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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)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

### **RESULTS OF CONSENT SOLICITATION IN RELATION TO**

- 11.50% SENIOR NOTES DUE 2022 (ISIN: XS2085883119, Common Code: 208588311)**
- 10.875% SENIOR NOTES DUE 2022 (ISIN: XS2120092882, Common Code: 212009288)**
- 7.25% SENIOR NOTES DUE 2022 (ISIN: XS1720216388, Common Code: 172021638)**
- 11.95% SENIOR NOTES DUE 2023 (ISIN: XS2238030162, Common Code: 223803016) and**
- 10.75% SENIOR NOTES DUE 2023 (ISIN: XS2227909640, Common Code: 222790964)**

This overseas regulatory announcement is made by the Company pursuant to Rule 13.10B of the Listing Rules.

Reference is made to the announcement of the Company dated 21 July 2022 and 27 July 2022 (the “**Announcements**”) in relation to the Consent Solicitation. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Company is pleased to announce that, as at the Expiration Date, it has received support from the vast majority of the Holders of the Notes in the Consent Solicitation and the Requisite Consents were obtained prior to the Expiration Date. The Company hereby announces that it has accepted the consents from the Holders of the Notes and plans to execute the supplemental indentures as described in the Consent Solicitation Statement to bring the Proposed Amendments into effect.

The Proposed Amendments include:

- A. With respect to the 11.50% Notes, the following amendments (the “**11.50% Notes Proposed Amendments**”):
  - a) extend the maturity of the 11.50% Notes to 12 April 2024 (the “**11.50% Notes New Maturity Date**”);

- b) reduce the interest rate of the 11.50% Notes from 11.50% per annum to 9.0% per annum, which shall become effective on the Payment Date;
  - i. interest on the 11.50% Notes shall continue to accrue at 11.50% per annum until (but excluding) the Payment Date, and starting from (and including) the Payment Date, interest on the Notes shall start to accrue at 9.0% per annum;
  - ii. any accrued and unpaid interest on the 11.50% Notes shall be paid at the next Interest Payment Date (as defined in the 11.50% Notes Indenture);
- c) implement payment of principal in instalments, under which:
  - i. 5% of principal amount of the 11.50% Notes outstanding as of the Effective Time shall be paid on 12 August 2022;
  - ii. 2% of principal amount of the 11.50% Notes outstanding as of the Effective Time shall be paid on 30 December 2022;
  - iii. 5% of principal amount of the 11.50% Notes outstanding as of the Effective Time shall be paid on 12 February 2023;
  - iv. 5% of principal amount of the 11.50% Notes outstanding as of the Effective Time shall be paid on 12 August 2023;
  - v. the remaining principal amount of the 11.50% Notes then outstanding shall be paid on the 11.50% Notes New Maturity Date;
- d) include, as an event that will be treated as an “Event of Default” under the terms of the 11.50% Notes Indenture, any failure by the Keepwell Provider to comply with the terms of the Keepwell Deed for the 11.50% Notes (the “**11.50% Notes Keepwell Deed**”) and include the 11.50% Notes Keepwell Deed in the provisions related to enforcement and other actions under the 11.50% Notes Indenture;
- e) include an undertaking by the Company to use reasonable best efforts to pledge Specified Onshore Assets (as defined in the 11.50% Notes Supplemental Indenture) to obtain loans or other forms of financing, and to use reasonable best efforts to promptly transfer a majority of the proceeds from such loans or financing (after payment of necessary onshore operational and banking fees and expenses) (“**Specified Pledge Proceeds**”) to offshore accounts outside of the PRC (“**Specified Offshore Accounts**”) of the Company or any Restricted Subsidiaries (as defined in the 11.50% Notes Indenture), and within three months of the receipt of any Specified Pledge Proceeds in the Specified Offshore Accounts, the Company shall use such Specified Pledge Proceeds to repurchase or redeem any of the outstanding Notes, *provided that* such redemption shall not reduce the redemption amount provided in paragraphs (c)(i) through (c)(iv) above, and *provided further that* the Company shall only be required to make such redemption within 60 days after the Specified Pledge Proceeds in the Specified Offshore Accounts exceeds US\$50.0 million (or the Dollar Equivalent thereof), and the Company may exercise such redemption option more than once, depending on the amount of the accumulated net proceeds in the Specified Offshore Accounts.

