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If you have sold or transferred all your shares in China South City Holdings Limited (the “Company”), you should at once hand this circular, together with the accompanying form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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China South City Holdings Limited
華南城控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 1668)

GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES;
REFRESHMENT OF THE OPTION SCHEME LIMIT;
RE-ELECTION OF DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of China South City Holdings Limited to be held at The Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Wednesday, 21 August 2013 at 2:30 p.m. is set out on pages 20 to 24 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 2 clear days before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish and in such event, the form of proxy will be deemed to be revoked.

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“AGM”	the annual general meeting of the Company to be held at The Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Wednesday, 21 August 2013 at 2:30 p.m.
“AGM Notice”	the notice convening the AGM as set out on pages 20 to 24 of this circular
“Articles”	the new articles of association of the Company
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	China South City Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares are listed on the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Convertible Notes”	the 6.5% convertible notes due in April 2018 issued by the Company in April 2013
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to allot and issue the Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution to grant such mandate

DEFINITIONS

“Latest Practicable Date”	15 July 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participant”	any individual being a director, employee, officer, agent, consultant or representative of the Company or any subsidiary of the Company who satisfies the criteria set out in the Share Option Scheme
“Repurchase Mandate”	a general and unconditional mandate to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution to grant such mandate
“Option Scheme Limit”	the limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme of the Company, being 10% of the Company’s issued share capital as at the date of commencement of the listing of the Shares on the Stock Exchange on 30 September 2009, which may be “refreshed” pursuant to the rules of the Share Option Scheme but shall not exceed 10% of the Shares in issued as at the date of approval of the proposed refreshment by the Shareholders
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme currently in force and adopted by the Company on 4 September 2009

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent



China South City Holdings Limited
華南城控股有限公司

(incorporated in Hong Kong with limited liability)
(Stock Code: 1668)

Board of Directors

Executive Directors

Mr. Cheng Chung Hing (*Co-Chairman*)
Mr. Leung Moon Lam (*Chief Executive Officer*)
Professor Xu Yang

Non-executive Directors

Dr. Ma Kai Cheung *SBS, BBS (Co-Chairman)*
Mr. Sun Kai Lit Cliff *BBS, JP*
Dr. Ma Wai Mo
Mr. Cheng Tai Po

Independent Non-executive Directors

Mr. Leung Kwan Yuen Andrew *GBS, SBS, JP*
Mr. Li Wai Keung
Mr. Hui Chiu Chung Stephen *JP*
Mr. Yung Wing Ki Samuel *SBS, MH, JP*

Registered Office

Room 2205, Sun Life Tower
The Gateway
15 Canton Road
Tsimshatsui
Kowloon
Hong Kong

23 July 2013

To the Shareholders

Dear Sir or Madam,

GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES;
REFRESHMENT OF THE OPTION SCHEME LIMIT;
RE-ELECTION OF DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM. These resolutions include, among other things, (i) the granting to

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the Directors the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate to include Shares repurchased pursuant to the Repurchase Mandate; (ii) the refreshment of the Option Scheme Limit; and (iii) the re-election of retiring Directors in accordance with the Articles. The resolutions to be proposed at the AGM for Shareholders' approval are set out in the AGM Notice as contained in this circular.

2. GENERAL MANDATES

At the last annual general meeting of the Company held on 21 August 2012, ordinary resolutions were passed to grant the Directors general and unconditional mandates to allot, issue and otherwise deal with the Shares of up to a maximum of 20% of the issued share capital of the Company as at 21 August 2012 and to repurchase the Shares of up to a maximum of 10% of the issued share capital of the Company as at 21 August 2012 respectively and to extend the general mandate to allot and issue Shares to include Shares repurchased under the general mandate to repurchase Shares. These general mandates will lapse at the conclusion of the AGM, unless renewed at the AGM. It is therefore proposed to renew these general mandates at the AGM.

(a) Issue Mandate

At the AGM, an ordinary resolution set out in resolution no. 5 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, granting the Directors a new general and unconditional mandate to allot and issue Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution. As at the Latest Practicable Date, the total number of Shares in issue was 6,090,864,000. Subject to the passing of the proposed resolution, the maximum number of new Shares to be issued under the Issue Mandate will be 1,218,172,800 Shares (assuming that there will be no further Shares issued or repurchased prior to the AGM).

