

**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 Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 22 August 2016 at 2:30 p.m. is set out on pages 17 to 20 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> |
|---|-------------|
| <b>Definitions</b> .....  | 1           |
| <b>Letter from the Board</b> .....  | 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 .....   | 5           |
| 6. Responsibility Statement .....   | 6           |
| <b>Appendix I</b> — <b>Explanatory Statement for Buy-Back Mandate</b> .....                               | 7           |
| <b>Appendix II</b> — <b>Biographical Details of Retiring Directors<br/>Proposed for Re-election</b> ..... | 10          |
| <b>Notice of Annual General Meeting</b> .....   | 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 Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 22 August 2016 at 2:30 p.m.                                     |
| “AGM Notice”          | the notice convening the AGM as set out on pages 17 to 20 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  |
| “Hong Kong”           | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “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 |

---

## DEFINITIONS

---

|                              |   |
|------------------------------|---|
| “Latest Practicable Date”    | 18 July 2016, 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  |
| “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

Mr. Fung Sing Hong Stephen (*Chief Executive Officer*)

***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

***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

22 July 2016

*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

---

## LETTER FROM THE BOARD

---

Mandate to include Shares bought back pursuant to the Buy-Back 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 2015, 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 2015 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 2015 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 8,006,321,999. Subject to the passing of the proposed resolution, the maximum number of new Shares to be issued under the Issue Mandate will be 1,601,264,399 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. Cheng Chung Hing, Dr. Ma Kai Cheung, Mr. Hui Chiu Chung and Mr. Yung Wing Ki Samuel shall retire from office by rotation at the AGM. 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. Cheng Chung Hing as Executive Director; (ii) Dr. Ma Kai Cheung as Non-Executive Director; (iii) Mr. Hui Chiu Chung as Independent Non-Executive Director; and (iv) Mr. Yung Wing Ki Samuel 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 17 to 20 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.

### **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.

---

## 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 Buy-Back Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the Company has a total of 8,006,321,999 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 bought back by the Company, the Directors will be authorized to buy back up to 800,632,199 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-BACK**

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-back 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 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 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 New 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 2016) 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<br><i>HK\$</i> | Lowest<br><i>HK\$</i> |
| <b>2015</b>                                       |                        |                       |
| August  | 2.50                   | 1.88                  |
| September   | 2.05                   | 1.86                  |
| October   | 2.13                   | 1.86                  |
| November  | 1.96                   | 1.73                  |
| December  | 1.82                   | 1.56                  |
| <b>2016</b>                                       |                        |                       |
| January   | 1.75                   | 1.35                  |
| February  | 1.62                   | 1.38                  |
| March   | 1.69                   | 1.51                  |
| April   | 1.64                   | 1.46                  |
| May   | 1.49                   | 1.38                  |
| June  | 1.59                   | 1.41                  |
| July ( <i>up to the Latest Practicable Date</i> ) | 1.64                   | 1.51                  |

**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 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 respectively holds 1,778,196,831 Shares and 588,984,145 Shares, collectively hold 2,367,180,976 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 2,451,116,976 Shares, representing 30.61% of the total number of issued Shares of the Company. 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 shareholdings in the Company will be increased to approximately 34.01% 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.

