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 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 and nine months ended 30 September 2011, together with the comparative unaudited figures for the corresponding period in 2010, are as follows:

CONSOLIDATED INCOME STATEMENT

		Three months ended 30 September		Nine months ended 30 September	
		2011	2010	**2011**	2010
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Continuing operations					
Revenue	*2 & 3*	**1,758**	–	**4,882**	–
Other operating income		**48**	125	**153**	211
Increase in fair value of investment properties		**–**	–	**–**	1,148,026
Gain on disposal of subsidiaries	*10*	**–**	–	**3,124**	–
Selling and distribution costs		**(2,573)**	(2,727)	**(7,301)**	(7,804)
Administrative and other operating expenses		**146**	(8,644)	**(18,059)**	(20,682)
Operating (loss)/profit	*4*	**(621)**	(11,246)	**(17,201)**	1,119,751
Finance costs	*5*	**(12,008)**	(3,474)	**(27,162)**	(8,009)
(Loss)/profit before income tax		**(12,629)**	(14,720)	**(44,363)**	1,111,742
Income tax expense	*6*	**–**	–	**–**	(287,006)
(Loss)/profit for the period from continuing operations		**(12,629)**	(14,720)	**(44,363)**	824,736
Discontinued operations					
Profit from discontinued operations	*9*	**–**	3,700	**–**	5,337
(Loss)/profit for the period		**(12,629)**	(11,020)	**(44,363)**	830,073
Attributable to:					
Equity holders of the Company		**(9,779)**	(9,908)	**(36,323)**	660,929
Non-controlling interests		**(2,850)**	(1,112)	**(8,040)**	169,144
		(12,629)	(11,020)	**(44,363)**	830,073
(Loss)/profit per share for loss/profit attributable to the equity holders of the Company during the period					
Basic	*8*				
– (Loss)/profit from continuing and discontinued operations		**(0.1) cent**	(0.1) cent	**(0.4) cent**	5.9 cents
– (Loss)/profit from continuing operations		**(0.1) cent**	(0.1) cent	**(0.4) cent**	5.9 cents
– Profit from discontinued operations		**N/A**	N/A	**N/A**	0.01 cent
Diluted					
– Profit from continuing and discontinued operations		**N/A**	(0.1) cent	**N/A**	0.01 cent

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
(Loss)/profit for the period	**(12,629)**	(11,020)	**(44,363)**	830,073
Other comprehensive income for the period				
Exchange differences on translation of financial statements of overseas subsidiaries	**17,034**	13,342	**40,223**	25,869
Total comprehensive (loss)/income for the period	**4,405**	2,322	**(4,140)**	855,942
Total comprehensive income attributable to:				
Equity holders of the Company	**5,459**	3,435	**(472)**	684,394
Non-controlling interests	**(1,054)**	(1,113)	**(3,668)**	171,548
	4,405	2,322	**(4,140)**	855,942

Notes:

1. BASIS OF PRESENTATION

The unaudited consolidated income statement for the three months and nine months ended 30 September 2011 has not been audited by the Company's auditor but has been reviewed by the Company's audit committee.

These unaudited quarterly financial statements should be read in conjunction with the 2010 annual report.

The unaudited condensed 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 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 quarterly financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2010 except that the Group has adopted the newly issued and revised Hong Kong Financial Reporting Standards, which are effective for the annual period beginning on 1 January 2011, as disclosed in the annual financial statement for the year ended 31 December 2010. The adoption of these new Hong Kong Financial Reporting Standards does not have significant impact on the Group's results of operations and financial position.

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)/profit by business segments are as follows:

	Continuing operations Property investment and development Nine months ended 30 September		Discontinued operations Magazine publications Nine months ended 30 September		Total Nine months ended 30 September	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Reportable segment revenue	**4,882**	–	**–**	14,611	**4,882**	14,611
Group revenue	**4,882**	–	**–**	14,611	**4,882**	14,611
Reportable segment (loss)/profit	**(22,224)**	(27,672)	**–**	2,381	**(22,224)**	(25,291)
Other corporate expenses	**1,899**	(603)	**–**	–	**1,899**	(603)
Finance costs	**(27,162)**	(8,009)	**–**	–	**(27,162)**	(8,009)
Increase in fair value of investment properties	**–**	1,148,026	**–**	–	**–**	1,148,026
Gain on disposal of subsidiaries	**3,124**	–	**–**	3,109	**3,124**	3,109
(Loss)/profit before income tax	**(44.363)**	1,111,742	**–**	5,490	**(44.363)**	1,117,232

(b) **Geographical segments**

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

	Revenue from external customers			
	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Hong Kong (domicile)	**–**	1,856	**–**	15,619
The PRC	**1,758**	–	**4,882**	–
	1,758	1,856	**4,882**	15,619

