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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 Board and a committee of Independent Non-Executive Directors of the Company have resolved on 7 February 2020 (the “**Date of Grant**”) to grant share options (the “**Share Options**”) to two 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 13 September 2019.

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

Date of Grant	: 7 February 2020
Total number of Share Options granted	: 73,800,000 Share Options
Exercise price of the Share Options	: HK\$1.00 per Share
Closing price of the Share on the Date of Grant	: HK\$0.89 per Share
Average closing price of the Shares for the five business days immediately preceding the Date of Grant	: HK\$0.89 per Share

The Share Options are valid for a period of 5 years from the Date of Grant, subject to the vesting schedule below.

Vesting schedule of the Shares Options details as below:

- a. 24,600,000 Share Options, being one-third of the total number of the Share Options granted will be vested on the first anniversary of the Date of Grant and exercisable within four years from such anniversary date;
- b. 24,600,000 Share Options, being one-third of the total number of the Share Options granted will be vested on the second anniversary of the Date of Grant and exercisable within three years from such anniversary date; and
- c. 24,600,000 Share Options, being one-third of the total number of the Share Options granted will be vested on the third anniversary of the Date of Grant and exercisable within two years from such anniversary date.

Among the Share Options granted, 18,000,000 Share Options and 7,800,000 Share Options were granted to Mr. Zhao Lidong (“**Mr. Zhao**”), being Executive Director and Chief Executive Officer, and Ms. Cheng Ka Man Carman (“**Ms. Cheng**”) being Executive Director and an associate of Mr. Cheng Chung Hing, the Chairman and Executive Director and a substantial shareholder of the Company, respectively.

In accordance with Rule 17.04 (1) of the Listing Rules, the grant of the relevant Share Options to Mr. Zhao and Ms. Cheng have been approved by the Independent Non-Executive Directors of the Company. Mr. Cheng Chung Hing has abstained from voting on the resolution to approve the grant of Share Options to Ms. Cheng. Each of Mr. Zhao and Ms. Cheng has abstained from voting when approving the grant of Share Options to him/her respectively.

Save as disclosed above, none of the Grantee 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, 7 February 2020

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Chung Hing, Mr. Fung Sing Hong Stephen, Mr. Zhao Lidong 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.