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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)

Voluntary Announcement in Relation to the Development of China South City Xi'an E-Commerce and Logistics Project

The Company is pleased to announce that on 18 November 2014, Qianlong Logistics Group, a subsidiary of the Company which mainly engages in logistics business, entered into a co-operative agreement with the Gaoling County Government (the “**Co-operative Agreement**”), pursuant to which Qianlong Logistics Group has, in principle, agreed to undertake the development and operation of an e-commerce and logistics center in Gaoling County in Xi’an in the PRC (the “**Xi’an E-Commerce and Logistics Project**”). The Xi’an E-Commerce and Logistics Project, with an estimated planned total land area of approximately 1,200 mu (equivalent to approximately 800,000 square meters), will be developed as an integrated logistics, commercial and residential facilities (collectively the “**Land**”). The main theme of the Xi’an E-Commerce and Logistics Project is logistics facilities, to be complemented by an ancillary e-commerce trading platform and residential facilities. It aims to serve as a base for modern integrated e-commerce trading, logistics services and information exchange, which will help to promote the growth of e-commerce, warehousing and logistics business in Xi’an. It also serves to further strengthen the development and operation of the e-commerce and logistics business of the Group and, in collaboration with China South City Xi’an, a step towards the development of an integrated online and offline O2O business eco-system.

The Company, through one or more of its subsidiaries, will bid for the Land when it is put up for tender, auction and listing-for-sale process by the Gaoling County Government, which is anticipated to be rolled out in phases. Subject to the Gaoling County Government putting up the Land for tender, auction and listing-for-sale process and if the Group is successful in bidding for such Land in each phase, the Xi’an E-Commerce and Logistics Project will be developed in phases accordingly.

Further announcement will be made by the Company in respect of the Xi’an E-Commerce and Logistics Project and the Land in accordance with the Listing Rules if and when required.

DEFINITIONS

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

“Company”	China South City Holdings Limited, a company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange
“Gaoling County Government”	中國陝西省西安市高陵縣人民政府 (The People’s Government of Gaoling County, Xi’an, Shaanxi Province, the PRC)
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, unless otherwise specified, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Qianlong Logistics Group”	Qianlong Logistics Group Limited* (乾龍物流集團有限公司), a company incorporated in the PRC and a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 18 November 2014

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

** For identification purposes only*