
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 Thursday, 22 September 2022 at 2:30 p.m. is set out on pages 16 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 accept compulsory temperature checks;
2. All Attendees must wear the surgical face masks (please bring your own);
3. No provision of refreshments or drinks;
4. No provision of souvenirs or gifts; and
5. Any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Government and/or regulatory authorities, or as considered appropriate in light of the development of the COVID-19 pandemic.

Attendees who do not comply with the precautionary measures referred to 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 right to vote at the AGM by appointing the Chairman of the AGM as their proxy and to return their form of proxy 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.

27 July 2022

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 Thursday, 22 September 2022 at 2:30 p.m.
“AGM Notice”	the notice convening the AGM as set out on pages 16 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

DEFINITIONS

“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
“Latest Practicable Date”	15 July 2022 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

LETTER FROM THE BOARD



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*)
Ms. Geng Mei (*Chief Operating Officer*)
Mr. Wan Hongtao (*Group's Vice President*)
Mr. Qin Wenzhong (*Group's Financial Controller*)
Ms. Cheng Ka Man Carman

Non-Executive Directors:

Mr. Cheng Tai Po
Mr. Lei Ming

Independent Non-Executive Directors:

Mr. Leung Kwan Yuen Andrew *GBM, GBS, JP*
Mr. Li Wai Keung
Mr. Hui Chiu Chung *JP*
Ms. Shen Lifeng

Registered Office:

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

27 July 2022

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 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

LETTER FROM THE BOARD

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 28 September 2021 (“**2021 AGM**”), 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 28 September 2021 and to buy back the Shares of up to a maximum of 10% of the issued share capital of the Company as at 28 September 2021 respectively and to extend the general mandates to allot and issue Shares to include Shares bought back under the general mandates to buy back Shares. These general mandates will lapse at the conclusion of the AGM, unless be 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. 4 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 11,441,892,848. Subject to the passing of the proposed resolution, the maximum number of new Shares to be issued under the Issue Mandate will be 2,288,378,569 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. 6 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. 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 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, Mr. Cheng Chung Hing will retire from office by rotation at the AGM. Mr. Wan Hongtao and Mr. Qin Wenzhong were appointed as Executive Directors with effect from 16 June 2022; Mr. Lei Ming was appointed as Non-Executive Director with effect from 27 October 2021 and Ms. Shen Lifeng was appointed as Independent Non-Executive Director with effect from 16 June 2022 whom shall hold offices until the AGM. All of them being eligible will offer themselves for re-election and election at the AGM. At the AGM, ordinary resolutions set out in resolution no. 2 of the AGM notice will be proposed to re-elect (i) Mr. Cheng Chung Hing as Executive Director; and to elect (ii) Mr. Wan Hongtao as Executive Director; (iii) Mr. Qin Wenzhong as Executive Director; (iv) Mr. Lei Ming as Non-Executive Director; and (v) Ms. Shen Lifeng as Independent Non-Executive Director.

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 16 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.

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 form of proxy 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.

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
Chairman and 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 11,441,892,848 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 brought back by the Company, the Directors will be authorized to buy back up to 1,144,189,284 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 2022) 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 HK\$	Lowest HK\$
2021		
August	0.77	0.72
September	0.77	0.63
October	0.65	0.58
November	0.57	0.52
December	0.73	0.47
2022		
January	0.74	0.62
February	0.69	0.64
March	0.69	0.53
April	0.82	0.68
May	0.81	0.65
June	0.68	0.63
July (<i>up to the Latest Practicable Date</i>)	0.64	0.55

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 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, Shenzhen SEZ Construction and Development Group Co., Ltd. ("SZCDG", a wholly-owned subsidiary of Shenzhen State-owned Assets Supervision and Administration Commission), being the single largest shareholder of the Company through SEZ Construction & Development Investment Holding LIMITED is interested in 3,350,000,000 Shares of the Company, representing approximately 29.28% 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, SZCDG interests in the Company will be increased to approximately 32.53% of the total number of issued Shares of the Company. Such increase may give rise to SZCDG 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

The Company has not repurchased any Shares during the six months preceding the Latest Practicable Date.

