



SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of South China Holdings Limited (the “Company”) will be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 22 May 2007 at 12:00 noon for the following purposes:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements together with the Directors’ Report and the Independent Auditors’ Report for the year ended 31 December 2006.
2. To re-elect Directors and to authorise the Board of Directors to fix the Directors’ remuneration.
3. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

(A) “**THAT:**

- (a) subject to sub-paragraph (c) of this Resolution, and pursuant to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in sub-paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue as hereinafter defined, or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by Company or any securities which are convertible into shares of the Company, or (iii) the exercise of options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20% of the share capital of the Company in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(d) for the purposes 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 of the Cayman Islands to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares in the share capital of the Company or an offer or issue of warrants or options or similar instruments to subscribe for shares in the share capital of the Company open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

(B) **“THAT:**

- (a) subject to sub-paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares in the capital of the Company on the Stock Exchange or on any other exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares which may be purchased pursuant to the approval in sub-paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” shall have the same meaning as ascribed to it under sub-paragraph (d) of Resolution No. 4(A) set out in the notice convening this Meeting.”

- (C) **“THAT** conditional upon Resolutions Nos. 4(A) and 4(B) set out in the notice convening this Meeting being passed, the aggregate nominal amount of the number of shares which are repurchased by the Company after the date of the passing of this Resolution (up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution No. 4(A) set out in the notice convening this Meeting.”

SPECIAL RESOLUTION

5. To consider and, if thought fit, pass (with or without modification) the following resolution as a special resolution:

“THAT the Articles of Association of the Company (the “Articles of Association”) be amended as follows:

(a) Article 2

by deleting the words “in the Companies Ordinance” and replacing therewith the words “under the Listing Rules” in the definition of “subsidiary and holding company”.

(b) Article 80

- (1) by inserting the words “voting by way of poll is required by the Listing Rules or” after the words “a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll)” in the first paragraph; and

(2) by deleting the full stop at the end of sub-paragraph (c), replacing therewith a semicolon and the word “or” and inserting the following new sub-paragraph (d):

“(d) if required by the Listing Rules, any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”

(c) Article 99

by deleting the paragraph in its entirety and substituting therefor the following:

“The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting provided that, if such general meeting is an annual general meeting of the Company, any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 116.”

(d) Article 106(vii)

by deleting the words “a special” and substituting therewith the words “an ordinary” after the words “if he shall be removed from office by”.

(e) Article 110

by inserting the words “rotation, resignation and” after the words “shall be subject to the same provisions as to”.

(f) Article 116

by deleting the paragraph in its entirety and substituting therefor the following:

“At each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.”

(g) Article 122(a)

by deleting the word “special” and substituting therewith the word “ordinary” after the words “The Company may by” in the first sentence.

(h) Article 169

by adding a sub-paragraph (e):

“(e) Any notice or other document may be given to a member either in the English language or the Chinese language only or in both English language and Chinese language, subject to due compliance with all applicable statutes, rules and regulations.”

(i) Article 170

by deleting the paragraph in its entirety and substituting therefor the following:

“Any notice or document may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member in such manner as provided in these Articles in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.”

6. To transact any other ordinary business.

By Order of the Board
Cheung Siu Lan
Company Secretary

Hong Kong, 26 April 2007

Notes:

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

4. With regard to the resolution set out in item 5 of this notice, the Directors wish to state that the proposed amendments to Articles of Association are to bring the Articles of Association in line with certain changes brought about by the amendments to the Listing Rules and the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, inter alia, as follows:
- a. to provide for circumstances under which voting by way of poll is required under the Listing Rules;
 - b. to require that any Director appointed by the Board to fill a casual vacancy or as an addition to the Board should be subject to election by the Shareholders at the next following general meeting of the Company;
 - c. to specify that every Director shall be subject to retirement by rotation at least once every three years; and
 - d. to specify that Directors can be removed by ordinary resolutions.

As at the date of this Announcement, the Board comprises (1) Mr. Ng Hung Sang, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor and Mr. Ng Yuk Fung, Peter as Executive Directors; (2) Mr. David Michael Norman and Ms. Ng Yuk Mui, Jessica as Non-executive Directors (3) Mr. David John Blackett, Ms. Wong Siu Yin, Elizabeth and Mr. Cheng Hong Kei as Independent Non-executive Directors.

*A copy of this Announcement can be obtained
from our website www.sctrade.com*



南 華 集 團 成 員
A Member of South China Group

Please also refer to the published version of this announcement in The Standard.