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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 And Tencent Will Elect To Receive**  
**Final Dividend In Form Of New Shares**

Reference is made to the announcement of China South City Holdings Limited (the “**Company**”) dated 28 June 2018 (the “**Announcement**”) in relation to the annual results for the year ended 31 March 2018 in relation to, among others, the Board of the Company recommended the payment of the Final Dividend to Shareholders whose names appear on the register of members of the Company on 29 August 2018 (the “**Record Date**”), and such Shareholders may elect to receive the Final Dividend in New Shares in lieu of cash. Unless otherwise defined, terms defined in the Announcement shall have the same meanings when used herein.

The Board of the Company wishes to announce that the Company has been informed by Mr. Cheng Chung Hing (“**Mr. Cheng**”), Chairman and Executive Director of the Company and THL H Limited (a wholly-owned subsidiary of Tencent Holdings Limited, collectively “**Tencent**”) respectively that Mr. Cheng and Tencent will elect to receive the Final Dividend in the form of New Shares.

As at the date of this announcement, Mr. Cheng (by himself and through his wholly-owned subsidiary Accurate Gain Developments Limited) and Tencent are interested in aggregate 2,232,148,831 Shares and 925,100,000 Shares respectively, representing approximately 27.86% and 11.55% of the total issued share capital of the Company. Assuming Mr. Cheng and Tencent are interested in 2,232,148,831 Shares and 925,100,000 Shares on the Record Date, and they elect to receive the Final Dividend in full in the form of New Shares, subject to the approval of the proposed Final Dividend at the AGM and the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the New Shares which will be issued at the price of HK\$1.50 per share under the Scrip Dividend Scheme, 74,404,961 and 30,836,666 New Shares will be issued to Mr. Cheng and Tencent respectively pursuant to the Scrip Dividend Scheme. Accordingly, Mr. Cheng and Tencent will then be interested in aggregate 2,306,553,792 Shares and 955,936,666 Shares respectively after the issuance of the New Shares.

The Board of the Company sincerely thanks Mr. Cheng and Tencent for their support and recognition of the Company’s prospects.

For and on behalf of the Board  
**China South City Holdings Limited**  
**Fung Sing Hong Stephen**  
*Vice Chairman and Executive Director*

Hong Kong, 19 July 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.*