Subject to the passing of the Issue Mandate and the Repurchase Mandate, an ordinary resolution set out in resolution no. 7 of the AGM Notice will be proposed to extend the Issue Mandate to increase the limit of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate.

(b) Repurchase Mandate

At the AGM, an ordinary resolution set out in resolution no. 6 of the AGM Notice will be proposed to the Shareholders to consider, and if thought fit, granting the Directors a new general and unconditional mandate to exercise all powers of the Company to repurchase, subject to the criteria set out in the circular, Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution.

An explanatory statement containing relevant information relating to the Repurchase Mandate as required by the Listing Rules to be sent to the Shareholders is set out in the Appendix I to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate at the AGM.

LETTER FROM THE BOARD

3. REFRESHMENT OF THE OPTION SCHEME LIMIT

The Company's existing Share Option Scheme was adopted by the Company on 4 September 2009 and was effective on 30 September 2009, the date on which the Shares listed on the Stock Exchange. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years commencing on the date of commencement of the listing of the Shares, that is, 30 September 2009. The Option Scheme Limit under the existing Share Option Scheme was 600,000,000 Shares, representing 10% of the Shares in issue as at the date on which the Shares listed on the Stock Exchange. The movements of the share options granted under the existing Share Option Scheme are as follows:

	Number of share options
Existing Option Scheme Limit	600,000,000
Options granted pursuant to the Share Option Scheme since its adoption	536,070,000
Options lapsed in accordance with the rules of the Share Option Scheme	54,200,000
Options cancelled in accordance with the rules of the Share Option Scheme	<u>0</u>
Unused limit as at the Latest Practicable Date	<u><u>118,130,000</u></u>

Given that 80.31% of the existing Option Scheme Limit has been utilized as at the Latest Practicable Date, the Board proposes that the Option Scheme Limit be refreshed so that the Share Option Scheme can serve its purpose of giving incentives to Participants for their contribution to the Group. Based on the issued share capital of 6,090,864,000 Shares as at the Latest Practicable Date, the number of Shares under the Option Scheme Limit to be refreshed will be 609,086,400 Shares (assuming that there will be no further Shares issued or repurchased prior to the AGM), being 10% of the issued share capital of the Company as at the Latest Practicable Date. The Option Scheme Limit has not been refreshed since the adoption of the Share Option Scheme on 4 September 2009.

Pursuant to the terms of the Share Option Scheme and the Listing Rules, the Option Scheme Limit shall not in any event result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company exceeding 30% of the Shares in issue from time to time. As at the Latest Practicable Date, taking into account that the number of options exercised since the adoption of the Share Option Scheme is 37,300,000 Shares, the total outstanding number of Shares which may fall to be issued upon the exercise of those granted and yet to be exercised since the adoption of the Share Option Scheme was 444,570,000 Shares, representing approximately 7.29% of the issued Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

The refreshment of the Option Scheme Limit is conditional on:

- (i) The Shareholders passing an ordinary resolution which is set out in resolution no. 8 of the AGM notice at the AGM to approve the proposed refreshment of the Option Scheme Limit; and
- (ii) The Listing Committee granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the options to be granted under the refreshed Option Scheme Limit.

Application will be made to the Listing Committee for the listing of, and permission to deal in, any Shares to be issued upon exercise of the options to be granted under the refreshed Option Scheme Limit.

4. RE-ELECTION OF RETIRING DIRECTORS

According to the Articles, each of (i) Mr. Cheng Chung Hing as executive Director; (ii) Professor Xu Yang as executive Director; (iii) Dr. Ma Wai Mo as non-executive Director; (iv) Mr. Li Wai Keung as independent non-executive Director and (v) Mr. Yung Wing Ki Samuel as independent non-executive Director shall hold office until the AGM and, being eligible, will offer themselves for re-election at the AGM. At the AGM, ordinary resolutions set out in resolution no. 3 of the AGM notice will be proposed to re-elect (i) Mr. Cheng Chung Hing as executive Director; (ii) Professor Xu Yang as executive Director; (iii) Dr. Ma Wai Mo as non-executive Director; (iv) Mr. Li Wai Keung as independent non-executive Director and (v) Mr. Yung Wing Ki Samuel as independent non-executive Director.