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

EXECUTIVE DIRECTORS

Mr. CHENG Chung Hing (“**Mr. Cheng**”), aged 61, is our Chairman and an Executive Director. He is a co-founder of our Group and has been a Director since 2 August 2002. He acted as Co-Chairman of the Group from 30 September 2009 until he was re-designated as Chairman of the Group on 25 July 2017. 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 39 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 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 member of the 10th and a standing member of the 11th Guangxi Zhuang Autonomous Region Committee of the Chinese People’s Political Consultative Conference and a member of the 3rd, the 4th, the 5th and the 6th Shenzhen Committee of the Chinese People’s Political Consultative Conference. Mr. Cheng is also presently a standing member of the China Enterprise Confederation and the China Enterprise Directors 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, honorary 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 and member of the Shenzhen Overseas Friendship Association. Mr. Cheng is the father of Ms. Cheng Ka Man Carman, an Executive Director, and a younger brother of Mr. Cheng Tai Po, a Non-Executive Director.

Save as disclosed herein and information in this circular, 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 bonus of an amount equal to 1% of the audited net profit attributable to owners of the parent of the relevant fiscal year excluding adjustments on fair value of investment properties and certain tax effects and other non-operating items. 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 bonus and the discretionary bonus) in any financial year of the Company shall not be more than 3% of the audited consolidated net profit after taxation and non-controlling interests but before non-operating items of the relevant financial year. In addition, subject to the determination by the remuneration committee or the Board, Mr. Cheng may also participate in the Company's 2019 Share Option Scheme in accordance with the terms and conditions of such scheme.

For the fiscal year ended 31 March 2022, Mr. Cheng received the Directors' emoluments in the total sum of HK\$12,436,000 (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	2,306,553,791 ⁽¹⁾	–	–	2,306,553,791	20.16%

⁽¹⁾ Mr. Cheng owns 100% of the issued share capital of Accurate Gain Developments Limited which in turn holds 2,306,553,791 Shares and is therefore deemed to be interested in the aforesaid 2,306,553,791 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.

Mr. WAN Hongtao (“**Mr. Wan**”), aged 43, has been appointed as an Executive Director and the Group's Vice President since 16 June 2022. Mr. Wan is primarily in charge of the Company's operation management, strategic coordination and new business development. Prior to joining the Group, Mr. Wan previously held various positions in Shenzhen SEZ Construction and Development Group Co., Ltd.* (深圳市特區建設發展集團有限公司) (“**SZCDG**”, the single largest shareholder of the Company) and its certain subsidiaries, including a supervisor of Guangdong Special Construction Development East Investment Co., Ltd.* (廣東特建發東部投資有限公司), a subsidiary of SZCDG; and the deputy director of the Discipline Inspection and

Supervision Office (Office of the Board of Supervisors), the deputy director of the Office (Secretariat of the Board of Directors), and the director of the Office (Secretariat of the Board of Directors) of SZCDG. Mr. Wan graduated from Nanjing University of Science and Technology with a major in Economic Law and a minor in Accounting in 2000, and obtained a Master's degree in Business Administration from Lanzhou University in 2016.

Save as disclosed herein, Mr. Wan 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. Wan has entered into a service contract 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 three months' notice in writing served on the other party. Mr. Wan will not receive any director's remuneration from the Company. Mr. Wan has been appointed after 2021 AGM and has not received any director's remuneration from the Company since his appointment on 16 June 2022. Therefore, Mr. Wan does not have any Director's emoluments for the fiscal year ended 31 March 2022.

As at the Latest Practicable Date, Mr. Wan 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.

Mr. QIN Wenzhong (“**Mr. Qin**”), aged 55, has been appointed as an Executive Director and the Group's Financial Controller since 16 June 2022. He is primarily in charge of the Company's internal audit, financial management, tax management and fund management, coordinating the financing of the Company and is responsible for coordinating domestic financing, etc. Prior to joining the Group, Mr. Qin previously held various positions in SZCDG and its certain subsidiaries, including the head of the cost contract audit department and the head of the financial management department of SZCDG. Mr. Qin is currently the chairman of the board of directors of Shenzhen Special Construction Development Asia Business Private Equity Investment Fund Management Co., Ltd* (深圳市特建發亞商私募股權投資基金管理有限公司), a subsidiary of SZCDG. Mr. Qin obtained a Bachelor of Economics from Peking University in 1988.

Save as disclosed herein, Mr. Qin 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. Qin 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 appointment may be terminated by either party for not less than three months' notice in writing served on the other party. Mr. Qin will not receive any director's remuneration from the Company. Mr. Qin has been appointed after 2021 AGM and has not received any director's remuneration from the Company since his appointment on 16 June 2022. Therefore, Mr. Qin does not have any Director's emoluments for the fiscal year ended 31 March 2022.

