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If you have sold or transferred all your shares in China South City Holdings Limited (the “Company”), you should at once hand this circular, together with the accompanying form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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China South City Holdings Limited
華南城控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 1668)

GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES;
RE-ELECTION OF DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of China South City Holdings Limited to be held at Granville Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 21 August, 2014 at 2:30 p.m. is set out on pages 19 to 23 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

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, Hong Kong on Thursday, 21 August 2014 at 2:30 p.m.
“AGM Notice”	the notice convening the AGM as set out on pages 19 to 23 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
“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
“Investment and Cooperation Agreement”	the conditional agreement dated 15 January 2014 entered into between the Company and THL H Limited, a wholly-owned subsidiary of Tencent Holdings Limited, shares of which are listed on the Main Board of the Stock Exchange (stock code: 700), in relation to, among other things, the subscription of Shares and grant of share options subject to the terms and conditions contained therein

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”	10 July 2014, 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
“Repurchase Mandate”	a general and unconditional mandate to repurchase 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
“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)

(Stock Code: 1668)

Board of Directors

Executive Directors

Mr. Cheng Chung Hing (*Co-Chairman*)
Mr. Leung Moon Lam (*Chief Executive Officer*)
Professor Xu Yang

Non-executive Directors

Dr. Ma Kai Cheung *SBS, BBS (Co-Chairman)*
Mr. Sun Kai Lit Cliff *BBS, JP*
Dr. Ma Wai Mo
Mr. Cheng Tai Po
Mr. Lin Ching Hua (*appointed on 28 June 2014*)

Independent Non-executive Directors

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

23 July 2014

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES;
RE-ELECTION OF DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM. These resolutions include, among other things, (i) the granting to

LETTER FROM THE BOARD

the Directors the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate to include Shares repurchased pursuant to the Repurchase Mandate; and (ii) the re-election of 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 2013, 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 2013 and to repurchase the Shares of up to a maximum of 10% of the issued share capital of the Company as at 21 August 2013 respectively and to extend the general mandate to allot and issue Shares to include Shares repurchased under the general mandate to repurchase Shares. These general mandates will lapse at the conclusion of the AGM, unless renewed at the AGM. It is therefore proposed to renew these general mandates at the AGM.

(a) Issue Mandate

At the AGM, an ordinary resolution set out in resolution no. 5 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, 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 7,579,677,999. Subject to the passing of the proposed resolution, the maximum number of new Shares to be issued under the Issue Mandate will be 1,515,935,599 Shares (assuming that there will be no further Shares issued or repurchased prior to the AGM).

Subject to the passing of the Issue Mandate and the Repurchase Mandate, an ordinary resolution set out in resolution no. 7 of the AGM Notice will be proposed to extend the Issue Mandate to increase the limit of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate.

(b) Repurchase Mandate

At the AGM, an ordinary resolution set out in resolution no. 6 of the AGM Notice will be proposed to the Shareholders to consider, and if thought fit, granting the Directors a new general and unconditional mandate to exercise all powers of the Company to repurchase, subject to the criteria set out in the circular, Shares up to a maximum of 10% of the aggregate 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 Repurchase Mandate as required by the Listing Rules to be sent to the Shareholders is set out in the Appendix I to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate at the AGM.

3. RE-ELECTION OF RETIRING DIRECTORS

According to the Articles, each of (i) Mr. Leung Moon Lam as executive Director; (ii) Dr. Ma Kai Cheung as non-executive Director; (iii) Mr. Sun Kai Lit Cliff as non-executive Director; (iv) Mr. Lin Ching Hua as non-executive Director; and (v) Mr. Hui Chiu Chung Stephen as independent non-executive Director shall hold office until the AGM and, being eligible, will offer themselves for re-election at the AGM. At the AGM, ordinary resolutions set out in resolution no. 3 of the AGM notice will be proposed to re-elect (i) Mr. Leung Moon Lam as executive Director; (ii) Dr. Ma Kai Cheung as non-executive Director; (iii) Mr. Sun Kai Lit Cliff as non-executive Director; (iv) Mr. Lin Ching Hua as non-executive Director and (v) Mr. Hui Chiu Chung Stephen as independent non-executive Director.

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

4. ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 19 to 23 of this circular to consider the resolutions relating to, inter-alia, the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors.

A form of proxy at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 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.

5. RECOMMENDATION

The Directors consider that the proposed granting to the Directors of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favor of the relevant resolutions as set out in the AGM Notice.