Biographical details of the retiring Directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

5. ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 20 to 24 of this circular to consider the resolutions relating to, inter-alia, the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, refreshment of the Option Scheme Limit and the re-election of the retiring Directors.

A form of proxy at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 2 clear days before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjournment thereof if you wish and in such event, the form of proxy will be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting will be taken by poll. The poll results will be announced in the manners prescribed under Rule 2.07C and 13.39(5) of the Listing Rules.

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6. RECOMMENDATION

The Directors consider that the proposed granting to the Directors of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the refreshment of the Option Scheme Limit and the re-election of the retiring Directors are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favor of the relevant resolutions as set out in the AGM Notice.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirmed that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
China South City Holdings Limited
Cheng Chung Hing
Co-Chairman & Executive Director

This appendix serves an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration in respect of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the Company has a total of 6,090,864,000 Shares in issue and a total of 444,570,000 share options carrying the rights to subscribe for up to 444,570,000 Shares had remained outstanding. The Company has also issued Convertible Notes, which is outstanding as at the Latest Practicable Date, carrying the rights to convert up to 625,000,000 Shares based on the initial conversion price. If the share options are exercised in full and if the Convertible Notes are converted in full, prior to the date of passing of the resolution in respect of the Repurchase Mandate, a further 444,570,000 Shares and 625,000,000 Shares, respectively, will be in issue. Subject to the passing of the relevant resolution(s) as set out in the AGM Notice and assuming that no further Shares are issued or repurchased by the Company, no share options are exercised by the grantees and no Convertible Notes are converted, the Directors will be authorized to repurchase up to 609,086,400 Shares (being 10% of the issued share capital of the Company as at the date of the AGM) pursuant to the Repurchase Mandate during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or (iii) the revocation and variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting. Assuming that rights attached to all outstanding share options and all outstanding Convertible Notes are exercised or converted (as the case may be) in full on or before the date of passing of the resolution in respect of the Repurchase Mandate and assuming no further Shares are issued or repurchased by the Company, the total number of Shares in issue will be 7,160,434,000 and the Directors will be authorized to purchase up to 716,043,400 Shares.

2. REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purposes in accordance with the Articles and the Companies Ordinance (Chapter 32). The Companies Ordinance (Chapter 32) provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase to such extent allowable under the Companies Ordinance (Chapter 32).

4. IMPACT OF REPURCHASES

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the fiscal year ended 31 March 2013) in the event of the Repurchase Mandate were to be carried out in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have material adverse impact on the working capital requirements of the Company or the gearing levels which, in the opinion of the Board, are from time to time appropriate for the Company.

5. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have traded on the Stock Exchange for the last 12 months to the Latest Practicable Date:

	Share Prices Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2012		
August	1.21	1.06
September	1.13	1.05
October	1.28	1.08
November	1.28	1.17
December	1.25	1.14
2013		
January	1.27	1.17
February	1.45	1.21
March	1.34	1.20
April	1.35	1.18
May	1.84	1.33
June	1.82	1.53
July (<i>up to the Latest Practicable Date</i>)	1.83	1.66

6. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong in the event that it is granted by the Shareholders of the AGM.

The Company has not been notified by any connected person that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

7. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of securities, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of such increase, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Accurate Gain Developments Limited and Proficient Success Limited are the substantial shareholders of the Company and collectively hold 2,367,180,976 Shares. Mr. Cheng Chung Hing and Mr. Cheng Tai Po (both are the Directors) collectively hold 100% interests in Accurate Gain Developments Limited and Proficient Success Limited. Including the personal interests of Mr. Cheng Chung Hing and Mr. Cheng Tai Po in the Company, they will be deemed to be interested in an aggregate of 2,448,116,976 Shares, representing 40.19% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate and if there is no other change in the issued share capital of the Company, their collective shareholdings in the Company will be increased to approximately 44.65% of the issued share capital of the Company. Such increase may give rise to the respective parties to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences of any purchases made under the Repurchase Mandate which may arise under the Takeovers Code. The Directors do not intend to exercise the Repurchase Mandate to such an extent that the Company cannot satisfy its minimum requirement for public float under the Listing Rules.

