SOUTH CHINA LAND LIMITED
南華置地有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8155)

FIRST QUARTERLY REPORT
FOR THE THREE MONTHS ENDED 31 MARCH 2011

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 ended 31 March 2011, together with the comparative unaudited figures for the corresponding period in 2010, as follows:

CONSOLIDATED INCOME STATEMENT

		Three months ended 31 March	
		2011	2010
	Notes	***HK$'000***	*HK$'000*
			(Restated)
Continuing operations			
Revenue	*2*	**1,511**	–
Other operating income		**141**	56
Gain on disposal of subsidiaries	*10*	**3,124**	–
Selling and distribution costs		**(2,504)**	(2,497)
Administrative and other operating expenses		**(10,056)**	(4,935)
Operating loss	*4*	**(7,784)**	(7,376)
Finance costs	*5*	**(9,500)**	(1,156)
Loss before income tax		**(17,284)**	(8,532)
Income tax expense	*6*	**–**	–
Loss for the period from continuing operations		**(17,284)**	(8,532)
Discontinued operations			
Profit from discontinued operations	*9*	**–**	858
Loss for the period		**(17,284)**	(7,674)
Attributable to:			
Equity holders of the Company		**(13,940)**	(6,712)
Non-controlling interests		**(3,344)**	(962)
		(17,284)	(7,674)
Loss per share for loss attributable to the equity holders of the Company during the period	*8*		
Basic			
– Loss from continuing and discontinued operations		**HK(0.1) cent**	HK(0.06) cent
– Loss from continuing operations		**HK(0.1) cent**	HK(0.06) cent
– Profit from discontinued operations		**N/A**	HK0.01 cent
Diluted			
– Profit from continuing and discontinued operations		**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March	
	2011	2010
	HK$'000	*HK$'000*
Loss for the period	**(17,284)**	(7,674)
Other comprehensive income for the period		
Exchange differences on translation of financial statements of overseas subsidiaries	**8,853**	1,535
Total comprehensive income for the period	**(8,431)**	(6,139)
Total comprehensive income attributable to:		
Equity holders of the Company	**(6,677)**	(5,282)
Non-controlling interests	**(1,754)**	(857)
	(8,431)	(6,139)

Notes:

1. **BASIS OF PRESENTATION**

The unaudited consolidated results for the three months ended 31 March 2011 have not been audited by the Company's auditor but have been reviewed by the Company's audit committee.

These unaudited consolidated results should be read in conjunction with the audited 2010 annual results.

The unaudited condensed financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The unaudited condensed financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the 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 unaudited condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2010.

2. **REVENUE**

Revenue comprises leasing and management fee income from the Group's investment properties.

3. SEGMENT INFORMATION

(a) Business segments

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

	Continuing operations Property investment and development Three months ended 31 March		Discontinued operations Magazine Publications Three months ended 31 March		Total Three months ended 31 March	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue	**1,511**	–	**–**	7,076	**1,511**	7,076
Group revenue	**1,511**	–	**–**	7,076	**1,511**	7,076
Reportable segment (loss)/profit	**(10,857)**	(7,113)	**–**	858	**(10,857)**	(6,255)
Other corporate expenses	**(51)**	(263)	**–**	–	**(51)**	(263)
Finance costs	**(9,500)**	(1,156)	**–**	–	**(9,500)**	(1,156)
Gain on disposal of subsidiaries	**3,124**	–	**–**	–	**3,124**	–
(Loss)/profit before income tax	**(17,284)**	(8,532)	**–**	858	**(17,284)**	(7,674)

(b) Geographical segments

An analysis of the Group's revenue by geographical location is as follows:

	Revenue from external customers Three months ended 31 March	
	2011	2010
	HK$'000	*HK$'000*
Hong Kong (domicile)	**–**	7,076
The PRC	**1,511**	–
	1,511	7,076

