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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 TRANSACTIONS

ACQUISITION OF LAND IN XI'AN

ACQUISITION OF LAND

The Company is pleased to announce that on 19 August 2013, 24 June 2014, 18 July 2014 and 4 August 2014, CSC Xi'an, a wholly-owned subsidiary of the Company, has successfully bid for the land use rights to the Land with an aggregate site area of 893,270.80 sq.m. (with attributable gross floor area of approximately 2,110,240 sq.m.) of RMB1,484,500,000 (equivalent to approximately HK\$1,865,838,360) at the Auctions. The Land is intended to be used for the development of the Xi'an Project.

LISTING RULES IMPLICATIONS

It is currently anticipated that part of the properties to be developed on the Land under the Xi'an Project will be offered for sale and part of such properties will be retained by the Group for rental purposes. Since the Acquisitions are all completed within a 12 month period and are otherwise related, and when aggregated the Acquisitions, one of the applicable percentage ratios for the Acquisitions exceeds 5% but is less than 25%, the Acquisitions in aggregation constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and therefore, is subject to the reporting and announcement requirements thereunder.

BACKGROUND INFORMATION

The Company is pleased to announce that on 19 August 2013, 24 June 2014, 18 July 2014 and 4 August 2014, CSC Xi'an, a wholly-owned subsidiary of the Company, has successfully bid for the land use rights to the Land (the "Acquisitions") with a total site area of 230,598.54 sq.m., 295,166.83 sq.m., 170,800.24 sq.m. and 196,705.19 sq.m. for an aggregate consideration of RMB325,500,000 (equivalent to approximately HK\$409,114,440), RMB496,100,000 (equivalent to approximately HK\$623,538,170), RMB290,400,000 (equivalent to approximately HK\$364,997,950) and RMB372,500,000 (equivalent to approximately HK\$468,187,800)

respectively, hence a total consideration at the Auctions was RMB1,484,500,000 (equivalent to approximately HK\$1,865,838,360) (the “**Total Consideration**”). The respective Auction confirmations dated 19 August 2013, 24 June 2014, 18 July 2014 and 4 August 2014 (the “**Auction Confirmations**”) have been entered into between the Bureau of Land and Resources of Xi’an and CSC Xi’an in respect of the Acquisitions. The Land is intended to be used for the development of the Xi’an Project.

It is a condition of the Acquisitions that CSC Xi’an shall enter into the Land Transfer Contracts with the Bureau of Land and Resources of Xi’an and pay the Total Consideration according to the terms and conditions of the Land Transfer Contracts.

THE ACQUISITIONS

Dates of the Auctions and Auction Confirmations

19 August 2013, 24 June 2014, 18 July 2014 and 4 August 2014

Parties

- (i) CSC Xi’an
- (ii) The Bureau of Land and Resources of Xi’an

To the best of the knowledge, information and belief of the Board having made all reasonable enquiries, the Bureau of Land and Resources of Xi’an is an independent third party of the Company and its connected persons.

The Land

The Land comprising Lot Nos.GW2-(15)-1, GW2-(15)-2, GW2-(15)-3, GW2-(14)-1, GW2-(16)-5, GW2-(14)-2, GW2-(16)-4 and GW2-(18)-6 with a total site area of approximately 893,270.80 sq.m.. The aggregate gross floor area of the Land was approximately 2,110,240 sq.m. Details of the site areas, consideration, terms of the land use right and the permitted use of the Land is summarized as below:-

<u>Land Lot No.</u>	<u>Date of the Auctions</u>	<u>Permitted Use</u>	<u>Terms of the Land Use Right</u>	<u>Consideration (RMB)</u>	<u>Site Area (square meters)</u>
GW2-(15)-1	19 August 2013	Commercial Purpose	40 years	163,000,000	115,532.51
GW2-(15)-2	19 August 2013	Commercial Purpose	40 years	162,500,000	115,066.03
GW2-(15)-3	24 June 2014	Commercial Purpose	40 years	226,000,000	138,323.79
GW2-(14)-1	24 June 2014	Commercial Purpose	40 years	105,300,000	71,887.13
GW2-(16)-5	24 June 2014	Commercial Purpose	40 years	164,800,000	84,955.91
GW2-(14)-2	18 July 2014	Commercial Purpose	40 years	168,900,000	107,717.98
GW2-(16)-4	18 July 2014	Commercial Purpose	40 years	121,500,000	63,082.26
GW2-(18)-6	4 August 2014	Commercial Purpose	40 years	<u>372,500,000</u>	<u>196,705.19</u>
			Total	1,484,500,000	893,270.80

Total Consideration

The Total Considerations for the Acquisitions is RMB1,484,500,000 (equivalent to approximately HK\$1,865,838,360), which were the bid prices made by CSC Xi'an with reference to the market price of comparable land, the prevailing market conditions in Xi'an, the location of the Land and the development potential of the Land. The Total Consideration will be satisfied by the internal resources of the Group.