8. SHARE REPURCHASE BY THE COMPANY

The Company had not repurchased any Shares during the six months preceding the Latest Practicable Date.

The biographical details of the five retiring Directors proposed to be re-elected at the AGM are set out as follows:

EXECUTIVE DIRECTORS

Mr. CHENG Chung Hing, aged 52, is our Co-Chairman and an executive Director. He is a co-founder of our Group and has been appointed as a Director since 2 August 2002. He is primarily responsible for formulating the overall strategies and assessing the performance of the Group as well as providing leadership for the Board. He has more than 30 years of management experience in the manufacturing, wholesale and distribution businesses. Mr. Cheng has been awarded the “Young Industrialist Awards of Hong Kong 1997” from the Federation of Hong Kong Industries, the Distinguished International Entrepreneur of the Year Award 1997 from San Francisco State University and the Chinese Outstanding Entrepreneur Award 2008 from the China Enterprise Confederation and the China Enterprise Directors Association. Mr. Cheng is the vice chairman of the China Chamber of International Commerce, a standing member of the Guangxi Zhuang Autonomous Region Committee of the Chinese People’s Political Consultative Conference and a member of the 3rd, the 4th and the 5th Shenzhen Committee of the Chinese People’s Political Consultative Conference. Mr. Cheng is also presently the foundation honorary chairman of Gem and Jewelry Committee of China General Chamber of Commerce, a standing member of the China Enterprise Confederation and the China Enterprise Directors Association, vice president of the China Federation of Logistics and Purchasing, vice president of the Guangxi Zhuang Autonomous Region Federation of Industry and Commerce, vice president of the Guangxi Overseas Friendship Association, vice president of the China Chamber of International Commerce Shenzhen, chairman of the Shenzhen Logistics and Supply Chain Management Association, vice chairman of the Federation of Shenzhen Industries, honorary life president of the Hong Kong Gemstone Manufacturers’ Association Limited, honorary chairman of Zhejiang Pearl Trade Association and member of the Shenzhen Overseas Friendship Association. Mr. Cheng is also the chairman of Man Sang International Limited, a company listed on the Main Board of the Stock Exchange (stock code: 938) and the director of China Metro-Rural Holdings Limited (formerly known as Man Sang International (B.V.I.) Limited), a company listed on the NYSE MKT (ticker symbol: CNR). Mr. Cheng is a younger brother of Mr. Cheng Tai Po, a non-executive Director.

Save as disclosed herein, Mr. Cheng did not hold any other directorship in the past 3 years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Save as disclosed above, Mr. Cheng does not have any relationship with other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Mr. Cheng has entered into a service contract with the Company for a specific term of 3 years. The contract may be terminated by either party for not less than 1 month's notice in writing served on the other party. Currently, he is entitled to a basic salary of HK\$5,800,000 subject to annual review by the remuneration committee and the Board at the end of each financial year of the Company. In addition, he is entitled to a performance bonus of an amount equal to 1% of the audited consolidated net profit after taxation and non-controlling interests but before non-operating items of the financial year. Without prejudice to the foregoing, Mr. Cheng is entitled to a discretionary bonus of an amount to be determined by the Board or the remuneration committee in an absolute discretion. The maximum aggregate amount of all bonuses payable to all the executive Directors (including the said performance bonus and the discretionary bonus) in any financial year of the Company shall not be more than 3% of the audited consolidated net profit after taxation and non-controlling interests but before non-operating items of the relevant financial year. In addition, subject to the determination by the remuneration committee or the Board, Mr. Cheng may also participate in the Company's Share Option Scheme in accordance with the terms and conditions of such scheme.

For the year ended 31 March 2013, Mr. Cheng received the Directors' emoluments in the total sum of HK\$24,141,000. The remuneration is determined in accordance with the Company's policy on Directors' remuneration and with reference to comparable market conditions.

