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**DISCLOSEABLE TRANSACTION  
IN RELATION TO ACQUISITION OF NOTES**

**THE ACQUISITION**

The Board announces that on 3 March 2021, Twist Pioneer, an indirect wholly-owned subsidiary of the Company, received confirmation of acceptance of its subscription of the Notes to be issued by the Issuer in the aggregate principal amount of US\$5.0 million (equivalent to HK\$38.8 million) for a total consideration of approximately US\$4.8 million (equivalent to approximately HK\$37.3 million).

**LISTING RULES IMPLICATION**

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition, when aggregated with the Previous Acquisition, exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## THE ACQUISITION

On 3 March 2021, Twist Pioneer, an indirect wholly-owned subsidiary of the Company, received confirmation of acceptance of its subscription of the Notes to be issued by the Issuer in the aggregate principal amount of US\$5.0 million (equivalent to HK\$38.8 million) for a total consideration of approximately US\$4.8 million (equivalent to approximately HK\$37.3 million). A summary of certain principal terms of the Notes is set out below.

<b>Issue date of the Notes:</b>	The Notes are to be issued under an indenture to be entered into among the Issuer, certain subsidiaries of the Issuer which will be providing guarantees in respect of the Notes, and the trustee of the Notes and delivery of the Notes is expected to be made on or about 9 March 2021.
<b>Issuer:</b>	China South City Holdings Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1668) which has been assigned a long-term foreign currency issuer default rating of “B” by Fitch Inc. as of the date of this announcement. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, China South City Holdings Limited is a third party independent of the Company and its connected persons.
<b>Total issue size:</b>	US\$175 million
<b>Principal amount of Notes acquired:</b>	US\$5.0 million (equivalent to HK\$38.8 million)
<b>Total consideration for the Notes acquired:</b>	Approximately US\$4.8 million (equivalent to approximately HK\$37.3 million) to be settled in cash, inclusive of issue price of the Notes acquired 95.831% of the principal amount of the Notes acquired, and other costs and expenses
<b>Maturity date:</b>	9 February 2023, subject to early redemption provisions as set out in the terms of the Notes.

**Coupon rate:** The Notes will bear interest from and including 9 March 2021 at the rate of 11.95% per annum. Interest on the Notes will be paid on 9 March and 9 September of each year, commencing from 9 September 2021, payable semi-annually in arrear, except that the last payment of interest, to be made on 9 February 2023, will be in respect of the period from and including 9 September 2022 to but excluding 9 February 2023.

**Security:** The Notes are guaranteed by certain subsidiaries of the Issuer.

**Ranking of the Notes:** The Notes are (1) general obligations of the Issuer; (2) senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes; (3) rank at least *pari passu* in right of payment with certain existing notes issued by the Issuer and all other unsubordinated indebtedness of the Issuer (subject to any priority rights pursuant to applicable law); (4) guaranteed by certain subsidiaries and joint ventures (if any) of the Issuers on a senior basis, subject to certain limitations; (5) effectively subordinated to the secured obligations (if any) of the Issuer and its guaranteeing subsidiaries, including certain existing secured notes, to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Issuer which are not providing guarantees under the Notes.

**Optional redemption:** The Notes may be redeemed in the following circumstances:

- (1) At any time prior to 9 February 2023, the Issuer may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

- (2) At any time and from time to time prior to 9 February 2023, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Issuer in an equity offering at a redemption price of 111.95% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on 9 March 2021 remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

**Repurchase upon change of control:** Upon the occurrence of certain events constituting a change of control of the Issuer and as result of which there is a decline in the rating of the Notes (provided the Notes are rated by at least one rating agency), the Issuer must make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date.

**Redemption for Taxation Reasons:** If the Issuer or a subsidiary guarantor would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws, the Issuer may, subject to certain exceptions, redeem the Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption.

**Events of default:** The Notes contain certain events of default, including but not limited to default in the payment of principal, or of any premium, on the Notes, when such payments become due, default in payment of interest which continues for 30 consecutive days, breaches of covenants, cross defaults, unpaid judgment debt and insolvency.

**Listing:** The Notes are intended to be listed on the SGX-ST according to the offering memorandum in respect of the Notes.

**Rating of the Notes:** As of the date of this announcement, the Notes are expected to be rated “B” by Fitch Inc.

The Acquisition is funded by internal resources of the Group.

## **INFORMATION OF THE GROUP**

The Company is an investment holding company. The Group is principally engaged in the businesses of developing residential and commercial properties for sale and investing in commercial and industrial properties for capital appreciation. Twist Pioneer is an indirect wholly-owned subsidiary of the Company which is principally engaged in investment holding.

## **INFORMATION ON THE ISSUER**

The Issuer is a company incorporated in Hong Kong with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1668). The Issuer and its subsidiaries are principally engaged in the development and operation of large-scale integrated logistics and trade centers in the PRC.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Acquisition forms part of the Group’s treasury activities in managing its surplus liquidity and presents an opportunity for the Group to balance and diversify its investment portfolio, in addition to generating a stable return to the Group. In light of the interest income generated from the Previous Acquisition, and the terms of the Notes being issued including the price of the Acquisition, the coupon rate, the maturity date and the credit rating of the Issuer, the Directors (including independent non-executive Directors) are of the view that the terms of the Notes are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATION

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition, when aggregated with the Previous Acquisition, exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

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

“Acquisition”	the subscription by Twist Pioneer of the Notes in the principal amount of US\$5.0 million (equivalent to HK\$38.8 million) for a total consideration of approximately US\$4.8 million (equivalent to approximately HK\$37.3 million)
“Board”	the board of Directors
“Company”	Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1243)
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Issuer”	China South City Holdings Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1668)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	11.95% senior notes due 2023 to be issued by the Issuer, which are expected to be rated “B” by Fitch Inc. as at the date of this announcement
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Acquisition”	the previous acquisition by Twist Pioneer of 11.5% senior notes due 12 February 2022 issued by the Issuer in the principal amount of US\$10.0 million
“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Twist Pioneer”	Twist Pioneer Limited, an indirect wholly-owned subsidiary of the Company and a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in investment holding
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

*For illustration purposes, amounts in US\$ in this announcement have been translated into HK\$ at the rate of US\$1 = HK\$7.76 as quoted by the Hong Kong Association of Banks as of the date of this announcement. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*

By Order of the Board  
**WANG ON PROPERTIES LIMITED**  
**宏安地產有限公司**  
**Tang Ho Hong**  
*Executive Director and Chief Executive Officer*

Hong Kong, 3 March 2021

*As at the date of this announcement, the Board comprises Mr. Tang Ho Hong, Ms. Wong Chin Han and Ms. Ching Tak Won Teresa as executive Directors; and Mr. Li Wing Sum Steven, Mr. Sung Tze Wah and Sr Dr. Leung Tony Ka Tung as independent non-executive Directors.*