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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)

DISCLOSEABLE AND CONNECTED TRANSACTION

**ACQUISITION OF THE ENTIRE EQUITY CAPITAL OF
HYDOO HARBIN TRADE CITY CO., LTD.***

THE ACQUISITION

On 30 November 2012, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Equity (being the entire equity capital of Hydoo Harbin) at the Purchase Consideration (namely, RMB500 million). Hydoo Harbin is principally engaged in the development of the Hydoo Land, which has a total site area of approximately 270,350 sq.m. and is located in the Daowai District, Harbin, the PRC.

* For identification purposes only

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios for the Acquisition is more than 5% but all of the ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In addition, as at the date of this announcement, Mr. Wong Choi Hing is a director of CSC Xi'an, a subsidiary of the Company, and, insofar as the Company is aware, the Vendor is indirectly wholly-owned by Hydoo Cayman, which is held as to approximately 69% by Most Trend, which in turn is held as to approximately 52.70% by Mr. Wong Choi Hing. Thus, the Vendor is an associate of Mr. Wong Choi Hing, and is therefore a connected person of the Company. Accordingly, the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Acquisition is subject to the reporting and announcement requirements and the approval of the Independent Shareholders under the Listing Rules.

As the Majority Shareholders together hold a total of 3,076,070,514 Shares (representing approximately 50.81% of the issued share capital of the Company) as at the date hereof giving the right to attend and vote at the general meetings of the Company, and, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting if the Company were to convene a general meeting for the purpose of approving the Acquisition, the Company is in the process of obtaining a written approval from the Majority Shareholders to approve the Acquisition in lieu of holding a formal Shareholders' meeting (and the Company does not foresee any difficulty in obtaining such approval). Upon the receipt of the Majority Shareholders' approval as aforesaid and the Stock Exchange granting the waiver pursuant to Rule 14A.43 of the Listing Rules, no Shareholders' meeting will be convened to consider the Acquisition.

A circular containing, among other things, (i) further information on the Acquisition; (ii) a letter from the independent board committee of the Company to the Independent Shareholders in relation to the Acquisition; (iii) a letter from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Acquisition; and (iv) a valuation report on Hydoo Harbin, is expected to be despatched to the Shareholders on or before 21 December 2012.

As Completion is subject to the satisfaction of a number of conditions, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

INTRODUCTION

On 30 November 2012, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Equity (being the entire equity capital of Hydoo Harbin) at the Purchase Consideration (namely, RMB500 million). Hydoo Harbin is principally engaged in the development of the Hydoo Land, which has a total site area of approximately 270,350 sq.m. and is located in the Daowai District, Harbin, the PRC.

THE ACQUISITION

The Equity Transfer Agreement

Date

30 November 2012

Parties

- (1) Vendor: 濟寧豪德現代實業有限公司 (Jining Howard Modern Industries Co., Ltd.*)
- (2) Purchaser: 哈爾濱華南城有限公司 (Harbin China South City Company Limited*), a wholly-owned subsidiary of the Company

Subject matter

The Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Equity at the Purchase Consideration in accordance with the terms of the Equity Transfer Agreement.

Conditions Precedent

The Equity Transfer Agreement will only become effective upon the satisfaction of the following conditions precedent (the “**Conditions Precedent**”):

- (i) all necessary internal approvals of the Acquisition having been obtained by the Vendor, the Purchaser and Hydoo Harbin;
- (ii) the Purchaser’s due diligence investigation being completed to the satisfaction of the Purchaser (at its sole discretion);
- (iii) Hydoo Harbin having paid all the land premiums and obtained the payment receipt in relation to its acquisition of the Hydoo Land;
- (iv) all receivables owed by the Vendor and/or its related parties to Hydoo Harbin being received by Hydoo Harbin in full;
- (v) Hydoo Investment having provided an undertaking in favour of China South International, under which it undertakes, inter alia, to transfer to China South International or its associates all the rights and interests of Hydoo Investment under a cooperation agreement entered into with, among others, the Government of Harbin and the Government of the Daowai District of Harbin, in relation to the development of the Hydoo Land;
- (vi) Mr. Wong Choi Hing and Mr. Wang Dewen having provided a non-competition undertaking in favour of the Purchaser in respect of the investment, control, management or operation of any commercial wholesale/trade centres, logistics and warehousing business in Harbin;