As at the Latest Practicable Date, Mr. Cheng has the following interests in the Company within the meaning of Part XV of the SFO:

Class of Shares	Number of Shares held under corporate interest	Number of Shares held under personal/family interest	Number of underlying Shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
Ordinary shares/ share options	2,367,180,976 ⁽¹⁾	76,000,000	–	2,443,180,976	40.11%

⁽¹⁾ Mr. Cheng Chung Hing owns 50% and 58.70% of the respective issued share capital of Accurate Gain Developments Limited and Proficient Success Limited which in turn holds 1,339,913,759 and 1,027,267,217 Shares respectively and is therefore deemed to be interested in an aggregate of 2,367,180,976 Shares. Mr. Cheng is a director of each of Accurate Gain Developments Limited and Proficient Success Limited. Mr. Cheng Chung Hing is a younger brother of Mr. Cheng Tai Po.

Save as disclosed above, Mr. Cheng did not have any other interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other information that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of the Rule 13.51(2) of the Listing Rules.

Professor XU Yang, aged 74, is an executive Director. Professor Xu joined our Group as a senior consultant in September 2002, and was appointed as a Director since 4 February 2008. He is primarily responsible for the general development direction, operational strategy, market promotion, and governmental relations of the Group. Professor Xu has over 23 years of experience in capital operations management, focusing on optimizing allocation and managing the use of capital in business operations. From 1992 to 2000, Professor Xu was the chairman of Shenzhen Investment Limited (previously known as Shum Yip Investment Limited, which is listed on the Main Board of the Stock Exchange, stock code: 604). He was the vice chairman of the 2nd Shenzhen Committee of the Chinese People's Political Consultative Conference, deputy chief secretary of the Shenzhen Municipal Government and director of the Shenzhen Economic Development Bureau. Professor Xu is currently the permanent honorary chairman of the Federation of Shenzhen Industries, honorary chairman of Shenzhen Enterprise Confederation and Shenzhen Entrepreneur Association and deputy chairman of China National Industrial and Economic Association. Professor Xu graduated from Harbin Institute of Technology in 1964. He completed the Stanford executive program at Stanford University in 1988. He also holds the qualification of senior engineer.

Save as disclosed herein, Professor Xu did not hold any other directorship in the past 3 years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Save as disclosed above, Professor Xu does not have any relationship with other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Professor Xu has entered into a service contract with the Company for a specific term of 3 years. The contract may be terminated by either party for not less than 1 month's notice in writing served on the other party. Currently, he is entitled to a basic salary of HK\$2,500,000 subject to annual review by the remuneration committee and the Board at the end of each financial year of the Company. Professor Xu is entitled to a discretionary bonus of an amount to be determined by the Board or the remuneration committee in an absolute discretion. The maximum aggregate amount of all bonuses payable to all the executive Directors (including the said performance bonus and the discretionary bonus) in any financial year of the Company shall not be more than 3% of the audited consolidated net profit after taxation and non-controlling interests but before non-operating items of the relevant financial year. In addition, subject to the determination by the remuneration committee or the Board, Professor Xu may also participate in the Company's Share Option Scheme in accordance with the terms and conditions of such scheme.

For the year ended 31 March 2013, Professor Xu received the Directors' emoluments in the total sum of HK\$4,722,000. The remuneration is determined in accordance with the Company's policy on Directors' remuneration and with reference to comparable market conditions.

As at the Latest Practicable Date, Professor Xu has the following interests in the Company within the meaning of Part XV of the SFO:

Class of Shares	Number of Shares held under corporate interest	Number of Shares held under personal/family interest	Number of Shares held under equity derivatives	Total	Approximate
					percentage of the Company's total issued share capital
Ordinary shares/ share options	–	–	35,000,000 ⁽¹⁾	35,000,000	0.57%

⁽¹⁾ The relevant interests are share options granted to Professor Xu Yang pursuant to the Company's Share Option Scheme adopted on 4 September 2009.

Save as disclosed above, Professor Xu did not have any other interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV or the SFO.

Save as disclosed above, the Board is not aware of any other information that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of the Rule 13.51 (2) of the Listing Rules.

