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**If you have sold or transferred** all your shares in China South City Holdings Limited, 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 BUY BACK SHARES,**  
**ELECTION OR RE-ELECTION OF THE DIRECTORS**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of China South City Holdings Limited to be held at Salon I & II, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Monday, 21 August 2017 at 2:30 p.m. is set out on pages 19 to 22 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.



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## DEFINITIONS

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*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 Salon I & II, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Monday, 21 August 2017 at 2:30 p.m.
“AGM Notice”	the notice convening the AGM as set out on pages 19 to 22 of this circular
“Articles”	the Memorandum of Association and New Articles of Association of the Company
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Buy-Back Mandate”	a general and unconditional mandate to buy back Shares up to a maximum of 10% of the aggregate number of Shares in issue as at the date of passing of the relevant ordinary resolution to grant such mandate
“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 number of Shares in issue as at the date of passing of the relevant ordinary resolution to grant such mandate

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## DEFINITIONS

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“Latest Practicable Date”	14 July 2017, 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
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 4 September 2009 and currently in force
“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)*

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**Board of Directors**

***Executive Directors***

Mr. Cheng Chung Hing (*Co-Chairman*)  
Mr. Fung Sing Hong Stephen (*Vice Chairman*)  
Mr. Song Chuan (*Chief Executive Officer*)  
Ms. Cheng Ka Man Carman

***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  
Mr. Leung Moon Lam *BBS*  
Mr. Lin Ching Hua

***Independent Non-executive Directors***

Mr. Leung Kwan Yuen Andrew *GBS, SBS, JP*  
Mr. Li Wai Keung  
Mr. Hui Chiu Chung *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

21 July 2017

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES  
TO ISSUE SHARES AND TO BUY BACK SHARES,  
ELECTION OR RE-ELECTION OF THE 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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## LETTER FROM THE BOARD

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the Directors the Issue Mandate and the Buy-Back Mandate and the extension of the Issue Mandate to include Shares bought back pursuant to the Buy-Back Mandate; and (ii) the election or re-election of the 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 22 August 2016, 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 22 August 2016 and to buy back the Shares of up to a maximum of 10% of the issued share capital of the Company as at 22 August 2016 respectively and to extend the general mandate to allot and issue Shares to include Shares bought back under the general mandate to buy back 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 number of Shares in issue 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 8,006,321,999. Subject to the passing of the proposed resolution, the maximum number of new Shares to be issued under the Issue Mandate will be 1,601,264,399 Shares (assuming that there will be no further Shares issued or bought back prior to the AGM).

Subject to the passing of the Issue Mandate and the Buy-Back 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 bought back under the Buy-Back Mandate.

#### **(b) Buy-Back 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 buy back, subject to the criteria set out in the circular, Shares up to a maximum of 10% of the aggregate number of Shares in issue as at the date of passing of the relevant ordinary resolution.

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## LETTER FROM THE BOARD

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An explanatory statement containing relevant information relating to the Buy-Back 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 Buy-Back Mandate at the AGM.

### 3. ELECTION OR RE-ELECTION OF THE DIRECTORS

According to the Articles, Mr. Sun Kai Lit Cliff, Mr. Cheng Tai Po, Mr. Leung Moon Lam, Mr. Lin Ching Hua and Mr. Li Wai Keung shall retire from office by rotation at the AGM. Mr. Song Chuan and Ms. Cheng Ka Man Carman were appointed as Executive Directors of the Company with effect from 4 May 2017 shall hold office until the AGM. All of them being eligible will offer themselves for election or re-election at the AGM. At the AGM, ordinary resolutions set out in resolution no. 3 of the AGM notice will be proposed to elect (i) Mr. Song Chuan as Executive Director; and (ii) Ms. Cheng Ka Man Carman as Executive Director; and to re-elect (iii) Mr. Sun Kai Lit Cliff as Non-Executive Director; (iv) Mr. Cheng Tai Po as Non-Executive Director; (v) Mr. Leung Moon Lam as Non-Executive Director; (vi) Mr. Lin Ching Hua as Non-Executive Director; and (vii) Mr. Li Wai Keung as Independent Non-Executive Director.

