

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO THE ANNUAL REPORT  
OF THE COMPANY FOR THE NINE MONTHS ENDED 31 DECEMBER 2023**

Reference is made to the announcement of China South City Holdings Limited (the “**Company**” and its subsidiaries collectively referred to as the “**Group**”) on 30 April 2024, the contents of which is in relation to the annual report of the Company for the nine months ended 31 December 2023 (the “**2023 Annual Report**”). Capitalised terms used herein shall have the same meaning as those defined in the 2023 Annual Report.

As disclosed in the 2023 Annual Report, the Company’s auditor (the “**Auditor**”) did not express an opinion on the consolidated financial statements of the Group for nine months ended 31 December 2023 (the “**Consolidated Financial Statements**”), because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the Consolidated Financial Statements as described in the “Basis for Disclaimer of Opinion” section of the Auditor report (the “**Disclaimer of Opinion**”).

The Board would like to provide further information to the shareholders and potential investors of the Company in relation to the Disclaimer of Opinion as follows:

**Opinions of the Audit Committee**

The Audit Committee has (i) discussed with the Board and the Group’s management regarding the going concern issue, and with the orderly implementation of the plans and measures regarding debt resolution as disclosed in the 2023 Annual Report, (ii) agreed with the position taken by the Group’s management and the Board regarding the accounting treatment adopted by the Company.

The Audit Committee has also discussed and understood the concerns of the Auditor that uncertainties exist as to whether the Group’s management will be able to achieve its plans and measures as disclosed in the 2023 Annual Report. There is no disagreement by the Board, the Group’s management nor the Audit Committee in relation to the position taken by the Auditor regarding the going concern issue and the basis of preparation of the Consolidated Financial Statements.

**Corporate Governance**

In accordance with code provision D.1.3 of the Corporate Governance Code, the Board would like to supplement on its corporate governance report as follows:

As set out in note 2.1 to the Consolidated Financial Statements, the Group recorded a net loss of HK\$4,318 million for the nine months ended 31 December 2023, and as at 31 December 2023, the Group's current portion of interest-bearing debts amount to HK\$16,295 million, while its cash and cash equivalents amount to HK\$230 million. Subsequent to the year end date and up to 28 March 2024, the principal or interest payment relating to an aggregate amount of HK\$21,696 million interest-bearing debts had not been repaid in accordance their scheduled repayment date, triggering an aggregate amount of HK\$9,260 million of interest-bearing debts to become repayable on demand.

The Board believes that the successful implementation of the steps described in the section headed "Going concern basis" in note 2.1 to the Consolidated Financial Statements will enable the Group to maintain sufficient working capital to fund its operations and start operations and fulfill due financial obligations within 12 months from the 31 December 2023. Therefore, the Consolidated Financial Statements for the nine months ended 31 December 2023 have been prepared on a going concern basis. If the Group is unable to operate as a going concern, adjustments must be made to write down the value of assets to their recoverable amounts, provide for further liabilities that may arise, and reclassify non-current assets and non-current liabilities respectively into current assets. and current liabilities. The impact of these adjustments is not reflected in the Consolidated Financial Statements.

**Shareholders, noteholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

For and on behalf of the Board  
**China South City Holdings Limited**  
**Chan Hing Chau**  
*Company Secretary*

4 June 2024

*As at the date of this announcement, the Co-Chairmen of the Company are Mr. Li Wenxiong (Non-Executive Director) and Mr. Cheng Chung Hing (Executive Director); the Executive Directors of the Company are Ms. Geng Mei, Mr. Wan Hongtao, Ms. Fang Ling and Ms. Cheng Ka Man Carman; the Non-Executive Directors of the Company are Mr. Fung Sing Hong Stephen, Ms. Shen Lifeng, Ms. Li Aihua and Ms. Deng Jin; 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, Ms. Zee Helen and Dr. Li Xu.*