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## **Proposed Issue of the Second Tranche of the Domestic Company Bonds in the PRC**

In order to further optimize the Group's debt structure and utilize different financing channels, the Board announces that China South International proposed to issue the second tranche of the Domestic Company Bonds on 27 April 2016 to the qualified investors in the PRC. The total principal amount of the second tranche of the bonds is expected to be RMB1.4 billion and the proceeds thereof are intended to be used for optimizing the Group's debt structure and general working capital.

References are made to the announcements of the Company dated 12 January 2016 and 18 January 2016 in relation to the proposed issue of the Domestic Company Bonds by the Company's wholly-owned subsidiary, China South International, in the PRC (collectively the "Announcements"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcements.

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In connection with the proposed issuance of the second tranche of the Domestic Company Bonds, China South International has published, amongst others, an announcement, an offering circular of the Domestic Company Bonds, the credit rating report of China South International and other related documents in the PRC on Securities Times and the website of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)). Shareholders and potential investors are reminded that such documents were prepared in accordance with the requirements in the PRC and, besides China South International and its subsidiaries, the Company also owned other subsidiaries. As such, the information contained therein does not provide a full picture of the status of the Group.

By Order of the Board  
**China South City Holdings Limited**  
**CHENG Chung Hing**  
*Co-Chairman and Executive Director*

Hong Kong, 28 April 2016

*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, 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, JP, Mr. Li Wai Keung, Mr. Hui Chiu Chung, JP and Mr. Yung Wing Ki Samuel, SBS, MH, JP.*