- (vii) Jining Co having provided a warranty in favour of the Purchaser in respect of the Vendor's obligations under the Equity Transfer Agreement; and
- (viii) the announcement and circular to be issued by the Company to its Shareholders pursuant to the Listing Rules in respect of the transactions under the Equity Transfer Agreement having been approved by the Stock Exchange (or no objection having been raised by the Stock Exchange as to their issue), such announcement and circular having been published in accordance with the Listing Rules, no objection or condition (that cannot be accepted by the Company) having been raised or imposed by the Stock Exchange with respect to transactions under the Equity Transfer Agreement, and that all obligations of the Company under the Listing Rules having been fully complied with.

If any of the Conditions Precedent is not satisfied by 19 December 2012 (or any later date as agreed between the Purchaser and the Vendor), the Equity Transfer Agreement shall cease to have effect and the Vendor shall return any Purchase Consideration paid by the Purchaser within three working days from such long stop date.

Purchase Consideration

The consideration for the sale and purchase of the Sale Equity shall be RMB500 million (the "**Purchase Consideration**"), which shall be payable by the Purchaser to the Vendor in the following manner:

- (i) RMB110 million has been paid on the date of the Equity Transfer Agreement, and it is refundable if the Conditions Precedent and/or the Completion Conditions are not fulfilled (or waived) and the Equity Transfer Agreement is terminated;
- (ii) RMB150 million shall be paid within three working days upon the satisfaction of all the Conditions Precedent, and it is refundable if the Completion Conditions are not fulfilled (or waived) and the Equity Transfer Agreement is terminated;
- (iii) RMB160 million shall be paid within three working days after Completion; and
- (iv) RMB80 million shall be paid after Completion and within three working days upon the occurrence/completion of all of the following post-Completion events:
 - (a) the Purchaser having reviewed the completion accounts of Hydo Harbin and any adjustments (as referred to below) to the Purchase Consideration having been ascertained (if any);
 - (b) the relevant authorities having approved the transactions contemplated under the Equity Transfer Agreement and having issued to Hydo Harbin the "Notice of Approval of Registration of Change" (《核准變更登記通知書》) and the new "Business Registration Licence" (《企業法人營業執照》), where necessary; and
 - (c) the director(s), supervisor(s) and legal representative of Hydo Harbin having been replaced by the persons nominated by the Purchaser and relevant filings having been made with the relevant authorities.

The Purchase Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser after taking into account the development potential and prospects of the Hydoo Land, the valuation prepared in respect of Hydoo Harbin (the relevant valuation report will be set out in the circular to be despatched by the Company) and the unaudited net asset value of Hydoo Harbin as at 30 November 2012, the potential of the synergistic development of the CSC Land and the Hydoo Land, as well as the further land which might be acquired under the cooperation agreement.

If it is determined, after the Purchaser's due diligence investigations, that (i) the paid up capital of Hydoo Harbin is less than RMB200 million; (ii) the amount of transfer taxes or fees payable in respect of the acquisition of the Hydoo Land exceeds RMB18.9 million; (iii) any additional expenses or liabilities unrelated to the principal business of Hydoo Harbin or the development of the Hydoo Land have been incurred by Hydoo Harbin; or (iv) the Vendor is in breach of certain of its warranties and undertakings under the Equity Transfer Agreement, the Vendor shall compensate the Purchaser and the Purchaser shall be entitled to deduct such amount from the Purchase Consideration accordingly.