LETTER FROM THE BOARD

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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 Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the Company has a total of 7,579,677,999 Shares in issue and a total of 368,820,000 share options granted under the Share Option Scheme and 244,800,000 share options granted pursuant to the Investment and Cooperation Agreement, which carries the rights to subscribe for up to 244,800,000 Shares had remained outstanding. If the share options are exercised in full, prior to the date of passing of the resolution in respect of the Repurchase Mandate, a further 613,620,000 Shares will be in issue. Subject to the passing of the relevant resolution(s) as set out in the AGM Notice and assuming that no further Shares are issued or repurchased by the Company and no share options are exercised by the grantees, the Directors will be authorized to repurchase up to 757,967,799 Shares (being 10% of the aggregate number of Shares in issue as at the date of the AGM) pursuant to the Repurchase Mandate during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or (iii) the revocation and variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting. Assuming that rights attached to all outstanding share options are exercised in full on or before the date of passing of the resolution in respect of the Repurchase Mandate and assuming no further Shares are issued or repurchased by the Company, the total number of Shares in issue will be 8,193,297,999 and the Directors will be authorized to purchase up to 819,329,799 Shares.

2. REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purposes in accordance with the 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 repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase to such extent allowable under the New Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

4. IMPACT OF REPURCHASES

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the fiscal year ended 31 March 2014) in the event of the Repurchase Mandate were to be carried out in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have material adverse impact on the working capital requirements of the Company or the gearing levels which, in the opinion of the Board, are from time to time appropriate for the Company.

5. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have traded on the Stock Exchange for the last twelve months to the Latest Practicable Date:

	Share Prices Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
August	2.17	1.89
September	2.48	1.97
October	2.70	2.20
November	2.45	1.86
December	2.23	1.77
2014		
January	4.99	2.06
February	4.40	3.39
March	4.96	3.43
April	3.75	3.21
May	3.85	2.98
June	4.17	3.62
July (<i>up to the Latest Practicable Date</i>)	4.14	3.87

6. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong in the event that it is granted by the Shareholders of the AGM.

The Company has not been notified by any connected person that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

7. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of securities, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of 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 collectively hold 2,367,180,976 Shares. Mr. Cheng Chung Hing and Mr. Cheng Tai Po (both are the Directors) collectively hold 100% interests in Accurate Gain Developments Limited and 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 2,448,116,976 Shares, representing 32.29% of the total number of issued shares of the Company. In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate and if there is no other change in the total number of issued shares of the Company, their collective shareholdings in the Company will be increased to approximately 35.88% 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 Repurchase Mandate which may arise under the Takeovers Code. The Directors do not intend to exercise the Repurchase Mandate to such an extent that the Company cannot satisfy its minimum requirement for public float under the Listing Rules.

8. SHARE REPURCHASE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company repurchased a total of 31,336,000 Shares at prices ranging from HK\$3.27 to HK\$3.64 per share on the Stock Exchange. Details of the repurchases of such Shares were as follows:

Date of the repurchase	Number of Shares repurchased	Highest price paid per share <i>HK\$</i>	Lowest price paid per share <i>HK\$</i>	Aggregate consideration paid (excluding expenses) <i>HK\$</i>
11 April 2014	8,230,000	3.64	3.50	29,463,660
14 April 2014	7,800,000	3.56	3.48	27,351,400
15 April 2014	5,808,000	3.59	3.52	20,679,860
2 May 2014	5,212,000	3.37	3.27	17,349,380
5 May 2014	<u>4,286,000</u>	3.46	3.38	<u>14,781,260</u>
	<u>31,336,000</u>			<u>109,625,560</u>

All 31,336,000 Shares repurchased were cancelled as at the Latest Practicable Date. Save as disclosed above, the Company did not repurchase any Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

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

EXECUTIVE DIRECTORS

Mr. LEUNG Moon Lam (“Mr. Leung”), aged 58, is the Chief Executive Officer and an executive Director. He is a co-founder of our Group and has been a Director since 1 June 2002. He is primarily responsible for the execution of the Board’s decision and the overall management of the Group. He has more than 31 years of management experience in the garment manufacturing, wholesale and distribution businesses. 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 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, an honorary chairman of the Shenzhen Longgang Charity Association, the honorary professor of Business of 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. Mr. Leung is also a director of a number of subsidiaries of the Company.