NON-EXECUTIVE DIRECTOR

Dr. MA Wai Mo, aged 69, is a non-executive Director. He is a co-founder of our Group and has been appointed as a Director of the Company since 2 August 2002. He is primarily responsible for advising on the formulation of the Group's general business models, development strategies and major issues. He has more than 34 years of management experience in the printing and packaging, manufacturing, wholesale and distribution businesses. Dr. Ma was a member of the 3rd and the 4th Shenzhen Committee of the Chinese People's Political Consultative Conference, the chairman of the 13th, 14th, 16th and 17th Hong Kong Corrugated Paper Manufacturers' Association. Currently, he is a member of the Committee of Foreign and Overseas Chinese Affairs, the Standing Committee of Shenzhen Municipal People's Congress, the honorary chairman of the 2nd and 3rd Chaoyang District Shantou City Committee of the Chinese People's Political Consultative Conference, the vice chairman of the 7th general committee of the China Packaging Federation, the honorary chairman of the 7th and 8th Shenzhen Packaging Association, the vice president of the 7th and the 8th Guangdong

Printing Association, the executive vice president of the Guangdong Overseas Chinese Enterprises Association, the honorary founding president and the executive vice president of Shenzhen Overseas Chinese International Association, and the chairman of the Shenzhen Graphic Society and Shenzhen Longgang Cultural Industry Association. Dr. Ma is also the chairman of Luk Ka International Limited, a wholly owned subsidiary of Luk Ka Overseas Investments Limited. Dr. Ma was awarded the World's Outstanding Chinese in 2005 and received an honorary doctor of science degree from Armstrong University in 2005. Dr. Ma Kai Cheung and Dr. Ma Wai Mo are investors in China East City in Lianyungang, a property located in Jiangsu Province in China. Subsequently, Dr. Ma Wai Mo has disposed all the shares in China East City in April 2013 and resigned the directorship in May 2013.

Save as disclosed herein, Dr. Ma did not hold any other directorship in the past 3 years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Save as disclosed above, Dr. Ma does not have any relationship with other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Dr. Ma has entered into a letter of appointment with the Company for a specific term of 3 years. The appointment may be terminated by either party for not less than 1 month's notice in writing served on the other party. Currently, Dr. Ma is entitled to a director's remuneration of HK\$680,000 per annum, subject to annual review by the remuneration committee and the Board at the end of each financial year of the Company.

For the year ended 31 March 2013, Dr. Ma received the Directors' emoluments in the total sum of HK\$600,000. The remuneration is determined in accordance with the Company's policy on Directors' remuneration and with reference to comparable market conditions.

As at the Latest Practicable Date, Dr. Ma has the following interests in the Company within the meaning of Part XV of the SFO:

Class of Shares	Number of Shares held under corporate interest	Number of Shares held under personal/family interest	Number of underlying Shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
Ordinary shares/ share options	226,197,662 ⁽¹⁾	–	–	226,197,662	3.71%

⁽¹⁾ By virtue of Dr. Ma Wai Mo's 50% shareholding interests in Luk Ka Overseas Investments Limited which is interested in 100% interests in Luk Ka International Limited, Dr. Ma is deemed to be interested and duplicate in the interest in the same 226,197,662 Shares held by Luk Ka International Limited.

Save as disclosed above, Dr. Ma did not have any other interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other information that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of the Rule 13.51 (2) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LI Wai Keung, aged 56, has been appointed as an independent non-executive Director since 4 September 2009. Mr. Li has more than 35 years of experience in financial management. Mr. Li graduated from the Hong Kong Polytechnic University and holds a master degree in business administration from the University of East Asia, Macau, currently known as the University of Macau. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Li is the executive director and chief financial officer of GDH Limited, executive director of Kingway Brewery Holdings Limited (“Kingway”), non-executive director of Guangdong Investment Limited (“GDI”) and an independent non-executive director of Shenzhen Investment Limited (“SZ Investment”) and Hans Energy Company Limited (“Hans”). Kingway, GDI, SZ Investment and Hans are companies listed on the Main Board of the Stock Exchange (stock codes: 124, 270, 604 and 554 respectively). He is a director of Shenzhen City Airport (Group) Company Limited, a member of the Council of the Hong Kong Chinese Orchestra Limited, and serves as the vice chairman of the Financial and Accounting Affairs Steering Committee of the Hong Kong Chinese Enterprises Association. Mr. Li was also an independent non-executive director of Hong Long Holdings Limited (stock code: 1383) until May 27, 2011.

