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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, together with the accompanying form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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

(incorporated in Hong Kong with limited liability)

(Stock Code: 1668)

GENERAL MANDATES TO ISSUE SHARES AND BUY-BACK SHARES, RE-ELECTION AND 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 Garden Room, 2/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, on 22 September 2020 (Tuesday) at 2:30 p.m. is set out on pages 15 to 19 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 48 hours 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.

Precautionary measures for Annual General Meeting

Considering the outbreak of the coronavirus (COVID-19), certain measures will be implemented at AGM with a view to lowering the risk of infection to attendees, including but without limitation:

1. All Attendees must make mandatory health and travel declaration;
2. All Attendees must accept compulsory temperature checks;
3. All Attendees must wear the surgical face masks (please bring your own);
4. No provision of refreshments and drinks; and
5. No provision of souvenirs or gifts.

Attendees who do not comply with the precautionary measures referred to 1 to 3 above may be denied entry to the AGM venue, at the absolute discretion of the Company.

For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their rights to vote at the AGM by appointing the Chairman of the AGM as their proxy and to return their proxy forms by the time specified above, instead of attending the AGM in person.

In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

31 July 2020

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“2009 Share Option Scheme”	the share option scheme adopted by the Company on 4 September 2009
“2019 Share Option Scheme”	the share option scheme adopted by the Company on 13 September 2019
“AGM”	the annual general meeting of the Company to be held at Garden Room, 2/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 22 September 2020 (Tuesday) at 2:30 p.m.
“AGM Notice”	the notice convening the AGM as set out on pages 15 to 19 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
“Auditor”	the auditor from time to time of the Company
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate to allot and issue the Shares up to a maximum of 20% of the aggregate number of Shares in issue as at the date of passing of the relevant ordinary resolution to grant such mandate
“Latest Practicable Date”	27 July 2020 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)
“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
“%”	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 (*Chairman*)
Mr. Zhao Lidong (*Chief Executive Officer*)
Mr. Wu Guangquan
Ms. Cheng Ka Man Carman

Non-Executive Directors

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

Suites 3306–08, 33/F., Tower 5
The Gateway, 15 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong

31 July 2020

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO ISSUE SHARES AND BUY-BACK SHARES,
RE-ELECTION AND 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 adoption

LETTER FROM THE BOARD

and the extension of the Issue Mandate to include Shares bought back pursuant to the Buy-Back Mandate; and (ii) the re-election and election of the 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 13 September 2019, 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 13 September 2019 and to buy-back the Shares of up to a maximum of 10% of the issued share capital of the Company as at 13 September 2019 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 8,091,892,848. Subject to the passing of the proposed resolution, the maximum number of new Shares to be issued under the Issue Mandate will be 1,618,378,569 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.

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.

LETTER FROM THE BOARD

3. RE-ELECTION AND ELECTION OF THE DIRECTORS

According to the Articles, Ms. Cheng Ka Man Carman, Mr. Cheng Tai Po, Mr. Leung Kwan Yuen Andrew and Mr. Yung Wing Ki Samuel shall retire from office by rotation at the AGM. Mr. Wu Guangquan was appointed as Executive Director of the Company with effect from 1 April 2020 shall hold office until the AGM. All of them being eligible for re-election and election at the AGM. Mr. Yung Wing Ki Samuel, for the purpose of devoting more time to serving governmental committees, social organizations and personal affairs, and in accordance with the relevant requirements of retirement by rotation and re-election of director under the Corporate Governance Code as set out in Appendix 14 of the Listing Rules of Stock Exchange and the Articles, has tendered his request for retirement at the AGM and not to offer himself for re-election after retirement. The other to be retired Directors mentioned herewith will stand for re-election and 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) Ms. Cheng Ka Man Carman as Executive Director; (ii) Mr. Cheng Tai Po as Non-Executive Director; (iii) Mr. Leung Kwan Yuen Andrew as Independent Non-Executive Director; and to elect (iv) Mr. Wu Guangquan as Executive Director.