Mr. Cheng Chung Hing, Mr. Cheng Tai Po and Mr. Leung Moon Lam (each, together with his associates if the context permits, being an “Alliance Shareholder”) have entered into an agreement dated 28 December 2015, pursuant to which, among other things, if any Alliance Shareholder propose to transfer any Shares to a person other than an Alliance Shareholder, such Alliance Shareholder shall obtain a written approval from the other two Alliance Shareholders, following which, the other two Alliance Shareholders shall have certain first right of refusal and tag-along right in respect of the transfer. With this, Mr. Cheng Chung Hing, Mr. Cheng Tai Po and Mr. Leung Moon Lam may be deemed as a group of Shareholders acting in concert under the Takeovers Code. As at the Latest Practicable Date, Kings Faith International Limited, a company in which Mr. Leung Moon Lam holds 100% interest, holds 463,899,770 Shares. Including the personal interest of the spouse of Mr. Leung Moon Lam in the Company, he is deemed to be interested in an aggregate of 465,899,770 Shares, representing 5.81% of the total number of issued Shares of the Company. When aggregating the deemed interest of Mr. Cheng Chung Hing, Mr. Cheng Tai Po and Mr. Leung Moon Lam in the Company, they will be deemed to be interested in an aggregate of 2,917,016,746 Shares, representing 36.43% of the total number of issued Shares of the Company. 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 shareholdings in the Company will be increased to approximately 40.48% 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 buy-backs 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 bought back 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. CHENG Chung Hing (“Mr. Cheng”)**, aged 55, is our Co-Chairman and an Executive Director. He is a co-founder of our Group and has been a Director since 2 August 2002. He is primarily responsible for formulating the overall strategies and assessing the performance of the Group as well as providing leadership for the Board. He has more than 33 years of management experience in the manufacturing, wholesale and distribution businesses. Mr. Cheng has been awarded the “Young Industrialist Awards of Hong Kong 1997” from the Federation of Hong Kong Industries, the Distinguished International Entrepreneur of the Year Award 1997 from San Francisco State University and the Chinese Outstanding Entrepreneur Award 2008 from the China Enterprise Confederation and the China Enterprise Directors Association. Mr. Cheng is the vice chairman of the China Chamber of International Commerce, a standing member of the 10th and the 11th Guangxi Zhuang Autonomous Region Committee of the Chinese People’s Political Consultative Conference and a member of the 3rd, 4th and the 5th Shenzhen Committee of the Chinese People’s Political Consultative Conference. Mr. Cheng is also presently the foundation honorary chairman of Gem and Jewelry Committee of China General Chamber of Commerce, a standing member of the China Enterprise Confederation and the China Enterprise Director Association, vice president of the China Federation of Logistics and Purchasing, vice president of the Guangxi Zhuang Autonomous Region Federation of Industry and Commerce, vice president of the Guangxi Overseas Friendship Association, vice president of the China Chamber of International Commerce Shenzhen, chairman of the Shenzhen Logistics and Supply Chain Management Association, vice chairman of the Federation of Shenzhen Industries, honorary life president of the Hong Kong Gemstone Manufacturers’ Association Limited, honorary chairman of Zhejiang Pearl Trade Association and member of the Shenzhen Overseas Friendship Association. Mr. Cheng is currently the chairman and non-executive director of Man Sang Jewellery Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1466). Mr. Cheng was the chairman and non-executive director of Man Sang International Limited, a company listed on the Main Board of the Stock Exchange (stock code: 938) until his resignation effective from 16 October 2014. He was also the director of China Metro-Rural Holdings Limited (formerly known as Man Sang International (B.V.I.) Limited), a company listed on the New York Stock Exchange MKT (ticker symbol: CNR) until his resignation effective from 5 December 2013. Mr. Cheng is a younger brother of Mr. Cheng Tai Po, a Non-Executive Director of the Company.

Save as disclosed herein, Mr. Cheng 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. Cheng 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\$5,850,000 per annum 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 based bonus of an amount of 1% of the audited net profit attributable to owners of the parent of the relevant financial year excluding fair value gains on investment properties and related tax effects and fair value gain on derivative financial instrument. Without prejudice to the foregoing, Mr. Cheng 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 based bonus and the discretionary bonus) in any financial year of the Company shall not be more than 3% of the audited net profit attributable to owners of the parent of the relevant financial year excluding fair value gains on investment properties and related tax effects and fair value gain on derivative financial instrument. In addition, subject to the determination by the remuneration committee or the Board, Mr. Cheng 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 2016, Mr. Cheng received the Directors' emoluments in the total sum of HK\$19,035,000 (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. Cheng has the following interests in the Company within the meaning of Part XV of the SFO:

| <b>Class of Shares</b> | <b>Number of Shares held under corporate interest</b> | <b>Number of Shares held under personal/family interest</b> | <b>Number of underlying Shares held under equity derivatives</b> | <b>Total</b>  | <b>Approximate percentage of the Company's total number of issued Shares</b> |
|------------------------|---|---|--|---------------|--|
| Ordinary Shares        | 1,778,196,831 <sup>(1)</sup>                          | 79,000,000  | –  | 1,857,196,831 | 23.19%   |

<sup>(1)</sup> Mr. Cheng Chung Hing is interested in 100% of the issued share capital of Accurate Gain Developments Limited which in turn holds 1,778,196,831 Shares and is therefore deemed to be interested in the aforesaid 1,778,196,831 Shares. Mr. Cheng is a director of Accurate Gain Developments Limited.

