SOUTH CHINA LAND LIMITED
南華置地有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8155)

THIRD QUARTERLY REPORT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

QUARTERLY RESULTS

The Board of Directors (the "Board") of South China Land Limited南華置地有限公司(the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months and nine months ended 30 September 2010, together with the comparative unaudited figures for the corresponding period in 2009, are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended 30 September		Nine months ended 30 September	
		2010	2009	**2010**	2009
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited) (Restated)	**(Unaudited)**	(Unaudited) (Restated)
Continuing operations					
Revenue	*2*	**–**	–	**–**	–
Other operating income		**125**	34	**211**	67
Increase in fair value of investment property		**–**	–	**1,148,026**	–
Selling and distribution costs		**(2,727)**	(3,645)	**(7,804)**	(10,771)
Administrative and other operating expenses		**(8,644)**	(3,582)	**(20,682)**	(8,785)
Operating profit/(loss) from continuing operations	*2 & 3*	**(11,246)**	(7,193)	**1,119,751**	(19,489)
Finance costs	*4*	**(3,474)**	(3,918)	**(8,009)**	(18,392)
Profit/(Loss) before income tax from continuing operations		**(14,720)**	(11,111)	**1,111,742**	(37,881)
Income tax expenses	*5*	**–**	–	**(287,006)**	–
Profit/(Loss) for the period from continuing operations		**(14,720)**	(11,111)	**824,736**	(37,881)
Discontinued operations					
Profit/(Loss) for the period from discontinued operations	*9*	**3,700**	(1,231)	**5,337**	(4,765)
Profit/(Loss) for the period		**(11,020)**	(12,342)	**830,073**	(42,646)
Attributable to:					
Equity holders of the Company		**(9,908)**	(11,134)	**660,929**	(39,257)
Non-controlling interests		**(1,112)**	(1,208)	**169,144**	(3,389)
Profit/(Loss) for the period		**(11,020)**	(12,342)	**830,073**	(42,646)
Earnings/(Loss) per share					
– Basic	*7*	**HK(0.1) cents**	HK(0.20) cents	**HK5.9 cents**	HK(1.79) cents
– Diluted		**N/A**	N/A	**N/A**	N/A

Notes:

1. **BASIS OF PRESENTATION**

The unaudited consolidated income statement for the nine months ended 30 September 2010 has not been audited by the Company's auditors but has been reviewed by the Company's audit committee.

These quarterly financial statements should be read in conjunction with the 2009 annual report.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The accounting policies and methods of computation used in the preparation of the quarterly financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2009.

2. **SEGMENT INFORMATION**

(a) **Business segments**

An analysis of the Group's revenue and operating profit/(loss) by business segments are as follows:

	Revenue from continuing operations Nine months ended 30 September		**Contribution to operating profit/(loss) from continuing operations Nine months ended 30 September**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Property investment and development	**–**	–	**1,120,132**	(18,105)
Unallocated	**–**	–	**(381)**	(1,384)
	–	–	**1,119,751**	(19,489)

(b) **Geographical segments**

An analysis of the Group's revenue and operating profit/(loss) by geographical location are as follows:

	Revenue from continuing operations Nine months ended 30 September		**Contribution to operating profit/(loss) from continuing operations Nine months ended 30 September**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Hong Kong	**–**	–	**(381)**	(1,384)
Other regions of the People's Republic of China (the "PRC")	**–**	–	**1,120,132**	(18,105)
	–	–	**1,119,751**	(19,489)

3. OPERATING PROFIT/(LOSS) FROM CONTINUING OPERATIONS

Operating profit/(loss) for the nine months ended 30 September 2010 is arrived at after charging depreciation of approximately HK$389,000 (nine months ended 30 September 2009: HK$133,000).

4. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Interest charged on bank borrowings repayable within five years	**7,129**	1,480	**19,157**	4,219
Non-cash imputed interest on convertible notes	**–**	3,918	**–**	18,392
Interest charged on loans from shareholders *(Note)*	**3,474**	–	**8,009**	–
Total interest	**10,603**	5,398	**27,166**	22,611
Less: interest capitalized on properties under development	**(7,129)**	(1,480)	**(19,157)**	(4,219)
	3,474	3,918	**8,009**	18,392

Note: On 1 March 2010, the Company entered into certain loan agreements with two shareholders of the Company for shareholder's loans totalling HK$270 million to provide the Company with capital to acquire a property project in the People's Republic of China. The loans are unsecured, interest-bearing at the prime lending rate charged from time to time by The HongKong and Shanghai Banking Corporation Limited. No repayment is required until the Company is financially capable to do so.

5. INCOME TAX EXPENSE

No Hong Kong profits tax was provided as the Group had no estimated assessable profit arising in or derived from Hong Kong during the nine months ended 30 September 2010 (nine months ended 30 September 2009: Nil).

The PRC income tax is calculated at the rates applicable in mainland China. The income tax expense for the period represents the deferred tax expense on the increase in fair value of investment property.

6. DIVIDEND

The Board resolved not to declare any dividend payment for the nine months ended 30 September 2010 (nine months ended 30 September 2009: Nil).

7. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share for the three months and nine months ended 30 September 2010 is based on the unaudited loss attributable to the equity holders of the Company of HK$9,908,000 and profit of HK$660,929,000 respectively (three months and nine months ended 30 September 2009: unaudited loss of HK$11,134,000 and HK$39,257,000 respectively) and on the weighted average number of 11,176,408,883 shares in issue (three months and nine months ended 30 September 2009: 5,548,505,670 and 2,193,346,383 shares respectively).

Diluted earnings per share for both periods were not presented because the impact of the exercise of the share options and the conversion of convertible notes was anti-dilutive.

8. MOVEMENT OF RESERVES

	Three months ended 30 September		Nine months ended 30 September	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Profit/(Loss) for the period	**(9,908)**	(11,134)	**660,929**	(39,257)
Exchange realignment	**13,343**	(5)	**23,465**	(16)
Employee share-based compensation	**68**	69	**68**	362
	3,503	11,070	**684,462**	38,911

9. DISCONTINUED OPERATIONS

On 24 March 2010, the Company announced that it had entered into an agreement with a company wholly owned by Mr. Ng, the Chairman and a substantial shareholder of the Company, for the sale of two shares in Media Bonus Limited and the respective shareholder's loan at a consideration of HK$100,000.00 subject to the approval of the independent shareholders of the Company. Media Bonus Limited and its subsidiaries are wholly owned subsidiaries of the Company and are engaged in the publication business. Following the sale, the Company ceased to engage in publication business. Please refer to the Company's announcement made on 24 March 2010 and Company's circular issued on 7 June 2010 for further details. The disposal was approved by the independent shareholders of the Company at the extraordinary general meeting held on 13 July 2010 and the transaction was completed on 15 July 2010.

Following the disposal, Media Bonus Limited and its subsidiaries (the "Media Bonus Group") ceased to be subsidiaries of the Company and the publication business which was carried out by the Media Bonus Group became a discontinued operation. Results of the Media Bonus Group then ceased to be accounted for in the consolidated financial statements of the Group. The results from Media Bonus Group during the period are presented below:

	For the period from 1 July 2010 to 15 July 2010	Three months ended 30 September 2009	**For the period from 1 January 2010 to 15 July 2010**	Nine months ended 30 September 2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	**1,856**	4,297	**15,619**	15,286
Direct operating expenses	**(496)**	(2,646)	**(6,615)**	(9,033)
Other operating income	**–**	41	**–**	41
Selling and distribution costs	**(426)**	(1,492)	**(4,519)**	(7,120)
Administrative and other operating expenses	**(190)**	(1,431)	**(2,104)**	(3,939)
Operating profit/(loss) from discontinued operations	**744**	(1,231)	**2,381**	(4,765)
Finance costs	**–**	–	**–**	–
Profit/(Loss) before income tax from discontinued operations	**744**	(1,231)	**2,381**	(4,765)
Income tax expenses	**(153)**	–	**(153)**	–
	591	(1,231)	**2,228**	(4,765)
Gain on disposal of subsidiaries	**3,109**	–	**3,109**	–
Profit/(Loss) for the period from discontinued operations	**3,700**	(1,231)	**5,337**	(4,765)

MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded a net profit of HK$830.1 million for the nine months ended 30 September 2010 contrasted to a loss of HK$42.6 million for the same period in 2009. The net profit for the current period is mainly attributable to the increase in fair value of an investment property. The increase in fair value of the investment property was offset by the increase in administrative and other operating expenses incurred for our major property development project, *Fortuna Plaza* in Shenyang during the period.