Payment terms

The deposits for the Auctions of the Land Lot Nos.GW2-(15)-1, GW2-(15)-2, GW2-(15)-3, GW2-(14)-1, GW2-(16)-5, GW2-(14)-2, GW2-(16)-4 and GW2-(18)-6 with an aggregate amount of RMB100,000,000 (equivalent to approximately HK\$125,688,000), RMB100,000,000 (equivalent to approximately HK\$125,688,000), RMB120,000,000 (equivalent to approximately HK\$150,825,600), RMB70,000,000 (equivalent to approximately HK\$87,981,600), RMB100,000,000 (equivalent to approximately HK\$125,688,000), RMB100,000,000 (equivalent to approximately HK\$125,688,000), RMB70,000,000 (equivalent to approximately

HK\$87,981,600) and RMB200,000,000 (equivalent to approximately HK\$251,376,000) respectively, which were paid at the time of submissions of the bid, are used to settle part of its respective consideration. The Land Transfer Contracts for each Lot No. of the Land (except GW2-(18)-6) had been entered between CSC Xi'an and the Bureau of Land and Resources of Xi'an and the remaining balance of the consideration of each Lot No. of the Land (except GW2-(18)-6) has been paid. CSC Xi'an shall enter into the Land Transfer Contract with the Bureau of Land and Resources of Xi'an within 10 working days from the date of the Auction Confirmation in relation of the Land Lot No.GW2-(18)-6. The above payment arrangements of the consideration shall be subject to the terms and conditions of the Land Transfer Contracts.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

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

The Acquisitions will enable the Group to develop the Xi'an Project which are strategically important to the Group's long-term prospects as well as the broadening of its revenue base. Having taken into account of the market price of comparable land and the prevailing market conditions in Xi'an, the location of the Land and the development potential of the Land, the Board considers that the Total Consideration is fair and reasonable. The Land is intended to be used for the development of the Xi'an Project

On the basis of the foregoing, the Board considers that the Acquisitions were entered into on normal commercial terms, and are in the ordinary and usual course of business of the Group, are in the interests of the Group and its shareholders as a whole.

LISTING RULES IMPLICATIONS

It is anticipated that part of the properties to be developed on the Land under the Xi'an Project will be offered for sale and part of such properties will be retained by the Group for rental purposes and since the Acquisitions are all completed within a 12 month period and are otherwise related, and when aggregated the Acquisitions, one of the applicable percentage ratios for the Acquisitions exceeds 5% but is less than 25%, the Acquisitions in aggregation constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and therefore, is subject to the reporting and announcement requirements thereunder.

DEFINITIONS

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

“Auctions”	The auctions held on 19 August 2013, 24 June 2014, 18 July 2014 and 4 August 2014 in which the Land were put up for tenders, auctions and listing-for-sale by the Bureau of Land and Resources of Xi'an.
“Board”	The board of directors 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
“CSC Xi’an”	西安華南城有限公司 (Xi’an China South City Company Limited), a company incorporated in the PRC and a wholly-owned subsidiary of the Company, and is principally engaged in the development and operation of the Xi’an Project.
“connected persons”	has the meaning ascribed to it under the Listing Rules
“The Bureau of Land and Resources of Xi’an”	西安市國土資源局 (a bureau of the Xi’an Government)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Land”	the Land located in Xi’an City, Shaanxi Province, the PRC, comprising Lot no. GW2-(15)-1, Lot no. GW2-(15)-2, Lot no. GW2-(15)-3, Lot no. GW2-(14)-1, Lot no. GW2-(16)-5, Lot no. GW2-(14)-2, Lot no. GW2-(16)-4 and GW2-(18)-6, with a total site area of 893,270.80 sq.m.
“Land Transfer Contracts”	國有建設用地使用權出讓合同 (Contracts for the transfer of the land use rights of the Land entered into / to be entered into between the Bureau of Land and Resources of Xi’an and CSC Xi’an)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan areas
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xi’an Project”	the construction and development of a large-scale integrated logistics and trade center in Xi’an City, Shaanxi Province, the PRC
“%”	per cent.

Unless otherwise specified in this announcement, translation of RMB into HK\$ is made in this announcement, for illustration purpose only, at the rate of RMB1 to HK\$1.25688. No representation is made that any amount in RMB could have been or could be converted at such rate or any other rates.

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

Hong Kong, 4 August 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, 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.