B. With respect to the 10.875% Notes, the following amendments (the “**10.875% Notes Proposed Amendments**”):

- a. extend the maturity of the 10.875% Notes to 26 June 2024 (the “**10.875% Notes New Maturity Date**”);
- b. reduce the interest rate of the 10.875% Notes from 10.875% per annum to 9.0% per annum, which shall become effective on the Payment Date;
  - i. interest on the 10.875% Notes shall continue to accrue at 10.875% per annum until (but excluding) the Payment Date, and starting from (and including) the Payment Date, interest on the Notes shall start to accrue at 9.0% per annum;
  - ii. any accrued and unpaid interest on the 10.875% Notes shall be paid at the next Interest Payment Date (as defined in the 10.875% Notes Indenture);

- c. implement payment of principal in instalments, under which:
  - i. 5% of principal amount of the 10.875% Notes outstanding as of the Effective Time shall be paid on 26 October 2022;
  - ii. 2% of principal amount of the 10.875% Notes outstanding as of the Effective Time shall be paid on 30 December 2022;
  - iii. 5% of principal amount of the 10.875% Notes outstanding as of the Effective Time shall be paid on 26 April 2023;
  - iv. 5% of principal amount of the 10.875% Notes outstanding as of the Effective Time shall be paid on 26 October 2023;
  - v. the remaining principal amount of the 10.875% Notes then outstanding shall be paid on the 10.875% Notes New Maturity Date;
- d. include, as an event that will be treated as an “Event of Default” under the terms of the 10.875% Notes Indenture, any failure by the Keepwell Provider to comply with the terms of the Keepwell Deed for the 10.875% Notes (the “**10.875% Notes Keepwell Deed**”) and include the 10.875% Notes Keepwell Deed in the provisions related to enforcement and other actions under the 10.875% Notes Indenture;
- e. include an undertaking by the Company to use reasonable best efforts to pledge Specified Onshore Assets (as defined in the 10.875% Notes Supplemental Indenture) to obtain loans or other forms of financing, and to use reasonable best efforts to promptly transfer a majority of the proceeds from such loans or financing (after payment of necessary onshore operational and banking fees and expenses) (“**Specified Pledge Proceeds**”) to offshore accounts outside of the PRC (“**Specified Offshore Accounts**”) of the Company or any Restricted Subsidiaries (as defined in the 10.875% Notes Indenture), and within three months of the receipt of any Specified Pledge Proceeds in the Specified Offshore Accounts, the Company shall use such Specified Pledge Proceeds to repurchase or redeem any of the outstanding Notes, *provided that* such redemption shall not reduce the redemption amount provided in paragraphs (c)(i) through (c)(iv) above, and *provided further that* the Company shall only be required to make such redemption within 60 days after the Specified Pledge Proceeds in the Specified Offshore Accounts exceeds US\$50.0 million (or the Dollar Equivalent thereof), and the Company may exercise such redemption option more than once, depending on the amount of the accumulated net proceeds in the Specified Offshore Accounts.

C. With respect to the 7.25% Notes, the following amendments (the “**7.25% Notes Proposed Amendments**”):

- a. extend the maturity of the 7.25% Notes to 20 July 2024 (the “**7.25% Notes New Maturity Date**”);
- b. increase the interest rate of the 7.25% Notes from 7.25% per annum to 9.0% per annum, which shall become effective on the Payment Date;
  - i. interest on the 7.25% Notes shall continue to accrue at 7.25% per annum until (but excluding) the Payment Date, and starting from (and including) the Payment Date, interest on the Notes shall start to accrue at 9.0% per annum;
  - ii. any accrued and unpaid interest on the 7.25% Notes shall be paid at the next Interest Payment Date (as defined in the 7.25% Notes Indenture);
- c. implement payment of principal in instalments, under which:
  - i. 5% of principal amount of the 7.25% Notes outstanding as of the Effective Time shall be paid on 20 November 2022;
  - ii. 5% of principal amount of the 7.25% Notes outstanding as of the Effective Time shall be paid on 20 May 2023;
  - iii. 5% of principal amount of the 7.25% Notes outstanding as of the Effective Time shall be paid on 20 November 2023;

