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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)

VOLUNTARY ANNOUNCEMENT

MR. CHENG CHUNG HING INCREASED HIS SHAREHOLDINGS IN THE COMPANY

The Board wishes to announce that it has been informed by Mr. Cheng Chung Hing (“**Mr. Cheng**”), Co-Chairman and Executive Director of China South City Holdings Limited (the “**Company**”) that on 29 April 2017, Mr. Cheng entered into a share transfer agreement with Mr. Leung Moon Lam (“**Mr. Leung**”), an Executive Director of the Company (the “**First Sale and Purchase Agreement**”), and a share transfer agreement with Pacific Alliance Asia Opportunity Fund L.P. (individually or together with its affiliates, the “**PAG Group**”) (the “**Second Sale and Purchase Agreement**”).

As informed by Mr. Cheng, pursuant to the First Sale and Purchase Agreement, Mr. Cheng (through Accurate Gain Developments Limited (“**Accurate Gain**”), a wholly-owned company of Mr. Cheng) agreed to purchase and Mr. Leung agreed to sell 250,000,000 shares of the Company (representing approximately 3.12% of the total issued share capital of the Company as at the date of the First Sale and Purchase Agreement) for a total consideration of HK\$450,000,000 (HK\$1.8 per share of the Company).

As informed by Mr. Cheng, pursuant to the Second Sale and Purchase Agreement, Mr. Cheng (through Accurate Gain) agreed to purchase and PAG Group agreed to sell 124,952,000 shares of the Company (representing approximately 1.56% of the total issued share capital of the Company as at the date of the Second Sale and Purchase Agreement) for a total consideration of HK\$194,925,120 (HK\$1.56 per share of the Company).

Upon completion of the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement, Mr. Cheng will own 2,232,148,831 shares of the Company (representing approximately 27.87% of the total issued share capital of the Company as at the date of this announcement).

To facilitate the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement, a member of the PAG Group agreed to provide financial support to Mr. Cheng. Upon completion of the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement and in accordance with the financial support arrangement, Mr. Cheng’s voting rights was increased from 23.19% to 27.87% in aggregate of the total issued share capital of the

Company as at the date of this announcement and will remain as the single largest shareholder and a substantial shareholder of the Company.

For and on behalf of the Board
China South City Holdings Limited
Fung Sing Hong Stephen
Executive Director and Chief Executive Officer

Hong Kong, 1 May 2017

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Chung Hing, Mr. Leung Moon Lam and Mr. Fung Sing Hong Stephen; the non-executive directors of the Company are Dr. Ma Kai Cheung, SBS, BBS, Mr. Sun Kai Lit Cliff, BBS, JP, Dr. Ma Wai Mo, Mr. Cheng Tai Po and Mr. Lin Ching Hua; and the independent non-executive directors of the Company are Mr. Leung Kwan Yuen Andrew, GBS, SBS, JP, Mr. Li Wai Keung, Mr. Hui Chiu Chung, JP and Mr. Yung Wing Ki Samuel, SBS, MH, JP.