Biographical details of the Directors proposed for election or re-election, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

### 4. ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 19 to 22 of this circular to consider the resolutions relating to, inter-alia, the Issue Mandate, the Buy-Back Mandate, the extension of the Issue Mandate and the election or re-election of the 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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## LETTER FROM THE BOARD

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### 5. RECOMMENDATION

The Directors consider that the proposed granting to the Directors of the Issue Mandate, the Buy-Back Mandate, the extension of the Issue Mandate and the election or re-election of the 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.

### 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, 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 Buy-Back Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the Company has a total of 8,006,321,999 Shares 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 brought back by the Company, the Directors will be authorized to buy back up to 800,632,199 Shares (being 10% of the aggregate number of Shares in issue as at the date of the AGM) pursuant to the Buy-Back 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.

## **2. REASONS FOR BUY-BACKS**

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 buy back its Shares on the Stock Exchange. Such buy-backs 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 buy-backs will benefit the Company and the Shareholders.

## **3. FUNDING OF BUY-BACKS**

In buying back Shares, the Company may only apply funds legally available for such purposes in accordance with the Articles and the New Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The New Companies Ordinance (Chapter 622 of the Laws of Hong Kong) provides that the amount of capital repaid in connection with a share buy-back 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 buy-back to such extent allowable under the New Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

## **4. IMPACT OF BUY-BACKS**

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 2017) in the event of the Buy-Back Mandate were to be carried out in full. However, the Directors do not propose to exercise the Buy-Back 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 twelve months to the Latest Practicable Date:

	Share Prices Per Share	
	Highest HK\$	Lowest HK\$
<b>2016</b>		
August	1.79	1.57
September	1.89	1.63
October	1.80	1.57
November	1.84	1.57
December	1.80	1.56
<b>2017</b>		
January	1.86	1.59
February	1.69	1.60
March	1.72	1.58
April	1.63	1.48
May	1.58	1.41
June	1.51	1.42
July ( <i>up to the Latest Practicable Date</i> )	1.59	1.48

**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 Buy-Back 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 Buy-Back 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 Buy-Back Mandate is approved by the Shareholders.

**7. EFFECT OF THE TAKEOVERS CODE**

If as a result of a buy-back 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 respectively interested in 2,153,148,831 Shares or voting rights of the Shares and 588,984,145 Shares, collectively interested in 2,742,132,976 Shares or voting rights of the Shares. Mr. Cheng Chung Hing as Director of the company holds 100% interests in Accurate Gain Developments Limited and Mr. Cheng Tai Po as Director of the Company holds 100% 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 2,826,068,976 Shares, representing 35.29% of the total number of issued Shares. In the event that the Directors exercise in full the power to buy back Shares under the Buy-Back Mandate and if there is no other change in the total number of issued Shares of the Company, their collective interests in the Company will be increased to approximately 39.21% of the total number of issued Shares. Such increase may give rise to the respective parties to make a mandatory offer under Rule 26 of the Takeovers Code.

Mr. Cheng Chung Hing, Mr. Cheng Tai Po and Mr. Leung Moon Lam (each, together with his associates if the context permits, being an “Alliance Shareholder”) have entered into an agreement dated 29 April 2017, pursuant to which, among other things, if any Alliance Shareholder propose to transfer any Shares to a person other than an Alliance Shareholder, such Alliance Shareholder shall obtain a written approval from the other two Alliance Shareholders, following which, the other two Alliance Shareholders shall have certain first right of refusal and tag-along right in respect of the transfer. With this, Mr. Cheng Chung Hing, Mr. Cheng Tai Po and Mr. Leung Moon Lam may be deemed as a group of Shareholders acting in concert under the Takeovers Code. As at the Latest Practicable Date, Kings Faith International Limited, a company in which Mr. Leung Moon Lam holds 100% interest, holds 213,899,770 Shares. Including the personal interest of the spouse of Mr. Leung Moon Lam in the Company, he is deemed to be interested in an aggregate of 215,899,770 Shares, representing 2.69% of the total number of issued Shares of the Company. When aggregating the deemed interest of Mr. Cheng Chung Hing, Mr. Cheng Tai Po and Mr. Leung Moon Lam in the Company, they will be deemed to be interested in an aggregate of 3,041,968,746 Shares, representing 37.99% of the total number of issued Shares of the Company. In the event that the Directors exercise in full the power to buy back Shares under the Buy-Back Mandate and if there is no other change in the total number of issued Shares of the Company, their collective shareholdings in the Company will be increased to approximately 42.21% of the total number of issued Shares 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 buy backs made under the Buy-Back Mandate which may arise under the Takeovers Code. The Directors do not intend to exercise the Buy-Back Mandate to such an extent that the Company cannot satisfy its minimum requirement for public float under the Listing Rules.