4. OPERATING LOSS FROM CONTINUING OPERATIONS

	Three months ended 31 March	
	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Operating loss is arrived at after charging/(crediting):		
Exchange loss, net	**165**	434
Depreciation	**307**	74
Employee benefit expense (including directors' emoluments)	**6,333**	2,578
Less: Employee benefit expense capitalised in properties under development	**(3,891)**	–
	2,442	2,578
Operating leases rentals	**305**	187
Gross rental income from investment properties	**1,511**	–
Less: Direct operating expenses arising from investment properties that generated rental income during the period	**(2,803)**	–
	(1,292)	–

5. FINANCE COSTS

	Three months ended 31 March	
	2011	2010
	HK$'000	*HK$'000*
Interest charged on bank borrowings wholly repayable within five years	**9,318**	5,357
Interest charged on loans from shareholders	**3,756**	1,156
Interest charged on loan from a related company *(Note)*	**182**	–
Total interest	**13,256**	6,513
Less: interest capitalised in properties under development	**(3,756)**	(5,357)
	9,500	1,156

Note: On 15 March 2011, the Company entered into certain loan agreement with the subsidiary of South China (China) Limited, a related company of the Group, for a loan of HK$78 million obtained for funding the working capital requirement. The loan is unsecured, interest bearing at the prime lending rate charged from time to time by The Hong Kong and Shanghai Banking Corporation Limited. No repayment is required whether in part or in full on or before 31 March 2012.

6. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits arising in or derived from Hong Kong during the three months ended 31 March 2011 (three months ended 31 March 2010: Nil).

No provision for the PRC enterprise income taxes has been made during the period as the subsidiaries operated in the PRC had no assessable profits for the three months ended 31 March 2011 (three months ended 31 March 2010: Nil).

7. DIVIDEND

The Board resolved not to declare any dividend payment for the three months ended 31 March 2011 (three months ended 31 March 2010: Nil).

8. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Three months ended 31 March	
	2011	2010
	HK$'000	*HK$'000*
Unaudited loss attributable to owners of the Company, used in the basic loss per share calculations:		
– continuing operations	**(13,940)**	(7,462)
– discontinued operations	**–**	750
	(13,940)	(6,712)

	Three months ended 31 March	
	2011	2010
Weighted average number of ordinary shares		
– for the purpose of basic loss per share calculation	**11,178,498,344**	11,175,539,541

Diluted loss per share for both periods were not presented because the impact of exercise of the share options was anti-dilutive.

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 operations. 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 three months ended 31 March 2010 *HK$'000*
Revenue	7,076
Direct operating expenses	(2,856)
Selling and distribution costs	(2,212)
Administrative and other operating expenses	(1,150)
Profit before income tax	858
Income tax expenses	–
Profit from discontinued operations	858

10 DISPOSAL OF SUBSIDIARIES

Pursuant to the sale and purchase agreement dated 11 January 2011 entered between Crystal Hub Limited, a subsidiary of the Company and South China Industries (BVI) Limited, a fellow subsidiary of the Company, Crystal Hub Limited had agreed to sell its entire equity interests in Autowill Group and the shareholder's loan to South China Industries (BVI) Limited for a consideration of HK$24.1 million subject to adjustment in accordance with the terms of the agreement. Please refer to the Company's announcement made on 11 January 2011 for further details.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group recorded a loss attributable to the Company for the three months ended 31 March 2011 amounting to HK$13.9 million (three months ended 31 March 2010: loss of HK$6.7 million).

The Group's revenue, being the leasing and management fee income from ***Fortuna Plaza*** (soft opening in October 2010), for the three months ended 31 March 2011 was HK$1.5 million.

During the period under review, the administrative and other operating expenses were HK$10.1 million (three months ended 31 March 2010: HK$4.9 million). The increase was mainly attributed to the higher operating expenses incurred for ***Fortuna Plaza*** as a result of its opening.

Finance costs totaling HK$13.3 million represent interest expenses in relation to bank borrowings, loans from shareholders and loan from a related company (three months ended 31 March 2010: HK$1.2 million). Since all bank borrowings' interests equivalent to HK$5.4 million for the three months ended 31 March 2010 were wholly capitalised on the project of ***Fortuna Plaza***, while it was charged to income statement for the three months ended 31 March 2011 upon its commenced operation, more finance costs were incurred in this period accordingly.