BUSINESS REVIEW

Property Investment and Development

The major property development projects held by the Group are either pending for opening or still under progress and there is no turnover recorded for this segment during the nine months ended 30 September 2010. During the period, there was significant increase in administrative and other operating expenses because of the recruitment of marketing teams and the launch of promotional campaigns of *Fortuna Plaza*, a shopping complex of gross floor area over 110,000 square metres in Shenyang which is our key investment in the PRC pending for grand opening later this year. The operating profit of this segment is HK$1,120.1 million for the nine months ended 30 September 2010 as compared with an operating loss of HK$18.1 million for the nine months ended 30 September 2009.

Shenyang property projects

The market response for the marketing campaign for *Fortuna Plaza* has been highly positive. The operation of *Fortuna Plaza* in Shenyang has been commenced in late October 2010 and it will be followed by the grand opening of the shopping mall later this year. We have employed an independent valuer to evaluate the gross development value of *Fortuna Plaza* in June 2010. Its expected value upon completion of construction was estimated at RMB2.25 billion.

Regarding the property development project with a site area of 44,916 square metres in Dadong District (大東區) of Shenyang which the Group acquired in May 2009, it is our intention to build a shopping complex to house a diversified range of entertainment and recreational facilities, a wide variety of fine dining restaurants, lifestyle and fashionable retail stores. As of 30 September 2010, the Group paid approximately HK$145 million as deposit for acquisition of the land use right. The Group is discussing with the local government on the relocation plan and the construction design of the project in progress.

On 3 March 2010, the Group successfully won the bid by way of public tender for the acquisition of land use right in respect of a piece of land with a site area of approximately 67,000 square metres for another property development project in Huanggu District (皇姑區), Shenyang, the PRC, for a consideration of approximately HK$1,336 million. An initial deposit of approximately HK$267 million was paid on 3 March 2010.

Cangzhou/Hebei property projects

The construction work of phase one of Zhongjie (中捷) relocation and redevelopment project was completed. The installation of periphery infrastructure such as electricity and water supplies is in final stage. Pre-sale was launched in April 2008 and up to the end of September 2010, 89% of the available for sale units were sold and the cash received of around HK$14.8 million was recognized as other payables in the condensed consolidated statement of financial position.

On 5 July 2010, the Group entered into a town development contract with the local authority of Hebei Province for the development of a new town which is situated about 15 kilometers east of Cangzhou City (滄州市), 60 kilometers from Huanghua Port (黃驊港), 120 kilometers from Tianjin and 220 kilometers from Beijing. Huanghua Port is within the Tianjin-Bohai Coastal Economic Development Area (天津渤海沿海經濟開發區) which the Government of Hebei Province has announced to speed up its development. The new town is selected by the local authority as a strategic location for the development and will be the centre where all the government offices of Cang County (滄縣) situate. The site covers a total area of about 24,000 mu, in which about 8,800 mu is reserved for industrial use and about 6,000 mu is reserved for commercial/residential use. The Group's estimated cost for building the infrastructure would be in the region of RMB1 billion.

LIQUIDITY AND FINANCIAL RESOURCES

During the nine months ended 30 September 2010, the Group's operation was financed by internal resources, banking facilities and loans from shareholders. The Board is of the opinion that, after taking into account these available resources, the Group has sufficient working capital for its present requirements.

As at 30 September 2010, the net current assets of the Group was HK$73.9 million (31 December 2009: HK$94.3 million).