## **8. SHARE BUY-BACKS BY THE COMPANY**

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

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

### EXECUTIVE DIRECTORS

**Mr. SONG Chuan (“Mr. Song”)**, aged 52, has been an Executive Director and the Chief Executive Officer of the Group since 4 May 2017. He is primarily responsible for the overall operations and management of the Group. Mr. Song graduated from the PRC National University of Defense Technology, Department of Electronic Science and Technology, with a Master degree in Communication and Electronic Systems. Mr. Song has extensive experience in property development, urban operations, large-scaled enterprises operations and executive management as well as business management. Prior to joining the Group, Mr. Song was the chairman of CITIC Urban Development & Operation Co. Limited and the chief executive officer of CITIC Real Estate Co. Limited.

Save as disclosed herein, Mr. Song does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold any other directorship in the past three years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Mr. Song has entered into a service contract with the Company for a specific term of three years. The contract may be terminated by either party for not less than one month’s notice in writing served on the other party. Currently, Mr. Song is entitled to a basic salary of HK\$10,000,000 per annum, subject to annual review by the remuneration committee and the Board at the end of each fiscal year of the Company. In addition, he is entitled to a performance based bonus of an amount of 0.50% of the audited net profit attributable to owners of the parent excluding fair value gains on investment properties and related tax effects, loss on redemption of senior notes and fair value gain on derivative fiscal instrument, etc. Since Mr. Song was only appointed as Director in May 2017, therefore Mr. Song does not have any Director’s emoluments for the fiscal year ended 31 March 2017.

As at the Latest Practicable Date, Mr. Song 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 number of issued shares
Share Options	–	–	40,000,000 <sup>(B)</sup>	40,000,000	0.49%

Save as disclosed above, Mr. Song 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.

**Ms. CHENG Ka Man Carman (“Ms. Cheng”)**, aged 28, has been an Executive Director since 4 May 2017. She is primarily responsible for the administration and operations of the Group. Ms. Cheng graduated from the University of London with a Bachelor of Science degree in Finance and Business Economics. She also obtained a Master of Science degree in Management from the Imperial College London and a Master of Philosophy degree in Real Estate Finance from the University of Cambridge. Prior to joining the Group, Ms. Cheng was an executive director of Man Sang International Limited, a company listed on the Main Board of the Stock Exchange (stock code: 938). She had also worked in a leading investment firm in Asia. Ms. Cheng is the daughter of Mr. Cheng Chung Hing, the Co-Chairman and Executive Director and the substantial shareholder of the Company and the niece of Mr. Cheng Tai Po, a Non-Executive Director of the Company.

Save as disclosed herein and information in this circular, Ms. Cheng does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold any other directorship in the past three years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Ms. Cheng has entered into a service contract with the Company for a specific term of three years. The contract may be terminated by either party for not less than one month’s notice in writing served on the other party. Currently, Ms. Cheng is entitled to a basic salary of HK\$1,500,000 per annum and a discretionary bonus, subject to annual review by the remuneration committee and the Board at the end of each fiscal year of the Company. Since Ms. Cheng was only appointed as Director in May 2017, therefore Ms. Cheng does not have any Director’s emoluments for the fiscal year ended 31 March 2017.

As at the Latest Practicable Date, Ms. 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 and information in this circular, 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

**Mr. SUN Kai Lit Cliff (“Mr. Sun”)**, *BBS, JP*, aged 63, is a Non-Executive Director. He is a co-founder of our Group and has been a Director since 2 August 2002. He is primarily responsible for advising on the formulation of the Group’s general business models, development strategies and the resolution of major issues. Mr. Sun is an Adjunct Professor of City University of Hong Kong and has over 37 years of management experience in the business of wholesale, distribution and manufacturing of kitchenware and other metal and plastic products. He was appointed as Justice of the Peace (JP) and was awarded a Bronze Bauhinia Star (BBS) by the Government of Hong Kong Special Administrative Region in 2003 and 2006 respectively. At present, Mr. Sun is a member of the 11th Zhejiang Committee of Chinese

