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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 FORMATION OF A SUPPLY CHAIN BIG DATA JOINT VENTURE COMPANY

The Company is pleased to announce that CSC Investment, an indirect wholly-owned subsidiary of the Company and eight leading supply chain companies or their subsidiaries (including Easttop, Feima International, China Brilliant Investment, Procto, S.F. Investment, Tempus, Eternal Asia and YH Global) have entered into a Shareholders Agreement in relation to a supply chain big data joint venture company on 26 April 2018. Pursuant to the Shareholders Agreement, each party intended to contribute RMB11.11 million with an aggregated total investment of RMB100 million to form a joint venture company, each party shall hold 11.111% of the equity interest in the joint venture company.

REASON FOR AND BENEFITS OF THE INVESTMENT AND COOPERATION

The Group is a leading large-scale integrated logistics and trade center developer and operator in China. The formation of the big data joint venture company with eight leading supply chain companies in China which is aimed to set up an influential supply chain big data platform in China through the innovative technology such as big data and artificial intelligence. Leveraging the shareholders' extensive operation experience in application scenarios and in the supply chain industry, the cooperation is committed to build an open and win-win platform, as well as to promote an effective and synergetic modern supply chain system. Meanwhile, the cooperation also aimed to build an innovative smart supply chain, improve the efficiency of integrated logistics service and to serve the real economy, so as to enhance the competitiveness of Chinese enterprises in the global supply chain industry. The investment will strengthen the Group's supply chain service capabilities and enhance the Group's ability to provide more and better services to its customers. This investment has a positive impact on the long-term development of the Group and is in the interest of the Group and its shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the Board of Directors
“Company”	China South City Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“The Group”	the Company and its subsidiaries
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders Agreement”	The shareholder agreement entered by CSC Investment and Easttop, Feima International, China Brilliant Investment, Propto, S.F. Investment, Tempus, Eternal Asia and YH Global on 26 April 2018. Pursuant to the terms and conditions in the Shareholders Agreement, each party intended to contribute RMB11.11 million and each shall hold 11.111% of the equity interest in the joint venture company.
“Easttop”	深圳市東方嘉盛供應鏈股份有限公司(Shenzhen Easttop Supply Chain Management Co., Ltd.), a company listed on the Shenzhen Stock Exchange (Stock Code: 002889). It mainly engages in integrated supply chain management services.
“Feima International”	深圳市飛馬國際供應鏈股份有限公司(Shenzhen Feima International Supply Chain Co., Ltd.), a company listed on the Shenzhen Stock Exchange (Stock Code: 002210). It mainly engages in integrated supply chain management services.
“CSC Investment”	深圳華南城投資有限公司(Shenzhen China South City Investment Co., Ltd.*), a company incorporated in Shenzhen with limited liability and an indirect wholly-owned subsidiary of the Company. It mainly engages in investment management business.
“China Brilliant Investment”	深圳市朗華投資控股有限公司(Shenzhen China Brilliant Investment Holding Co., Ltd.*), a company incorporated in Shenzhen with limited liability. It mainly engages in one-stop supply chain management services.
“Propto”	深圳市普路通供應鏈管理股份有限公司(Shenzhen Propto Supply Chain Management Co., Ltd.), a company

listed on the Shenzhen Stock Exchange (Stock Code: 002769). It mainly engages in one-stop supply chain management services.

- “S.F. Investment” 深圳市順豐投資有限公司(Shenzhen S.F. Investment Co., Ltd.*), a company incorporated in Shenzhen with limited liability and a wholly-owned subsidiary of S.F. Holding Co., Ltd. (a company listed on the Shenzhen Stock Exchange (Stock Code: 002352)). S.F. Holding Co., Ltd. is an express logistics integrated service provider.
- “Tempus” 珠海騰邦金躍投資有限公司(Zhuhai Tempus Jin Yue Investment Co., Ltd.*), a company incorporated in Zhuhai with limited liability and an indirect wholly-owned subsidiary of Tempus Holdings Limited (a company listed on the Hong Kong Stock Exchange (Stock Code: 06880)). It mainly engages in health and wellness and trade and logistics business.
- “Eternal Asia” 深圳市怡亞通供應鏈股份有限公司(Eternal Asia Supply Chain Management Ltd.), a company listed on the Shenzhen Stock Exchange (Stock Code: 002183). It mainly engages in providing companies with supply chain services.
- “YH Global” 深圳越海全球供應鏈有限公司(Shenzhen YH Global Supply Chain Co., Ltd.*), a company incorporated in Shenzhen with limited liability. It mainly engages in one-stop supply chain management services.
- “%” per cent

For and on behalf of the Board
China South City Holdings Limited
CHENG Chung Hing
Chairman & Executive Director

Hong Kong, 26 April 2018

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Chung Hing, Mr. Fung Sing Hong Stephen, Mr. Song Chuan and Ms. Cheng Ka Man Carman; the non-executive directors of the Company are Dr. Ma Kai Cheung, SBS, BBS, 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.

** For identification purposes only*