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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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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,
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 Level 7, Bowen Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 16 August 2011 at 2:30 p.m. is set out on pages 17 to 20 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 Shops 1712–1716, 17th 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.

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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 Level 7, Bowen Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 16 August 2011 at 2:30 p.m.
“AGM Notice”	the notice convening the AGM as set out on pages 17 to 20 of this circular
“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
“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
“Latest Practicable Date”	8 July 2011, 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 Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum and Articles”	the memorandum and articles of association of the Company

DEFINITIONS

“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
“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)
“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 Code 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. Shi Wan Peng

Registered Office

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

14 July 2011

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
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 the Directors the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate to include Shares repurchased pursuant to the Repurchase

LETTER FROM THE BOARD

Mandate; and (ii) the re-election of retiring Directors in accordance with the Memorandum and Articles. The resolutions will be proposed at the AGM which are set out in the AGM Notice as contained in this circular.

2. GENERAL MANDATES

At the last general meeting of the Company held on 30 August 2010, 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 30 August 2010 and to repurchase the Shares of up to a maximum of 10% of the issued share capital of the Company as at 30 August 2010 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, to grant the Directors a new 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. As at the Latest Practicable Date, the total number of Shares in issue was 5,987,564,000. Subject to the passing of the proposed resolution, the maximum number of new Shares to be issued under the Issue Mandate will be 1,197,512,800 Shares (assuming that there will be no further Shares are 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, to grant 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. RE-ELECTION OF DIRECTORS

According to the Memorandum and Articles, each of (i) Mr. Cheng Chung Hing as co-chairman and executive Director; (ii) Professor Xu Yang as executive Director, (iii) Dr. Ma Kai Cheung as co-chairman and non-executive Director, (iv) Dr. Ma Wai Mo as non-executive Director and (v) Mr. Hui Chiu Chung Stephen 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 Kai Cheung as non-executive Director, (iv) Dr. Ma Wai Mo as non-executive Director and (v) Mr. Hui Chiu Chung Stephen 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 the Appendix II to this circular.

4. ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 17 to 20 of this circular to consider the resolutions relating to, inter-alia, the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate 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 Shops 1712–1716, 17th 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 meeting 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 and 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 after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

5. RECOMMENDATION

The Directors consider that the proposed granting to the Directors of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate 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 favour of the relevant resolutions as set out in the AGM Notice.

LETTER FROM THE BOARD

6. 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, to the best of their knowledge and belief, the information contained in this document is accurate and complete in all material respects and not misleading, and there are no other matters relate to the Company 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 5,987,564,000 Shares in issue and a total of 395,600,000 share options carrying the rights to convert up to 395,600,000 Shares had remained outstanding. If the share options are exercised in full prior to the date of passing of the resolution in respect of the Repurchase Mandate, a further 395,600,000 Shares 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, the Directors will be authorized to repurchase up to 598,756,400 Shares (being 10% of the issued share capital of the Company as at the date of the AGM) pursuant to the Share 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 are exercised 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 6,383,164,000 and the Directors will be authorized to purchase up to 638,316,400 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 Memorandum and Articles and the Companies Ordinance. The Companies Ordinance 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.

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 year ended 31 March 2011) 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>
2010		
August	1.25	1.16
September	1.30	1.17
October	1.28	1.18
November	1.48	1.20
December	1.55	1.36
2011		
January	1.53	1.44
February	1.51	1.22
March	1.34	1.22
April	1.33	1.22
May	1.32	1.24
June	1.31	1.21
July (<i>up to the Latest Practicable Date</i>)	1.30	1.21

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 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 Rule 26 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 2,456,508,558 Shares. Mr. Cheng Chung Hing and Mr. Cheng Tai Po (both are the Directors) collectively hold 100% interests in Accurate Gain Developments Limited and 80% interests in 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 2,471,444,558 Shares, representing 41.28% 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 45.86% 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.