Completion Conditions

Completion is conditional upon the satisfaction or waiver (as the case may be) of the following conditions (the "**Completion Conditions**"):

- (i) the articles of Hydoo Harbin having been amended in accordance with the requirements of the Equity Transfer Agreement and approved by the Purchaser;
- (ii) Hydoo Harbin having duly completed and signed all the documentation necessary for the application for the approval of the transfer of Sale Equity;
- (iii) Hydoo Harbin having duly obtained all internal approval and completed the requisite documentation for filing with the relevant authorities for the replacement of its directors, supervisors and legal representative with the persons nominated by the Purchaser;
- (iv) all the assets of Hydoo Harbin, including but not limited to the legal documents, contracts, books and records, licences, and company stamps and chops, etc. of Hydoo Harbin having been delivered to the Purchaser;
- (v) Hydoo Harbin having paid all the relevant transfer taxes or fees in relation to the acquisition of the Hydoo Land within two working days from the Vendor's receipt of the second tranche of the Purchase Consideration as set out in the section headed "The Acquisition — Purchase Consideration" above;
- (vi) the Vendor confirming that the representations, warranties and undertakings given by the Vendor, Jining Co, Hydoo Investment, Mr. Wong Choi Hing and Mr. Wang Dewen under the Equity Transfer Agreement and the relevant undertakings and warranties (as the case may be) being in all material aspects true, accurate, complete and not misleading;

- (vii) the Vendor confirming that there being no material adverse change in the legal environment, assets and liabilities, business operations and financial conditions of Hydoos Harbin, and no objections from any PRC authorities having been received in respect of transactions contemplated under the Equity Transfer Agreement; and
- (viii) the Vendor confirming that there being no breach by the Vendor, Jining Co, Hydoos Investment, Mr. Wong Choi Hing and Mr. Wang Dewen under their respective obligations under the Equity Transfer Agreement and the relevant undertakings and guarantees (as the case may be).

If any of the Completion Conditions is not satisfied by 31 December 2012, the Purchaser and the Vendor may agree to: (1) defer the completion date to a later date; or (2) waive certain Completion Conditions and proceed with the Completion. If the Vendor and the Purchaser cannot reach an agreement within such period, the Equity Transfer Agreement shall be automatically terminated, and the Vendor shall return any Purchase Consideration paid by the Purchaser within three working days from the date of such termination.

Other terms

For the purpose of paying all the relevant transfer taxes and fees in relation to the acquisition of the Hydoos Land by Hydoos Harbin, it is agreed that a related party of the Vendor will pay Hydoos Harbin an amount of not more than RMB20,000,000, and the Vendor has undertaken to procure the assignment to the Vendor of such debt and an amount of RMB29,500,000 due from Hydoos Harbin to the same related party of the Vendor (together, the “**Debt**”). Such Debt shall be acquired by the Purchaser prior to Completion at its face value, which amount shall be paid by the Purchaser to the Vendor together with the last tranche of the Purchase Consideration as set out in the section headed “The Acquisition — Purchase Consideration” above.

INFORMATION ON HYDOOS HARBIN

Hydoos Harbin was established in the PRC with limited liability on 22 December 2011. As at the date of this announcement, the entire equity capital of Hydoos Harbin is legally and beneficially held by the Vendor. Hydoos Harbin is principally engaged in the development of the Hydoos Land.

The Hydoos Land consists of the land use rights for three plots of land with a total site area of approximately 270,350 sq.m. located in the Daowai District, Harbin. The Hydoos Land will be developed into logistic and trade centres.

Based on the unaudited financial information of Hydoos Harbin as at 30 November 2012, (i) on the basis that the maximum amount of the Debt due from Hydoos Harbin to the Vendor is RMB49.5 million, the total investment of the Vendor in Hydoos Harbin could amount to RMB249.5 million, and (ii) the unaudited net asset value of Hydoos Harbin was approximately RMB193 million, comprising construction in progress, prepayment, deposits and other receivables, cash and bank balances, fixed assets and other payables.

