THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares and/or warrants in South China Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

EXPIRY OF SUBSCRIPTION RIGHTS ATTACHING TO THE EXISTING 2003 WARRANTS

23 June 2003

SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:
Mr. Ng Hung Sang, Robert *(Chairman)*
Mr. Richard Howard Gorges
Ms. Cheung Choi Ngor, Christina
Mr. Yuen Kam Tim, Francis

Non-executive Director:
Mr. Tan Boon Seng

Independent Non-executive Directors:
Mr. David Michael Norman
Mr. David John Blackett

Registered Office:
P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

Head Office and Principal Place of Business in Hong Kong:
28th Floor
Bank of China Tower
1 Garden Road
Central, Hong Kong

23 June 2003

To the warrantholders and for information only, shareholders

Dear Sir or Madam,

EXPIRY OF SUBSCRIPTION RIGHTS ATTACHING TO THE EXISTING 2003 WARRANTS

The directors of South China Holdings Limited (the "Company") wish to remind holders of existing 2003 warrants ("Existing 2003 Warrants") carrying right to subscribe for shares of HK$0.025 each ("Shares") in the Company on or before Wednesday, 23 July 2003 at a subscription price of HK$0.42 per Share that the subscription rights attaching to the Existing 2003 Warrants will expire at the close of business on Wednesday, 23 July 2003 and thereafter any subscription rights will lapse and the Existing 2003 Warrants certificates will cease to be valid for any purpose.

Trading in the Existing 2003 Warrants on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will cease **after 4:00 p.m.** on **Friday, 18 July 2003** and the listing of the Existing 2003 Warrants will be withdrawn from the Stock Exchange at the close of business on **Wednesday, 23 July 2003**.

Registered holders of the Existing 2003 Warrants who wish to exercise the subscription rights attaching to their Existing 2003 Warrants are requested to lodge the certificates for their Existing 2003 Warrants with the subscription forms duly completed and signed, together with the relevant subscription monies, with the Company's share registrar, Standard Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong by no later than 4:00 p.m. on Wednesday, 23 July 2003.

Certificates or subscription forms or monies arriving after 4:00 p.m. on Wednesday, 23 July 2003 will not be regarded as valid and will not be accepted. The Shares to be issued on the exercise of the Existing 2003 Warrants will be allotted no later than 10 business days after relevant date of subscription and will rank pari passu in all respects with the existing issued Shares of the Company.

Persons who are not registered holders of the Existing 2003 Warrants and wish to exercise the subscription rights attaching to the Existing 2003 Warrants are requested to lodge the relevant certificates for the Existing 2003 Warrants, together with the duly executed and stamped instruments of transfer and/or other documents of title, the duly completed and signed subscription forms (which can be obtained from Standard Registrars Limited) and the relevant subscription monies with Standard Registrars Limited at the above address by no later than 4:00 p.m. on Wednesday, 23 July 2003.

The closing price of the Shares and of the Existing 2003 Warrants as quoted on the Stock Exchange on Friday, 20 June 2003 are HK$0.188 per Share and HK$0.013 per Existing 2003 Warrant respectively.

Application has been made for the Existing 2003 Warrants to be withdrawn from listing on the Stock Exchange with effect from the close of business on Wednesday, 23 July 2003.

Yours faithfully,
By Order of the Board
Yuen Kam Tim, Francis
Company Secretary