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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 to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

MAJOR TRANSACTION

ACQUISITION OF LAND USE RIGHTS IN HEFEI CITY

18 August 2017

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Acquisition”	the acquisition of land use rights of the Land through the Listing-for-sale
“Board”	the board of directors of the Company
“Bureau of Land and Resources of Hefei City*”	合肥市國土資源局 (a bureau of the Hefei City Government)
“Company”	China South City Holdings Limited, a company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration of the Land
“CSC Hefei”	合肥華南城有限公司 (Hefei China South City Company Limited*), a company incorporated in the PRC and a wholly-owned subsidiary of the Company, and is principally engaged in the development and operation of the Hefei Project
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hefei Project”	the construction and development of a large-scale integrated logistics and trade center in Hefei City, Anhui Province, the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Land”	a piece of land at Lot No. Fei Xi [2017] No. 4, situated at 桃花工業園湯口路與派河大道交口 (Taohua Industrial Park Tangkou Lu and Pai Ke Da Dao Jiao Kou*), Hefei City, Anhui Province, the PRC
“Land Use Rights Transfer Contract”	國有建設用地使用權出讓合同 (Contract for the transfer of the land use rights of the Land) entered into between the Bureau of Land and Resources of Hefei City and CSC Hefei in respect of the Land on 27 July 2017
“Latest Practicable Date”	14 August 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing-for-sale”	the listing-for-sale transaction held by the Bureau of Land and Resources of Hefei City
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purposes of this circular only (unless otherwise indicated) excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholders”	the holders of Shares
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Transaction Confirmation” the transaction confirmation entered into between the Bureau of Land and Resources of Hefei City and CSC Hefei in respect of the Acquisition on 13 July 2017

“%” per cent

For the purpose of this circular and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1:HK\$1.15. No representation is made that any amount in RMB have been or could be converted at the above rates or at any other rates.

* *For identification purpose only*



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

(incorporated in Hong Kong with limited liability)

(Stock Code: 1668)

Board of Directors

Executive Directors

Mr. Cheng Chung Hing (*Chairman*)
Mr. Fung Sing Hong Stephen (*Vice Chairman*)
Mr. Song Chuan (*Chief Executive Officer*)
Ms. Cheng Ka Man Carman

Non-Executive Directors

Dr. Ma Kai Cheung *SBS, BBS*
Mr. Cheng Tai Po
Mr. Lin Ching Hua

Independent Non-Executive Directors

Mr. Leung Kwan Yuen Andrew *GBS, SBS, JP*
Mr. Li Wai Keung
Mr. Hui Chiu Chung *JP*
Mr. Yung Wing Ki Samuel *SBS, MH, JP*

Registered Office

Room 2205, Sun Life Tower
The Gateway
15 Canton Road
Tsimshatsui
Kowloon
Hong Kong

18 August 2017

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

ACQUISITION OF LAND USE RIGHTS IN HEFEI CITY

INTRODUCTION

Reference is made to the announcement of the Company dated 13 July 2017 in relation to the Acquisition. The purpose of this circular is to provide you with further details regarding the Acquisition.

LETTER FROM THE BOARD

ACQUISITION OF LAND USE RIGHTS

On 13 July 2017, CSC Hefei, a wholly-owned subsidiary of the Company, has bid for the land use rights of the Land through the Listing-for-sale.

The Transaction Confirmation has been entered into between the Bureau of Land and Resources of Hefei City and CSC Hefei in respect of the Acquisition on 13 July 2017. As a condition of the Acquisition, CSC Hefei entered into the Land Use Rights Transfer Contract with the Bureau of Land and Resources of Hefei City on 27 July 2017. Pursuant to the Land Use Rights Transfer Contract, the Land shall be transferred to CSC Hefei on or before 27 August 2017. CSC Hefei shall commence the development on the Land on or before 27 November 2017, which should be completed on or before 26 November 2020.