- iv. the remaining principal amount of the 7.25% Notes then outstanding shall be paid on the 7.25% Notes New Maturity Date;
  - d. include, as an event that will be treated as an “Event of Default” under the terms of the 7.25% Notes Indenture, any failure by the Keepwell Provider to comply with the terms of the Keepwell Deed for the 7.25% Notes (the “**7.25% Notes Keepwell Deed**”) and include the 7.25% Notes Keepwell Deed in the provisions related to enforcement and other actions under the 7.25% Notes Indenture;
  - e. allow the Company to optionally redeem any outstanding 7.25% Notes at any time at par plus accrued and unpaid interest; and
  - f. include an undertaking by the Company to use reasonable best efforts to pledge Specified Onshore Assets (as defined in the 7.25% Notes Supplemental Indenture) to obtain loans or other forms of financing, and to use reasonable best efforts to promptly transfer a majority of the proceeds from such loans or financing (after payment of necessary onshore operational and banking fees and expenses) (“**Specified Pledge Proceeds**”) to offshore accounts outside of the PRC (“**Specified Offshore Accounts**”) of the Company or any Restricted Subsidiaries (as defined in the 7.25% Notes Indenture), and within three months of the receipt of any Specified Pledge Proceeds in the Specified Offshore Accounts, the Company shall use such Specified Pledge Proceeds to repurchase or redeem any of the outstanding Notes, provided that such redemption shall not reduce the redemption amount provided in paragraphs (c)(i) through (c)(iii) above), and provided further that the Company shall only be required to make such redemption within 60 days after the Specified Pledge Proceeds in the Specified Offshore Accounts exceeds US\$50.0 million (or the Dollar Equivalent thereof), and the Company may exercise such redemption option more than once, depending on the amount of the accumulated net proceeds in the Specified Offshore Accounts.
- D. With respect to the 11.95% Notes, the following amendments (the “**11.95% Notes Proposed Amendments**”):
- a. extend the maturity of the 11.95% Notes to 9 October 2024 (the “**11.95% Notes New Maturity Date**”);
  - b. reduce the interest rate of the 11.95% Notes from 11.95% per annum to 9.0% per annum, which shall become effective on the Payment Date;
    - i. interest on the 11.95% Notes shall continue to accrue at 11.95% per annum until (but excluding) the Payment Date, and starting from (and including) the Payment Date, interest on the Notes shall start to accrue at 9.0% per annum;
    - ii. any accrued and unpaid interest on the 11.95% Notes shall be paid at the next Interest Payment Date (as defined in the 11.95% Notes Indenture);
  - c. implement payment of principal in instalments, under which:
    - i. 2.5% of principal amount of the 11.95% Notes outstanding as of the Effective Time shall be paid on 20 November 2022;
    - ii. 2.5% of principal amount of the 11.95% Notes outstanding as of the Effective Time shall be paid on 9 February 2023;
    - iii. 5% of principal amount of the 11.95% Notes outstanding as of the Effective Time shall be paid on 9 August 2023;
    - iv. 5% of principal amount of the 11.95% Notes outstanding as of the Effective Time shall be paid on 9 February 2024;
    - v. the remaining principal amount of the 11.95% Notes then outstanding shall be paid on the 11.95% Notes New Maturity Date;
  - d. include, as an event that will be treated as an “Event of Default” under the terms of the 11.95% Notes Indenture, any failure by the Keepwell Provider to comply with the terms of the Keepwell Deed for the 11.95% Notes (the “**11.95% Notes Keepwell Deed**”) and include the 11.95% Notes Keepwell Deed in the provisions related to enforcement and other actions under the 11.95% Notes Indenture;

- e. allow the Company to optionally redeem any outstanding 11.95% Notes at any time at par plus accrued and unpaid interest; and
- f. include an undertaking by the Company to use reasonable best efforts to pledge Specified Onshore Assets (as defined in the 11.95% Notes Supplemental Indenture) to obtain loans or other forms of financing, and to use reasonable best efforts to promptly transfer a majority of the proceeds from such loans or financing (after payment of necessary onshore operational and banking fees and expenses) (“**Specified Pledge Proceeds**”) to offshore accounts outside of the PRC (“**Specified Offshore Accounts**”) of the Company or any Restricted Subsidiaries (as defined in the 11.95% Notes Indenture), and within three months of the receipt of any Specified Pledge Proceeds in the Specified Offshore Accounts, the Company shall use such Specified Pledge Proceeds to repurchase or redeem any of the outstanding Notes, provided that such redemption shall not reduce the redemption amount provided in paragraphs (c)(i) through (c)(iv) above, and provided further that the Company shall only be required to make such redemption within 60 days after the Specified Pledge Proceeds in the Specified Offshore Accounts exceeds US\$50.0 million (or the Dollar Equivalent thereof), and the Company may exercise such redemption option more than once, depending on the amount of the accumulated net proceeds in the Specified Offshore Accounts.

