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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 Corporate Bonds in the PRC

The Board is pleased to announce that the Company's wholly-owned subsidiary, China South International, obtained the relevant approval for the proposed issue of the Corporate Bonds in an aggregate maximum principal amount of RMB1.5 billion with a term of up to six years in maximum from the date of issue in the PRC. The Corporate Bonds will be issued to PRC domestic institutional investors (other than those who are restricted from participating in such offering in accordance with the laws and regulations of the PRC). The Corporate Bonds issuance extends further the financing channels of the Group and remarks the recognition from domestic capital markets.

The Board is pleased to announce that the Company's wholly-owned subsidiary, China South International, obtained the approval from the National Development and Reform Commission ("NDRC") for the proposed issue of the Corporate Bonds (the "Corporate Bonds") in an aggregate maximum principal amount of RMB1.5 billion with a term of up to six years in maximum from the date of issue in the PRC.

Dongxing Securities Co., Limited* (東興證券股份有限公司) is the lead underwriter of the proposed issue of the Corporate Bonds. China Investment Securities Holdings Limited* (中國中投證券有限責任公司) and Minsheng Securities Holdings Limited* (民生證券股份有限公司) are co-lead underwriters of the proposed issue of the Corporate Bonds.

The principal terms of the Corporate Bonds to be issued are as follows:

Issuer :	China South International
Amount of the Corporate Bonds:	RMB1.5 billion
Place of issue:	PRC
Maturity of the Corporate Bonds:	Up to six years in maximum from the date of issue

Interest rate and the right of re-sell:	The Corporate Bonds are fixed rate bonds. The fixed coupon rate of the Corporate Bonds for the first three years will be determined by the Issuer and the lead underwriter after taking into account the result of book building during the offering. At the end of the third year, the Issuer has an option to increase or decrease the coupon rate from a range of 0-300 basis points. The coupon rate will remain unchanged after three years, and the investors have a right to re-sell all or part of the Corporate Bonds to the Issuer during the end of the third year.
Guarantor:	The Company will provide an irrevocable joint and several liability guarantee on the entire principal amount of the Corporate Bonds.
Lead underwriter/bookrunner:	Dongxing Securities Co., Limited* (東興證券股份有限公司)
Purpose of the issue of the Corporate Bonds and use of proceeds:	The Corporate Bonds issuance extends further the financing channels of the Group and remarks the recognition from domestic capital markets. The proceed of the issuance will fund the construction of China South City Zhengzhou project
Rating of the issuing entity and the Corporate Bonds:	The issuing entity and the Corporate Bonds were rated AA rating and AA+ rating respectively by Pengyuan Credit Rating Co., Ltd* (鵬元資信評估有限公司)

The issue of the Corporate Bonds is subject to the satisfaction of certain conditions and it may or may not be proceeded with. If the issue of the Corporate Bonds 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 Corporate Bonds 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

“China South International”	華南國際工業原料城（深圳）有限公司（China South International Industrial Materials 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
“Listing Rules”	the Rules Governing the Listing of Securities on 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, 20 March 2015

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*