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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of China South City Holdings Limited (the “**Company**”) announces that the Independent Non-Executive Directors of the Company, being members of a committee duly authorized by the Board, in accordance with Rule 17.04(1) of the Listing Rules, has resolved on 13 April 2018 (the “**Date of Grant**”) to grant share options (the “**Share Options**”) to four Independent Non-Executive Directors and certain managements of the Company (collectively or individually the “**Grantee**”) to subscribe for the ordinary shares of the Company (the “**Shares**”), subject to the acceptance of such Grantee, under the share option scheme adopted by the Company on 4 September 2009.

A summary of the grant of the Share Options is set out below:

| | | |
|--|---|---------------------------------------|
| Date of Grant | : | 13 April 2018 |
| Number of Share Options granted | : | 25,500,000 Share Options |
| Exercise price of the Share Options | : | HK\$1.81 per Share |
| Closing price of the Share on the Date of Grant | : | HK\$1.80 per Share |
| Average closing price of the Shares for the five business days immediately preceding the Date of Grant | : | HK\$1.81 per Share |
| Validity period of Share Options | : | 5 years from each of the vesting days |

For the Shares Options, there are three types of vesting schedules, details as below:

- a. 5,250,000 Share Options being vested and exercisable from the Date of Grant;
- b. 12,750,000 Share Options will be vested and exercisable upon the first anniversary of the Date of Grant; and
- c. 7,500,000 Share Options will be vested and exercisable upon the second anniversary of the Date of Grant.

Among the Share Options granted, each of Mr. Leung Kwan Yuen Andrew, Mr. Li Wai Keung, Mr. Hui Chiu Chung and Mr. Yung Wing Ki Samuel, each being an Independent Non-Executive Director, was granted 2,000,000 Share Options. In accordance with Rule 17.04(1) of the Listing Rules, the grant of the relevant Share Options to each of Mr. Leung Kwan Yuen Andrew, Mr. Li Wai Keung, Mr. Hui Chiu Chung and Mr. Yung Wing Ki Samuel have been approved by the independent non-executive directors of the Company, save that each of the independent non-executive Directors abstained from voting when approving the grant of the relevant Share Options to himself.

Save as disclosed above, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined under the Listing Rules) as at the date of this announcement.

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

Hong Kong, 13 April 2018

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Chung Hing, Mr. Fung Sing Hong Stephen, Mr. Song Chuan and Ms. Cheng Ka Man Carman; the non-executive directors of the Company are Dr. Ma Kai Cheung, SBS, BBS, 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.