Save as disclosed herein, Mr. Li did not hold any other directorship in the past 3 years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Save as disclosed above, Mr. Li does not have any relationship with other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Mr. Li has entered into a letter of appointment with the Company for a specific term of 3 years. The appointment may be terminated by either party for not less than 1 month’s notice in writing served on the other party. Currently, Mr. Li is entitled to a director’s remuneration of HK\$380,000 per annum, subject to annual review by the remuneration committee and the Board at the end of each financial year of the Company.

For the year ended 31 March 2013, Mr. Li received the Directors’ emoluments in the total sum of HK\$300,000. The remuneration is determined in accordance with the Company’s policy on Directors’ remuneration and with reference to comparable market conditions.

As at the Latest Practicable Date, Mr. Li has the following interests in the Company within the meaning of Part XV of the SFO:

Class of Shares	Number of Shares held under corporate interest	Number of Shares held under personal/family interest	Number of underlying Shares held under equity derivatives	Approximate percentage of the Company's total issued share capital	
				Total	
Ordinary shares/ share options	–	5,300,000	–	5,300,000	0.08%

Save as disclosed above, Mr. Li did not have any other interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other information that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of the Rule 13.51(2) of the Listing Rules.

Mr. YUNG Wing Ki Samuel, SBS, MH, JP, aged 55, has been appointed as an independent non-executive Director since 1 March 2013. Mr. Yung has over 30 years of experience in insurance sector. He was awarded an EMBA from the Hong Kong University of Science and Technology and has attained certain professional qualifications, including Certified Financial Planner, Registered Financial Consultant, fellow Chartered Financial Practitioner, Certified Manager of Financial Advisor and Chartered Insurance Agency Manager. Mr. Yung is currently an executive district director of AIA International Limited and an independent non-executive director of Group Sense (International) Limited, a company the shares of which are listed on the Main Board of the Stock Exchange (stock code: 601). Mr. Yung is also presently a member of the National Committee of the Chinese People's Political Consultative Conference, the founding president of Hong Kong Professionals and Senior Executives Association, chairman of Betting and Lotteries Commission and the chairman or committee member of several Government committees and non-governmental organizations.

Mr. Yung was elected the "Ten Outstanding Young Persons Award" in 1994. He was also a Municipal Commission Standing member of Chinese People's Political Consultative Conference of Jilin, Standing Committee member of All-China Youth Federation, member of Commission on Strategic Development of the HKSAR, member of Central Policy Unit, chairman of Hong Kong United Youth Association, chairman of The Outstanding Young Persons' Association, director & chairman of International Committee of General Agents & Managers Association International, co-chairman of the Asia Pacific Financial Services Association and president of The Life Underwriters Association of Hong Kong and president of General Agents and Managers Association of Hong Kong.

Save as disclosed herein, Mr. Yung did not hold any other directorship in the past 3 years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Save as disclosed above, Mr. Yung does not have any relationship with other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Mr. Yung has entered into a letter of appointment with the Company for a specific term of 3 years. The appointment may be terminated by either party for not less than 1 month's notice in writing served on the other party. Currently, Mr. Yung is entitled to a director's remuneration of HK\$380,000 per annum, subject to annual review by the remuneration committee and the Board at the end of each financial year of the Company.

For the year ended 31 March 2013, Mr. Yung received the Directors' emoluments in the total sum of HK\$25,000. The remuneration is determined in accordance with the Company's policy on Directors' remuneration and with reference to comparable market conditions.

As at the Latest Practicable Date, Mr. Yung did not have any other interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other information that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of the Rule 13.51(2) of the Listing Rules.