Save as disclosed above, Mr. Cheng 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 DIRECTOR

**Dr. MA Kai Cheung** (“**Dr. Ma**”), *SBS, BBS*, aged 74, 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 44 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 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 of Carrianna Group Holdings Company Limited, a company listed on the Main Board of the 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\$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 2016, 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 <sup>(1)</sup>                     | –  | –   | 138,966,649 | 1.73%   |

<sup>(1)</sup> Dr. Ma Kai Cheung, as beneficial owner and beneficiary of trust and through the interest of his spouse, being interested in 41.45% 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 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** (“**Mr. Hui**”), *JP*, aged 69, has been an Independent Non-Executive Director since 11 April 2011. Mr. Hui has over 45 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 is a fellow member of The Hong Kong

Institute of Directors and a senior fellow member of Hong Kong Securities and Investment Institute. Mr. Hui also serves as a non-executives director of Luk Fook Holdings (International) Limited (stock code: 590) and an independent non-executive director of Zhuhai Holdings Investment Group Limited (formerly known as Jiuzhou Development Company Limited) (stock code: 908), Lifestyle International Holdings Limited (stock code: 1212), Gemdale Properties and Investment Corporation Limited (formerly known as Frasers Property (China) Limited) (stock code: 535), SINOPEC Engineering (Group) Co., Limited (stock code: 2386), Agile Property Holdings Limited (stock code: 3383) and FSE Engineering Holdings Limited (stock code: 331), whose shares are listed on the Stock Exchange. He was an independent non-executive director of Chun Wo Development Holdings Limited (now known as China City Construction Group Holdings Limited) (stock code: 711) and Hong Kong Exchanges and Clearing Limited (stock code: 388) until his resignation effective from 1 February 2015 and his retirement effective from 29 April 2015 respectively.

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 2016, 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<br>Shares held<br>under<br>corporate<br>interest | Number of<br>Shares held<br>under<br>personal/<br>family<br>interest | Number of<br>underlying<br>Shares held<br>under equity<br>derivatives | Total     | Approximate  |
|-----------------|--|--|---|-----------|--|
|                 |  |  |   |           | percentage<br>of the<br>Company's<br>total number<br>of issued<br>Shares |
| Share Options   | –  | –  | 2,000,000 <sup>(B)</sup>  | 2,000,000 | 0.02%  |



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.

**Mr. YUNG Wing Ki Samuel (“Mr. Yung”)**, *SBS, MH, JP*, aged 57, has been an Independent Non-Executive Director since 1 March 2013. Mr. Yung has over 34 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, 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) and Fittec International Group Limited (stock code: 2662), both are listed on the Main Board of the Stock Exchange. He was an independent non-executive director of Group Sense (International) Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 601) until his retirement as independent non-executive director effective from 11 September 2013. Mr. Yung is also presently a member of the National Committee of the Chinese People’s Political Consultative Conference, 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 & 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 financial year of the Company.

For the fiscal year ended 31 March 2016, 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<br>Shares held<br>under<br>corporate<br>interest | Number of<br>Shares held<br>under<br>personal/<br>family<br>interest | Number of<br>underlying<br>Shares held<br>under equity<br>derivatives | Total     | Approximate  |
|-----------------|--|--|---|-----------|--|
|                 |  |  |   |           | percentage<br>of the<br>Company's<br>total number<br>of issued<br>Shares |
| Share Options   | –  | –  | 2,000,000 <sup>(B)</sup>  | 2,000,000 | 0.02%  |

Save as disclosed above, 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, 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 2016 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 2016. 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 Harcourt Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 22 August 2016 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 2016.
2. To declare a final dividend of HK5.0 cents per Share for the year ended 31 March 2016.
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. Cheng Chung Hing as Executive Director.
  - (b) Dr. Ma Kai Cheung as Non-Executive Director.
  - (c) Mr. Hui Chiu Chung as Independent Non-Executive Director.
  - (d) Mr. Yung Wing Ki Samuel as Independent Non-Executive Director.
4. To re-appoint Messrs. Ernst & Young as Auditors and to authorize the Board to fix their remuneration.

---

## NOTICE OF ANNUAL GENERAL MEETING

---

As a special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions.

### 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;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (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 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;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (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 bought 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**  
*Co-Chairman & Executive Director*

Hong Kong, 22 July 2016

*Notes:*

- (1) The register of members of the Company will be closed from 26 August 2016 to 29 August 2016, both days inclusive, during which period no transfer of Shares of the Company will be effected. The ex-dividend date will be on 24 August 2016. 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 25 August 2016. The proposed final dividend will be distributed on or about 12 September 2016 to Shareholders of the Company whose names appear on the register of members on 29 August 2016.
- (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 is 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.