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Inside Information Profit Warning

This announcement is made by China South City Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) investors and potential investors (collectively, the “**Other Investors**”) that, based on the preliminary assessment of the Group's unaudited management accounts for the year ended 31 March 2022 and other information currently available, it is expected that the Group's profit for the year ending 31 March 2022 will record a drop of about 70% compared to the year ending 31 March 2021; the expected decrease in profit is mainly due to (i) decline in average selling price of properties delivered during the year, resulting in the decrease in the gross profit margin; (ii) the decline in commercial properties leasing demand in the midst of the COVID-19 pandemic and depressed macro market environment, resulting in a decrease in fair value gain on investment properties; (iii) increase in finance cost; and (iv) increase in the provision for inventory impairment.

The information contained in this announcement is only based on the preliminary assessment of the Group's unaudited management accounts for the year ended 31 March 2022 and other information currently available, which has not been audited or reviewed by the auditor or the Audit Committee of the Company, and it could be subject to further adjustments or revisions. The Company's results announcement for the year ended 31 March 2022 is expected to be published no later than 30 June 2022. Shareholders and other investors should read it carefully.

Shareholders and Other Investors are advised to exercise caution when dealing in the securities of the Company, avoid undue reliance on such information, and to seek professional advice from their own professional or financial advisers when in doubt.

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

Hong Kong, 24 June 2022

As at the date of this announcement, the Executive Directors of the Company are Mr. Cheng Chung Hing, Ms. Geng Mei, Mr. Wan Hongtao, Mr. Qin Wenzhong and Ms. Cheng Ka Man Carman; the Non-Executive Directors of the Company are Mr. Cheng Tai Po and Mr. Lei Ming; and the Independent Non-Executive Directors of the Company are Mr. Leung Kwan Yuen Andrew, GBM, GBS, JP, Mr. Li Wai Keung, Mr. Hui Chiu Chung, JP and Ms. Shen Lifeng.