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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)

CHANGE OF CHIEF EXECUTIVE OFFICER

The Board of the Company is pleased to announce the following changes in senior management of the Company, all to take effect from 1 January 2016 :

- (1) Mr. Leung Moon Lam will cease to act as chief executive officer of the Company but will remain as an executive director of the Company; and
- (2) Mr. Fung Sing Hong Stephen, currently an executive director of the Company and the Group's chief financial officer, will be appointed as chief executive officer of the Company.

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 the following changes in senior management of the Company, all to take effect from 1 January 2016:

- (1) Mr. Leung Moon Lam (“**Mr. Leung**”) will cease to act as chief executive officer of the Company but will remain as an executive director of the Company; and
- (2) Mr. Fung Sing Hong Stephen (“**Mr. Fung**”), currently an executive director of the Company and the Group's chief financial officer, will be appointed as chief executive officer of the Company.

Upon the re-designation mentioned above, Mr. Leung will be responsible for the Group's overall development direction, the Group's sales and marketing strategies, banking, trade center occupants and government's relations. Mr. Fung will be responsible for the overall management and operation of the Group, and be responsible for formulating capital market financing, merger and acquisition, and business spin-off strategies, and extending the strategic co-operations with Tencent.

Mr. Fung Sing Hong Stephen, aged 50, before designated as chief executive officer, Mr. Fung is an executive director of the Company and the Group's chief financial officer. Mr. Fung joined the Group in July 2006. 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 and the vice president of Hong Kong Business Accountants Association. Mr. Fung has more than 22 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 acting the positions mentioned in this announcement, 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 9,200,000 shares of the Company and has 76,000,000 underlying shares in respect of the share options granted by the Company under the share option scheme of the Company, and is therefore deemed to be interested in an aggregate of 85,200,000 shares of the Company which representing approximately 1.06% of the total number of issued shares 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).

Upon the re-designation mentioned above, Mr. Fung is entitled to an annual remuneration of HK\$6,800,000. In addition, Mr. Fung is entitled to a performance based bonus of an amount of 0.75% of the audited net profit attributable to owners of the parent excluding fair value gains on investment properties and related tax effects and fair value gain on derivative financial instrument (in addition to any discretionary bonus (if any)). The Board will grant 1% of the share options of the issued shares of the Company to Mr. Fung in accordance with the provisions of the relevant share option scheme of the Company.

The remunerations were 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.

Save as disclosed above, Mr. Leung has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation as chief executive officer that need to be brought to the attention of the shareholders of the Company. In addition, there are no other matters relating to the appointment of Mr. Fung as chief executive officer 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 express its deepest gratitude for Mr. Leung's valuable contribution to the Company during his tenure of office as chief executive officer of the Company and also to express its warmest welcome to Mr. Fung on his appointment as the chief executive officer of the Company.

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

Hong Kong, 30 December 2015

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, 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, JP, Mr. Li Wai Keung, Mr. Hui Chiu Chung Stephen, JP and Mr. Yung Wing Ki Samuel, SBS, MH, JP.