Set out below is the unaudited financial information of Hydoo Harbin for the period from 22 December 2011 (being its date of incorporation) to 31 December 2011 and the period from 1 January 2012 to 30 November 2012 based on its management accounts prepared according to the generally accepted accounting principles in the PRC.

	For the period from 1 January 2012 to 30 November 2012 (Unaudited) RMB\$'000	For the period from 22 December 2011 (the date of incorporation) to 31 December 2011 (Unaudited) RMB\$'000
Revenue	0	0
Loss before taxation	7,155	7
Loss after taxation	7,155	7

Upon Completion, Hydoo Harbin will become an indirect wholly-owned subsidiary of the Company and its results will be consolidated into the Group's consolidated financial statements.

INFORMATION ON THE HYDOO GROUP

Insofar as the Company is aware having made all reasonable enquires, the Vendor is a member of the Hydoo Group and is principally engaged in investment holding, and the Hydoo Group is principally engaged in the development and operation of trade centres and commercial facilities in the PRC. Hydoo Cayman, the holding company of the Hydoo Group, is as at the date of this announcement held as to approximately 69% by Most Trend, which in turn is held as to approximately 52.70% by Mr. Wong Choi Hing and 12.99% by Mr. Wang Dewen.

REASONS FOR AND THE BENEFITS OF THE ACQUISITION

The Group is principally engaged in the development and operation of large-scale integrated logistics and trade centres in the PRC.

Reference is made to the announcement of the Company dated 28 March 2012, in which it was mentioned that the Company and Hongkong Howard Group (Holdings) Company Limited agreed to, through amicable consultations, coordinate the development of logistics and trade centres and commercial and residential facilities located in the Daowai District, Harbin, the PRC. Subsequently, the Company acquired the CSC Land (with a total site area of approximately 347,390 sq.m.) and Hydoo Harbin acquired the Hydoo Land (with a total site area of approximately 270,350 sq.m.). Given that the CSC Land and the Hydoo Land are located in close proximity of each other in the Daowai district of Harbin, a premier hub for cross boarder trade with countries in Northeast Asia and their proximity to the China-Russia

border, the Company considered that such a coordinated approach towards the development of the CSC Land and the Hydo Land (as well as other land in the same area which the Group and the Hydo Group might further acquire under a cooperation agreement entered into with, among others, the Government of Harbin and the Government of the Daowai District of Harbin) with the Hydo Group would be able to strategically capture opportunities arising from the development potential in the area to the mutual benefits of both parties.

In October 2012, the management of the Company was informed by the Hydo Group that it intended to dispose of its interest in the Hydo Land and exit its proposed development of trade centres and commercial facilities in Harbin. The Company was concerned that if the Hydo Land were to be acquired by a third party, the Company might not be able to secure a coordinated development effort with such third party as it did with the Hydo Group, which might in turn adversely affect the overall development of the CSC Land. Thus, the Company through the Purchaser has entered into the Equity Transfer Agreement to acquire the entire equity interest in Hydo Harbin, such that the Company will be able to control and realise the synergy from a centralised and coordinated development of the CSC Land and the Hydo Land.

In connection with the Acquisition and as one of the Conditions Precedent, Mr. Wong Choi Hing and Mr. Wang Dewen will, as required by the Equity Transfer Agreement, provide a non-competition undertaking in favour of the Purchaser in respect of the investment, control, management or operation of any commercial wholesale/trade centres, logistics and warehousing business in Harbin.

