the board of directors of SCB comprises (1) Mr. Ng Hung Sang, Ms. Cheung Choi Ngor, Mr. Richard Howard Gorges, Mr. Chan Hing Wah, Mr. Ng Chun Sang and Mr. Ng Yuk Yeung, Paul as executive directors; and (2) Ms. Wong Siu Yin, Elizabeth, Hon. Raymond Arthur William Sears, Q.C. and Mr. Tung Woon Cheung, Eric as independent non-executive directors.*

A copy of this announcement can be obtained from our website at [www.sctrade.com](http://www.sctrade.com)



南 華 集 團 成 員  
A Member of South China Group

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