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 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, he is entitled to a basic salary of HK\$6,500,000 subject to annual review by the remuneration committee and the Board at the end of each financial year of the Company. In addition, he is entitled to a performance bonus of an amount equal to 1% of the audited consolidated net profit after taxation and non-controlling interests but before non-operating items of the financial year. Without prejudice to the foregoing, Mr. Leung is entitled to a discretionary bonus of an amount to be determined by the Board or the remuneration committee in an absolute discretion. The maximum aggregate amount of all bonuses payable to all the executive Directors (including the said performance bonus and the discretionary bonus) in any financial year of the Company shall not be more than 3% of the audited consolidated net profit after taxation and non-controlling interests but before non-operating items of the relevant financial year. In addition, subject to the determination by the remuneration committee or the Board, Mr. Leung may also participate in the Company’s Share Option Scheme in accordance with the terms and conditions of such scheme.

For the fiscal year ended 31 March 2014, Mr. Leung received the Directors' emoluments in the total sum of HK\$33,355,000 (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/ share options	523,899,770 ⁽¹⁾	59,389,977	189,970,000 ^(B)	773,259,747	10.20%

⁽¹⁾ Mr. Leung owns 100% of the issued share capital of Kings Faith International Limited which in turn holds 523,899,770 Shares and is therefore deemed to be interested in 523,899,770 Shares. Mr. Leung is a director of Kings Faith International Limited.

Save as disclosed above, 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, the Board is not aware of any other information that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of the Rule 13.51(2) of the Listing Rules.

NON-EXECUTIVE DIRECTORS

Dr. MA Kai Cheung ("Dr. Ma"), SBS, BBS, aged 72, is our Co-Chairman and 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 and development strategies and the resolution of major issues. Dr. Ma has more than 42 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, 10th and 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 of Carrianna Group Holdings Company Limited (formerly known as Tak Sing Alliance Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 00126). Dr. Ma is also a director of a number of subsidiaries of the Company.

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\$1,080,000 per annum, subject to annual review by the remuneration committee and the Board at the end of each financial year of the Company.

For the fiscal year ended 31 March 2014, Dr. Ma received the Directors' emoluments in the total sum of HK\$1,080,000 (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	1.83%

⁽¹⁾ Dr. Ma Kai Cheung, as beneficial owner and beneficiary of trust and through the interest of his spouse, being interested in 40.76% 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 interested 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, 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 or 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. SUN Kai Lit Cliff (“Mr. Sun”), *BBS, JP*, aged 60, is a non-executive Director. He is a co-founder of our Group and has been appointed as a Director since 2 August 2002. He is primarily responsible for advising on the formulation of the Group’s general business models, development strategies and the resolution of major issues. Mr. Sun is an associate of the Institute of Industrial Engineers of Ohio and has over 34 years of management experience in the businesses 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 president of the Hong Kong Plastics Manufacturers Association Limited and the honorary founding president and the executive president of Shenzhen Overseas Chinese International Association. Mr. Sun is the executive director of Kinox Enterprises Limited and Kin Hip Metal and Plastic Factory Limited. He is currently an independent non-executive director of Ming Fai International Holdings Limited (stock code: 3828) and Ka Shui International Holdings Ltd., (stock code: 822), both of which are listed on the Main Board of the Stock Exchange. Mr. Sun is also a director of a number of subsidiaries of the Company.

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 financial year of the Company.

For the fiscal year ended 31 March 2014, 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 ⁽¹⁾	–	–	125,241,662	1.65%

⁽¹⁾ Mr. Sun Kai Lit Cliff owns the entire interests in Kinox Holdings Limited and is therefore deemed to be interested in an aggregate of 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. LIN Ching Hua (“Mr. Lin”), aged 41, 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. He joined Tencent Group (“Tencent” or “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) as the General Manager of Strategic Development Department since April 2013, with responsibilities mainly 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 recent strategic initiatives, including Weixin commercialization, important strategic investments and cooperations, and the business planning and development in internet finance. Before joining Tencent, Mr. Lin was a partner at McKinsey & Company, Inc and General Manager of its branch in Taiwan. He mainly served clients and performed research in technology sector, including hi-tech manufacturing, internet service, telecommunication and media during his 12 years with McKinsey & Company, Inc. 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.

