

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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

(incorporated in Hong Kong with limited liability)

(Stock code: 1668)

APPOINTMENT OF EXECUTIVE DIRECTOR

The Board of the Company is pleased to announce that Mr. Fung Sing Hong Stephen has been appointed as an executive director of the Company with effect from 25 August 2014 and will remain as the chief financial officer of the Group.

Mr. Fung is primarily responsible for formulating corporate finance and merger & acquisition strategies of the Group as well as the strategic development of the Group's e-commerce and logistics businesses and actuated the Group's strategic cooperation with Tencent Holdings Limited.

The board of directors (the "**Board**") of China South City Holdings Limited (the "**Company**") together with its subsidiaries, collectively the "**Group**") is pleased to announce that Mr. Fung Sing Hong Stephen ("**Mr. Fung**") has been appointed as an executive director of the Company with effect from 25 August 2014 and will remain as the chief financial officer of the Group ("**CFO**").

Mr. Fung Sing Hong Stephen, aged 49, joined the Group in July 2006 as the Group's chief financial officer, is primarily responsible for formulating corporate finance and merger & acquisition strategies of the Group as well as the strategic development of the Group's e-commerce and logistics businesses and actuated the Group's strategic cooperation with Tencent Holdings Limited. 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. He is also a fellow member of the Hong Kong Institute of Directors. Mr. Fung has more than 21 years of experience in financial management, mergers and acquisitions, capital markets financing and corporate restructuring. 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 Stock Exchange of Hong Kong Limited (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 above, Mr. Fung has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas 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. As far as the Board is aware, apart from being an executive director of the Company, Mr. Fung does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) of the Company.

As at the date of this announcement, Mr. Fung is beneficially interested in 50,200,000 shares of the Company, representing approximately 0.64% of the total number of issued share of the Company. In addition, Mr. Fung has 80,000,000 underlying shares in respect of the share options granted by the Company under the share option scheme of the Company. Save as disclosed above, Mr. Fung does not have any interest in or is deemed to be interested in any shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Fung has entered into a service contract with the Company pursuant to which Mr. Fung is appointed as an executive director of the Company for a specific term of three years and will be subject to retirement and re-election at general meeting of the Company in accordance with the articles of association of the Company. Mr. Fung is entitled to a total remuneration of HK\$6,000,000 per annum for his appointment as an executive Director of the Company and his employment as the CFO. In addition, performance based bonus(es) (in addition to any discretionary bonus) may be payable to Mr. Fung from time to time as determined or to be determined by the Board in recognition of his contribution to the Company. The Board may also consider granting share options to Mr. Fung in accordance with the provisions of the relevant share option scheme of the Company. The remuneration was determined by the Board based on the recommendation of the Remuneration Committee of the Company with reference to Mr. Fung's experience, duties, responsibilities and the prevailing market conditions as well as the remuneration package offered to the other executive directors of the Company.

Save as disclosed above, there are no other matters relating to the appointment of Mr. Fung that need to be brought to the attention of the shareholders of the Company or any other information to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules.

The Board would like to take this opportunity to welcome Mr. Fung for joining the Board.

By order of the Board
China South City Holdings Limited
CHENG Chung Hing
Co-chairman and Executive Director

Hong Kong, 25 August 2014

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