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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)

INSIDE INFORMATION

TERMINATION OF SHARE TRANSFER AGREEMENT BETWEEN MR. CHENG CHUNG HING AND CENTRALCON HOLDING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement published by the Company on 11 January 2017 (the “**Announcement**”) regarding the proposed share transfer of an aggregate of 1,857,196,831 shares in the Company, representing approximately 23.20% of the total issued share capital of the Company from Mr. Cheng Chung Hing (“**Mr. Cheng**”), Co-Chairman and Executive Director of the Company, to Centralcon Holding (the “**Proposed Share Transfer**”). Unless otherwise defined, terms defined in the Announcement shall have the same meanings when used herein.

THE TERMINATION AGREEMENT

As disclosed in the Announcement, completion of the Sale and Purchase Agreement is conditional upon the fulfilment or waiver (as the case may be) of, among others, all necessary third party, PRC regulatory authorisations, consents, permissions, agreements and approvals in connection with the transactions contemplated under the Sale and Purchase Agreement having been obtained by Centralcon Holding, including but not limited to the filings made to the NDRC and Ministry of Commerce in accordance with the laws and regulations of the PRC (the “**Third Party and Regulatory Approval**”).

The Board wishes to announce that it has been informed by Mr. Cheng that as a result of (i) the recent changes to the PRC securities market, policies and regulations; and (ii) the Third Party and Regulatory Approval cannot be obtained by Centralcon Holding on or before 30 April 2017 (the long stop date of the Sale and Purchase Agreement), the parties agreed that the conditions required for the further implementation of the transaction under the Sale and Purchase Agreement no longer exist, Mr. Cheng, Accurate Gain, Best Wisdom and Centralcon Holding entered into a termination agreement (the “**Termination Agreement**”) to terminate the Proposed Share Transfer on 6 April 2017.

Pursuant to the Termination Agreement, in the event that the PRC securities market, policies and regulations allows, and other factors which the parties under the Sale and Purchase Agreement deem appropriate in the future, the parties may reconsider entering into new transactions similar to which contemplated under the Sale and Purchase Agreement, subject to further negotiation of the terms and conditions and the entering into of relevant agreements (if any).

For and on behalf of the Board
China South City Holdings Limited
Fung Sing Hong Stephen
Executive Director and Chief Executive Officer

Hong Kong, 6 April 2017

As at the date of this announcement, the Executive Directors of the Company are Mr. Cheng Chung Hing, Mr. Leung Moon Lam and Mr. Fung Sing Hong Stephen; the Non-Executive Directors of the Company are Dr. Ma Kai Cheung, SBS, BBS, Mr. Sun Kai Lit Cliff, BBS, JP, Dr. Ma Wai Mo, 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.