Pursuant to the code provision set out in A.4.3 of Appendix 14 to the Listing Rules, any further appointment of an Independent Non-Executive Director serving more than 9 years should be subject to a separate resolution to be approved by the Shareholders. Mr. Leung Kwan Yuen Andrew (“**Mr. Leung**”) has served as an Independent Non-Executive Director of the Company since 4 September 2009, being a tenure of more than nine years. Mr. Leung is the chairman of Nomination Committee and members of Audit Committee and Remuneration Committee. Mr. Leung has extensive experience and knowledge and in-depth understanding of the Company’s operations and business. During his tenure of office, Mr. Leung has been able to fulfill all the requirements regarding independence as Independent Non-Executive Director under Rule 3.13 of the Listing Rules. Besides, he has been providing objective and independent views to the Company over the years, and he remains committed to his independent role. The Nomination Committee and the Board were of the view that the long service of Mr. Leung would not affect his exercise of independent judgement and was satisfied that he has the required character, integrity and experience to continue fulfilling the role of an Independent Non-Executive Director. The Board believes that Mr. Leung’s continued tenure will bring valuable insights and expertise to the Board.

Biographical details of the Directors proposed for re-election and election, 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 15 to 19 of this circular to consider the resolutions relating to, inter-alia, the Issue Mandate, the Buy-Back Mandate, the extension of the Issue Mandate, the re-election and election of the Directors.

LETTER FROM THE BOARD

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 48 hours 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, the re-election and election of the 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.

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
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 8,091,892,848 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 809,189,284 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-BACKS

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-backs 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 Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The 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 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 2020) 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 before the Latest Practicable Date were:

	Share Prices Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
August	1.06	0.94
September	1.07	0.92
October	0.95	0.91
November	0.95	0.90
December	1.00	0.90
2020		
January	1.07	0.87
February	0.91	0.86
March	0.89	0.71
April	0.75	0.70
May	0.76	0.71
June	0.89	0.74
July (<i>up to the Latest Practicable Date</i>)	0.92	0.77

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 Takeover Code. As a result, a Shareholder or a group of

APPENDIX I EXPLANATORY STATEMENT FOR BUY-BACK MANDATE

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, being the deemed the substantial shareholders of the Company, are deemed to have interest in 2,224,920,458 Shares and 588,984,145 Shares respectively, collectively are deemed to have interest in 2,813,904,603 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 are deemed to have interest in an aggregate of 2,900,473,936 Shares, representing approximately 35.84% of the total number of issued Shares. 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 deemed interests in the Company will be increased to approximately 39.82% of the total number of issued Shares of the Company. Such increase may give rise to the respective parties to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences of any purchases made under the 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

During the six months preceding the Latest Practicable Date, the Company repurchased a total of 15,336,000 Shares at prices ranging from HK\$0.87 to HK\$0.89 per Shares on the Stock Exchange. Details of the repurchases of such Shares were as follows:

Date of the Repurchase	Number of shares repurchased	Highest price per Share	Lowest price per Share	Aggregate consideration paid (excluding expenses)
		<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
27 February 2020	7,518,000	0.89	0.88	6,668,100
28 February 2020	3,000,000	0.87	0.87	2,610,000
2 March 2020	<u>4,818,000</u>	0.89	0.88	<u>4,269,840</u>
	<u>15,336,000</u>			<u>13,547,940</u>

All 15,336,000 Shares repurchased were cancelled on 27 April 2020. Save as disclosed above the Company did not repurchase any Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

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

EXECUTIVE DIRECTORS

Mr. WU Guangquan (“**Mr. Wu**”), aged 58, has been an Executive Director since 1 April 2020. He is primarily responsible for the management of the Group’s resources integration, business development strategy and daily operations of the Group. Mr. Wu graduated from Tongji University with a Master degree in Business Administration. He has extensive experience in finance, administration and management. He is the president of presidium of China Federation of Industrial Economics, and the president and executive chairman of Federation of Shenzhen Industries. Before joining the Group, Mr. Wu served as the chairman/chairman of the board of Aviation Industry Corporation of China (“**AVIC**”) International Holding Corporation, AVIC International Shenzhen Company Limited, and the following listed companies: (1) companies listed on the Main Board of the Stock Exchange (also served as executive director of such companies): AVIC International Holdings Limited (stock code: 161) and AVIC International Holding (HK) Limited (stock code: 232), (2) companies listed on the Shenzhen Stock Exchange: Tianma Microelectronics Co., Ltd. (stock code: 000050), FIYTA Holdings Ltd. (stock code: 000026), Rainbow Department Store Co., Ltd. (stock code: 002419) and AVIC Real Estate Holding Company Limited (stock code: 000043).