As at the Latest Practicable Date, Mr. Qin 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. LEI Ming (“**Mr. Lei**”), aged 38, has been appointed as a Non-Executive Director since 27 October 2021 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. Lei joined Tencent Group which includes Tencent Holdings Limited (the shares of which are listed on the Main Board of the Hong Kong Stock Exchange with stock code: 700) in July 2005. He is currently the Senior Director of the Smart Industry Department I of Tencent Technology (Shenzhen) Co., Ltd*. Mr. Lei has held positions in the mobile Internet business group and the group strategic development department of Tencent Group in relation to Internet products, operations, strategic investment, strategies, etc. Mr. Lei graduated from the University of Electronic Science and Technology of China in 2005 with a Bachelor of Engineering in Communication Engineering (Computer Communication Direction)*, and received an MBA from Guanghua School of Management, Peking University in 2016.

Save as disclosed herein, Mr. Lei 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. Lei 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. Mr. Lei will not receive any director's remuneration from the Company. Mr. Lei has been appointed after 2021 AGM and has not received any director's remuneration from the Company since his appointment on 27 October 2021. Therefore, Mr. Lei does not have any Director's emoluments for the fiscal year ended 31 March 2022.

As at the Latest Practicable Date, Mr. Lei 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 DIRECTOR

Ms. SHEN Lifeng (“**Ms. Shen**”), aged 56, has been appointed as an Independent Non-Executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee since 16 June 2022. Prior to joining the Group, Ms. Shen served as the legal director and deputy general manager of China Textile Import & Export Corporation Hebei Branch Company* (中紡進出口總公司河北省分公司), the executive deputy general manager of Shenglun Import & Export Group Co., Ltd. (聖倫進出口集團股份有限公司), the vice chairman of board of directors and the general manager of Shaanxi Kunzheng Mining Co., Ltd.* (陝西坤正礦業股份有限公司), the chief executive officer of Hong Kong Porda Havas International Financial Communication Group* (香港博達浩華國際財經傳訊集團). Ms. Shen is currently an executive director of China Tianbao Group Development Company Limited (stock code: 1427) and an independent non-executive director of Hebei Construction Group Corporation Limited (stock code: 1727), shares of both companies are listed on the Stock Exchange. She is also the deputy secretary general of the Hong Kong State-owned Assets Investment Association and an independent director of SZCDG. Ms. Shen has solid basic professional knowledge of civil law, company law, financial law and other civil and commercial law. She has worked in multinational institutions in Hong Kong for 7 years and has 20 years of experience in large state-owned enterprises, foreign companies, multinational companies, and had been executives and independent directors of listed companies. Ms. Shen obtained a Master's degree in Sociology from the University of Hong Kong, a Master's degree in Economics from Hebei University, and a PhD in Civil and Commercial Law from Peking University.

Save as disclosed herein, Ms. Shen 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. Shen 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, Ms. Shen 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 fiscal year of the Company. Ms. Shen has been appointed after 2021 AGM, therefore, Ms. Shen does not have any Director's emoluments for the fiscal year ended 31 March 2022.

As at the Latest Practicable Date, Ms. Shen 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.

Note:

- (A) Unless otherwise defined, details of the Directors' emoluments for the fiscal year ended 31 March 2022 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 2022. The amount stated in this section represents total cash received or entitled by the respective Directors.

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING



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 Thursday, 22 September 2022 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 auditor of the Company (the “**Auditor**”) for the year ended 31 March 2022.
2. To re-elect and elect the Directors and to authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint Messrs. Ernst & Young as independent auditor and to authorize the Board to fix their remuneration.

To consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions.

ORDINARY RESOLUTIONS

4. “**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;

NOTICE OF ANNUAL GENERAL MEETING

- (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
- (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).”

NOTICE OF ANNUAL GENERAL MEETING

5. **“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;
 - (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.”
6. **“THAT** conditional upon the passing of resolutions no. 4 and no. 5 set out in the notice convening this meeting, the aggregate number of ordinary shares of the Company which are brought back by the Company under the authority granted to the Directors as mentioned in the said resolution no. 5 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. 4.”

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

Hong Kong, 27 July 2022

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) The register of members of the Company will be closed for the following periods:

For the purpose of determining shareholders of the Company who are entitled to attend and vote at the AGM to be held on Thursday, 22 September 2022, the register of members of the Company will be closed on Monday, 19 September 2022 to Thursday, 22 September 2022, 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 Friday, 16 September 2022.

- (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 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.
- (6) 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.