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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)

Completion of the Issuance of the First Tranche of the Short-Term Notes in the PRC

The Board is pleased to announce that China South International, the Company's wholly owned subsidiary, has completed the issuance of the first tranche of the Short-Term Notes in the total principal amount of RMB2.2 billion at an interest rate of 5.4% per annum on 17 October 2014 in the national inter-bank market in the PRC. The issuance of the Short-Term Notes further broadens the financing channels of the Group, reduces the financing costs and also demonstrates the recognition and confidence from investors in domestic inter-bank market in the Group's creditworthiness and business outlook.

References are made to the announcements of the Company dated 23 September 2014 and 9 October 2014 in relation to the proposed issue of the Short-Term Notes by China South International, the Company's wholly owned subsidiary, in the PRC (collectively the "**Announcements**"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcements.

The Board is pleased to announce that China South International has completed the issuance of the first tranche of the Short-Term Notes on 17 October 2014 in the national inter-bank market in the PRC. The total principal amount of the first tranche of the Short-Term Notes is RMB2.2 billion, with a maturity period of 365 days (from 17 October 2014 to 17 October 2015) and at an interest rate of 5.4% per annum. The issuance of the Short-Term Notes further broadens the financing channels of the Group, reduces the financing costs and also demonstrates the recognition and confidence from investors in domestic inter-bank market in the Group's creditworthiness and business outlook. The proceeds thereof are intended to be used for repaying part of the bank loan of the Group. As assessed by 大公國際資信評估有限公司 (Dagong Global Credit Rating Co., Ltd*), the first tranche of the Short-Term Notes and China South International have been given an A-1 rating and AA rating respectively.

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

Hong Kong, 17 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.

** For identification purposes only*