Save as disclosed herein, Mr. Wu 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. Wu has entered into a service contract with the Company for a specific term of three years, subject to retirement by rotation and re-election at annual general meeting of the Company. The contract may be terminated by either party for not less than one month’s notice in writing served on the other party. Currently, Mr. Wu is entitled to a remuneration approximately of HK\$5,200,000 per annum, together with discretionary bonus (if any) set by the Board, subject to the review by the Remuneration Committee and the Board. The Board will consider granting him 15,000,000 share options in accordance with the provisions of the relevant share option scheme of the Company. Since Mr. Wu was appointed as Director in April 2020, Mr. Wu did not have any Director’s emoluments for the fiscal year ended 31 March 2020.

As at the Latest Practicable Date, Mr. Wu 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 and information in this circular, 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.

Ms. CHENG Ka Man Carman (“**Ms. Cheng**”), aged 31, has been an Executive Director since 4 May 2017. She is primarily responsible for the administration and operations of the Group. Ms. Cheng graduated from the University of London with a Bachelor of Science degree in Finance and Business Economics. She also obtained a Master of Science degree in Management from the Imperial College London and a Master of Philosophy degree in Real Estate Finance from the University of Cambridge. Prior to joining the Group, Ms. Cheng was an executive director of Man Sang International Limited, a company listed on the Main Board of the Stock Exchange (stock code: 938). She had also worked in a leading investment firm in Asia. Ms. Cheng is the daughter of Mr. Cheng Chung Hing, the Chairman and Executive Director and the niece of Mr. Cheng Tai Po, a Non-Executive Director.

Save as disclosed herein, Ms. 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.

Ms. Cheng has entered into a service contract with the Company for a specific term of three years, subject to retirement by rotation and re-election at annual general meeting of the Company. The contract may be terminated by either party for not less than one month’s notice in writing served on the other party. Currently, Ms. Cheng is entitled to a basic salary of HK\$1,500,000 per annum and a performance based bonus of an amount of 0.2% of core net profit attributable to owners of the parent, being the net profit attributable to owners of the parent excluding adjustments on fair value of investment properties and certain tax effect and other non-operating items of the relevant fiscal year. In addition, Ms. Cheng is entitled to a discretionary bonus (if any), subject to the review by the Remuneration Committee and the Board.

For the fiscal year ended 31 March 2020, Ms. Cheng received the Directors’ emoluments in the total sum of HK\$4,686,000 (Note (A)). The remuneration was determined in accordance with the Company’s policy on Directors’ remuneration and with reference to comparable market conditions.

As at the Latest Practicable Date, Ms. Cheng has the following interests in the Company within the meaning of Part XV of the SFO:

Class of Shares	Number of Shares held under corporate interest	Number of Shares held under personal/family interest	Number of underlying Shares held under equity derivatives	Total	Approximate Percentage of the Company’s Total number of issued shares
Share Options	—	—	7,800,000 <i>Note (C)</i>	7,800,000	0.09%

Save as disclosed above and information in this circular, Ms. 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 and information in this circular, 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

Mr. CHENG Tai Po (“**Mr. Cheng**”), aged 68, is a Non-Executive Director. He has been a Director since 30 April 2010 and is primarily responsible for advising on the formulation of the Group’s general business models, development strategies and the resolution of major issues. Mr. Cheng has over 37 years of experience in manufacturing, wholesale and distribution businesses. Mr. Cheng is the chairman of Hong Kong Overseas Puning Sheshan Clansmen Association and the permanent honorary president of Hong Kong Association of Jie Yang Federation of Returned Overseas Chinese Limited. He was a board member of the Zhanjiang Ocean University, China and a general committee member of the Hong Kong Jewelry Manufacturers’ Association. Mr. Cheng is an elder brother of Mr. Cheng Chung Hing, the Chairman and Executive Director, and is an uncle of Ms. Cheng Ka Man Carman, an Executive Director.

