

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, 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).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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,
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 Granville Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Tuesday, 21 August 2018 at 2:30 p.m. is set out on pages 17 to 21 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.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
1. Introduction	3
2. General Mandates	4
(a) Issue Mandate	4
(b) Buy-Back Mandate	4
3. Re-election of Retiring Directors	5
4. Annual General Meeting	5
5. Recommendation	6
6. Responsibility Statement	6
Appendix I — Explanatory Statement for Buy-Back Mandate	7
Appendix II — Biographical Details of Retiring Directors Proposed for Re-election	10
Notice of Annual General Meeting	17

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 Granville Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Tuesday, 21 August 2018 at 2:30 p.m.
“AGM Notice”	the notice convening the AGM as set out on pages 17 to 21 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“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
“Latest Practicable Date”	13 July 2018, 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
“%”	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 (*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*
Mr. Cheng Tai Po
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

20 July 2018

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO ISSUE SHARES AND TO BUY BACK 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 Buy-Back Mandate and the extension of the Issue Mandate to include Shares bought back pursuant to the Buy-Back Mandate; and (ii) the

LETTER FROM THE BOARD

re-election of the retiring Directors in accordance with the Articles. The resolutions to be proposed at the AGM for Shareholders' approval are set out in the AGM Notice as contained in this circular.

2. GENERAL MANDATES

At the last annual general meeting of the Company held on 21 August 2017, ordinary resolutions were passed to grant the Directors general and unconditional mandates to allot, issue and otherwise deal with the Shares of up to a maximum of 20% of the issued share capital of the Company as at 21 August 2017 and to buy back the Shares of up to a maximum of 10% of the issued share capital of the Company as at 21 August 2017 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 8,009,571,999. Subject to the passing of the proposed resolution, the maximum number of new Shares to be issued under the Issue Mandate will be 1,601,914,399 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.

LETTER FROM THE BOARD

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. RE-ELECTION OF RETIRING DIRECTORS

According to the Articles, Mr. Fung Sing Hong Stephen, Dr. Ma Kai Cheung, Mr. Leung Kwan Yuen Andrew and Mr. Yung Wing Ki Samuel shall retire from office by rotation at the AGM. Subject to the facts mentioned below, all of them 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. Fung Sing Hong Stephen as Executive Director; (ii) Dr. Ma Kai Cheung as Non-executive Director; (iii) Mr. Leung Kwan Yuen Andrew as Independent Non-executive Director; and (iv) Mr. Yung Wing Ki Samuel as Independent Non-executive Director.

Mr. Leung Kwan Yuen Andrew (“**Mr. Leung**”), if being elected as Independent Non-executive Director by the Shareholders at the AGM, will serve as Independent Non-executive Director for more than nine years after 4 September 2018. During his years of appointment, Mr. Leung has demonstrated his ability to provide independent view to the Company’s matter. Notwithstanding his years of services as Independent Non-executive Director, the Board is of the view that Mr. Leung is able to continue to fulfill his role as required and thus recommends him for re-election as Independent Non-executive Director at the AGM.

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

4. ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 17 to 21 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 re-election of the retiring Directors.

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

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

LETTER FROM THE BOARD

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 re-election of the retiring Directors are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favor of the relevant resolutions as set out in the AGM Notice.

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
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 8,009,571,999 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 800,957,199 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 Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The 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 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 2018) 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 <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
August	1.72	1.55
September	2.23	1.58
October	2.56	1.98
November	2.22	1.82
December	2.12	1.85
2018		
January	2.47	2.03
February	2.42	1.78
March	1.98	1.74
April	1.85	1.68
May	1.91	1.64
June	1.74	1.43
July (<i>up to the Latest Practicable Date</i>)	1.57	1.43

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 Takeover 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 Share and 588,984,145 Shares, collectively hold 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 35.28% 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 39.20% 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 purchases 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-BACK BY THE COMPANY

