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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)

Further Issuance of US\$120,000,000 10.75% Senior Notes Due 2023

The Board hereby announces that on 6 January 2021, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with UBS, Guotai Junan International, Haitong International, BNP PARIBAS, CCB International, China CITIC Bank International, Deutsche Bank, Standard Chartered Bank, HeungKong Financial, Admiralty Harbour, Orient Securities (Hong Kong) and Fortune (HK) Securities Limited in connection with the Notes Issue. The New Notes shall be consolidated and form a single series with the Original Notes.

The estimated net proceeds of the Notes Issue (after deducting the underwriting discount and other estimated expenses payable in connection with the Notes Issue, and plus accrued interest from (and including) 11 September 2020 to (but excluding) the Closing Date) will be approximately US\$123.15 million. The net proceeds of the Notes Issue will be used by the Company primarily to refinance existing indebtedness and for general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions, change in government policies or other factors and thus, the Company may reallocate the use of the proceeds for different uses.

Approval in-principle for the listing of the New Notes has been received from SGX-ST. Admission of the New Notes to the SGX-ST is not to be taken as an indication of the merits of the Company or the New Notes. No listing of the New Notes has been or will be sought in Hong Kong.

Reference is made to the Company's announcements dated 3 September 2020 and 14 September 2020 in relation to the issuance of the Original Notes.

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THE PURCHASE AGREEMENT

Date:

6 January 2021

Parties:

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors; and
- (c) UBS, Guotai Junan International, Haitong International, BNP PARIBAS, CCB International, China CITIC Bank International, Deutsche Bank, Standard Chartered Bank, HeungKong Financial, Admiralty Harbour, Orient Securities (Hong Kong) and Fortune (HK) Securities Limited, collectively, as the initial purchasers.

UBS, Guotai Junan International and Haitong International are the joint global coordinators, joint bookrunners and joint lead managers, and BNP PARIBAS, CCB International, China CITIC Bank International, Deutsche Bank, Standard Chartered Bank, HeungKong Financial, Admiralty Harbour, Orient Securities (Hong Kong) and Fortune (HK) Securities Limited are the joint bookrunners and joint lead managers. To the best of the Directors' knowledge, information and belief, each of UBS, Guotai Junan International, Haitong International, BNP PARIBAS, CCB International, China CITIC Bank International, Deutsche Bank, Standard Chartered Bank, HeungKong Financial, Admiralty Harbour, Orient Securities (Hong Kong) and Fortune (HK) Securities Limited is not a connected person of the Company.

The obligations of the initial purchasers to purchase the New Notes are subject to certain conditions in the Purchase Agreement. If any of the conditions under the Purchase Agreement shall not have been fulfilled when and as provided in the Purchase Agreement, the Purchase Agreement and all obligations of the initial purchasers thereunder may be cancelled at, or at any time prior to, the Closing Date by the initial purchasers.

The Notes Issue has not been and will not be registered under the Securities Act or any state securities law of the U.S. and may not be offered or sold within the United States unless so registered or pursuant to an applicable exemption from registration and may only be offered and sold outside the United States in reliance on Regulation S under the Securities Act. None of the New Notes will be offered to the public in Hong Kong.

DEFINITIONS

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

“Admiralty Harbour”	Admiralty Harbour Capital Limited
“BNP PARIBAS”	BNP Paribas
“Board”	the board of Directors
“CCB International”	CCB International Capital Limited
“China CITIC Bank International”	China CITIC Bank International Limited
“Closing Date”	13 January 2021
“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 (Stock Code: 1668)
“Deutsche Bank”	Deutsche Bank AG, Hong Kong Branch
“Directors”	The directors of the Company
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Haitong International”	Haitong International Securities Company Limited
“HeungKong Financial”	HeungKong Securities Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“New Notes”	the additional US\$120,000,000 10.75% senior notes proposed to be further issued by the Company, which shall be consolidated and form a single series with the Original Notes
“Notes”	the Original Notes and the New Notes
“Notes Issue”	the issuance of the New Notes by the Company

“Orient Securities (Hong Kong)”	Orient Securities (Hong Kong) Limited
“Original Notes”	the US\$250,000,000 10.75% senior notes due 2023 issued by the Company on 11 September 2020
“Purchase Agreement”	the agreement dated 6 January 2021 entered into among the Company, the Subsidiary Guarantors, UBS, Guotai Junan International, Haitong International, BNP PARIBAS, CCB International, China CITIC Bank International, Deutsche Bank, Standard Chartered Bank, HeungKong Financial, Admiralty Harbour, Orient Securities (Hong Kong) and Fortune (HK) Securities Limited in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	the subsidiaries of the Company which provide a guarantee for the payment of the Notes provided that those Subsidiary Guarantors will not include any subsidiaries of the Company established under the laws of the PRC
“UBS”	UBS AG Hong Kong Branch
“United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 7 January 2021

This announcement has been translated into Chinese. If there is any inconsistency between the English version and the Chinese version, the English version shall prevail.

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Chung Hing, Mr. Zhao Lidong, Mr. Wu Guangquan and Ms. Cheng Ka Man Carman; the non-executive directors of the Company are Mr. Cheng Tai Po and Mr. Lin Ching Hua; and the independent non-executive directors of the Company are Mr. Leung Kwan Yuen Andrew, GBM, GBS, JP, Mr. Li Wai Keung and Mr. Hui Chiu Chung, JP.