People's Political Consultative Conference. He is also the honorary chairman of the Federation of Hong Kong Industries, the honorary chairman of The Hong Kong Exporters' Association, the honorary chairman of the Hong Kong Q Mark Council, the honorary president of the Hong Kong Plastics Manufacturers Association Limited, Supervisor of Guangdong Overseas Chinese Enterprises Association, the president of Shenzhen Overseas Chinese International Association and the president of the CPPCC (Shenzhen) Hong Kong and Macao Members Association Limited. Mr. Sun is currently the chairman of Kinox Enterprises Limited and Kin Hip Metal and Plastic Factory Limited, and is an independent non-executive director of Ka Shui International Holdings Ltd (stock code: 822) and Wisdom Education International Holdings Company Limited (stock code: 6068), both are listed on the Main Board of the Stock Exchange. He was an independent non-executive director of Ming Fai International Holdings Limited (stock code: 3828) until his retirement effective from 29 March 2016.

Save as disclosed herein, Mr. Sun does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold any other directorship in the past three years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Mr. Sun has entered into a letter of appointment with the Company for a specific term of three years. The appointment may be terminated by either party for not less than one month's notice in writing served on the other party. Currently, Mr. Sun 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 fiscal year of the Company.

For the fiscal year ended 31 March 2017, Mr. Sun received the Directors' emoluments in the total sum of HK\$680,000 (Note (A)). 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. Sun 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 number of issued shares
Ordinary shares	125,241,662 <sup>(1)</sup>	–	–	125,241,662	1.56%

<sup>(1)</sup> Mr. Sun Kai Lit Cliff owns the entire interests in Kinox Holdings Limited and is therefore deemed to be interested in the 125,241,662 Shares held by Kinox Holdings Limited.



Save as disclosed above, Mr. Sun 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. CHENG Tai Po (“Mr. Cheng”)**, aged 65, is a Non-Executive Director. He has been a Director since 30 April 2010 and is primarily responsible for advising on the formulation of the Group’s general business models, development strategies and the resolution of major issues. Mr. Cheng has over 34 years of experience in manufacturing, wholesale and distribution businesses. He is a board member of the Zhanjiang Ocean University, China, a general committee member of the Hong Kong Jewelry Manufacturers’ Association, the chairman of Hong Kong Overseas Puning Sheshan Clansmen Association and the permanent honorary president of Hong Kong Association of Jie Yang Federation of Returned Overseas Chinese Limited. Mr. Cheng has been the executive director and deputy chairman of Man Sang International Limited, a company listed on the Main Board of the Stock Exchange (stock code: 938), since August 1997 and has been re-designated as chairman and non-executive director since 16 October 2014 until his retirement effective from 31 March 2016, and the director and vice-chairman of China Metro-Rural Holdings Limited (formerly known as “Man Sang International (B.V.I) Limited”), a company formerly listed on the New York Stock Exchange MKT (ticker symbol: CNR) and was privatized in August 2016 until his retirement effective from 5 September 2014. Mr. Cheng is an elder brother of Mr. Cheng Chung Hing, the Co-Chairman and Executive Director and the controlling shareholder of the Company and the uncle of Ms. Cheng Ka Man Carman, an Executive Director of the Company.

Save as disclosed herein and information in this circular, Mr. Cheng does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold any other directorship in the past three years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Mr. Cheng has entered into a letter of appointment with the Company for a specific term of three years. The appointment may be terminated by either party for not less than one month’s notice in writing served on the other party. Currently, Mr. Cheng 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 fiscal year of the Company.

For the fiscal year ended 31 March 2017, Mr. Cheng received the Directors’ emoluments in the total sum of HK\$680,000 (Note (A)). 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 number of issued Shares
Ordinary Shares	588,984,145 <sup>(1)</sup>	4,936,000	–	593,920,145	7.41%

<sup>(1)</sup> Mr. Cheng owns 100% of the issued share capital of Proficient Success Limited which in turn hold 588,984,145 Shares and is therefore deemed to be interested in 588,984,145 Shares. Mr. Cheng is a director of Proficient Success Limited.