As at 30 September 2010, the gearing ratio of the Group was 24.9% (31 December 2009: 29.3%). The gearing ratio is computed on comparing the Group's total non-current bank borrowings of HK$530.0 million to the Group's equity of HK$2,131.5 million.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

On 24 March 2010, the Company announced that it had entered into an agreement with a company wholly owned by Mr. Ng, the Chairman and a substantial shareholder of the Company, for the sale of two shares in Media Bonus Limited and the respective shareholder's loan at a consideration of HK$100,000.00 subject to the approval of the independent shareholders of the Company. Media Bonus Limited and its subsidiaries were wholly owned subsidiaries of the Company and are engaged in the publication business. Following the sale, the Company ceased to engage in publication business. Please refer to the Company's announcement made on 24 March 2010 and Company's circular issued on 7 June 2010 for further details. The disposal was approved by the independent shareholders of the Company at the extraordinary general meeting held on 13 July 2010 and the transaction was completed on 15 July 2010.

Other than the above, the Group did not make any material acquisition and disposal during the nine months ended 30 September 2010.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

During the nine months ended 30 September 2010, the Group had no significant exposure to fluctuations in foreign exchange rates and any related hedges.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2010, the Group pledged certain investment property of a subsidiary to secure banking facilities and did not have any contingent liabilities.

PROSPECTS

The operation of *Fortuna Plaza* in Shenyang has been commenced in late October 2010 and it will be followed by the grand opening of the shopping mall later this year. The market response to our recent promotion campaign is encouraging. We are confident that the successful launch of the project will provide a strong support to the Group's cash flow and branding in Shenyang in the near future. This will facilitate the development and marketing of our Dadong District project.

For the new property development project in the Dadong District of Shenyang, the relocation of existing tenants is expected to commence by the end of 2010. At present, there are blocks of buildings with residents and retail shops on the site and the Government of Shenyang will be responsible for the relocation of those existing tenants. We plan to develop a complex comprising a commercial retail podium with a gross floor area of over 503,000 square metres and residential towers of approximately 67,000 square metres, making a total of approximately 570,000 square metres. The development will serve as the landmark development of the Group in the region in addition to *Fortuna Plaza*, creating a centre point for people to retreat and relax. It is estimated that the entire development period will take about four years.

For the new property development project in the Huanggu District, we plan to develop a complex comprising a mega shopping mall, A-grade offices, service apartments and residential towers of total gross floor area of approximately 1,000,000 square metres. The Government of Shenyang will be responsible for relocating existing tenants on the site. The Group intends to create a landmark in Shenyang's third commercial centre. The new development aspires to enhance the proposed Chang Jiang pedestrian shopping street (長江步行購物街), the third largest commercial centre in Shenyang and one of the most important lifestyle shopping districts, by constructing connections by way of roads, streets, footpaths to the existing developments. The brisk development in tourism, entertainment and financial services in Shenyang fits the need to create a new centre point in the region and to provide additional recreational facilities to its neighborhood.

In Hebei, our current relocation projects and land redevelopment projects comprise the Zhongjie and Nandagang (南大港) projects. The progress of the sales procedures and the preparation of legal documentation of the first phase's property in Zhongjie are in the final stage and we anticipate that the project will start to bring revenue contribution to the Group in 2010. Nandagang project involves around 619,000 square metres (930 mu) of site area with the first phase of around 51,000 square metres (77 mu) undergoing design submission with the local government. Phase two of Zhongjie relocation and redevelopment project has commenced in 2010. Though with higher relocation requirements and rising construction costs, we expect the profitability per square metre of the phase two development to improve as local sales price of property has been rising in the past two years.

