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Voluntary Announcement

Repurchase and Cancellation of Parts of the Senior Notes

Reference is made to the announcements and other announcements mentioned therein of China South City Holdings Limited (the “**Company**”) on (1) 28 September 2018 in relation to repurchase and cancellation of parts of the senior notes issued by the Company; (2) 9 March 2017 in relation to the Company’s issuance of the 5.75% senior notes due March 2020 (the “**March 2020 Notes**”) and (3) 28 March 2019 and 12 June 2019 in relation to the Company’s issuance of the 11.875% senior notes due March 2021 (the “**March 2021 Notes**”) (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

The Company made on-market repurchase of parts of the above mentioned senior notes in an aggregated principal amount of US\$25,300,000 (collectively the “**Repurchased Notes**”), which will be cancelled later. The relevant details of the Repurchased Notes are as follows:

- (i) March 2020 Notes: an aggregate principal amount of US\$1,500,000 (representing approximately 0.50% of the initial principal amount of such notes);
- (ii) August 2020 Notes: an aggregate principal amount of US\$2,000,000 (representing approximately 0.80% of the initial principal amount of such notes);
- (iii) January 2021 Notes: an aggregate principal amount of US\$9,000,000 (representing approximately 3.60% of the initial principal amount of such notes);
- (iv) March 2021 Notes: an aggregate principal amount of US\$8,000,000 (representing approximately 3.08% of the initial principal amount of such notes) and
- (v) September 2021 Notes: an aggregate principal amount of US\$4,800,000 (representing approximately 1.37% of the initial principal amount of such notes).

After the cancellation of the Repurchased Notes, the outstanding principal amount of the March 2020 Notes, August 2020 Notes, January 2021 Notes, March 2021 Notes and September 2021 Notes would be US\$298,500,000, US\$241,000,000, US\$229,000,000, US\$252,000,000 and US\$340,700,000 respectively.

After reviewing the company's debt structure, market conditions and the price of the notes, the repurchase of the aforementioned notes will improve the debt structure. The Company may continue to repurchase senior notes as when appropriate.

Noteholders and potential investors should note that whether any purchase of the notes from time to time by the Company will be at the Board's sole and absolute discretion. There is no assurance of the timing, amount or price of any purchase of the Notes, nor does it guarantee that the company will purchase more notes. Noteholders and potential investors should therefore exercise caution when dealing in any notes.

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

Hong Kong, 10 December 2019

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Chung Hing, Mr. Fung Sing Hong Stephen, Mr. Zhao Lidong 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.