Consideration

The Consideration for the Acquisition was RMB3,210.0 million (equivalent to approximately HK\$3,691.5 million), which shall be paid by CSC Hefei in the following manner:

- (a) an amount of RMB600.0 million (equivalent to approximately HK\$690.0 million), being the deposit for the Listing-for-sale and part payment of the Consideration, has been paid to the Bureau of Land and Resources of Hefei City at the time of the submission of the bid; and
- (b) the balance of RMB2,610.0 million (equivalent to approximately HK\$3,001.5 million) shall be paid on or before 25 August 2017.

The Consideration will be funded by the Group with its internal resources.

The Consideration was arrived through the Listing-for-sale held by the Bureau of Land and Resources of Hefei City on 13 July 2017 in accordance with the relevant PRC laws and regulations. The bid price made by CSC Hefei was determined with reference to the market price of comparable land, prevailing market conditions as well as the location and the development potential of the Land.

GENERAL INFORMATION OF THE PARTIES TO AND SUBJECT MATTER OF THE TRANSACTION

The Group

The Group is a leading large-scale integrated logistics and trade center developer and operator in China by gross floor area. It strives to provide professional integrated logistics and trading platforms with comprehensive value-added ancillary services and facilities – including E-commerce services, logistics and warehousing services, outlet operations, furnishing market operations, property management, convention and exhibition services and financial services – to assist small-to-medium enterprises in modernizing the way they conduct business. Capitalizing on the Group's unique and flexible business model, proven operational capabilities and extensive experience in co-operating with local governments to support urbanization and industrial upgrade throughout China, it has developed an extensive network with eight projects in different provincial capitals and municipality across the nation, including Shenzhen, Nanning, Nanchang, Xi'an, Harbin, Zhengzhou, Hefei and Chongqing.

LETTER FROM THE BOARD

CSC Hefei

CSC Hefei is located at Hefei, the capital of Anhui Province, a transport and economic hub at the heart of Eastern China. CSC Hefei benefits from its strategic location in the Hefei Taohua Industrial Park, its well-developed infrastructure, as well as a planned transportation system which includes railways, highways and river transportation across China. Currently, the planned operations of CSC Hefei cover industries such as automobile & parts, hardware, building & decoration materials, textile & clothing, small commodities and non-staple food, etc. As Hefei further plays its role as the political, economic, cultural and financial center at the heart of Eastern China, CSC Hefei aims to capture opportunities arising from the area and develop into a major large-scale integrated logistics and trade center in the region.

Bureau of Land and Resources of Hefei City

The Bureau of Land and Resources of Hefei City is a local government body of the PRC. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, Bureau of Land and Resources of Hefei City and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Land

The Land is located at 桃花工業園湯口路與派河大道交口 (Taohua Industrial Park Tangkou Lu and Pai Ke Da Dao Jiao Kou), Hefei City, Anhui Province, the PRC.

The lot number and other relevant details of the Land:

Land Lot No.	Date of the Transaction Confirmation	Permitted Use	Terms of the Land Use Rights	Plot Ratio (times)	Site Area (sq. m.)
Fei Xi [2017] No. 4	13 July 2017	Commercial	40 years	2.5	180,834.24
		Residential	70 years	2.2	144,607.39
				Total	325,441.63

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the development and operation of large-scale integrated logistics and trade centers in the PRC.

The Acquisition will enable the Group to develop the Hefei Project which is strategically important to the Group's long-term prospects as well as the broadening of its revenue base. Having taken into account of the market price of comparable lands and prevailing market conditions as well as the location and the development potential of the Land, the Board considers that the Consideration is fair and reasonable. The Land is intended to be used for the development of the Hefei Project. It is currently anticipated that part of the properties to be developed on the Land under the Hefei Project will be offered for sale and part of which will be retained by the Group for investment purposes.

LETTER FROM THE BOARD

On the basis of the foregoing, the Board considers that the Acquisition was entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and is in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION

Immediately upon completion of the Acquisition and assuming RMB3,210.0 million of the Consideration is to be satisfied by the Group's internal resources, the Group does not have any material change in assets, being a net effect from an increase of asset from land amounting to RMB3,210.0 million minus a decrease in cash and bank balances amounting to RMB3,210.0 million.