On 5 July 2010, the Group entered into a town development contract with the local authority of Hebei Province for the development of a new town which is situated about 15 kilometers east of Cangzhou City (滄州市), 60 kilometers from Huanghua Port (黃驊港), 120 kilometers from Tianjin and 220 kilometers from Beijing. Huanghua Port is within the Tianjin-Bohai Coastal Economic Development Area (天津渤海沿海經濟開發區) which the Government of Hebei Province has announced to speed up its development. The new town is selected by the local authority as a strategic location for the development and will be the centre where all the government offices of Cang County (滄縣) situate. The site covers a total area of about 24,000 mu, in which about 8,800 mu is reserved for industrial use and about 6,000 mu is reserved for commercial/residential use. The Group's estimated cost for building the infrastructure would be in the region of RMB1 billion. The management believes that with the Group's experience gained from the development of our existing projects and the continuous growth of the economy of Mainland China, the project has excellent investment potential. Please refer to the Company's announcement made on 6 July 2010 for further details.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2010, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules, were as follows:

The Company

A. *Long position in shares*

Name of Director	Capacity	Number of ordinary shares	Total number of ordinary shares	Approximate percentage of shareholding
Ng Hung Sang ("Mr. Ng")	Beneficial owner	363,393,739	7,429,956,667	66.47%
	Interests of spouse	967,923,774		
	Interest of controlled corporations	6,098,639,154 *(Note a)*		
Ng Yuk Yeung, Paul ("Paul Ng")	Beneficial owner		2,602,667	0.02%
Ng Yuk Fung, Peter ("Peter Ng")	Beneficial owner		481,666,667	4.31%

B. *Long position in the underlying shares*

Share options

Name of Director	Capacity	Number of underlying shares	Approximate percentage of shareholding
Paul Ng	Beneficial owner	3,333,333 *(Note b)*	0.03%
Peter Ng	Beneficial owner	3,333,333 *(Note b)*	0.03%

Notes:

(a) The 6,098,639,154 shares of the Company held by Mr. Ng through controlled corporations include 1,088,784,847, 1,150,004,797, 1,817,140,364, 1,728,362,917, 76,464,373 and 237,881,856 shares held by Bannock Investment Limited ("Bannock"), Earntrade Investments Limited ("Earntrade"), Fung Shing Group Limited ("Fung Shing"), Parkfield Holdings Limited ("Parkfield"), Ronastar Investments Limited ("Ronastar") and Worldunity Investments Limited ("Worldunity") respectively. Fung Shing, Parkfield and Ronastar are wholly-owned by Mr. Ng. Mr. Ng holds Worldunity indirectly through South China Holdings Limited ("SCH"), which is owned as to 73.72% by Mr. Ng, while Bannock is a wholly-owned subsidiary of Earntrade which is owned as to 60% by Mr. Ng, 20% by Mr. Richard Howard Gorges ("Mr. Gorges") and 20% by Ms. Cheung Choi Ngor ("Ms. Cheung"). As such, Mr. Ng was deemed to have interest in 237,881,856 shares held by Worldunity and 2,238,789,644 shares held by Bannock and Earntrade

(b) These share options were granted on 14 March 2007 at an exercise price of HK$0.2166 per share of the Company with exercisable periods as follows: (i) 1/3 of the total share options granted shall be exercised from the beginning of the second year from the date of grant to the end of the third year from the date of grant; (ii) 1/3 of the total share options granted shall be exercised from the beginning of the third year from the date of grant to the end of the fourth year from the date of grant; and (iii) 1/3 of the total share options granted shall be exercised from the beginning of the fourth year from the date of grant to the end of the fifth year from the date of grant. Each of Mr. Peter Ng and Mr. Paul Ng has exercised his 1,666,667 share options on 12 and 13 March 2010 respectively. The number of outstanding options granted to each of Mr. Peter Ng and Mr. Paul Ng at 1 January 2010 and 31 March 2010 is 5,000,000 and 3,333,333 share options respectively.

Save as disclosed above, as at 30 September 2010, none of the Directors or chief executives of the Company had registered any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register which was required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2010, the following person, other than the Directors and chief executives of the Company, had interests and short positions in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company under Section 336 of Part XV of the SFO:

Long position

Name of shareholder	Capacity	Number of Shares held	Approximate percentage of shareholding
Earntrade	Beneficial owner and interest of controlled corporation	2,238,789,644 *(Note a)*	20.03%
Fung Shing	Beneficial owner	1,817,140,364	16.26%
Parkfield	Beneficial owner	1,728,362,917	15.46%
Bannock	Beneficial owner	1,088,784,847 *(Note a)*	9.74%
Ng Lai King, Pamela ("Mrs. Ng")	Beneficial owner and interest of spouse	7,429,956,667 *(Note b)*	66.47%

Notes:

(a) Bannock is a wholly-owned subsidiary of Earntrade. The 2,238,789,644 shares in the Company held by Earntrade include 1,088,784,847 shares held by Bannock directly.

