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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 2016 in the PRC

The Board of the Company is hereby announce that China South International proposes to issue the first tranche of the short-term notes in 2016 in the total principal amount of RMB2.2 billion on 19 August 2016 in the national inter-bank market in the PRC. In connection with such proposed issue, China South International has published, amongst others, an offering circular in the PRC on 19 August 2016 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 2013, 2014 and 2015 and three months ended 31 March 2016. The proposed issue of the short-term notes is intended to better utilize the domestic PRC financing market. Proceeds from the proposed issuance will be mainly used for repaying banking facilities and as general working capital.

References are made to the announcements of the Company dated 9 September 2015 and the relevant announcements mentioned therein in relation to the proposed issue of short-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.

The Board of the Company is hereby announce that China South International proposed to issue the first tranche of the short-term notes in 2016 on 19 August 2016 in the national inter-bank market in the PRC. The total principal amount of the first tranche of the short-term notes in 2016 is expected to be RMB2.2 billion. The proposed issue of the short-term notes is intended to better utilize the domestic PRC financing market. Proceeds from the proposed issuance will be mainly used for repaying banking facilities and as general working capital.

In connection with the proposed issuing of the first tranche of the short-term notes in 2016, China South International has published, amongst others, an offering circular in the PRC on 19 August 2016 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 the financial information of China South International for the years ended 31 December 2013, 2014 and 2015, and three months ended 31 March 2016. 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, 19 August 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, 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, JP and Mr. Yung Wing Ki Samuel, SBS, MH, JP.