Save as disclosed above and information in this circular, 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 and information in this circular, 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. LEUNG Moon Lam (“Mr. Leung”)**, *BBS*, aged 61, is a Non-Executive Director. He is a co-founder of our Group and has been a Director of the Company since June 2002. Mr. Leung was re-designated from Executive Director to Non-Executive Director on 4 May 2017. Mr. Leung was also the Chief Executive Officer of the Group from November 2009 to 1 January 2016. Mr. Leung is primarily responsible for advising on the formulation of the Group's general business models and development strategies and resolution of major issues. He has more than 34 years of management experience in the garment manufacturing, wholesale and distribution businesses. Mr. Leung was awarded a Bronze Bauhinia Star (*BBS*) by the Government of Hong Kong Special Administrative Region in 2017. Mr. Leung received the Chinese Outstanding Entrepreneur Award 2008 from the China Enterprise Confederation and the China Enterprise Directors Association. Mr. Leung was a member of the 2nd, 3rd and the 4th Shenzhen Committee of the Chinese People's Political Consultative Conference and a member of the 10th Liaoning Committee of the Chinese People's Political Consultative Conference. He was also the chairman of the 7th Shenzhen Textile Industry Association Committee. Mr. Leung was appointed as a member of the National Committee of the Chinese People's Political Consultative Conference in February 2013. Mr. Leung is also presently a member of the Consultative Committee on Economic and Trade Co-operation between Hong Kong and the Mainland, the vice chairman of the Jiangxi Chinese Overseas Friendship Association, and honorary chairman of the Shenzhen Longgang Charity Association, the Honorary Professor of Business of Hang Seng Management College (formerly known as “Hang Seng School of Commerce”) and the president of the Federation of Hong Kong Shenzhen Associations. Mr. Leung is the chairman of Wetter (China) Limited and Kings Faith International Limited.



Save as disclosed herein and information in this circular, Mr. Leung does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold any other directorship in the past three years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

With effect from 4 May 2017, Mr. Leung was re-designated as a Non-Executive Director and has entered into a letter of appointment with the Company for a specific term of three years. The appointment may be terminated by either party for not less than one month's notice in writing served on the other party. Currently, Mr. Leung 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 fiscal year of the Company.

For the fiscal year ended 31 March 2017, Mr. Leung was an Executive Director of the Company and received the Directors' emoluments in the total sum of approximately HK\$12,757,000 (Note (A)). 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. Leung 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 number of issued Shares
Ordinary shares	213,899,770 <sup>(1)</sup>	2,000,000	69,300,000 <sup>(B)</sup>	285,199,770	3.56%

<sup>(1)</sup> Mr. Leung owns 100% of the issued share capital of Kings Faith International Limited which in turn holds 213,899,770 Shares and is therefore deemed to be interested in 213,899,770 Shares. Mr. Leung is a director of Kings Faith International Limited.

Save as disclosed above and information in this circular, Mr. Leung 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 and information in this circular, 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. LIN Ching Hua (“Mr. Lin”)**, aged 44, has been a Non-Executive Director since 28 June 2014. He is primarily responsible for advising on the formulation of the Group’s general business models, development strategies and the resolution of major issues. Mr. Lin joined Tencent Group (“Tencent Group” includes Tencent Holdings Limited, shares of which are listed on the Main Board of the Stock Exchange with stock code no. 700, and its subsidiaries) in April 2013. He is currently the vice president of Tencent Group and is the general manager of Strategy Development Department and Social and Performance Advertisement Department. Mr. Lin is mainly responsible to establish the strategic platform of Tencent, to formulate the business development strategies of the Tencent Group, and to lead the research and development of various business models in the Tencent Group and the business cooperation with external strategic partners who the Tencent Group has equity investments. Mr. Lin has taken a crucial and leading role in promoting Tencent’s strategic initiatives, including Weixin commercialization, important strategic investments and cooperations, and the business planning and development in internet finance, and resources integration and product innovation on social advertisement. Before joining Tencent, Mr. Lin was a partner at McKinsey & Company, Inc. and general manager of its branch in Taiwan. Mr. Lin mainly served clients and performed research in technology sector, including hi-tech manufacturing, internet service, telecommunication and media during his 12 years with McKinsey. His various research received wide coverage in a number of Business and Financial media in China. Before joining McKinsey, Mr. Lin worked at Deloitte Consulting Inc., Taiwan Office, as a consultant. He received his MBA degree from Harvard Business School in 2001.

