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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)

Proposed Further Issuance Of Senior Notes

The Company proposes to conduct an international offering of the Proposed Further Notes Issue. If the Proposed Further Notes Issue materializes, the Notes shall be consolidated and form a single series with the 2018 May Notes.

The pricing of the Notes, including the aggregate principal amount and the offer price, will be determined through a book building exercise to be conducted by UBS, Bank of America Merrill Lynch and Guotai Junan International as the joint global coordinators, and UBS, Bank of America Merrill Lynch, Guotai Junan International, HSBC and Haitong International as the joint bookrunners and the joint lead managers of the Notes issue. Upon the finalization of the terms of the Notes, UBS, Bank of America Merrill Lynch, Guotai Junan International, HSBC, Haitong International and the Company, among others, will enter into the Purchase Agreement.

The net proceeds of the Proposed Further Notes Issue will be used by the Company primarily to refinance existing indebtedness in relation to the construction and development of our projects 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 Notes on the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. No listing of the Notes has been or will be sought in Hong Kong.

As no binding agreement in relation to the Proposed Further Notes Issue has been entered into as at the date of this announcement, the Proposed Further Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Proposed Further Notes Issue will be made by the Company as and when appropriate.

INTRODUCTION

Reference is made to the Company's announcements dated 17 May 2018 and 25 May 2018 in relation to the issuance of the 2018 May Notes.

The Company proposes to conduct an international offering of the Proposed Further Notes Issue. If the Proposed Further Notes Issue materializes, the Notes shall be consolidated and form a single series with the 2018 May Notes.

The pricing of the Notes, including the aggregate principal amount and the offer price, will be determined through a book building exercise to be conducted by UBS, Bank of America Merrill Lynch and Guotai Junan International as the joint global coordinators, and UBS, Bank of America Merrill Lynch, Guotai Junan International, HSBC and Haitong International as the joint bookrunners and the joint lead managers of the Notes issue. Upon the finalization of the terms of the Notes, UBS, Bank of America Merrill Lynch, Guotai Junan International, HSBC, Haitong International and the Company, among others, will enter into the Purchase Agreement and other ancillary documents, pursuant to which, UBS, Bank of America Merrill Lynch, Guotai Junan International, HSBC and Haitong International will be the initial purchasers of the Notes. The materialization and completion of the Proposed Further Notes Issue are subject to market conditions and investors' interest. The Notes are proposed to be guaranteed by the Subsidiary Guarantors.

The Proposed Further 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 or sold outside the United States in reliance on Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong.

REASONS FOR THE PROPOSED FURTHER NOTES ISSUE AND THE PROPOSED USE OF PROCEEDS

The Group is a leading developer and operator of large-scale, integrated logistics and trade centers in the PRC, based on GFA, industry coverage and range of ancillary services and facilities offered. Leveraging the Group's experience and brand reputation, the Group currently has eight projects in different stages of development located in regional economic hubs in Shenzhen, Nanning, Nanchang, Xi'an, Harbin, Zhengzhou, Hefei and Chongqing, PRC.

The net proceeds of the Proposed Further Notes Issue will be used by the Company primarily to refinance existing indebtedness in relation to the construction and development of our projects 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.

LISTING

Application will be made for the listing of the Notes on the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. No listing of the Notes has been or will be sought in Hong Kong.

GENERAL

As no binding agreement in relation to the Proposed Further Notes Issue has been entered into as at the date of this announcement, the Proposed Further Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Proposed Further Notes Issue will be made by the Company as and when appropriate.

DEFINITIONS

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

“2018 May Notes”	the US\$150,000,000 10.875% senior notes due 2020 issued by the Company on 24 May 2018
“Bank of America Merrill Lynch”	Merrill Lynch (Asia Pacific) Limited
“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)

“GFA”	Gross floor area, which comprises the total floor area contained within the external walls of a building
“Group”	the Company and its subsidiaries
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Haitong International”	Haitong International Securities Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Notes”	the senior notes proposed to be further issued by the Company
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Further Notes Issue”	the proposed further issuance of the Notes by the Company
“Purchase Agreement”	the agreement proposed to be entered into between, among others, the Company, UBS, Bank of America Merrill Lynch, Guotai Junan International, HSBC and Haitong International in relation to the Proposed Further Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended from time to time
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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

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

Hong Kong, 28 May 2018

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