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 letter of appointment with the Company for a specific term of three years, subject to retirement by rotation and re-election at annual general meeting of the Company. 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. Cheng is entitled to a director’s remuneration of HK\$680,000 per annum, subject to review by the Remuneration Committee and the Board.

For the fiscal year ended 31 March 2020, Mr. Cheng received the Directors’ emoluments in the total sum of HK\$680,000 (Note (A)). The remuneration is determined in accordance with the Company’s policy on Directors’ remuneration and with reference to comparable market conditions.

As at the Latest Practicable Date, Mr. Cheng 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	588,984,145 ⁽¹⁾	4,936,000	—	593,920,145	7.33%

- (1) Mr. Cheng owns 100% of the issued share capital of Proficient Success Limited which in turn holds 588,984,145 Shares and is therefore deemed to have interest in the aforesaid 588,984,145 Shares.

Save as disclosed above and information in this circular, 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 and information in this circular, 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. LEUNG Kwan Yuen Andrew (“**Mr. Leung**”), *GBS, SBS, JP*, aged 69, has been an Independent Non-Executive Director since 4 September 2009. He has more than 40 years of management experience in the textile manufacturing, wholesale and distribution businesses. Mr. Leung was elected as the President of the Sixth Legislative Council of Hong Kong on 12 October 2016 and he is currently a member of the Industrial (First) Functional Constituency of the Legislative Council of Hong Kong and is also a member of the National Committee of the Chinese People’s Political Consultative Conference. Mr. Leung is currently the honorary chairman of Textile Council of Hong Kong, the honorary president of the Federation of Hong Kong Industries, a fellow member of the Textiles Institute as well as the Clothing and Footwear Institute in the United Kingdom. He was a council member of the Hong Kong Trade Development Council. In addition, Mr. Leung is an independent non-executive director of Wharf Real Estate Investment Company Limited (stock code: 1997) and Dah Sing Financial Holdings Limited (stock code: 440), both are companies listed on the Main Board of the Stock Exchange. Mr. Leung was an independent non-executive director of Dah Sing Banking Group Limited (stock code: 2356) and Harbour Centre Development Limited (stock code: 51) until his resignation effective from 20 December 2017 and 4 May 2018 respectively.

Mr. Leung has served as an Independent Non-Executive Director of the Company since 4 September 2009, being a tenure of more than nine years. During his years of service, Mr. Leung has demonstrated his ability to provide independent view to the Company’s matter. Notwithstanding his years of services as Independent Non-Executive Director, the Nomination Committee and the Board are of the view that Mr. Leung is able to continue to fulfill his role as required and thus recommends him for re-election as Independent Non-Executive Director at the AGM.

Save as disclosed herein, Mr. Leung does not have any relationship with other directors, senior management, substantial shareholders or controlling shareholders of the Company, and did not hold any other directorship in the past three years in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas.

Mr. Leung has entered into a letter of appointment with the Company for a specific term of three years, subject to retirement by rotation and re-election at annual general meeting of the Company. 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. Leung is entitled to a director's remuneration of HK\$380,000 per annum, subject to review by the Remuneration Committee and the Board.

For the fiscal year ended 31 March 2020, Mr. Leung 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. Leung has the following interests in the Company within the meaning of Part XV of the SFO:

Class of Shares	Number of Shares held under corporate interest	Number of Shares held under personal/family interest	Number of underlying Shares held under equity derivatives	Total	Approximate Percentage of the Company's Total number of issued shares
Share Options	—	—	2,000,000 <i>Note (B)</i>	2,000,000	0.02%

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

Save as disclosed above and information in this circular, 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 2020 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 2020. 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 2009 Share Option Scheme adopted on 4 September 2009.
- (C) The relevant interests are share options granted to the respective Directors pursuant to the 2019 Share Option Scheme adopted on 13 September 2019.



