

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 FURTHER DELAY IN PAYMENT OF FINAL DIVIDEND FOR THE YEAR ENDED 31 MARCH 2023

This announcement is made by the board of directors (the “**Board**”) of China South City Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) of which reference to (i) the notice of annual general meeting of the Company dated 30 August 2023, (ii) the poll results announcement of the annual general meeting of the Company dated 22 September 2023, (iii) the announcements of the Company dated 30 November 2023, 8 December 2023 and 30 December 2024 (the “**Announcements**”) in relation to, among others, the delay in payment of the final dividend for the year ended 31 March 2023 (the “**2022/23 Final Dividend**”).

The Company would like to provide further information to the Shareholders and potential investors of the Company in relation to the delay in payment of the 2022/23 Final Dividend.

Despite the Company having used reasonable endeavours to implement the action plan as stated in the announcement of the Company dated 8 December 2023, due to changes in the external environment, the Company’s sales have been below the Company’s expectations, and its cash flow has only been sufficient to fund its daily operations. Further, the Company has attempted to dispose of certain assets as stated in the announcements of the Company dated 1 February 2024 and 5 February 2024 but such proposed disposals did not materialise. The cumulative effect of the above factors has put an increasing strain on the Group’s working capital and has led to a default in the Company’s offshore debt. Having considered the Company’s liquidity and debt position as well as the balance of the interests of the Shareholders and creditors of the Company, the Board was of the view that the current cashflow did not allow the Company to make the payment of the 2022/23 Final Dividend by 31 December 2024.

As disclosed in the announcement of the Company dated 29 April 2024, the Company is in discussions with its creditors to explore a holistic solution to its current debts situation to secure the sustainable operations and future development of the Group for the interests of all of its stakeholders. The Company will continue its discussions with its creditors and financial institutions to improve its liquidity and cashflow position with a view to maximizing its ability to honour the payment of the 2022/23 Final Dividend by 31 December 2025, but the form and payment of which may be subject to change depending on the outcome of the holistic solution to be agreed between the Company and its creditors (which may also affect the winding-up petition filed against the Company as further detailed in the announcement of the Company dated 28 January 2025).

Shareholders and other investors 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

27 February 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.