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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)

UPDATES IN RELATION TO
9.0% SENIOR NOTES DUE APRIL 2024 (ISIN: XS2085883119, COMMON
CODE: 208588311) (THE “APRIL 2024 NOTES”) AND
9.0% SENIOR NOTES DUE OCTOBER 2024 (ISIN: XS2238030162, COMMON
CODE: 223803016) (THE “OCTOBER 2024 NOTES”)

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In recent years, due to changes in the external environment, the Company’s sales have been below expectations and our cash flow has only been sufficient to fund our daily operations. The cumulative effect of the above factors has put an increasing strain on our working capital. As a consequence, we are experiencing much difficulty in repaying the principal of and interest on our debt obligations. Since 2022, we have taken various proactive measures and have successfully extended the maturity date of our offshore US dollar denominated bonds several times. However, our operations and financial situation have not yet sufficiently improved. As a result, we do not expect to be able to make the mandatory redemption payment due on 9 February 2024 with respect to the October 2024 Notes (the “**Failure of February Mandatory Redemption**”), which will lead to an event

of default. Moreover, we do not expect to be able to make the interest payment due on 12 February 2024 with respect to the April 2024 Notes (“**February Interest Non-Payment**”), which would lead to an event of default on 13 March 2024 if such interest is not paid by such date. As such, it may trigger an event of default under other indebtedness, that could cause us to fail to meet payment obligations under our outstanding indebtedness, which would have a significant material adverse effect on our business, operations and financial condition, including possibly insolvency or other forms of restructuring.

We have been actively seeking to obtain financing and working on generating sufficient cash flow to meet our financial commitments and to cure the February Interest Non-Payment and Failure of February Mandatory Redemption. We are considering different options, including but not limited to consent solicitation, schemes and exchange offers, and will provide an update to the market as and when appropriate.

By Order of the Board
China South City Holdings Limited
LI Wenxiong and CHENG Chung Hing
Co-Chairmen

9 February 2024

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. Fung Sing Hong Stephen, Ms. Shen Lifeng, Ms. Li Aihua and Ms. Deng Jin; 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, Ms. Zee Helen and Dr. Li Xu.