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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)

Voluntary Announcement

Proposed Issue Of Medium-Term Notes In The PRC

The Board is pleased to announce that the Company's wholly own subsidiary, China South International, obtained the relevant approval for the proposed issue of the medium-term notes in an aggregate maximum principal amount of RMB4 billion with a term of five years in the PRC (the "Notes"). It is expected that the Notes will be issued in more than one tranche in two years' time and if proceeded with, the first tranche of issue which is expected to be in the amount of not less than RMB1 billion shall be completed before 14 June 2014. The main purpose of the issue of the Notes is to optimize the Group's structure of debts and to further broaden the channels of financing. The Group intends to use the proceeds of the issue of the first tranche of the Notes for repaying existing short term bank loans of the Group. The issuer and the first tranche of Notes were rated as AA rating by 大公國際資信評估有限公司 (Dagong Global Credit Rating Co., Ltd*).

The Board is pleased to announce that the Company's wholly owned subsidiary, China South International, obtained a notice of acceptance of registration from 中國銀行間市場交易商協會 (the "**Association**") approving the proposed issue of the Notes in an aggregate maximum principal amount of RMB4 billion in two years' time from date of 14 April 2014. The Notes can be issued in one tranche or multiple tranches and if proceeded with, the first tranche of issue which is expected to be in the amount of RMB1 billion shall be completed before 14 June 2014.

China South International has mandated ICBC and BOC as the joint lead underwriters to form an underwriting syndicate to underwrite the issue of the Notes. The principal terms of the first tranche of the Notes planned to be issued are as follows:

Issuer :	China South International
Aggregate maximum principal amount of the Notes registered with the Association:	RMB4 billion
Planned principal amount of the first tranche of the Notes:	Not less than RMB1 billion
Term of the first tranche of the Notes:	5 years

Purpose of the issue of the Notes	The main purpose of the issue of the Notes is to optimize the Group's structure of debts and to further broaden the channels of financing.
Use of proceeds of the issue of the first tranche of the Notes:	The Group intends to use the proceeds of the Notes issue for the purpose of repaying existing short-term bank loans of the Group.
Credit rating of the issuer and the first tranche of Notes:	AA as assessed by大公國際資信評估有限公司 (Dagong Global Credit Rating Co., Ltd*)

The Notes issue is subject to the satisfaction of certain conditions and it may or may not be proceeded with. If the issue of the Notes is proceeded with, further announcement(s) will be made by the Company in accordance with the Listing Rules if and when required.

The issue of the Notes will not constitute any transaction under Chapter 14 and Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of directors of the Company
“BOC”	Bank of China Limited (中國銀行股份有限公司)
“China South International”	華南國際工業原料城（深圳）有限公司 (China South International Industrial Material City (Shenzhen) Co., Ltd.*), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Company”	China South City Holdings Limited, a company incorporated in Hong Kong whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“ICBC”	Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited
“PRC”	The People's Republic of China, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

For and on behalf of the Board
China South City Holdings Limited
CHENG Chung Hing
Co-chairman and Executive Director

Hong Kong, 21 April 2014

As at the date of this announcement, the executive Directors are Mr. Cheng Chung Hing, Mr. Leung Moon Lam and Professor Xu Yang; the non-executive Directors are Dr. Ma Kai Cheung, SBS, BBS, Mr. Sun Kai Lit Cliff, BBS, JP, Dr. Ma Wai Mo and Mr. Cheng Tai Po; and the independent non-executive Directors are Mr. Leung Kwan Yuen Andrew, GBS, SBS, JP, Mr. Li Wai Keung, Mr. Hui Chiu Chung Stephen, JP and Mr. Yung Wing Ki Samuel, SBS, MH, JP.

** For identification purposes only*