- E. With respect to the 10.75% Notes, the following amendments (the “**10.75% Notes Proposed Amendments**”):
- a. extend the maturity of the 10.75% Notes to 11 December 2024 (the “**10.75% Notes New Maturity Date**”);
  - b. reduce the interest rate of the 10.75% Notes from 10.75% per annum to 9.0% per annum, which shall become effective on the Payment Date;
    - i. interest on the 10.75% Notes shall continue to accrue at 10.75% per annum until (but excluding) the Payment Date, and starting from (and including) the Payment Date, interest on the Notes shall start to accrue at 9.0% per annum;
    - ii. any accrued and unpaid interest on the 10.75% Notes shall be paid at the next Interest Payment Date (as defined in the 10.75% Notes Indenture);
  - c. implement payment of principal in instalments, under which:
    - i. 2.5% of principal amount of the 10.75% Notes outstanding as of the Effective Time shall be paid on 20 November 2022;
    - ii. 2.5% of principal amount of the 10.75% Notes outstanding as of the Effective Time shall be paid on 11 April 2023;
    - iii. 5% of principal amount of the 10.75% Notes outstanding as of the Effective Time shall be paid on 11 October 2023;
    - iv. 5% of principal amount of the 10.75% Notes outstanding as of the Effective Time shall be paid on 11 April 2024;
    - v. the remaining principal amount of the 10.75% Notes then outstanding shall be paid on the 10.75% Notes New Maturity Date;
  - d. include, as an event that will be treated as an “Event of Default” under the terms of the 10.75% Notes Indenture, any failure by the Keepwell Provider to comply with the terms of the Keepwell Deed for the 10.75% Notes (the “**10.75% Notes Keepwell Deed**”, together with the 11.50% Notes Keepwell Deed, the 10.875% Notes Keepwell Deed, the 7.25% Notes Keepwell Deed and the 11.95% Notes Keepwell Deed, the “**Keepwell Deeds**”) and include the 10.75% Notes Keepwell Deed in the provisions related to enforcement and other actions under the 10.75% Notes Indenture;
  - e. allow the Company to optionally redeem any outstanding 10.75% Notes at any time at par plus accrued and unpaid interest; and
  - f. include an undertaking by the Company to use reasonable best efforts to pledge Specified Onshore Assets (as defined in the 10.75% Notes Supplemental Indenture) to obtain loans or other forms of financing, and

to use reasonable best efforts to promptly transfer a majority of the proceeds from such loans or financing (after payment of necessary onshore operational and banking fees and expenses) (“**Specified Pledge Proceeds**”) to offshore accounts outside of the PRC (“**Specified Offshore Accounts**”) of the Company or any Restricted Subsidiaries (as defined in the 10.75% Notes Indenture), and within three months of the receipt of any Specified Pledge Proceeds in the Specified Offshore Accounts, the Company shall use such Specified Pledge Proceeds to repurchase or redeem any of the outstanding Notes, provided that such redemption shall not reduce the redemption amount provided in paragraphs (c)(i) through (c)(iv) above), and provided further that the Company shall only be required to make such redemption within 60 days after the Specified Pledge Proceeds in the Specified Offshore Accounts exceeds US\$50.0 million (or the Dollar Equivalent thereof), and the Company may exercise such redemption option more than once, depending on the amount of the accumulated net proceeds in the Specified Offshore Accounts.

Certain terms of the Notes, upon effectiveness of the Proposed Amendments, are as follows:

	11.50% Senior Notes	10.875% Senior Notes	7.25% Senior Notes	11.95% Senior Notes	10.75% Senior Notes
Outstanding Principal Amount	US\$348,000,000	US\$346,000,000	US\$276,500,000	US\$225,000,000	US\$370,000,000
Interest Rate	9.0%	9.0%	9.0%	9.0%	9.0%
Maturity Date	12 April 2024	26 June 2024	20 July 2024	9 October 2024	11 December 2024
Keepwell Deed	Yes	Yes	Yes	Yes	Yes
Optional redemption at par plus accrued and unpaid interest	Yes	Yes	Yes	Yes	Yes
Undertaking to obtain financing by pledging certain onshore assets and use the proceeds to repurchase or redeem the Notes	Yes	Yes	Yes	Yes	Yes

Note: the table above is not a comprehensive description of the terms of the Notes. The terms of the Notes include those stated in the respective Indentures. The Notes are subject to all such terms, and Holders are referred to the Indentures for a statement of all such terms.