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

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

EXECUTIVE DIRECTOR

Mr. FUNG Sing Hong Stephen (“Mr. Fung”), aged 53, is our Group Vice Chairman and Executive Director. Mr. Fung joined our Group in July 2006 and since then he acted as the Group’s Chief Financial Officer until 19 May 2016. He has been an Executive Director since August 2014. Mr. Fung had been the Chief Executive Officer of the Group since 1 January 2016 until he was appointed as the Group Vice Chairman on 4 May 2017. Mr. Fung is primarily responsible for assisting the Chairman in formulating the overall development planning and strategies and will be responsible for formulating capital market financing, merger and acquisition strategies, as well as strategic co-operations in e-commerce, logistics and commercial operations, including extending the co-operations with Tencent. Mr. Fung graduated from the University of Wales, United Kingdom with a Master degree in Business Administration. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the American Institute of Certified Public Accountants and the Chartered Global Management Accountants and a fellow member of the Hong Kong Institute of Directors. Mr. Fung has more than 25 years of experience in financial management, mergers and acquisitions, capital markets financing and corporate restructuring. Mr. Fung is a member of the 5th Chongqing Committee of the Chinese People’s Political Consultative Conference. He also holds the position of the director & vice president of Hong Kong Business Accountants Association and the vice president of Hong Kong Chongqing Friendship Federation. Prior to joining our Group, Mr. Fung was an executive director and the chief financial officer of Guangdong Investment Limited (“GDI”). Before joining GDI, Mr. Fung served as an executive director and the chief financial officer of Guangdong Land Holdings Limited (formerly known as Kingway Brewery Holdings Limited) (“GDL”). Both GDI and GDL are companies listed on the Main Board of The Hong Kong Stock Exchange (stock codes: 270 and 124, respectively). Mr. Fung was also a key member of the Guangdong Enterprises (Holdings) Limited (“GDE”) restructuring team and has been extensively involved in the US\$5.3 billion debt restructuring of GDE.

Save as disclosed herein, Mr. Fung 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. Fung 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. Fung is entitled to a basic annual salary of HK\$6,800,000 and a performance based bonus of an amount of 0.75% of the audited net profit attributable to owners of the parent of the relevant fiscal year excluding fair value gains on investment properties and related tax effects, loss on redemption of senior notes and fair value gain on derivative financial instrument, etc. (in addition to any discretionary bonus (if any)), 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 2018, Mr. Fung received the Directors' emoluments in the total sum of approximately HK\$18,759,000 (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. Fung 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/ Share Options	–	9,200,000	235,990,000 ^(B)	237,190,000	2.96%

Save as disclosed above and information in this circular, Mr. Fung 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 DIRECTOR

Dr. MA Kai Cheung (“Dr. Ma”), *SBS, BBS*, aged 76, is our a Non-executive Director. He is a co-founder of our Group and has been a Director and Co-Chairman since 2 August 2002. He ceased to act as Co-Chairman of the Group since 25 July 2017. He is primarily responsible for advising on the formulation of the Group's general business models, development strategies and the resolution of major issues. Dr. Ma has more than 46 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. He was also a member of the 9th, the 10th and the 11th National Committee of the Chinese People's Political Consultative Conference. Dr. Ma is currently the permanent honorary president of Shenzhen Overseas Chinese International Association, the permanent honorary president of Hong Kong Chiu Chow Chamber of Commerce Limited, the chairman of Federation of Hong Kong Guangdong Community Organizations, the permanent honorary president of Hong Kong & Kowloon Chiu Chow Public Association and the permanent honorary chairman 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 honorary chairman and non-executive director of Carrianna Group Holdings Company Limited, a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 126).

Save as disclosed herein, Dr. Ma 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.

Dr. Ma 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, Dr. Ma is entitled to a director's remuneration of HK\$680,000 per annum, subject to annual review by the remuneration committee and the Board at the end of each fiscal year of the Company.

For the fiscal year ended 31 March 2018, Dr. Ma received the Directors' emoluments in the total sum of approximately HK\$807,000 (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, 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 number of issued shares
Ordinary shares	138,966,649 ⁽¹⁾	–	–	138,966,649	1.73%

- ⁽¹⁾ Dr. Ma Kai Cheung, as beneficial owner and beneficiary of trust and through the interest of his spouse, being interested in 42.23% of the issued share capital of Carrianna Group Holdings Company Limited which through a number of intermediaries, wholly owns Carrianna Development Limited, Dr. Ma Kai Cheung is therefore deemed to be interested and duplicated interests in an aggregate of 138,966,649 Shares held by Carrianna Development Limited via its holding company. Dr. Ma is a director of each of Carrianna Group Holdings Company Limited, Carrianna Development Limited, Sincere United Holdings Limited, Carrianna Holdings Limited, Gartrend Development Limited and Carrianna (BVI) Limited.