4. OPERATING (LOSS)/PROFIT FROM CONTINUING OPERATIONS

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Operating (loss)/profit is arrived at after charging/(crediting):				
Exchange loss, net	**(3,511)**	417	**652**	1,033
Depreciation	**361**	219	**951**	389
Employee benefit expense (including directors' emoluments)	**6,664**	12,877	**18,375**	21,792
Less: Employee benefit expense capitalised in properties under development	**(4,705)**	–	**(11,547)**	–
	1,959	12,877	**6,828**	21,792
Operating lease rentals	**160**	53	**729**	414
Gross rental income from investment properties	**(1,758)**	–	**(4,882)**	–
Less: Direct operating expenses arising from investment properties that generated rental income during the period	**(777)**	–	**1,566**	–
	(2,535)	–	**(3,316)**	–

5. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Interest charged on bank borrowings repayable within five years	**10,868**	7,129	**24,828**	19,157
Interest charged on loans from shareholders *(Note 1)*	**4,313**	3,474	**12,527**	8,009
Interest charged on loan from a related company *(Note 2)*	**983**	–	**2,137**	–
Total interest	**16,164**	10,603	**39,492**	27,166
Less: interest capitalised on properties under development	**(4,156)**	(7,129)	**(12,330)**	(19,157)
	12,008	3,474	**27,162**	8,009

Notes:

1 Amongst other shareholders' loans, on 1 June 2011, the Group entered into certain loan agreement with a shareholder for a loan of HK$12.51 million 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 and repayable on demand.

2 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 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 and repayable on demand.

6. **INCOME TAX EXPENSE**

No provision for Hong Kong profits tax was provided as the Group had no estimated assessable profits arising in or derived from Hong Kong during the three months and nine months ended 30 September 2011 (three months and nine months ended 30 September 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 and nine months ended 30 September 2011 (three months and nine months ended 30 September 2010: Nil).

7. **DIVIDEND**

The Board resolved not to declare the payment of dividend for the nine months ended 30 September 2011 (nine months ended 30 September 2010: Nil).

8. **(LOSS)/PROFIT PER SHARE**

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

	Three months ended 30 September		**Nine months ended 30 September**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Unaudited (loss)/profit attributable to owners of the Company, used in the basic loss/profit per share calculation				
– continuing operations	**(9,779)**	(13,608)	**(36,323)**	655,592
– discontinued operations	**–**	3,700	**–**	5,337
	(9,779)	(9,908)	**(36,323)**	660,929

	Three months ended 30 September		**Nine months ended 30 September**	
	2011	2010	**2011**	2010
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Weighted average number of ordinary shares – for the purpose of basic loss/profit per share calculation	**11,178,498,344**	11,176,408,883	**11,178,498,344**	11,176,408,883

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 subject to the approval of the independent shareholders of the Company. Media Bonus Limited and its subsidiaries ("Media Bonus Group") 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.

Following the disposal, 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 1 July 2010 to 15 July 2010 *HK$'000*	For the period from 1 January 2010 to 15 July 2010 *HK$'000*
Revenue	1,856	15,619
Direct operating expenses	(496)	(6,615)
Selling and distribution costs	(426)	(4,519)
Administrative and other operating expenses	(190)	(2,104)
Profit before income tax	744	2,381
Income tax expenses	(153)	(153)
Gain on disposal of subsidiaries	3,109	3,109
Profit from discontinued operations	3,700	5,337

10. DISPOSAL OF SUBSIDIARIES

1. Pursuant to the sale and purchase agreement dated 11 January 2011 entered between Crystal Hub Limited ("Crystal Hub"), a subsidiary of the Company and South China Industries (BVI) Limited, a fellow subsidiary of the Company, Crystal Hub 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. The transaction was completed on 31 March 2011.

2. On 28 October 2011, Crystal Hub and South China Strategic (BVI) Limited, an indirect wholly-owned subsidiary of South China (China) Limited, entered into the agreement pursuant to which Crystal Hub had agreed to sell its entire equity interests in Surplus Access Group and the shareholder's loan to South China Strategic (BVI) Limited at a consideration of HK$6.3 million, upon and subject to the terms and conditions set out therein. The consideration of HK$6.3 million is subject to adjustment in accordance with the terms of the agreement. Please refer to the Company's announcement made on 28 October 2011 for further details.

11. SUBSEQUENT EVENT UP TO DATE OF THIS REPORT

On 2 November 2011, Crystal Hub entered into the agreement as the Grantor with Green Orient Investments Limited, an indirect wholly-owned subsidiary of South China (China) Limited, as the Grantee for the exclusive right to manage the Premises, which is restricted to the use for shopping mall and related operation, at the basic fee of RMB80 million per annum (plus the performance fee) for a term of one year which is renewable annually at the option of the Grantee until 31 December 2026. Please refer to the Company's announcement made on 2 November 2011 for further details.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Due to the preparation of opening of ***Fortuna Plaza*** following its completion of construction, the Group recorded a loss attributable to the Company for the nine months ended 30 September 2011 amounting to HK$36.32 million (nine months ended 30 September 2010: profit of HK$660.93 million).