The Company would like to express its gratitude to the Holders for their support and prompt response, which has enabled a swift Consent Solicitation process. Successful consummation of the Consent Solicitation would enable us to extend our debt maturity profile, strengthen our balance sheet and to allow the Company more time to obtain new loan financing in order to further improve liquidity conditions. The Company would also like to thank the Holders for their confidence in the Company.

As the Consent Solicitation was successful, when the Proposed Amendments become effective and operative (upon payment of the Consent Fee), Shenzhen SEZ Construction and Development Group Co., Ltd. (深圳市特區建設發展集團有限公司) (the “**Keepwell Provider**”), owner of 29.28% of the Company’s issued share capital, will enter into the Keepwell Deeds with Citicorp International Limited as trustee of the Notes, in connection with the Notes.

Subject to the terms and conditions of the Consent Solicitation, the Company will make a cash payment of (i) US\$10 for each US\$1,000 in principal amount of the Notes to each Eligible Holder who has validly delivered (and not validly revoked) a consent on or prior to the Early Expiration Date, and (ii) US\$5 for each US\$1,000 in principal amount of the Notes to each Eligible Holder who has validly delivered (and not validly revoked) a consent after the Early Expiration

Date but on or prior to the Expiration Date. The Company will make the payment of the Consent Fee on the Payment Date, which it currently expects to be on 9 August 2022.

Since the Requisite Consents were received prior to the Expiration Date, when the Proposed Amendments to the terms of the Indentures become effective, the Proposed Amendments will be binding on all Holders, including non-consenting Holders. However, non-consenting Holders will not receive any Consent Fee.

The results of the Consent Solicitation are published on the websites of the Company at [www.chinasouthcity.com](http://www.chinasouthcity.com), the Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk), the Singapore Exchange Securities Trading Limited at [www.sgx.com](http://www.sgx.com) and the Information and Tabulation Agent at <https://projects.morrowsodali.com/csc>.

## **FURTHER DETAILS**

For further discussion of the payment of the Consent Fee, the Proposed Amendments, the implications of or other detailed information about the Consent Solicitation, please refer to the Announcements and the Consent Solicitation Statement.

The Company has engaged Credit Suisse (Hong Kong) Limited and China CITIC Bank International Limited as Solicitation Agents. A Holder (or a beneficial owner that is not a Holder) may also contact the Solicitation Agents or the Information and Tabulation Agent for the Consent Solicitation and all documentation relating to the Consent Solicitation and any updates will be available from the Information and Tabulation Agent (email: [csc@investor.morrowsodali.com](mailto:csc@investor.morrowsodali.com) or at the following website: <https://projects.morrowsodali.com/csc> or telephone: +852 2319 4130 (Hong Kong) / +44 20 4513 6933 (London, United Kingdom)) or his/her/its broker, dealer, bank, trust company or other nominee for assistance concerning the Consent Solicitation.

## **GENERAL**

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession of this announcement comes are required to inform themselves about, and to observe, any such restrictions. Forward-looking statements in this announcement, including, among others, statements relating to the Consent Solicitation are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve risks, uncertainties and assumptions and are difficult to predict with any precision. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Notes, changes in the business and financial condition of the Group, changes in the real estate or infrastructure industries and changes in the financial and capital markets in general.

**Shareholders, Holders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**China South City Holdings Limited**  
**CHENG Chung Hing**  
*Chairman & Executive Director*

Hong Kong, 1 August 2022

*As at the date of this announcement, the Executive Directors of the Company are Mr. Cheng Chung Hing, Ms. Geng Mei, Mr. Wan Hongtao, Mr. Qin Wenzhong and Ms. Cheng Ka Man Carman; the Non-Executive Directors of the Company are Mr. Cheng Tai Po and Mr. Lei Ming; 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 and Ms. Shen Lifeng.*