On the basis of the foregoing, the Directors (excluding the independent non-executive Directors who will form their view after receiving the advice of the independent financial adviser) consider that the Acquisition is in the ordinary and usual course of business of the Group, and is in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios for the Acquisition is more than 5% but all of the ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In addition, as at the date of this announcement, Mr. Wong Choi Hing is a director of CSC Xi'an, a subsidiary of the Company, and, insofar as the Company is aware, the Vendor is indirectly wholly-owned by Hydo Cayman, which is held as to approximately 69% by Most Trend, which in turn is held as to approximately 52.70% by Mr. Wong Choi Hing. Thus, the Vendor is an associate of Mr. Wong Choi Hing, and is therefore a connected person of the Company. Accordingly, the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Acquisition is subject to the reporting and announcement requirements and the approval of the Independent Shareholders under the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries:

- (a) the Majority Shareholders are holders of the following Shares as at the date hereof giving the right to attend and vote at the general meetings of the Company:

Name of each Majority Shareholder	Number of Shares held	Approximate percentage of shareholding
Cheng Chung Hing	76,000,000	1.26%
Cheng Tai Po	4,936,000	0.08%
Leung Moon Lam (and his spouse)	59,389,977	0.98%
Accurate Gain Developments Limited	1,339,913,759	22.13%
Proficient Success Limited	1,071,931,008	17.71%
Kings Faith International Limited	<u>523,899,770</u>	<u>8.65%</u>
 Total:	 <u>3,076,070,514</u>	 <u>50.81%</u>

Accurate Gain Developments Limited is held as to 50% and 50% by Mr. Cheng Chung Hing and Mr. Cheng Tai Po, respectively; Proficient Success Limited is held as to approximately 56.25% by Mr. Cheng Chung Hing and approximately 39.58% by Mr. Cheng Tai Po; and Kings Faith International Limited is wholly owned by Mr. Leung Moon Lam. Mr. Cheng Tai Po is the elder brother of Mr. Cheng Chung Hing, and Mr. Cheng Chung Hing and Mr. Leung Moon Lam are co-founders of the Group (further details of which are set out in the prospectus of the Company dated 17 September 2009 and the 2011/2012 annual report of the Company);

- (b) none of the Shareholders is required under the Listing Rules to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition; and
- (c) the Company is in the process of obtaining a written approval from the Majority Shareholders to approve the Acquisition in lieu of holding a formal Shareholders' meeting (and the Company does not foresee any difficulty in obtaining such approval).

Upon obtaining the written approval from the Majority Shareholders, an application will be made by the Company to the Stock Exchange in accordance with Rule 14A.43 of the Listing Rules for waiving the requirement to hold a Shareholders' meeting to consider the Acquisition.

An independent board committee comprising the independent non-executive Directors has been appointed to consider the terms of the Acquisition and to advise the Independent Shareholders as to whether the Acquisition is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders on the fairness and reasonableness of the terms of the Acquisition.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further information on the Acquisition; (ii) the recommendation from the independent board committee of the Company to the Independent Shareholders in relation to the Acquisition; (iii) the letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Acquisition; and (iv) the valuation report on Hydo Harbin is expected to be despatched to the Shareholders on or before 21 December 2012.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Equity and the Debt by the Purchaser
“Associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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 Materials City (Shenzhen) Co., Ltd.*), a company established in the PRC with limited liability and a directly wholly-owned subsidiary of the Company
“Company”	China South City Holdings Limited (華南城控股有限公司), a company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“Completion Conditions”	has the meaning ascribed to it under the section headed “The Acquisition — Completion Conditions”
“Conditions Precedent”	has the meaning ascribed to it under the section headed “The Acquisition — Conditions Precedent”
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CSC Land”	the land with a total site area of approximately 347,390 sq.m. with lot numbers 5-12-10-423(D), 5-12-10-424(D) and 5-12-10-427(D) located in the Daowai District, Harbin, the PRC

