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UPDATES IN RELATION TO THE DISCLAIMER OF OPINION SET OUT IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of China South City Holdings Limited (the “**Company**”) would like to provide updates in relation to the auditor of the Company being unable to form an opinion on the consolidated financial statements of the Company for the year ended 31 December 2024 (the “**2024 Financial Statements**”) due to the potential interaction of multiple uncertainties relating to going concern and their possible cumulative effect on the 2024 Financial Statements (the “**2024 Disclaimer Opinion**”) as set out in the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”). Unless otherwise specified, capitalised terms used herein shall have the same meaning as defined in the 2024 Annual Report.

As set out in the 2024 Annual Report, the Company has disclosed its plans and measures to resolve the going concern issue, including but not limited to (i) successful and timely debt restructuring with the lenders of the Group’s Defaulted and Cross Defaulted Borrowings; (ii) successful dismissal of the winding-up petition; (iii) successful and timely implementation of the plans to dispose of certain of the Group’s equity interests in certain property projects to raise the level of liquid funds; (iv) timely implementation of the plans to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; and (v) successfully execution of active measures to control administrative costs and maintain containment of capital expenditures.

During the period from 29 April 2025, being the publication date of the 2024 Annual Report, up to the date of this announcement, the following steps and measures have been implemented by the Company to alleviate the liquidity pressure and address the 2024 Disclaimer Opinion:

- (i) the Company has been negotiating with banks to restructure its debts, extend bank credit and repayment periods, and reduce loan interest rates and interest payments in order to improve the Group’s liquidity position;
- (ii) the Company has been working with its legal advisers on the winding-up petition filed by Citicorp

International Limited at the High Court of the Hong Kong Special Administrative Region against the Company on 27 January 2025 (the “**Petition**”) the hearing of which has been adjourned to 11 August 2025. The Company continues to proactively communicate and work with its offshore creditors on its restructuring plan, with the objective of announcing terms to the market as soon as practicable. Meanwhile, the Company will endeavour to maintain active communications with the Petitioner, and, while adhering to the principle of fairness to all creditors, to negotiate with the Petitioner amicably and properly handle related matters (including making efforts to procure the withdrawal or dismissal of the Petition as soon as possible);

- (iii) the Company actively followed up on the funds for destocking and bulk sales in various cities. Among them, the bulk transactions achieved breakthrough progress. CSC Nanchang sold a property to an independent third party. In addition, CSC Hefei sold more than 1,300 parking spaces to an independent third party;
- (iv) the Company adjusted operational strategies promptly with focus on commercial operations as the core, accelerated asset disposal, optimized organizational structures, reduced costs while increasing efficiency, enhanced liquidity, and maintained safe and stable operations. The Group continues to ensure the completion of delivery tasks in order to improve liquidity levels; and
- (v) the Group continued to take appropriate measures to control its costs, including maintain an appropriate level of headcounts and reducing certain administrative costs.

The Board will continue to use its best endeavours to implement the measures to resolve the issues underlying the 2024 Disclaimer Opinion and will publish further announcement(s) when appropriate.

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

30 June 2025

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 Mr. Wan Hongtao, Ms. Fang Ling, Ms. Xu Hongxia and Mr. Liu Heng; 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.