
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 in South China Brokerage Company Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SOUTH CHINA BROKERAGE COMPANY LIMITED
南華證券有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

PROPOSED CHANGE OF COMPANY NAME

A notice convening an extraordinary general meeting (the “EGM”) of South China Brokerage Company Limited to be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 13 February 2007 at 12:00 noon is set out on page 4 of this circular.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Union Registrars Limited at Room 1803 Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

18 January 2007



SOUTH CHINA BROKERAGE COMPANY LIMITED

南華證券有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

Executive Directors:

Mr. Ng Hung Sang (*Chairman*)
Mr. Richard Howard Gorges (*Vice-chairman*)
Ms. Cheung Choi Ngor (*Vice-chairman*)
Mr. Ng Chun Sang
Mr. Ng Yuk Yeung, Paul

Registered Office:

28th Floor
Bank of China Tower
1 Garden Road
Central
Hong Kong

Independent Non-executive Directors:

Ms. Wong Siu Yin, Elizabeth
Hon. Raymond Arthur William Sears, Q.C.
Mr. Tung Woon Cheung, Eric

18 January 2007

To the Shareholders

Dear Sir or Madam

PROPOSED CHANGE OF COMPANY NAME

PROPOSED CHANGE OF NAME OF THE COMPANY

On 10 January 2007, the board of directors (the “Board”) of South China Brokerage Company Limited (the “Company”) announced a proposal to change the name of the Company from “South China Brokerage Company Limited 南華證券有限公司” to “South China Financial Holdings Limited 南華金融控股有限公司”. The change of name of the Company shall become effective after the approval by the shareholders of the Company (the “Shareholders”) by way of a special resolution at an extraordinary general meeting of the Company to be convened and held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 13 February 2007 at 12:00 noon (the “EGM”) and the issuance of a certificate of incorporation on change of name by the Registrar of Companies in Hong Kong.

REASON FOR THE CHANGE OF NAME

The Company and its subsidiaries (the “Group”) have been engaged in the business of securities, bullion and commodities broking and trading, margin financing, money lending, provision of corporate advisory and underwriting services. The Board proposes to change the name of the Company from

LETTER FROM THE BOARD

“South China Brokerage Company Limited 南華證券有限公司” to “South China Financial Holdings Limited 南華金融控股有限公司” in order to reflect more closely the diversified range of financial services in which the Group is now involved.

SHARE CERTIFICATES

The share certificates bearing the Company’s existing name will continue to be evidence of title and valid for trading, settlement, registration and delivery purposes. There will not be any arrangements for free exchange of existing share certificates for new share certificates under the new name of the Company.

However, only new share certificates of the Company will be issued under the new name of the Company after the change of its name has become effective. A further announcement will be made once the change of name of the Company becomes effective.

The right of the Shareholders will not be affected by the change of name of the Company.

EXTRAORDINARY GENERAL MEETING

The EGM will be held to approve the proposed change of name of the Company. A notice convening the EGM is set out on page 4 of this circular.

There is enclosed with this circular a proxy form for use at the EGM. Whether or not you intend to attend the EGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Union Registrars Limited at Room 1803 Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. In the event that a shareholder having lodged a proxy form attends the EGM, his proxy form will be deemed to have been revoked.

RIGHT TO DEMAND A POLL

Pursuant to the articles of association of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hand unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (a) the chairman of the meeting; or
- (b) by at least five members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person or by proxy and representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting; or

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- (d) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATION

The directors of the Company consider that the change of the Company's name is in the interests of the Company and its shareholders as a whole, and therefore recommend the shareholders of the Company to vote in favour of the resolution to approve the change of the Company's name at the EGM.

Yours faithfully
On behalf of the Board
Cheung Choi Ngor
Vice-chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



SOUTH CHINA BROKERAGE COMPANY LIMITED 南華證券有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of South China Brokerage Company Limited (the “Company”) will be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 13 February 2007 at 12:00 noon for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution which will be proposed as special resolution:

SPECIAL RESOLUTION

“**THAT** subject to the approval of the Registrar of Companies in Hong Kong, the name of the Company be changed to “South China Financial Holdings Limited 南華金融控股有限公司” is hereby approved and any director of the Company be and is hereby authorised to do such act and execute such document to effect the change of name of the Company.”

By order of the Board
Sun Kwing Sum
Company Secretary

Hong Kong, 18 January 2007

Notes:

1. A member of the Company entitled to attend and vote at the meeting by the above notice is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must be deposited at the Company’s share registrar, Union Registrars Limited at Room 1803 Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting or any adjourned meeting thereof should he so wishes.
3. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.