

Please also refer to the published version of this announcement in the South China Morning Post.

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **SOUTH CHINA HOLDINGS LIMITED**

*(incorporated in Cayman Islands with limited liability)*

# **PROPOSAL FOR SUBDIVISION OF SHARES AND CHANGE IN BOARD LOT SIZE OF SHARES FOR TRADING**

The board of directors of South China Holdings Limited proposes that each of the existing issued and unissued ordinary shares of HK\$0.10 each in the share capital of the Company be subdivided into four shares of HK\$0.025 each and that each board lot of shares of the Company will be increased from 2,000 Shares to 5,000 Subdivided Shares.

The board of directors (the “Board”) of South China Holdings Limited (the “Company”) proposes that each of the existing issued and unissued ordinary shares of HK\$0.10 each (“Shares”) in the share capital of the Company be subdivided (“Share Subdivision”) into four shares of HK\$0.025 each (“Subdivided Shares”). The Share Subdivision is conditional.

Upon fulfillment of the conditions of the Share Subdivisions, each board lot of shares of the Company will be increased from 2,000 Shares to 5,000 Subdivided Shares.

Please also refer to the published version of this announcement in the South China Morning Post.

## **SHARE SUBDIVISION**

The Board proposes that each of the existing issued and unissued Shares be subdivided into four shares of HK\$0.025 each. With the intention to improve liquidity of the trading in Shares on the Stock Exchange, the Board is of the view that the Share Subdivision is in the interest of the Company and its shareholders.

As at the date of this announcement, the authorised ordinary share capital of the Company is HK\$100,000,000 which is divided into 1,000,000,000 Shares, of which 455,662,688 Shares are in issue. Immediately upon completion of the Share Subdivision and on the basis that 455,662,688 Shares are in issue, 1,822,650,752 Subdivided Shares will be created pursuant to the Share Subdivision. The Subdivided Shares will rank pari passu in all respect with the Shares in issue prior to the Share Subdivision and the rights attaching to the Subdivided Shares will not be affected by the Share Subdivision.

Please also refer to the published version of this announcement in the South China Morning Post.

## **CHANGE IN BOARD LOTS SIZE**

Currently, the Shares are traded in board lots of 2,000 Shares and upon fulfillment of the conditions of the Share Subdivision, Shares will be traded in board lots of 5,000 Subdivided Shares.

Please also refer to the published version of this announcement in the South China Morning Post.

## **CONDITIONS OF THE SHRE SUBDIVISION**

The Share Subdivision is conditional upon, inter alia:

- (a) the passing of an ordinary resolution by shareholders of the Company at an extraordinary general meeting to be held at 10:00 a.m. on 15 August 2001 (the “EGM”);
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subdivided Shares.

Please also refer to the published version of this announcement in the South China Morning Post.

**EXPECTED TIMETABLE**

The expected timetable for the Share Subdivision is as follow:

EGM circular despatched .....on or about Monday, 30 July 2001

Latest time for lodging form of proxy  
in respect of the EGM .....10:00 a.m. on Monday, 13 August 2001

EGM .....10:00 a.m. on Wednesday, 15 August 2001

Effective date of Share Subdivision .....on Thursday, 16 August 2001

Dealing in Subdivided Shares commences .....10:00 a.m. on Thursday, 16 August 2001

Existing counter for trading in existing Shares in  
board lots of 2,000 Shares temporarily closes .....10:00 a.m. on Thursday, 16 August 2001

Temporary counter for trading in Subdivided Shares  
in board lots of 8,000 Subdivided Shares  
(in the form of existing Share certificates) opens .....10:00 a.m. on Thursday, 16 August 2001

First day of free-exchange of certificates for existing Shares for new  
certificates for the Subdivided Shares .....on Thursday, 16 August 2001

Existing counter for trading in Subdivided Shares in board lots of 5,000  
Subdivided Shares (in the form of new certificates for the Subdivided  
Shares) reopens .....10:00 a.m. on Thursday, 30 August 2001

Parallel trading in Subdivided Shares  
(in the form of new certificates forSubdivided Shares and  
existing Shares certificates) commences .....10:00 a.m. on Thursday, 30 August 2001

Temporary counter of trading in Subdivided Shares in board  
lots of 8,000Subdivided Shares (in the form of  
certificates for existing Shares) ends .....4:00 p.m. on Thursday, 20 September 2001

Please also refer to the published version of this announcement in the South China Morning Post.

Parallel trading in Subdivided Shares (in the form of new certificates for Subdivided Shares and existing Shares certificates) ends .....4:00 p.m. on Thursday, 20 September 2001

Last day for free exchange of certificates for existing Shares for new certificates for Subdivided Shares .....on Thursday, 27 September 2001

Please also refer to the published version of this announcement in the South China Morning Post.

## **ADJUSTMENT TO THE SUBSCRIPTION PRICE OF THE 2001 WARRANTS OF THE COMPANY**

Subject to the Share Subdivision becoming effective, the exercise price of the 2001 Warrants of the Company will be adjusted as a result of the Share Subdivision. A further announcement will be made by the Company relating to the aforesaid adjustment, if appropriate.

Please also refer to the published version of this announcement in the South China Morning Post.

## **GENERAL**

An application will be made to the Stock Exchange for the listing of and permission to deal in the Subdivided Shares.

A circular containing, among other things, details of the trading arrangements and the matching agent services in respect of the Subdivided Shares and a notice convening the EGM will be despatched to shareholders of the Company on or about 30 July 2001.

**South China Holdings Limited**  
**Yuen Kam Tim, Francis**  
*Company Secretary*  
11 July 2001

Hong Kong Special Administrative Region of the People's Republic of China