

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 Signing a Strategic Cooperation Memorandum in E-Commerce with Tencent

The Company is pleased to announce that subsequent to the Investment and Cooperation Agreement between the Company and a wholly-owned subsidiary of Tencent (Please refer to the Company's announcement dated 15 January 2014), a cooperation memorandum (the "**Memorandum**") was signed between the Company and Tencent on 24 June 2014 to further elaborate the strategic cooperation in E-commerce business and the development of an integrated O2O business eco-system.

Tencent and China South City will leverage their strategic resources to carry out full and in-depth cooperation in various areas, including E-commerce platform, network resources and development of an integrated O2O business eco-system:

- (1) Develop a wifi intelligent digital solution service covering all China South City projects, to actively disseminate promotional messages to Weixin users in China South City through real-time tracking and analysis of their shopping patterns;
- (2) Promote Weixin public platform's B2C business collaboration with O2O features by launching a CSC-Weixin Mall with the products sourced from China South City's outlets platform – Aolaigo.com and its outlets merchants to allow QR code payment, Weixin shopping assistant and Weixin payment services, etc;
- (3) Establish Weixin Merchants Alliance and integrate China South City's B2B E-commerce platform, CSC86.com, and Weixin platform to promote sharing of merchants' information and customers within the alliance;
- (4) Integrate China South City's ERP and CRM system with Weixin platform to build a China South City's B2C and B2B membership management system and database, creating an O2O business eco-system; and
- (5) Tencent will appoint a consultancy team led by Mr. Davis Lin Jinghua, General Manager of Tencent Strategic Development Department, to provide guidance to China South City on the aspects like E-commerce platforms and O2O mobile terminals establishment, membership

system development and management, user experience enhancement, big data utilization and the provision of value-added services.

In the above areas of cooperation, Tencent will provide the necessary technical support and preferential commercial terms to China South City. Base on the principle of mutual benefit and to leverage the parties' strategic resources, the parties will continue to extend the areas of cooperation for the development of an integrated O2O business eco-system in China.

DEFINITIONS

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

“Company”	China South City Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
”China South City”	the Company and its subsidiaries from time to time
“Investment and Cooperation Agreement”	the conditional agreement dated 15 January 2014 entered into between the Company and a wholly-owned subsidiary of Tencent in relation to, among other things, the subscription of share and grant of options subject to the terms and conditions contained therein
”Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tencent”	Tencent Holdings Limited, a limited liability company organized and existing under the laws of the Cayman Islands whose shares are listed on the Stock Exchange (stock code: 700)

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

Hong Kong, 24 June 2014.

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, Mr. Hui Chiu Chung Stephen, JP and Mr. Yung Wing Ki Samuel, SBS, MH, JP..