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 Directors proposed to be re-elected at the AGM are set out as follows:

EXECUTIVE DIRECTORS

Mr. CHENG Chung Hing, aged 50, 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 27 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 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 honorary life president of the Hong Kong Gemstone Manufacturers’ Association Limited, foundation honorary chairman of Gem and Jewelry Committee of China General Chamber of Commerce, honorary chairman of Zhejiang Pearl Trade Association, chairman of the Shenzhen Logistics and Supply Chain Management Association, vice chairman of the Shenzhen Industrial and Economic Association, a standing member of the China Enterprise Confederation and the China Enterprise Directors Association and vice president of the China Chamber of International Commerce Shenzhen. 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 China Metro-Rural Holdings Limited (formerly known as Man Sang International (B.V.I.) Limited), a company listed on the NYSE Amex, formerly known as the American Stock Exchange (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.

Mr. Cheng has entered into a service contract with the Company for a specific term of 3 years. The agreement may be terminated by either party for not less than 3 months’ 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 minority interest but before extraordinary items of the Company for that 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

APPENDIX II**BIOGRAPHICAL DETAILS OF RETIRING
DIRECTORS PROPOSED FOR RE-ELECTION**

financial year of the Company shall not be more than 3% of the audited consolidated net profit after taxation and minority interests but before extraordinary items of the Company for the relevant financial year. For the year ended 31 March 2011, Mr. Cheng received the Directors' emoluments in the total sum of HK\$9,544,000.

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	2,456,508,558 ⁽¹⁾	10,000,000	66,000,000 ⁽²⁾	2,532,508,558	42.30%

- (1) Mr. Cheng Chung Hing owns 50% and 42% of the respective issued share capital of Accurate Gain Developments Limited and Proficient Success Limited which in turn holds 1,339,913,759 and 1,116,594,799 Shares respectively and is therefore deemed to be interested in an aggregate of 2,456,508,558 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.
- (2) These represent the long positions of the Shares falling to be allotted and issued to the relevant Directors upon the exercise of the outstanding share options of the Company granted to the Directors as their personal interest under the pre-IPO share option agreements dated 31 July 2008.

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 72, 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 22 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 (previously known as Shenzhen Industrial and Economic Association), 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, Mr. 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, Mr. Xu does not have any relationship with other Directors, senior management, substantial Shareholders or controlling Shareholders.

Mr. Xu has entered into a service contract with the Company for a specific term of 3 years. The agreement may be terminated by either party for not less than 3 months' notice in writing served on the other party. Currently, he is entitled to a basic salary of HK\$1,600,000 subject to annual review by the remuneration committee and the Board at the end of each financial year of the Company. Mr. 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 minority interests but before extraordinary items of the Company for the relevant financial year. For the year ended 31 March 2011, Mr. Xu received the Directors' emoluments in the total sum of HK\$2,435,000.

As at the Latest Practicable Date, Mr. 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 underlying Shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
Ordinary shares/ share options	—	—	15,000,000	15,000,000	0.25%

Save as disclosed above, Mr. 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 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.

NON-EXECUTIVE DIRECTORS

Dr. MA Kai Cheung, *SBS, BBS*, aged 69, is our Co-Chairman and a non-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 advising on the formulation of the Group's general business models and development strategies and major issues. Dr. Ma has more than 40 years of management experience in garment distribution and manufacturing businesses. Dr. Ma was awarded a Bronze Bauhinia Star (BBS) and a Silver Bauhinia Star (SBS) by the Government of Hong Kong Special Administrative Region in 2003 and 2009 respectively. Since 1998, he has been a committee member of the Chinese People's Political Consultative Conference. Dr. Ma is the president of Shenzhen Overseas Chinese International Association, permanent honorary president of Hong Kong Chiu Chow Chamber of Commerce Limited, president and standing committee member of Federation of Hong Kong Guangdong Community Organizations, president of Hong Kong & Kowloon Chiu Chow Public Association and permanent honorary president of Federation of Hong Kong Chiu Chow Community Organizations. Dr. Ma received an honorary doctoral degree in philosophy from the Morrison University in the United States in 2004. He received a fellowship from the Asian Knowledge Management Association in 2008. Dr. Ma is also the chairman of Tak Sing Alliance Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 126).

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.

