



SOUTH CHINA RESOURCES, INC.

3/F Low Rise Pacific Star Bldg., Sen. Gil Puyat Ave. cor. Makati Ave., Makati City
Metro Manila, Philippines

May 24, 2011

The Disclosure Department

3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Ave.
Makati City, Philippines 1226

Attention: **Ms. JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen:

Please be informed that the Board of Directors of the registrant, at its meeting just adjourned, approved the amendments to the Company's By-Laws, in order to make the same compliant with the Corporate Governance Guidelines for Companies Listed on the Philippine Stock Exchange and the Revised Code of Corporate Governance of the Securities and Exchange Commission. Among the changes made are the following:

- a. Amending the provision on the sending out of notices for regular and special meetings of stockholders;
- b. Amending the provision on the closing of transfer books and fixing of record date;
- c. Adding a provision on independent directors, which shall compose at least thirty percent (30%) of the Board of Directors;
- d. Adding a provision detailing the guidelines in the determination of the number of directorships which may be simultaneously held by directors;
- e. Adding a provision specifying the duties and responsibilities of directors;
- f. Amending the provision on the conduct of regular meetings of the Board of Directors, in order to allow the conduct thereof via teleconferencing or videoconferencing;

- g. Amending the provisions detailing the functions of the President, Chairman, and Chief Executive Officer, in order to clarify and properly delineate the same;
- h. Adding a provision requiring the appointment of a Compliance Officer;
- i. Adding an article providing for the creation of the following committees: Executive Committee, Audit Committee, and Nomination and Remuneration Committee; and
- j. Amendment of the provision on the external auditor, requiring the proper recording of the reason/s and date/s of the resignation, dismissal, or cessation from service of the external auditor.

The Board of Directors also approved the agreement with International Pipe Industries Corporation, a related party, for the acquisition of raw materials which shall be processed into steel products. The agreement shall entail an investment of, at most, Fifty Million Pesos (P50,000,000.00).

Yours faithfully,



DAVID R. BALADAD
Corporate Information Officer/
VP – Operations