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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 Issue Of The Second Tranche Of The Notes In The PRC

In order to further improve the debt structure and broadening the financing channel, the Board is pleased to announce that China South International proposes to issue the second tranche of the Notes in the total principal amount of RMB1 billion on 4 September 2014 in the national inter-bank market in the PRC. In connection with the issuing of the second tranche of the Notes, China South International has published, amongst others, an offering circular in the PRC on 4 September 2014 to provide national inter-bank market institution investors with certain information concerning the terms and conditions of the Notes, the issuer's credit rating and financial information of China South International for the years ended 31 December 2011, 2012 and 2013 and three months ended 31 March 2014.

References are made to the announcements of the Company dated 21 April 2014, 29 April 2014 and 9 May 2014 in relation to the proposed issue of medium-term notes in the PRC (collectively the “**Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcements.

In order to further improve the debt structure and broadening the financing channel, the Board is pleased to announce that China South International proposed to issue the second tranche of the Notes on 4 September 2014 in the national inter-bank market in the PRC. The total principal amount of the second tranche of the Notes is expected to be RMB1 billion and the proceeds thereof are intended to be used for repaying part of the bank loan of the Group.

In connection with the proposed issuing of the second tranche of the Notes, China South International has published, amongst others, an offering circular in the PRC on 4 September 2014 to provide national inter-bank market institution investors with certain information concerning the terms and conditions of the Notes, the issuer's credit rating and the financial information of China South International for the years ended 31 December 2011, 2012 and 2013, and three months ended 31 March 2014. An announcement issued by China South

International and the relevant documents in connection with the proposed issue of the Notes have been posted on www.chinamoney.com.cn and www.shclearing.com.

The proposed Notes issue is subject to the market conditions and the satisfaction of certain conditions and it may or may not be materialized. If the proposed issue of the Notes is materialized, further announcement(s) will be made by the Company in accordance with the Listing Rules if and when required. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 4 September 2014

As at the date of this announcement, the executive Directors of the Company are Mr. Cheng Chung Hing, Mr. Leung Moon Lam and Mr. Fung Sing Hong Stephen; the non-executive Directors of the Company are Dr. Ma Kai Cheung, SBS, BBS, Mr. Sun Kai Lit Cliff, BBS, JP, Dr. Ma Wai Mo, 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 Stephen, JP and Mr. Yung Wing Ki Samuel, SBS, MH, JP.