Save as disclosed herein, Mr. Lin does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold any other directorship in the past three years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Mr. Lin has entered into a letter of appointment with the Company for a specific term of three years. The appointment may be terminated by either party for not less than one month’s notice in writing served on the other party. Mr. Lin 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 fiscal year of the Company.

Mr. Lin voluntarily decided not to receive any director’s remuneration from the Company since his appointment on 28 June 2014. Therefore Mr. Lin does not have any Director’s emoluments for the fiscal year ended 31 March 2017.

As at the Latest Practicable Date, Mr. Lin 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 DIRECTOR

**Mr. LI Wai Keung (“Mr. Li”)**, aged 60, has been an Independent Non-Executive Director since 4 September 2009. Mr. Li has more than 39 years of experience in financial management. Mr. Li graduated from the Hong Kong Polytechnic 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, and the president of Hong Kong Business Accountants Association. Mr. Li is the executive director and chief financial officer of Guangdong Holdings Limited, executive director of Guangdong Land Holdings Limited (formerly known as Kingway Brewery Holdings Limited) (“GDL”), 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”). GDL, 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, the chairman of the Council of the Hong Kong Chinese Orchestra Limited, a member of China Overseas Friendship Association and the vice chairman and secretary of the Financial and Accounting Affairs Steering Committee of the Hong Kong Chinese Enterprises Association. He was appointed as Advisor of Management Accounting of the Ministry of Finance, PRC since 21 July 2014. Mr. Li had worked for Henderson Land Development Company Limited (stock code: 12).

Save as disclosed herein, Mr. Li does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold any other directorship in the past three years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Mr. Li has entered into a letter of appointment with the Company for a specific term of three years. The appointment may be terminated by either party for not less than one 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 fiscal year of the Company.

For the fiscal year ended 31 March 2017, Mr. Li received the Directors’ emoluments in the total sum of HK\$380,000 (Note (A)). 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	Total	Approximate Percentage of the Company's Total number of issued shares
Share Options	–	–	2,000,000 <sup>(B)</sup>	2,000,000	0.02%

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.

*Notes:*

- (A) Unless otherwise defined, details of the Directors' emoluments for the fiscal year ended 31 March 2017 are set out in "Directors' Emoluments" of notes to the financial statements as set out in the Annual Report for the fiscal year ended 31 March 2017. The amount stated in this section represents total cash received or entitled by the respective Directors.
- (B) The relevant interests are Share Options granted to the respective Directors pursuant to the Company's Share Option Scheme adopted on 4 September 2009.



**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 Salon I & II, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Monday, 21 August 2017 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 auditor of the Company (the “Auditor”) for the year ended 31 March 2017.
2. To declare a final dividend of HK5.0 cents per Share for the year ended 31 March 2017.
3. To elect or re-elect of the Directors and to authorize the board of Directors (the “Board”) to fix the remuneration of the Directors.
4. To re-appoint Messrs. Ernst & Young as Auditor 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.

**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;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 number 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 number of ordinary shares of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (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

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## NOTICE OF ANNUAL GENERAL MEETING

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“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 buy back 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 number of ordinary shares of the Company to be authorized to buy back by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate number of ordinary shares of the Company in issue 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;
  - (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.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. “**THAT** conditional upon the passing of resolutions no. 5 and no. 6 set out in the notice convening this meeting, the aggregate number of ordinary shares of the Company which are brought back by the Company under the authority granted to the Directors as mentioned in the said resolution no. 6 shall be added to the aggregate number of ordinary shares of the Company 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, 21 July 2017

*Notes:*

- (1) The register of members of the Company will be closed from Friday, 25 August 2017 to Tuesday, 29 August 2017, both days inclusive, during which period no transfer of Shares of the Company will be effected. The ex-dividend date will be on Wednesday, 23 August 2017. 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 not later than 4:30 p.m. on Thursday, 24 August 2017. The proposed final dividend will be distributed on or about Monday, 11 September 2017 to Shareholders of the Company whose names appear on the register of members on Tuesday, 29 August 2017.
- (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 in 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.