Upon disposal of the subsidiaries during the period, the Group recorded a gain of HK$3.1 million in this transaction for the three months ended 31 March 2011.

BUSINESS REVIEW

Property Investment and Development

Shenyang's real estate market entered into a fast growth phase in recent years. According to official statistics, Shenyang's retail property market outperformed all other mainland cities, with the highest income growth and the 7th highest prime rental growth among the top 15 cities in the PRC. This reinforces the fact that Shenyang is one of the most promising real estate development cities in Mainland China.

The ***Fortuna Plaza***, a shopping complex of gross floor area over 110,000 square meters in Shenyang, is our key investment in the PRC. The loss before income tax of this segment is HK$17.3 million for the three months ended 31 March 2011 as compared with an operating loss of HK$8.5 million for the three months ended 31 March 2010.

Shenyang property projects

On ***Fortuna Plaza***, there were approximately 70% of the gross rental areas having been leased out and it recorded HK$1.5 million of leasing and management fee income to the Group's revenue for the three months ended 31 March 2011. The relatively low rental income is due to the rent-free period granted to tenants and lower contingent rentals received from tenants which are under the joint business leasing. The directors consider the market value of ***Fortuna Plaza*** to be approximately RMB2,250 million (equivalent to HK$2,663 million), which is the same as the amount valued as at year ended 31 December 2010, assessed by an independent valuer.

With regards to the Dadong district (大東區) property development project with a site area of 44,916 square meters, it is the management's intention to build a shopping complex to house a diversified range of entertainment and recreational facilities, a wide variety of fine dining restaurants and fashionable retail stores. As of 31 March 2011, the Group paid approximately HK$150 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 rights, by way of public tender, of another property development project in Huanggu District (皇姑區) with a site area of approximately 67,000 square meters. The total consideration was approximately HK$1,336 million and approximately HK$267 million was paid. It is the Group's intention to build a multi-purpose development with luxury residential flats, A-grade offices and an upscale shopping mall.

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 at the final stage. Marketing activities were launched in April 2008 and up to 31 March 2011, preliminary cash deposits received was RMB13.48 million (equivalent to HK$15.7 million). The deposits received were recognised as other payables in the consolidated statement of financial position. The development area of phase one is approximately 6,000 square meters and there remains an additional 130,000 square meters in the vicinity which may become available to the Group for redevelopment. The phase two of the Zhongjie (中捷) relocation and redevelopment project commenced in 2010. The Group is currently discussing with the local government on details of implementation before further work is carried out.

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). The new town has been selected by the local authority as a strategic location for the development of the area and will be the center of all the government offices of Cang County (滄縣). The site covers a total area of about 24,000 mu, of 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 infrastructure would be in the region of RMB1 billion.

LIQUIDITY AND FINANCIAL RESOURCES

During the three months ended 31 March 2011, the Group's operation was financed by internal resources, banking facilities, loans from shareholders and loan from a related company. 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 31 March 2011, the net current assets of the Group were HK$166 million (31 December 2010: net current liabilities of HK$464 million).

As at 31 March 2011, the gearing ratio of the Group was 45% (31 December 2010: 41%). The gearing ratio is computed on comparing the Group's total bank borrowings and loans from shareholders and a related company of HK$995 million to the Group's equity of HK$2,215 million. The increase is due to additional financing from a related company during the period.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

The Group did not make any material acquisition or disposal during the three months ended 31 March 2011.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES OR ANY RELATED HEDGES

During the three months ended 31 March 2011, the Group had no significant exposure to fluctuations in foreign exchange rates or any related hedges.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2011, the Group pledged certain investment properties of a subsidiary to secure banking facilities and did not have any contingent liabilities.

PROSPECTS

The China commercial property market turned bullish in the first quarter of 2011, bolstered by the solid growth of the economy. The economic driver is expected to shift gradually from investment to domestic consumption. Should this transformation be implemented, it will benefit retail market in due course.

