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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\$125,000,000 10.875% Senior Notes Due 2022

The Board hereby announces that on 22 June 2020, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Guotai Junan International in connection with the Notes Issue. The New Notes shall be consolidated and form a single series with the Original Notes.

The net proceeds of the Notes Issue, after deducting the underwriting discount and other estimated expenses payable in connection with 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.

Application will be made for the listing of the New Notes on the 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.

The Board hereby announces that on 22 June 2020, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Guotai Junan International in connection with the Notes Issue, pursuant to which, Guotai Junan International will be the initial purchaser of the New Notes.

THE PURCHASE AGREEMENT

Date:

22 June 2020

Parties:

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors; and
- (c) Guotai Junan International.

Guotai Junan International is the sole global coordinator, the sole bookrunner and the sole lead manager. To the best of the Directors' knowledge, information and belief, Guotai Junan International is not a connected person of the Company.

The obligations of the initial purchaser 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 purchaser thereunder may be cancelled at, or at any time prior to, the Closing Date by the initial purchaser.

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:

“Board”	the board of Directors
“Closing Date”	26 June 2020
“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)
“Directors”	The directors of the Company
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“New Notes”	the additional US\$125,000,000 10.875% 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
“Original Notes”	the US\$225,000,000 10.875% senior notes due 2022 issued by the Company on 26 February 2020
“Purchase Agreement”	the agreement dated 22 June 2020 entered into among the Company, the Subsidiary Guarantors and Guotai Junan International 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

“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, 22 June 2020

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, GBS, SBS, JP, Mr. Li Wai Keung, Mr. Hui Chiu Chung, JP and Mr. Yung Wing Ki Samuel, SBS, MH, JP.