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Voluntary Announcement

Entered into a Financing Agreement of RMB 6 billion

This announcement is made by China South City Holdings Limited (the “**Company**” together with its subsidiaries, collectively the “**Group**”) on a voluntary basis.

On 24 March 2023, the Company's wholly-owned subsidiary - China South International Industrial Materials City (Shenzhen) Company Limited, Bank of China Limited (as the Lead Bank), China Construction Bank Corporation (as the Lead Bank), Bank of Communications Co., Ltd. (as Joint Lead Bank), Industrial and Commercial Bank of China Limited (as Joint Lead Bank), Bank of Jiangsu Co., Ltd., Shanghai Pudong Development Bank Co., Ltd., China CITIC Bank Co., Ltd., Ping An Bank Co., Ltd., Bank of Hangzhou Co., Ltd., China Minsheng Bank Co., Ltd. and China Everbright Bank Company Limited entered into a syndicated loan contract for RMB 6 billion working capital (the “**Financing Agreement**”). This loan is the largest single financing facility since the establishment of the Group.

The loan period of the Financing Agreement is 3 years, and the interest rate is 4.7% per annum (the latest 1-year interest rate announced by the National Interbank Funding Centre plus 105 basis points).

It is expected that the proceeds from this loan will be used to repay the principal and interest of the Group's existing loans. The Board of Directors believes that entering into the Financing Agreement can effectively reduce the Group's financing cost and extend the loan maturity profile, and at the same time further expand the Group's bank cooperation network, enhance the confidence of the market and financial institutions in the Group, which is beneficial to the Group's financial status and future business development.

For and on behalf of the Board
China South City Holdings Limited
LI Wenxiong and CHENG Chung Hing
Co-Chairmen

Hong Kong, 29 March 2023

As at the date of this announcement, the Co-Chairmen of the Company are Mr. Li Wenxiong (Non-Executive Director) and Mr. Cheng Chung Hing (Executive Director); the Executive Directors of the Company are 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 Ms. Shen Lifeng; 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. Helen Zee