In 2011, a huge amount of new supply of retail property will be added to the Shenyang market, and although the expected new supply in 2011 is less than that in 2010, competition among shopping malls will continue to be fierce. To cope with this competition, more marketing activities were held during the period and it lured numbers of quality tenants to open their retail shop in ***Fortuna Plaza***. We are confident that more rental areas will be leased out and higher rental income as well as cash flows to the Group will be expected in the coming year accordingly, and 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 soon. At present, there are blocks of buildings with residents and retail shops on the site and the Shenyang Government will be responsible for the relocation of those existing tenants on the site. We plan to develop a complex comprising a commercial retail podium with a gross floor area of over 503,000 square meters and residential towers of approximately 67,000 square meters, making up a total of approximately 570,000 square meters. 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 of Shenyang, we plan to develop a complex comprising a mega shopping mall, A-grade offices, serviced apartments and residential towers of total gross floor area of approximately 1,000,000 square meters. The Shenyang Government will be responsible for the relocation of those 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 at the final stage and we are confident that the project will start to bring in revenue contribution to the Group in or about 2011. The Nandagang project involves around 620,000 square meters (930 mu) of site area with the first phase of around 50,000 square meters (75 mu) undergoing design submission with the local government. Notwithstanding higher relocation requirements and rising construction costs, we expect the profitability per square metre of the phase two development to improve as local sales prices of property has been rising in the past two years.

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 Cangzhou City (滄州市) project has an 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 31 March 2011, 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 Interests of spouse Interest of controlled corporations	363,393,739 967,923,774 6,129,631,154 *(Note a)*	7,460,948,667	66.74%
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	1,666,666 *(Note b)*	0.03%
Peter Ng	Beneficial owner	1,666,666 *(Note b)*	0.03%

Notes:

(a) The 6,129,631,154 shares of the Company held by Mr. Ng through controlled corporations include 1,088,784,847 shares held by Bannock Investment Limited ("Bannock"), 1,150,004,797 shares held by Earntrade Investments Limited ("Earntrade"), 1,817,140,364 shares held by Fung Shing Group Limited ("Fung Shing"), 1,728,362,917 shares held by Parkfield Holdings Limited ("Parkfield"), 76,464,373 shares held by Ronastar Investments Limited ("Ronastar"), 237,881,856 shares held by Worldunity Investments Limited ("Worldunity") and 30,992,000 shares held by South Chinia Strategic Limited ("SC Strategic"). Fung Shing, Parkfield and Ronastar are all wholly-owned by Mr. Ng. Mr. Ng holds Worldunity and SC Strategic indirectly via South China Holdings Limited ("SCH") and South China (China) Limited ("SCC") respectively, which is owned as to 73.72% and 63.01% 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 the 237,881,856 shares held by Worldunity, the 30,992,000 shares held by SC Strategic and the 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. 1,666,667 share options of each of Mr. Peter Ng and Mr. Paul Ng has been lapsed on 14 March 2011 due to non-exercised. 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 3,333,333 and 1,666,666 share options respectively.

Save as disclosed above, as at 31 March 2011, 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 31 March 2011, the following persons, 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 ("Ms. Ng")	Beneficial owner and interest of spouse	7,460,948,667 *(Note b)*	66.74%

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.

(b) Ms. Ng is the spouse of Mr. Ng, the Chairman and an Executive Director of the Company. By virtue of the SFO, Ms. Ng is deemed to be interested in the 363,393,739 shares and 6,129,631,154 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 31 March 2011, 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 MANAGEMENT SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Mr. Ng, the Chairman and management shareholder of the Company, is also the chairman of SCH and 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. Peter Ng, an Executive Director of the Company and has certain interest in the Company, is also an executive director of SCH and SCC and has certain interest in 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 and has certain interest in 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 business 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.

Save as disclosed above, as at 31 March 2011, 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 three months ended 31 March 2011 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 purchased, sold or redeemed any of the listed securities of the Company during the three months ended 31 March 2011.

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

Hong Kong, 9 May 2011

As at the date of this report, the Directors of the Company are (1) Mr. Ng Hung Sang, Mr. Ng Yuk Yeung, Paul, Ms. Cheung Choi Ngor, Mr. Richard Howard Gorges 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.