(b) Mrs. Ng is the spouse of Mr. Ng, the Chairman and an Executive Director of the Company. By virtue of the SFO, Mrs. Ng is deemed to be interested in the 363,393,739 shares and 6,098,639,154 shares held by Mr. Ng beneficially and through controlled corporations respectively as disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation" above.

Save as disclosed above, as at 30 September 2010, no person, other than the Directors or chief executives of the Company, whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES

Mr. Ng, the Chairman and controlling shareholder of the Company, is also the chairman of SCH and South China (China) Limited ("SCC"). Mr. Ng, personally and through controlled corporations, had controlling interest in the Company, SCH and SCC, in which certain corporate interest in SCH and SCC are held by Mr. Ng jointly with Mr. Gorges, an Executive Director of the Company (who is also an executive director of SCH and SCC) and Ms. Cheung, an Executive Director of the Company (who is also an executive director of SCH and SCC). Mr. Ng Yuk Fung, Peter ("Mr. Peter Ng"), an Executive Director of the Company, is also an executive director of SCH and SCC. Ms. Ng Yuk Mui, Jessica ("Ms. Jessica Ng"), a Non-Executive Director of the Company, is also a non-executive director of SCH and SCC. Since certain subsidiaries of SCH and SCC are principally engaged in property development and investment business, each of Mr. Ng, Mr. Gorges, Ms. Cheung, Mr. Peter Ng and Ms. Jessica Ng are regarded as interested in such competing businesses of the Group.

The Directors are of the view that the Company can carry on its business independently of and at arm's length from the business of SCH and SCC and there is no direct competition amongst the three listed groups.

Mr. Ng is the controlling shareholder of South China Media Limited ("SC Media"), Jessica Publications (BVI) Limited ("Jessica") and Ace Market Investments Limited ("Ace Market") and is a director of SC Media and Ace Market, and each of Ms. Jessica Ng and Mr. Peter Ng is a director of SC Media, Jessica and Ace Market. SC Media, Jessica and Ace Market are principally engaged in the publication businesses which are considered as competing businesses of the Group. Accordingly, each of Mr. Ng, Ms. Jessica Ng and Mr. Peter Ng is regarded as interested in such competing businesses of the Group.

The Directors are of the view that the Company can carry on its business independently of and at arm's length from the business of SC Media, Jessica and Ace Market as the Group's relevant publication business has its own target reader market and contents which are different from those of SC Media, Jessica and Ace Market. Further, the Company has announced and completed its sale of publication business on 24 March 2010 and 15 July 2010 respectively, no more issue of competing business are there following the sale.

Save as disclosed above, as at 30 September 2010, none of the Directors or any of their respective associates had any interest in any business which causes or may cause any competition with the business of the Group or any conflicts with the interests of the Group.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The Audit Committee comprises three Independent Non-executive Directors, namely Mr. Cheng Yuk Wo (Chairman of the Audit Committee), Dr. Lo Wing Yan, William, J.P. and Ms. Pong Oi Lan, Scarlett, J.P..

The Group's unaudited results for the nine months ended 30 September 2010 have been reviewed by the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2010.

By Order of the Board
South China Land Limited
南華置地有限公司
Ng Hung Sang
Chairman

Hong Kong, 9 November 2010

As at the date of this report, the Directors of the Company are (1) Mr. Ng Hung Sang, Mr. Ng Yuk Yeung, Paul, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor and Mr. Ng Yuk Fung, Peter as executive directors; (2) Ms. Ng Yuk Mui, Jessica as non-executive director; and (3) Dr. Lo Wing Yan, William, J.P., Mr. Cheng Yuk Wo and Ms. Pong Oi Lan, Scarlett, J.P. as independent non-executive directors.