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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)

VOLUNTARY ANNOUNCEMENT

SHAREHOLDERS' ALLIANCE AGREEMENT

Reference is made to the announcement of the Company dated 28 December 2015 and the relevant announcements mentioned therein (collectively the “**Announcements**”) in respect of the entering into of the previous alliance agreements (the “**Previous Alliance Agreements**”) between Mr. Cheng Chung Hing (“**Mr. Cheng**”), Co-Chairman and Executive Director of the Company, Mr. Cheng Tai Po and Mr. Leung Moon Lam (together, the “**Alliance Shareholders**” and each an “Alliance Shareholder”) pursuant to which, among other things, if any Alliance Shareholder proposes to transfer any shares of the Company to any person other than an Alliance Shareholder, such Alliance Shareholder shall obtain written approval from the other two Alliance Shareholders, following which, the other Alliance Shareholders shall have certain first right of refusal and tag-along right in respect of such proposed transfer. Unless otherwise defined, capitalised terms used in this announcement shall have the meaning as those defined in the Announcements.

As set out in the announcement of the Company dated 11 January 2017, in connection with the proposed transfer by Mr. Cheng of its entire shareholding in the Company to an independent third party (the “**Proposed Share Transfer**”), the Alliance Shareholders agreed to terminate the Previous Alliance Agreements. As further disclosed in the announcement of the Company dated 6 April 2017, the Proposed Share Transfer was subsequently terminated.

The Board wishes to announce that it has been informed by the Alliance Shareholders that as a result of the termination of the Proposed Share Transfer, the Alliance Shareholders have re-entered into an alliance agreement (the “**New Alliance Agreement**”) dated 29 April 2017 for a terms of three years from the date of the New Alliance Agreement. In the first two years of the New Alliance Agreement, Mr. Cheng Tai Po and Mr. Leung Moon Lam will not transfer their shareholdings in the Company to any person other than Mr. Cheng (saved for any transfer of shareholding in the Company by Mr Cheng to any third party). The other terms of the New Alliance Agreement are substantially the same as those under the Previous Alliance Agreements.

The Alliance Shareholders, together with their respective associates, was interested in approximately 36.43% (or assuming all the share options held by Mr. Leung Moon Lam are fully exercised, approximately 37.29%) of the total number of issued shares of the Company by the time of signing the New Alliance Agreement. Their interest in the Company as at the date of

this announcement are approximately 37.99% in aggregate (or assuming all the share options held by Mr. Leung Moon Lam are fully exercised, approximately 38.86% in aggregate) of the total number of issued shares of the Company as at the date of this announcement. Mr. Cheng and Mr. Leung Moon Lam are executive directors of the Company, and Mr. Cheng Tai Po is a non-executive director of the Company and the elder brother of Mr. Cheng.

The Company is not a party to the New Alliance Agreement, and the New Alliance Agreement does not constitute a notifiable transaction under Chapter 14 or a connected transaction under Chapter 14A of the Listing Rules. This announcement is made on a voluntary basis.

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

Hong Kong, 1 May 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.