



SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of South China Holdings Limited (the “Company”) will be held at 28/F., Bank of China Tower, 1 Garden Road, Central, Hong Kong on Thursday, 8 March 2007 at 3:15 p.m. for the purpose of considering and, if thought fit, passing (with or without modification) the following resolutions:

ORDINARY RESOLUTIONS

- “1. To approve, confirm and ratify the sale by WTS International (BVI) Limited (“**WTS**”) of 51 shares of US\$1.00 each in the share capital of Praise Rich Limited (“**Praise Rich**”), representing 51% of the existing issued share capital of Praise Rich, an indirect wholly-owned subsidiary of South China Industries Limited (“**SCI**”) (which is in turn a subsidiary of the Company owned as to 74.79% by the Company), and WTS’ procurement of the sale of a sum representing 51% of the total outstanding interest-free debts owing from Ever Talent Limited (“**Ever Talent**”) to Able Management Limited, a wholly-owned subsidiary of SCI, as at completion of the sale and purchase to Capital Publications Limited (“**CPL**”) (the “**Transaction**”) pursuant to the amended and restated share purchase agreement dated 9 January 2007 (which has amended and restated in its entirety the share purchase agreement dated 20 October 2006 among CPL, WTS and SCI) (the “**Amended Agreement**”) (copies of these agreements have been produced to the EGM marked “A1” and “A2” and initialed by the Chairman of the EGM for the purpose of identification) entered into between CPL, WTS and SCI, and the continuance after completion of the Transaction of the guarantee provided by SCI (the “**Guarantee**”) in favour of China Construction Bank Corporation (the “**Bank**”) to secure the liabilities of Ever Talent in respect of a loan facility of HK\$80,000,000 under the loan agreement dated 14 June 2006 entered into between Ever Talent and the Bank, and all transactions contemplated thereunder (details of which are set out in the joint announcements of the Company, SCI and CPL dated 23 October 2006 and 10 January 2007 and the circular dated 12 February 2007 issued by the Company) and to authorise any one director of the Company (the “**Director**”), or any two Directors or any one Director and the company secretary of the Company if the affixation of the common seal of the Company is necessary, for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in or relating to the Amended Agreement, the Guarantee and the other transactions contemplated under the Amended Agreement and the Guarantee as he/she/they may consider necessary, desirable or expedient.”

- “2. To approve, confirm and ratify the undertaking by South China Industries Limited (“**SCI**”) relating to the provision of the guarantee by SCI in favour of an independent third party to secure a proposed loan facility of up to an aggregate principal amount of HK\$500 million proposed to be borrowed by any of Praise Rich Limited or its subsidiaries from the independent third party on normal commercial terms at market interest rate to finance the development costs of a property project in the People’s Republic of China (the “**Proposed Guarantee**”) pursuant to a letter agreement dated 9 January 2007 entered into between Capital Publications Limited (“**CPL**”) and SCI (the “**Letter Agreement**”) (a copy of which has been produced to the EGM marked “B” and initialed by the Chairman of the EGM for the purpose of identification), and all transactions contemplated thereunder (details of which are set out in the joint announcements of the Company, SCI and CPL dated 23 October 2006 and 10 January 2007 and the circular dated 12 February 2007 issued by the Company) and to authorise any one director of the Company (the “**Director**”), or any two Directors or any one Director and the company secretary of the Company if the affixation of the common seal of the Company is necessary, for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her/ them to be incidental to, ancillary to or in connection with the matters contemplated in or relating to the Letter Agreement, the Proposed Guarantee and the other transactions contemplated under the Letter Agreement and the Proposed Guarantee as he/she/they may consider necessary, desirable or expedient.”
- “3. To approve, confirm and ratify the terms and conditions of the non-interest bearing convertible note (the “**Convertible Note**”) in the principal amount of HK\$408 million due 2012 to be issued by Capital Publications Limited in favour of WTS International (BVI) Limited (“**WTS**”) or as it may direct any subsidiary of South China Industries Limited (“**SCI**”) as nominee pursuant to the amended and restated share purchase agreement dated 9 January 2007 among SCI, Capital Publications Limited and WTS (a copy of the Convertible Note incorporating its terms and conditions has been produced to the EGM marked “C” and initialed by the Chairman of the EGM for the purpose of identification), and subject to compliance with the requirements laid down by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in force from time to time, to authorise any one director of the Company (the “**Director**”), or any two Directors or any one Director and the company secretary of the Company if the affixation of the common seal of the Company is necessary, for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in or relating to the Convertible Note (including, without limitation, the exercise of the redemption, conversion and other rights attaching to the Convertible Note) and the other transactions contemplated under the Convertible Note as he/she/they may consider necessary, desirable or expedient.”

By Order of the Board
Cheung Siu Lan
Company Secretary

Hong Kong, 12 February 2007

Principal Place of Business in Hong Kong:


28th Floor
Bank of China Tower
1 Garden Road
Central
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's share registrar, Union Registrars Limited at Room 1803, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting or any adjourned meeting should he so wish.
3. In case of joint shareholding, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand on the register of members of the Company in respect of the joint shareholding.

As at the date of this announcement, the Board 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 Blockett, Ms. Wong Siu Yin, Elizabeth and Mr. Cheng Hong Kei as independent non-executive directors.

*A copy of this announcement can be obtained
from our website www.sctrade.com*

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A Member of South China Group

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