IMPLICATIONS ON LISTING RULES

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

The Acquisition is regarded as a "qualified property acquisition" under Rule 14.04(10C) of the Listing Rules as the Acquisition involves an acquisition of governmental land from a PRC Governmental Body (as defined under the Listing Rules) through a listing-for-sale governed by the PRC law (as defined under the Listing Rules). Accordingly, valuation of the Land is not required under Rule 5.02A(2) of the Listing Rules.

The Board confirms that the Acquisition is in the ordinary and usual course of business of the Group and on normal commercial terms which is fair and reasonable and in the interests of the Company and Shareholders as a whole. Accordingly, the Acquisition is subject to reporting, announcement and circular requirements but is exempt from shareholders' approval requirement pursuant to Rule 14.33A of the Listing Rules.

GENERAL

Your attention is also drawn to the financial information of the Group and general information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
China South City Holdings Limited
Cheng Chung Hing
Chairman and Executive Director

1. THREE-YEAR FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 March 2015, 2016 and 2017 were set out in the relevant annual reports of the Company posted on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.chinasouthcity.com>). Please also see below quick links to the relevant annual reports:

- Annual report of the Company for the financial year ended 31 March 2017 published on 20 July 2017 (pages 136 to 252) :

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0720/LTN20170720333.pdf>

- Annual report of the Company for the financial year ended 31 March 2016 published on 21 July 2016 (pages 129 to 244) :

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0721/LTN20160721413.pdf>

- Annual report of the Company for the financial year ended 31 March 2015 published on 21 July 2015 (pages 115 to 232):

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0721/LTN20150721327.pdf>

2. STATEMENT OF INDEBTEDNESS

Borrowings

At the close of business on 30 June 2017, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$32,354 million, details of which are set out below:

	Secured <i>HK\$ million</i>	Unsecured <i>HK\$ million</i>	Total <i>HK\$ million</i>
Borrowings:			
– Interest-bearing bank and other borrowings	11,002	2,650	13,652
– Short-term notes	–	1,957	1,957
– Senior notes	5,039	–	5,039
– Medium-term notes	–	4,825	4,825
– Corporate bonds	–	1,726	1,726
– Domestic company bonds	–	5,155	5,155
	<hr/>	<hr/>	<hr/>
Total	<u>16,041</u>	<u>16,313</u>	<u>32,354</u>

As at the close of business on 30 June 2017, the Group had pledged certain buildings, investment properties, properties under development, properties held for sales and bank deposits to secure certain general banking facilities granted to the Group. The senior notes are secured by the pledge of shares, and joint and several guarantees given by certain of the Group's subsidiaries incorporated outside of the PRC.

Financial guarantees

The Group has provided guarantees with respect to banking facilities granted by certain banks in connection with mortgage loans entered into by certain purchasers of the Group's trade centers and residential properties and bank loans entered into by lessees of certain of the Group's residential and commercial properties. The guarantees granted to such purchasers of trade centers and residential properties will be released when the purchasers obtain building ownership certificates, which will then be pledged to the banks. For such leased residential and commercial properties, the guarantees will be released accordingly when the lessees repaid the loan. As at the close of business on 30 June 2017, the guarantees amounted to HK\$9,937 million.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 30 June 2017, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or any finance lease commitments or material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the Acquisition, the internal resources available to the Group, external borrowings, presently available banking facilities and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for the next 12 months from the date of this circular.

4. RECENT DEVELOPMENT AND FINANCIAL AND TRADING PROSPECT OF THE GROUP

For the financial year ended 31 March 2017, the Group achieved a contracted sales growth of 30.3% to HK\$8,635.7 million (FY2015/16: HK\$6,628.1 million), while revenue increased by 27.7% from HK\$6,136.3 million to HK\$7,838.5 million, out of which recurring income grew by 12.5% to HK\$1,598.0 million (FY2015/16: HK\$1,420.6 million). Net profit attributable to owners of the parent increased by 22.2% to HK\$4,322.6 million (FY2015/16: HK\$3,537.0 million) while core net profit attributable to owners of the parent (being net profit attributable to owners of the parent excluding fair value gains on investment properties and related tax effects and loss on redemption of senior notes) increased by 12.1% to HK\$1,351.2 million

(FY2015/16: HK\$1,205.8 million). As business activities grew along with the gradual scaling up and improvement in infrastructure development of the Group's existing projects, the Group saw a strong increase in housing demand and thus strategically stepped up its sales of residential properties. In order to take advantage of this opportunity to augment the sales of our trade centers, the Group has selectively increased its residential land bank in some of our existing projects. The Group recorded a 194.4% increase in residential properties sales in FY2016/17, accounting for 79.0% of total contracted sales (35.0% of total contracted sales in FY2015/16).