The Group's revenue for the nine months ended 30 September 2011, being the leasing and management fee income received from ***Fortuna Plaza's*** initial operation, was HK$4.88 million.

During the period under review, the administrative and other operating expenses were HK$18.06 million (nine months ended 30 September 2010: HK$20.68 million).

Finance costs totalling HK$27.16 million represent interest expenses in relation to bank borrowings, loans from shareholders and loan from a related company (nine months ended 30 September 2010: HK$8.01 million). Interests of all the bank borrowings, equivalent to HK$19.16 million for the nine months ended 30 September 2010, were wholly capitalised on the project of ***Fortuna Plaza*** as it was under construction. However, the same was charged to the income statement for the nine months ended 30 September 2011 upon its completion and commencement of initial operations and more finance costs were incurred in this period accordingly.

BUSINESS REVIEW

Property Investment and Development

The China government will continue with its tightening measures, including home-purchase restrictions in some major cities, which may also be extended to some second-tier and third-tier cities where property prices are rising too quickly. As such, the growth of residential transactions in most cities slowed down. However, due to the solid demand from the end users, the residential prices steadily increased in third quarter of 2011 in Shenyang.

Shenyang prime retail market saw an influx of adequate supply in the second and third quarters. Four quality shopping malls were unveiled, providing a combined gross floor areas of 374,300 square meters. The increase in supply is putting a downward pressure on rents. By the end of 2011, six new retail projects are scheduled to open thus the market will still face increasing supply pressures and competition will become more fierce.

Shenyang property projects

Fortuna Plaza, a shopping complex of gross floor area of over 110,000 square meters in Shenyang, is our key investment in the PRC. The loss before income tax of this segment was HK$22.22 million for the nine months ended 30 September 2011 as compared with an operating loss of HK$27.67 million for the nine months ended 30 September 2010. Approximately 40% of the gross rental areas had been leased out and they contributed HK$4.88 million of leasing and management fee income to the Group's revenue for the nine months ended 30 September 2011. As with other shopping arcades under initial operations, the relatively low rental income was due to the rent-free period granted to tenants and lower turnover rentals received from tenants which were under the joint business leasing.

With regards to the Dadong District (大東區) property development project with a site area of 44,916 square meters, it is 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 30 September 2011, the Group paid approximately HK$156.76 million as deposit for the 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 is in progress.

For the 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$1,418 million and approximately HK$235.47 million had been 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 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. Phase two of 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 can be carried out.

The Group is involved in 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 infrastructure construction would be in the region of about RMB1 billion. The management believes that, with the continuous growth of the economy of Mainland China, the Cangzhou City (滄州市) project has an excellent investment potential.

LIQUIDITY AND FINANCIAL RESOURCES

During the nine months ended 30 September 2011, the Group's operation was financed by internal resources, banking facilities, and loans from shareholders and 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 30 September 2011, the net current assets of the Group were HK$117 million (31 December 2010: net current liabilities of HK$464 million).

As at 30 September 2011, the gearing ratio of the Group was **46%** (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$**1,022** million to the Group's equity of HK$**2,223** million. The increase is due to the additional financing from a related company and a shareholder during the period.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

The Group did not make any material acquisition or disposal during the nine months ended 30 September 2011.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES OR ANY RELATED HEDGES

During the nine months ended 30 September 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 30 September 2011, the Group pledged certain investment properties of a subsidiary to secure banking facilities and did not have any contingent liabilities.

PROSPECTS

China is to continue with its tightening policy in 2011 so as to dampen the country's over-heated property market. Property demand in China will remain strong and we expect to see only a slight adjustment in prices this year, if any.

To enhance our occupancy at ***Fortuna Plaza***, more marketing activities were held during the period and numbers of quality tenants were lured to open their retail shop at ***Fortuna Plaza***. We are confident that more rental areas will be leased out and higher rental income as well as cash inflows to the Group will be expected in the coming year accordingly.

For the new property development project in the Dadong District of Shenyang, the relocation of existing residents is expected to commence soon. Shenyang Government will be responsible for the relocation of those existing residents on the site. We plan to develop a complex comprising a commercial retail podium including entertainment and dinning with a gross floor area of 195,000 square meters, residential and apartment towers of approximately 254,000 square meters, and basement shopping mall and car parking of approximately 121,000 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***.