Save as disclosed above and information in this circular, 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 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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEUNG Kwan Yuen Andrew (“Mr. Leung”), *GBS, SBS, JP*, aged 67, has been an Independent Non-executive Director since 4 September 2009. He has more than 38 years of management experience in the textile manufacturing, wholesale and distribution businesses. Mr. Leung was elected as the President of the Sixth Legislative Council of Hong Kong on 12 October 2016 and he is currently a member of the Industrial (First) Functional Constituency of the Legislative Council of Hong Kong and is also a member of the National Committee of the Chinese People’s Political Consultative Conference. Mr. Leung is currently the honorary chairman of Textile Council of Hong Kong, the honorary president of the Federation of Hong Kong Industries, a fellow member of the Textiles Institute as well as the Clothing and Footwear Institute in the United Kingdom. He was a council member of the Hong Kong Trade Development Council. In addition, Mr. Leung has been appointed as an independent non-executive director of Wharf Real Estate Investment Company Limited (stock code: 1997) and Dah Sing Financial Holdings Limited (stock code: 440), both are companies listed on the Main Board of The Hong Kong Stock Exchange. Mr. Leung was an independent non-executive director of Dah Sing Banking Group Limited (stock code: 2356) and Harbour Centre Development Limited (stock code: 51) until his resignation effective from 20 December 2017 and 4 May 2018 respectively. He was the chairman and director of Sun Hing Knitting Factory Limited until his resignation effective from 28 February 2017.

Mr. Leung, if being elected as Independent Non-executive Director by the Shareholders at the AGM, will serve as Independent Non-executive Director for more than nine years after 4 September 2018. During his years of appointment, Mr. Leung has demonstrated his ability to provide independent view to the Company’s matter. Notwithstanding his years of services as Independent Non-executive Director, the Board is of the view that Mr. Leung is able to continue to fulfill his role as required and thus recommends him for re-election as Independent Non-executive Director at the AGM.

Save as disclosed herein, 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.

Mr. Leung 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\$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 2018, Mr. Leung 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. 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
Share Options			4,000,000 ^(B)	4,000,000	0.04%

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. YUNG Wing Ki Samuel (“Mr. Yung”), *SBS, MH, JP*, aged 59, has been an Independent Non-executive Director since 1 March 2013. Mr. Yung has over 36 years of experience in insurance sector. He was awarded an EMBA from the Hong Kong University of Science and Technology and has attained certain professional qualifications, including Certified Financial Planner, Registered Financial Consultant, Fellow Chartered Financial Practitioner, Chartered Life Practitioner, Certified Manager of Financial Advisor and Chartered Insurance Agency Manager. Mr. Yung is currently an executive district director of AIA International Limited and an independent non-executive director of China Overseas Insurance Limited, a wholly-owned subsidiary of China Overseas Holdings Group, and is also an independent non-executive director of China Overseas Property Holdings Limited (stock code: 2669), a company listed on the Main Board of The Hong Kong Stock Exchange. He was an independent non-executive director of Camsing International Holding Limited (formerly known as Fitec International Group Limited) (stock code: 2662) until his resignation effective from 31 May 2016, a company listed on the Main Board of The Hong Kong Stock Exchange. Mr. Yung is also presently a member of the National Committee of the Chinese People’s Political Consultative Conference, the vice chairman of the Committee for Economic Affairs (CEA) of the CPPCC National Committee, the founding president of Hong Kong Professionals and Senior Executives Association and the chairman or committee member of several Government committees and non-governmental organizations. Mr. Yung was elected the “Ten Outstanding Young Persons Award” in 1994. He was also a Municipal Commission standing member of the Chinese People’s Political Consultative Conference of Jilin, Standing Committee member of All-China Youth Federation, member of Commission on Strategic Development of the HKSAR, member of Central Policy Unit, chairman of Hong Kong United Youth Association, chairman of The

Outstanding Young Persons' Association, director and chairman of International Committee of General Agents & Managers Association International, co-chairman of the Asia Pacific Financial Services Association and president of The Life Underwriters Association of Hong Kong, president of General Agents and Managers Association of Hong Kong and chairman of Betting and Lotteries Commission.