The Group has a diversified portfolio of projects occupying a strategic footprint in eight provincial capitals and municipality in China. Upon completion of the Acquisition, the Group will continue to be engaged in the development and operation of large-scale integrated logistics and trade centers, development of residential and commercial ancillary facilities, property management and the provision of E-commerce, outlet operations, logistics and warehousing services, convention and exhibition services and financial services.

In view of the location and the designated use of the Land, the Acquisition will enable the Group to develop the Hefei Project which is strategically important to the Group's long-term prospects as well as the broadening of its revenue base, with a view to bringing more investment returns for its Shareholders.

5. MATERIAL ADVERSE CHANGE

The Directors confirmed that, as at the Latest Practicable Date, they were not aware of any material adverse change to the financial or trading position of the Group since 31 March 2017, being the date to which the latest audited consolidated financial statements of the Company were published.

1. 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.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company (the “**Model Code**”) were as follows:

Long position in Shares and underlying Shares of the Company

Name of Directors	Number of Shares and underlying Shares held as at the Latest Practicable Date			Total	Approximate percentage of the issued share capital of the Company ⁽⁵⁾
	Corporate interest	Personal interest	Share options		
Cheng Chung Hing	2,153,148,831 ⁽¹⁾	79,000,000	–	2,232,148,831	27.87%
Cheng Tai Po	588,984,145 ⁽²⁾	4,936,000	–	593,920,145	7.41%
Ma Kai Cheung	138,966,649 ⁽³⁾	–	–	138,966,649	1.73%
Fung Sing Hong Stephen	–	9,200,000	235,990,000 ⁽⁴⁾	245,190,000	3.06%
Song Chuan	–	–	40,000,000 ⁽⁴⁾	40,000,000	0.49%
Li Wai Keung	–	–	2,000,000 ⁽⁴⁾	2,000,000	0.02%
Leung Kwan Yuen Andrew	–	–	2,000,000 ⁽⁴⁾	2,000,000	0.02%

Name of Directors	Number of Shares and underlying Shares held as at the Latest Practicable Date			Total	Approximate percentage of the issued share capital of the Company ⁽⁵⁾
	Corporate interest	Personal interest	Share options		
Hui Chiu Chung	-	-	2,000,000 ⁽⁴⁾	2,000,000	0.02%
Yung Wing Ki Samuel	-	-	2,000,000 ⁽⁴⁾	2,000,000	0.02%

Notes:

- (1) Mr. Cheng Chung Hing is interested in 100% of the issued share capital of Accurate Gain Developments Limited which in turn holds 2,153,148,831 Shares and is therefore deemed to be interested in the aforesaid 2,153,148,831 Shares. Mr. Cheng is a director of Accurate Gain Developments Limited. Mr. Cheng Chung Hing is the younger brother of Mr. Cheng Tai Po.
- (2) Mr. Cheng Tai Po is interested in 100% in the issued share capital of Proficient Success Limited which in turn holds 588,984,145 Shares and is therefore deemed to be interested in the aforesaid 588,984,145 Shares. Mr. Cheng is a director of Proficient Success Limited. Mr. Cheng Tai Po is the elder brother of Mr. Cheng Chung Hing.
- (3) Dr. Ma Kai Cheung, as beneficial owner and beneficiary of trust and through the interest of his spouse, being interested in 41.51% 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.
- (4) The relevant interests are share options granted to Mr. Fung Sing Hong Stephen, Mr. Song Chuan, Mr. Li Wai Keung, Mr. Leung Kwan Yuen Andrew, Mr. Hui Chiu Chung and Mr. Yung Wing Ki Samuel pursuant to the Company's share option scheme adopted on 4 September 2009.
- (5) The percentage shareholding is calculated on the basis of 8,006,321,999 Shares issued as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which, (a) were required to be notified to the Company and the Stock Exchange pursuant to provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors have taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, to the knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had or were deemed or taken to have interests or short position in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Name of shareholders	Nature of Interest held	Interest in the Shares	Long/short position	Approximate percentage of the Company's total issued share capital ⁽⁴⁾
Accurate Gain Developments Limited	Beneficial owner	2,153,148,831 ⁽¹⁾	Long position	26.89%
Naspers Limited	Deemed interest in controlled corporation	925,100,000 ⁽²⁾	Long position	11.55%
MIH TC Holdings Limited	Deemed interest in controlled corporation	925,100,000 ⁽²⁾	Long position	11.55%
Tencent Holdings Limited	Deemed interest in controlled corporation	925,100,000 ⁽²⁾	Long position	11.55%
THL H Limited	Beneficial owner	925,100,000 ⁽²⁾	Long position	11.55%
Proficient Success Limited	Beneficial owner	588,984,145 ⁽³⁾	Long position	7.35%

Notes:

- (1) Mr. Cheng Chung Hing owns 100% of the issued share capital of Accurate Gain Developments Limited.
- (2) THL H Limited (“**THL**”) is wholly-owned by Tencent Holdings Limited (“**Tencent**”). Tencent is owned as to 33.18% by MIH TC Holdings Limited which is indirectly controlled by Naspers Limited. Mr. Lin Ching Hua, a Non-Executive Director of the Company, is the vice president of Tencent Group and is the general manager of Strategy Development Department and Social and Performance Advertisement Department.
- (3) Mr. Cheng Tai Po owns 100% of the issued share capital of Proficient Success Limited.
- (4) The percentage shareholding is calculated on the basis of 8,006,321,999 Shares issued as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors or the chief executive of the Company, there was no other person, other than Directors or the chief executive of the Company and (in the case of the other members of the Group) other than the Company, who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Save as disclosed in the sections headed “2. Directors’ and chief executive’s interests in securities” and “3. Substantial Shareholders’ interests in securities” in this appendix, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest in the Company’s shares required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DISCLOSURE OF OTHER INTERESTS

(i) Interests in competing business

As at the Latest Practicable Date, none of the Directors or their respective associates had an interest in any business constituting a competing business to the Group.

(ii) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 March 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

(iii) Interests in contract or arrangement

As at the Latest Practicable Date, there was no contract or arrangement in which any Director was materially interested and which was significant in relation to the business of the Group.

5. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2017 (being the date to which the latest published audited consolidation financial statements of the Group were made up).

7. MATERIAL CONTRACTS

Other than the Transaction Confirmation and the Land Use Rights Transfer Contract, no other material contracts (not being contract entered into in the ordinary course of business carried out by the Group) have been entered into by any member of the Group within the two years immediately preceding the date of this circular.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any material litigations or claims and no litigations or claims of material importance is pending or threatened against the Company or any member of the Group.

9. GENERAL

- (a) Unless otherwise stated, the English text of this circular shall prevail over the Chinese text in case of inconsistency.
- (b) The company secretary of the Company, Ms. Tse Man Yu, is a fellow member of the Association of Chartered Accountants and the Hong Kong Institute of Certified Public Accountants.
- (c) The registered office of the Company is situated at Room 2205, Sun Life Tower, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon, Hong Kong.
- (d) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the registered office of the Company in Hong Kong at Room 2205, Sun Life Tower, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon, Hong Kong during normal hours from 9:00 a.m. to 6:00 p.m. on any weekday (public holidays excluded) from the date of this circular up to and including the date which is 14 days from the date of this circular:

- (i) the memorandum and articles of association of the Company;
- (ii) the annual reports of the Company for the financial years ended 31 March 2015, 2016 and 2017;
- (iii) the Transaction Confirmation;
- (iv) the Land Use Rights Transfer Contract; and
- (v) this circular.