Apart from being a non-executive director of the Company, Mr. Lin has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas presently or in the three years preceding the date of his appointment and does not hold any position with the Company or any of the Company's subsidiaries. Save as disclosed herein, Mr. Lin does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

Mr. Lin has entered into a letter of appointment with the Company pursuant to which Mr. Lin is appointed as a non-executive director of 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. Lin is entitled to a remuneration of HK\$380,000 per annum, subject to annual review by the remuneration committee and the Board at the end of each financial year of the Company.

As at the Latest Practicable Date, Mr. Lin 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	–	–	2,000,000 ^(B)	2,000,000	0.02%

Save as disclosed above, 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 DIRECTORS

Mr. HUI Chiu Chung Stephen (“Mr. Hui”), *JP*, aged 67, has been an independent non-executive Director and a member of the Audit Committee of the Company since 11 April 2011. Mr. Hui has over 43 years of experience in the securities and investment industry. He has served as a council member and vice chairman of the Hong Kong Stock Exchange, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission, a director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of the Standing Committee on Company Law Reform and an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A for a number of years. He was also a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission and a member of Government “Appointees” (independent member) of Appeal Panel of the Travel Industry Council of Hong Kong. Mr. Hui was appointed by the Government of the Hong Kong Special Administrative Region a Justice of the Peace (JP) in 2004 and was also appointed as a member of the Zhuhai Municipal Committee of the Chinese People’s Political Consultative Conference in 2006. He also serves as a non-executive director of Luk Fook Holdings (International) Limited (stock code: 590) and an independent non-executive director of Hong Kong Exchanges and Clearing Limited (stock code: 388), Zhuhai Holdings Investment Group Limited (formerly known as Jiuzhou Development Company Limited) (stock code: 908), Lifestyle International Holdings Limited (stock code: 1212), Chun Wo Development Holdings Limited (stock code: 711), Gemdale Properties and Investment Corporation Limited (formerly known as Frasers Property (China) Limited) (stock code: 535) and SINOPEC Engineering (Group) Co., Limited (stock code: 2386), whose shares are listed on the Hong Kong Stock Exchange.

Save as disclosed herein, Mr. Hui 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. Hui 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. Hui 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 financial year of the Company.

For the fiscal year ended 31 March 2014, Mr. Hui 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. Hui 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 ^(B)	2,000,000	0.02%

Notes:

- (A) Details of the Directors' emoluments for the fiscal year ended 31 March 2014 are set out in "Directors' Emoluments" and notes to the financial statements set out in the Annual Report for the fiscal year ended 31 March 2014. 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.

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

Save as disclosed above, the Board is not aware of any other information that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of the Rule 13.51(2) of the Listing Rules.



China South City Holdings Limited
華南城控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 1668)

NOTICE IS HEREBY GIVEN that an annual general meeting of China South City Holdings Limited (the “Company”) will be held at Granville Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 21 August 2014 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 auditors of the Company (the “Auditors”) for the year ended 31 March 2014.
2. To declare a final dividend of HK14.0 cents per share for the year ended 31 March 2014.
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. Leung Moon Lam as executive Director.
 - (b) Dr. Ma Kai Cheung as non-executive Director.
 - (c) Mr. Sun Kai Lit Cliff as non-executive Director.
 - (d) Mr. Lin Ching Hua as non-executive Director.
 - (e) Mr. Hui Chiu Chung Stephen as independent non-executive Director.
4. To re-appoint Messrs. Ernst & Young as Auditors and to 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

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by 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

“Rights Issue” means an offer of ordinary shares open for a period fixed by the Company (or by the Directors) to holders of ordinary shares on the Register of Members (ordinary shares) of the Company on a fixed record date in proportion to their then holdings of such ordinary shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any authorized regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the ordinary shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the ordinary shares of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirement of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of ordinary shares of the Company to be authorized to repurchase by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate number of ordinary shares of the Company in issue as at the date of passing of this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

- (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.”
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 repurchased by the Company under the authority granted to the Directors as mentioned in the said resolution no. 6 shall be added to the aggregate 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, 23 July 2014

Notes:

- (1) The register of members of the Company will be closed from Thursday, 28 August 2014 to Friday, 29 August 2014, both days inclusive, during which period no transfer of shares of the Company will be effected. The ex-dividend date will be on Tuesday, 26 August 2014. 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 no later than 4:30 p.m. on Wednesday, 27 August 2014. The proposed final dividend will be distributed on or about Thursday, 11 September 2014 to shareholders of the Company whose names appear on the register of members on Friday, 29 August 2014.
- (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.

NOTICE OF ANNUAL GENERAL MEETING

- (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.