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 areas of approximately 1,000,000 square meters. The Shenyang Government will be responsible for the relocation of those existing residents on the site. The Group intends to create a landmark in Shenyang's third commercial center. The new development aspires to enhance the proposed Chang Jiang pedestrian shopping street (長江步行購物街), the third largest commercial center 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 for creating a new center point in the region and providing additional recreational facilities to its neighborhood.

In Hebei, our current land redevelopment projects comprise the Zhongjie (中捷) 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 (中捷) are at the final stage and we are confident that the project will start to bring in revenue to the Group in the near future. The Nandagang (南大港) project involves around 620,000 square meters (930 mu) of site area with the first phase of around 50,000 square meters (75 mu) which is 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 have been rising in the past two years.

On 23 May 2011, the Group entered into an agreement with the Local Authority for investing in an Urban Complex Development Project (the "Project") which includes the development of commercial, financial services, entertainment, office and residential areas in Huanghua New City (黃驊新城). The site covers a total area of about 457 mu and the total investment will be RMB1.6 billion. The site is situated in the northwest of Jinguang Lake (景觀湖) in the centre of Huanghua New City (黃驊新城). According to the master development plan of Huanghua New City (黃驊新城), major development for the site will include offices headquarters, mega shopping malls, entertainment business area and A-grade residential towers.

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 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 6,163,743,154 *(Note a)*	7,495,060,667	67.05%
Ng Yuk Yeung, Paul ("Paul Ng")	Beneficial owner		2,602,667	0.02%
Ng Yuk Fung, Peter ("Peter Ng")	Beneficial owner		1,666,667	0.01%

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)*	0.01%
Peter Ng	Beneficial owner	1,666,666 *(Note b)*	0.01%

Notes:

(a) The 6,163,743,154 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 65,104,000 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 65,104,000 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 2011 and 31 March 2011 is 3,333,333 and 1,666,666 share options respectively.

Save as disclosed above, as at 30 September 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 30 September 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)*	9.47%
Ng Lai King, Pamela ("Mrs. Ng")	Beneficial owner and interest of spouse	7,495,060,667 *(Note b)*	67.05%

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 who holds 967,923,774 shares of the Company beneficially, 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 6,163,743,154 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 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 as recorded in the register which was required to be kept by the Company under Section 336 of the SFO.

EMPLOYEES' SHARE AWARD SCHEME

On 18 March 2011, the Company formally adopted an employees' share award scheme (the "Scheme") for recognizing the contributions by certain employees of the Group, giving incentive to them in order to retain them for the continual operation and development of the Group and attracting suitable personnel for the development of the Group. Pursuant to the Scheme, a sum up to HK$20 million will be used within one year from the date of adoption of the Scheme for the purchase of shares of the Company and/or SCC (the "Shares") from market which will be held on trust by the trustee for the selected employees of the Group. The selected employees and the reference awarded sum for the purchase of Shares to be awarded shall be determined by the Board from time to time at its absolute discretion.

Unless terminated earlier by the Board or all awarded Shares have been vested, the Scheme shall be valid and effective for a term of 15 years commencing on the date of adoption.

As at 30 September 2011, 1,472,000 shares of the Company and 432,000 shares of SCC were granted to the Group's selected employees (without Directors) under the Scheme, and the above shares will be vested to the selected employees upon their completion of 18 months of services with the Group or on 31 December 2012, whichever is later.

As at 30 September 2011, 1,488,000 share of the Company and 488,000 shares of SCC were granted to the Group's selected employees (without Directors) under the Scheme, and the above shares will be vested to the selected employees upon their completion of 24 months of services with the Group or on 30 June 2013, whichever is later.

No awarded Shares have been lapsed or vested during the nine months ended 30 September 2011. The Company recognized a share award expense of HK$60,000 (2010: Nil) during the nine months ended 30 September 2011.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Mr. Ng, the Chairman and a controlling shareholder of the Company, is also the chairman of SCH and SCC. Mr. Ng, personally and through controlled corporations, has 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. Paul Ng, an Executive Director of the Company with certain interest in the Company, also has certain interest in SCC. Mr. Peter Ng, an Executive Director of the Company with certain interest in the Company, is also an executive director of SCH and SCC with 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 with 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. Paul Ng, 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 30 September 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 two Independent Non-executive Directors, namely Mr. Cheng Yuk Wo (Chairman of the Committee) and Ms. Pong Oi Lan, Scarlett, J.P. and a Non-executive Director, namely Dr. Lo Wing Yan, William, J.P..

The Group's unaudited results for the nine months ended 30 September 2011 were reviewed by the Audit Committee.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2011.

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

Hong Kong, 8 November 2011

As at the date of this report, the Board 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 and Dr. Lo Wing Yan, William, J.P as non-executive directors and (3) Mr. Cheng Yuk Wo and Ms. Pong Oi Lan, Scarlett, J.P. as independent non-executive directors.