Save as disclosed herein, Mr. Yung 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. Yung 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. Yung is entitled to a director's remuneration of HK\$380,000 per annum, subject to annual review by the remuneration committee and the Board at the end of each fiscal year of the Company.

For the fiscal year ended 31 March 2018, Mr. Yung 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. Yung 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	–	–	4,000,000 ^(B)	4,000,000	0.04%

Save as disclosed above and information in this circular, Mr. Yung did not have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Save as disclosed above 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.

Notes:

- (A) Unless otherwise defined, details of the Directors' emoluments for the fiscal year ended 31 March 2018 are set out in "Directors' Emoluments" and notes to the financial statements as set out in the Annual Report for the fiscal year ended 31 March 2018. 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 Granville Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Admiralty, Hong Kong on Tuesday, 21 August 2018 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 2018.
2. To declare a final dividend of HK5.0 cents per Share for the year ended 31 March 2018 (with scrip alternative).

The Board recommend the payment of a final dividend of HK5.0 cents per share of the Company (“Share”) for FY2017/18 (the “Final Dividend”) (FY2016/17: HK5.0 cents per share) to shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company on 29 August 2018. Shareholders may elect to receive the Final Dividend in one of the following ways: (a) in cash; or (b) new fully paid Shares (the “New Shares”) in lieu of cash; or (c) partly in cash and partly in New Shares in lieu of cash (the “Scrip Dividend Scheme”).

For the purpose of calculating the number of New Share to be allotted pursuant to the Scrip Dividend Scheme, the price for a New Share is HK\$1.50 per Share, which is calculated as the average of the closing prices of the existing Shares on The Stock Exchange of Hong Kong Limited from 22 June 2018, Friday to 28 June 2018,

NOTICE OF ANNUAL GENERAL MEETING

Thursday (both days inclusive). Accordingly, the number of New Shares which a Shareholder electing for New Shares is entitled to receive in respect of the Final Dividend will be calculated as follows:

$$\begin{array}{rcccl} \text{Number of New} & & \text{Number of existing} & & \text{HK5.0 cents} \\ \text{Shares to be} & & \text{Shares for which} & & \text{(Final Dividend per Share)} \\ \text{received} & = & \text{election for New} & \times & \hline & & \text{Shares is made} & & \text{HK\$1.50} \\ & & & & \text{(price per New Share)} \end{array}$$

The number of New Shares to be received will be rounded down to the nearest whole number of New Shares. Fractional entitlements to New Shares will be refunded in cash to the respective Shareholders concerned. The New Shares will, on issue not be entitled to the Final Dividend, but will rank *pari passu* in all other respects with the existing Shares.

The Scrip Dividend Scheme is conditional upon (1) the approval of the proposed Final Dividend at the annual general meeting of the Company (the “AGM”) to be held on 21 August 2018; and (2) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the New Shares to be issued under the Scrip Dividend Scheme. Details of the Scrip Dividend Scheme together with the relevant form of election will be sent to the Shareholders on or around 6 September 2018.

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. Fung Sing Hong Stephen as Executive Director.
 - (b) Dr. Ma Kai Cheung as Non-executive Director.
 - (c) Mr. Leung Kwan Yuen Andrew as Independent Non-executive Director.
 - (d) Mr. Yung Wing Ki Samuel as Independent Non-executive Director.

4. To re-appoint Messrs. Ernst & Young as independent 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.

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 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

NOTICE OF ANNUAL GENERAL MEETING

- (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 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.”

NOTICE OF ANNUAL 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 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
Chairman & Executive Director

Hong Kong, 20 July 2018

Notes:

- (1) The register of members of the Company will be closed from Monday, 27 August 2018 to Wednesday, 29 August 2018, both days inclusive, during which period no transfer of Shares of the Company will be effected. The ex-dividend date will be on Thursday, 23 August 2018. 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 Friday, 24 August 2018. The proposed final dividend will be distributed on or about Wednesday, 10 October 2018 to Shareholders of the Company whose names appear on the register of members on Wednesday, 29 August 2018.
- (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.