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 3 months' notice in writing served on the other party. For the year ended 31 March 2011, Dr. Ma received the Directors' emoluments in the total sum of HK\$1,000,000.

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	888,966,649 ⁽¹⁾	—	—	888,966,649	14.85%

- (1) Dr. Ma Kai Cheung, as beneficial owner and beneficiary of trust and through the interest of his spouse, being interested in 43.58% of the issued share capital of Tak Sing Alliance Holdings Limited which through a number of intermediaries, wholly owns Carrianna Development Limited, Dr. Ma Kai Cheung is therefore deemed to be interested in an aggregate of 888,966,649 Shares held by Carrianna Development Limited via its holding company. Dr. Ma is a director of each Tak Sing Alliance Holdings Limited, Carrianna Development Limited, Sincere United Holdings Limited, Carrianna Holdings Limited, Gartrend Development Limited and Carrianna (BVI) Ltd.

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.

Dr. MA Wai Mo, aged 67, 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 32 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 Shenzhen People's Congress Foreign Affairs Committee, a member of the Standing Committee of the 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 Technology Association, the honorary chairman of the 7th Shenzhen Packaging Association, the vice president of the 7th and the 8th Guangdong Printing and Replicate 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. 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.

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.

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 3 months' notice in writing served on the other party. For the year ended 31 March 2011, Dr. Ma received the Directors' emoluments in the total sum of HK\$600,000.

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	3.78%

- (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 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. HUI Chiu Chung Stephen, aged 64, has been appointed as an independent non-executive Director since 11 April 2011. Mr. Hui has over 40 years of experience in the securities and investment industry. He had for years been serving as a council member and vice chairman of the Stock Exchange, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission, a director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of the Standing Committee on Company Law Reform and an appointed member

of the Hong Kong Institute of Certified Public Accountants Investigation Panel A. He was also a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission. Mr. Hui is a member of Government “Appointees” (independent member) of Appeal Panel of the Travel Industry Council of Hong Kong. Mr. Hui was appointed by the Government of the Hong Kong Special Administrative Region a Justice of the Peace in 2004 and was also appointed as a member of the Zhuhai Municipal Committee of the Chinese People’s Political Consultative Conference in 2006. Mr. Hui is currently the vice chairman of OSK Holdings Hong Kong Limited. He also serves as independent non-executive director of Hong Kong Exchanges and Clearing Limited (stock code: 388), Luk Fook Holdings (International) Limited (stock code: 590), Jiuzhou Development Company Limited (stock code: 908), Lifestyle International Holdings Limited (stock code: 1212), Chun Wo Development Holdings Limited (stock code: 711) and Frasers Property (China) Limited (stock code: 535), whose shares are listed on the Stock Exchange.

Save as disclosed herein, Mr. Hui 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. Hui does not have any relationship with other Directors, senior management, substantial Shareholders or controlling Shareholders.

Mr. Hui 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 3 months’ notice in writing served on the other party. Since Mr. Hui was only appointed as Director in April 2011, therefore Mr. Hui does not have any Directors’ emoluments for the year ended 31 March 2011.

As at the Latest Practicable Date, Mr. Hui 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 Level 7, Bowen Room, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 16 August 2011 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 auditors of the Company (the “Auditors”) for the year ended 31 March 2011.
2. To declare a final dividend of HK2.5 cents per share for the year ended 31 March 2011.
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 Kai Cheung as non-executive Director.
 - (d) Dr. Ma Wai Mo as non-executive Director.
 - (e) Mr. Hui Chiu Chung Stephen as independent non-executive Director.
4. To re-appoint Messrs. Ernst & Young as Auditors and to authorise 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 resolution.

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 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 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 law 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
- (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;

NOTICE OF ANNUAL GENERAL MEETING

- (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.”

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

Hong Kong, 14 July 2011

Notes:

- (1) The register of members of the Company will be closed from Monday, 22 August 2011 to Wednesday, 24 August 2011, both days inclusive. During this period, no transfer of shares of the Company will be registered. 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 registrars, 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 Friday, 19 August 2011.
- (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 Shops 1712–1716, 17th 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.