“CSC Xi’an”	西安華南城有限公司 (Xi’an China South City Company Limited*), a company established in the PRC with limited liability and a subsidiary of the Company indirectly owned as to 65% by the Company
“Debt”	has the meaning ascribed to it under the section headed “The Acquisition — Other terms”
“Director(s)”	director(s) of the Company
“Equity Transfer Agreement”	the conditional equity transfer agreement dated 30 November 2012 entered into between the Purchaser and the Vendor in respect of the sale and purchase of the Sale Equity
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hydoo Cayman”	Hydoo International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and, insofar as the Company is aware, is owned as to approximately 69% by Most Trend
“Hydoo Group”	Hydoo Cayman and its subsidiaries, including but not limited to Hydoo Investment, the Vendor, Jining Co and Hydoo Harbin
“Hydoo Harbin”	哈爾濱毅德商貿城有限公司 (Hydoo Harbin Trade City Co., Ltd.*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Vendor
“Hydoo Investment”	Hongkong Hydoo Group Investment Company Limited (香港毅德集團投資有限公司) (formerly known as Hongkong Howard Group Investment Company Limited (香港豪德集團投資有限公司)), a company incorporated in Hong Kong with limited liability and, insofar as the Company is aware, a wholly-owned subsidiary of Hydoo Cayman
“Hydoo Land”	the land with a total site area of approximately 270,350 sq.m. with lot numbers 5-12-10-425(D), 5-12-10-426(D) and 5-12-10-428(D) located in the Daowai District, Harbin, the PRC
“Independent Shareholders”	those Shareholders within the meaning of Chapter 14A of the Listing Rules

“Jining Co”	濟寧新豪德物流城開發有限公司 (Jining New Howard Logistics Centre Development Co., Ltd.*), a company established in the PRC with limited liability and, insofar as the Company is aware, a subsidiary of the Vendor
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Majority Shareholders”	Cheng Chung Hing, Cheng Tai Po, Leung Moon Lam (and his spouse), Accurate Gain Developments Limited, Proficient Success and Kings Faith International Limited respectively holding 76,000,000 Shares, 4,936,000 Shares, 59,389,977 Shares, 1,339,913,759 Shares, 1,071,931,008 Shares and 523,899,770 Shares and the Shares together representing approximately 50.81% of the issued share capital of the Company as at the date of this announcement giving the right to attend and vote at a general meeting to approve the Equity Transfer Agreement and the transactions thereunder
“Management Accounts”	has the meaning ascribed to it under the section headed “The Acquisition — Purchase Consideration”
“Most Trend”	Most Trend Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and, insofar as the Company is aware, is owned as to approximately 52.70% by Mr. Wong Choi Hing and approximately 12.99% by Mr. Wang Dewen
“Mr. Wang Dewen”	王德文先生 (Mr. Wang Dewen), who, insofar as the Company is aware, is interested in approximately 12.99% in the issued share capital of Most Trend. Mr. Wang Dewen is the son of Mr. Wong Choi Hing
“Mr. Wong Choi Hing”	王再興先生 (Mr. Wong Choi Hing), who, insofar as the Company is aware, is interested in approximately 52.70% in the issued share capital of Most Trend. Mr. Wong Choi Hing is, insofar as the Company is aware, the father of Mr. Wang Dewen
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchase Consideration”	has the meaning ascribed to it under the section headed “The Acquisition — Purchase Consideration”

“Purchaser”	哈爾濱華南城有限公司 (Harbin China South City Company Limited.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Equity”	the entire equity capital of Hydo Harbin
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	濟寧豪德現代實業有限公司 (Jining Howard Modern Industries Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Hydo Cayman
“working day(s)”	day(s) other than Saturdays, Sundays and public holidays in PRC and Hong Kong
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square meter(s)
“%”	per cent.

* *The English translation is provided for identification purposes only.*

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

Hong Kong, 30 November 2012

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Chung Hing, Mr. Leung Moon Lam and Professor Xu Yang; 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 and Mr. Cheng Tai Po; and the independent non-executive directors of the Company are Mr. Leung Kwan Yuen Andrew, GBS, SBS, JP, Mr. Li Wai Keung and Mr. Hui Chiu Chung Stephen JP.