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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)

RE-DESIGNATION AND RESIGNATION OF DIRECTORS

CORRESPONDING CHANGES TO THE AGM CIRCULAR AND THE RELEVANT FORM OF PROXY

The Board of the Company hereby announces that the following changes have taken place with effect from 25 July 2017 :

- (1) Dr. Ma Kai Cheung has tendered his resignation as the Co-Chairman of the Group but shall remain as a Non-Executive Director of the Company;
- (2) Mr. Cheng Chung Hing has been re-designated as the Chairman of the Group and ceased to act as Co-Chairman of the Group, and will remain as an Executive Director of the Company; and
- (3) Mr. Sun Kai Lit Cliff, Dr. Ma Wai Mo and Mr. Leung Moon Lam have tendered their resignations as Non-Executive Directors of the Company and were appointed as Honourable Advisers of the Group and shall continue to provide valuable guidance and advice for the better development of the Group.

Upon the changes mentioned above, the composition of the Board comprises four Executive Directors, three Non-Executive Directors and four Independent Non-Executive Directors. As such, the number of Independent Non-Executive Directors of the Company is in compliance with Rule 3.10A.

In light of the above changes, corresponding changes will be made to the AGM Circular and the relevant Form of Proxy dated 21 July 2017 issued by the Company. Other than such changes, all other information contained in the AGM Circular remains unchanged. The Form of Proxy which have been despatched for the purposes of the AGM will remain valid and can be used in respect of the AGM.

The board of directors (the “**Board**”) of China South City Holdings Limited (the “**Company**”) together with its subsidiaries, collectively the “**Group**”) hereby announces that the following changes have taken place with effect from 25 July 2017:

- (1) Dr. Ma Kai Cheung, for the purpose of devoting more time to his personal business and community affairs, has tendered his resignation as the Co-Chairman of the Group but shall remain as a Non-Executive Director of the Company. After such re-designation, the remuneration of Dr. Ma Kai Cheung as a Non-Executive Director will be adjusted to HK\$680,000 per annum;
- (2) As Dr. Ma Kai Cheung has resigned as the Co-Chairman of the Group, Mr. Cheng Chung Hing has been re-designated as the Chairman of the Group and ceased to act as Co-Chairman of the Group. He will remain as an Executive Director of the Company. After such re-designation, the remuneration of Mr. Cheng Chung Hing will remain unchanged ; and
- (3) Mr. Sun Kai Lit Cliff, Dr. Ma Wai Mo and Mr. Leung Moon Lam, for the purpose of devoting more time to their personal business and community affairs, and further to enable the Company to comply with Rule 3.10A of the Rules Governing the Listing of Securities (the “**Rule 3.10A**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) which requires that the number of Independent Non-Executive Directors shall not be less than one-third of the Board, have all tendered their resignations as Non-Executive Directors of the Company. They have, respectively, accepted the Company’s sincere invitation to act as Honourable Advisers of the Group and shall continue to provide their valuable guidance and advice for the better development of the Group.

Dr. Ma Kai Cheung, Mr. Sun Kai Lit Cliff, Dr. Ma Wei Mo and Mr. Leung Moon Lam are four of the five founding shareholders of the Group. Since the establishment of the Group, they have been dedicated to the development of the Group by providing valuable advices and suggestions, helping the Group develop its business from a single project in Shenzhen to eight large scale projects in eight provincial cities and municipality in China, and establishing a diversified and flexible business model. The Board would like to express its sincere gratitude to their tremendous contributions to the Group over the years, and thank them for accepting the appointment as Honourable Advisers of the Group and continue to provide their valuable guidance and advice for the better development of the Group. The Board sincerely wishes the three resigning Directors a happy and healthy life.

Mr. Sun Kai Lit Cliff, Dr. Ma Wai Mo and Mr. Leung Moon Lam respectively confirmed that they have no disagreement with the Board and that there is no other matter that needs to be brought to the attention of the shareholders of the Company nor the Hong Kong Stock Exchange in relation to their resignations.

Upon the changes mentioned above, the composition of the Board comprises four Executive Directors, three Non-Executive Directors and four Independent Non-Executive Directors. As such, the number of Independent Non-Executive Directors of the Company is in compliance with Rule 3.10A.

In accordance with Articles of the Company, Mr. Sun Kai Lit Cliff and Mr. Leung Moon Lam were originally required to retire from office by rotation and be eligible for re-election at the forthcoming Annual General Meeting (the “AGM”). Since Mr. Sun Kai Lit Cliff and Mr. Leung Moon Lam resigned as the Non-Executive Directors of the Company, the contents related to the re-election of Mr. Sun Kai Lit Cliff and Mr. Leung Moon Lam as mentioned in circular of the Company dated 21 July 2017 (the “AGM Circular”) and the resolutions 3(c) and 3(e) as mentioned in the form of proxy for the purpose of the AGM (the “Form of Proxy”) are no longer applicable. The Company will not put forward such resolutions for consideration and approval by the shareholders of the Company in the AGM. Other than changes mentioned above, all other information contained in the AGM Circular shall remain unchanged, while the Form of Proxy shall also remain valid and can be used by shareholders of the Company for the purpose of the AGM. The AGM will be held as schedule at Salon I & II, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Monday, 21 August 2017 at 2:30 p.m..

For and on behalf of the Board
China South City Holdings Limited
CHENG Chung Hing
Chairman and Executive Director

Hong Kong, 25 July 2017

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Chung Hing, Mr. Fung Sing Hong Stephen, Mr. Song Chuan and Ms. Cheng Ka Man Carman; the non-executive directors of the Company are Dr. Ma Kai Cheung, SBS, BBS, Mr. Cheng Tai Po and Mr. Lin Ching Hua; and the independent non-executive directors of the Company are Mr. Leung Kwan Yuen Andrew, GBS, SBS, JP, Mr. Li Wai Keung, Mr. Hui Chiu Chung, JP and Mr. Yung Wing Ki Samuel, SBS, MH, JP.