China South City Holdings Limited
華南城控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 1668)

NOTICE IS HEREBY GIVEN that an annual general meeting of China South City Holdings Limited (the “Company”) will be held at The Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Wednesday, 21 August 2013 at 2:30 p.m. for the following purposes:

As ordinary business,

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “Directors”) and independent auditors of the Company (the “Auditors”) for the year ended 31 March 2013.
2. To declare a final dividend of HK10.0 cents per share for the year ended 31 March 2013.
3. To re-elect the following retiring Directors and to authorize the board of Directors (the “Board”) to fix the remuneration of the Directors:
 - (a) Mr. Cheng Chung Hing as executive Director.
 - (b) Professor Xu Yang as executive Director.
 - (c) Dr. Ma Wai Mo as non-executive Director.
 - (d) Mr. Li Wai Keung as independent non-executive Director.
 - (e) Mr. Yung Wing Ki Samuel as independent non-executive Director.
4. To re-appoint Messrs. Ernst & Young as Auditors and to authorize the Board to fix their remuneration.

As a special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions.

NOTICE OF ANNUAL GENERAL MEETING

ORDINARY RESOLUTIONS

5. “THAT:

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of the Company and to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary shares of the Company allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution), (ii) the exercise of the subscription or conversion rights attaching to any warrants, preference shares, convertible bonds or other securities issued by the Company which are convertible into ordinary shares of the Company, (iii) the exercise of options granted by the Company under any share option agreements and/or share option scheme or similar arrangement for the time being adopted for the grant to Directors, employees, officers, agents, consultants and/or representatives of the Company and/or any of its subsidiaries and/or other eligible person (if any) of rights to acquire the ordinary shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of the ordinary shares of the Company in lieu of the whole or part of a dividend on the ordinary shares in accordance with the new articles of association of the Company (the “Articles of Association”), shall not exceed 20% of the aggregate nominal amount of the shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; or
 - (iii) the revocation and variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company (“Shareholders”) in general meeting, and

“Rights Issue” means an offer of ordinary shares open for a period fixed by the Company (or by the Directors) to holders of ordinary shares on the Register of Members (ordinary shares) of the Company on a fixed record date in proportion to their then holdings of such ordinary shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any authorized regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the ordinary shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the ordinary shares of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirement of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the ordinary shares of the Company to be authorized to repurchase by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.”
7. “**THAT** conditional upon the passing of resolutions no. 5 and no. 6 set out in the notice convening this meeting, the aggregate nominal amount of the number of ordinary shares which are repurchased by the Company under the authority granted to the Directors as mentioned in the said resolution no. 6 shall be added to the aggregate nominal amount of share capital that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to the approval in the said resolution no. 5.”
8. “**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange the listing of, and permission to deal in, the ordinary shares of HK\$0.01 each in the capital of the Company (the “Shares”) which may be issued pursuant to the exercise of option to be granted under the refreshed share option scheme limit (the “Option Scheme Limit”) under the share option scheme (the “Share Option Scheme”) of the Company adopted on 4 September 2009, which entitles the Directors to grant options after the listing of Shares on the Stock Exchange, in the manner as set out in the paragraph (a) of this resolution,
- (a) the refreshment of the Option Scheme Limit of up to 10% of the Shares in issue (excluding options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) as at the date of passing of this resolution be and is hereby approved; and
 - (b) the Directors be and are hereby authorized to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

For and on behalf of the Board
China South City Holdings Limited
Cheng Chung Hing
Co-Chairman & Executive Director

Hong Kong, 23 July 2013

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) The register of members of the Company will be closed from Wednesday, 28 August 2013 to Thursday, 29 August 2013, both days inclusive, during which period no transfer of shares of the Company will be effected. The ex-dividend date will be on Monday, 26 August 2013. In order to qualify for the proposed final dividend, all properly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 27 August 2013. The proposed final dividend will be distributed on or about Wednesday, 11 September 2013 to Shareholders of the Company whose names appear on the register of members on Thursday, 29 August 2013.
- (2) A member entitled to attend and vote at the above meeting convened by the above notice, is entitled to appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
- (3) A form of proxy for the meeting is enclosed. The form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 2 clear days before the time for holding meeting or adjourned meeting thereof, and in defaults the form of proxy shall not be treated as valid.
- (4) Completion and return of the form of proxy will not preclude members from attending and voting in person at the above meeting or any adjourned meeting thereof should they so wish. In such case, such form of proxy shall be deemed to be revoked.
- (5) Where there are joint holders of any shares, the vote of the senior who tenders a vote whether is person, or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company.