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 Garden Room, 2/F., New World Millennium Hong Kong Hotel, 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on 22 September 2020 (Tuesday) at 2:30 p.m. for the following purposes:

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 auditor of the Company (the “**Auditor**”) for the year ended 31 March 2020.
2. To declare a final dividend of HK3.0 cents per Share for the year ended 31 March 2020.
3. To re-elect and elect the Directors and to authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint Messrs. Ernst & Young as independent auditor and to authorize the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

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 and/or consultants 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**”), shall not exceed 20% of the aggregate number of ordinary shares of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

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

Hong Kong, 31 July 2020

Notes:

- (1) The register of members of the Company will be closed for the following periods:
 - (a) For the purpose of determining shareholders of the Company who are entitled to attend and vote at the AGM to be held on 22 September 2020 (Tuesday), the register of members of the Company will be closed from 17 September 2020 (Thursday) to 22 September 2020 (Tuesday), both days inclusive. In order to qualify for attending and voting at the AGM, Shareholders shall lodge all transfer documents for registration 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 not later than 4:30 p.m. on 16 September 2020 (Wednesday).
 - (b) For the purpose of determining shareholders of the Company who are qualified for the final dividend, the register of members of the Company will be closed from 29 September 2020 (Tuesday) to 5 October 2020 (Monday), both days inclusive. The ex-dividend date will be on 25 September 2020 (Friday). In order to qualify for the final dividend, Shareholders shall lodge all transfer documents for registration 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 not later than 4:30 p.m. on 28 September 2020 (Monday). The proposed final dividend, subject to the approval of Shareholders at the AGM, will be distributed around 20 October 2020 (Tuesday) to Shareholders whose names appear on the register of members of the Company on 5 October 2020 (Monday).

NOTICE OF ANNUAL GENERAL MEETING

- (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 48 hours before the time for holding meeting or adjourned meeting thereof, and in default 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 in person, or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Considering the outbreak of the coronavirus (“**COVID-19**”), certain measures will be implemented at AGM with a view to lowering the infection risk to attendees, including but without limitation:

1. All attendees, included but not limited to Shareholders and their proxy (collectively, the “**Attendees**”) attending the AGM must make a health and travel declaration. Company will refuse entry if the required declaration cannot be provided. Attendees will be barred from the AGM Venue if they (a) have symptoms of COVID-19, or (b) have been in close contact in the 14 days prior to the AGM with anyone known or suspected to have become infected with COVID-19, or (c) have themselves, or been in close contact with persons who have, returned to Hong Kong in the 14 days prior to the AGM except with exemption granted by the relevant government authorities of Hong Kong, or (d) are themselves, or are residing with anyone who is, subject to Government’s mandatory quarantine (at home or otherwise);
2. On-the-spot body temperature checks must be administered on all Attendees attending the AGM. Attendees whose body temperature reading is 37.4 degrees Celsius or higher, considered to be displaying symptoms of COVID-19 or are otherwise apparently unwell will not be permitted to enter the AGM Venue or will be asked to immediately leave the AGM Venue as determined by the Company in its absolute discretion;
3. All Attendees attending the AGM must wear surgical masks (brought by Attendees) at all times;
4. No provision of refreshments and drinks; and
5. No provision of souvenirs or gifts.

The Company reminds Shareholders that they should carefully consider the risks of attending the AGM, taking into account their own personal circumstances. For the health and safety of Shareholders, the Company would like to remind Shareholders that physical attendance is not necessary for the purpose of exercising their voting rights and strongly recommends that Shareholders exercise their rights to vote at the AGM by appointing the Chairman of the AGM as their proxy instead of attending the AGM in person.

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the Company’s website (www.chinasouthcity.com) and/or the HKEXnews website (www.hkexnews.hk) for future announcements and updates on the AGM arrangements.