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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 First Tranche of the Short-Term Notes in the PRC

The Board is pleased to announce that in order to further broaden the channels of financing, China South International proposes to issue the first tranche of the Short-Term Notes in the total principal amount of RMB2.2 billion in the national inter-bank market in the PRC, after having registered the proposed issue with the Inter-Banks Association. In connection with the issuing of the first tranche of Short-Term Notes, China South International has published, amongst others, an offering circular in the PRC on 9 October 2014 to provide national inter-bank market institution investors with certain information concerning the terms and conditions of the Short-Term Notes, the issuer's credit rating and financial information of China South International for the years ended 31 December 2011, 2012 and 2013, three months ended 31 March 2014 and six months ended 30 June 2014.

Reference is made to the announcement of the Company dated 23 September 2014 (the "Announcement") in relation to the proposed issue of the Short-Term Notes in the PRC. Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that in order to further broaden the channels of financing, China South International proposed to issue the first tranche of the Short-Term Notes in the national inter-bank market in the PRC, after having registered the proposed issue with the Inter-Banks Association. The total principal amount of the first tranche of the Short-Term Notes is expected to be RMB2.2 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 first tranche of the Short-Term Notes, China South International has published, amongst others, an offering circular in the PRC on 9 October 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, three months ended 31 March 2014 and six months ended 30 June 2014. An announcement issued by China South International and the relevant documents in connection

with the proposed issue of the Short-Term Notes have been posted on www.chinamoney.com.cn and www.shclearing.com.

The proposed Short-Term 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 Short-Term 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, 9 October 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.