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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  
AN INTEGRATED LOGISTICS PROJECT IN HARBIN**

Reference is made to the announcement of the Company dated 16 June 2011 (the “**Announcement**”) in relation to the Framework Agreement between the Harbin Government, the Harbin Daowai Government, China South International (a wholly owned subsidiary of the Company) and Howard for the development of an integrated project comprising logistics and trade centres and commercial and residential facilities in the Daowai District, Harbin, the PRC (the underlying land shall be referred to as the “**Daowai Land**”) and the establishment of the Harbin JV (which would be owned as to 51% by China South International and 49% by Howard) for undertaking the said development. Unless otherwise defined, terms used herein shall have the same meanings as defined in the Announcement.

After further discussions, on 28 March 2012, China South International and Howard have decided to separately undertake the said development such that China South International and Howard will separately bid for, and undertake the development of, approximately 50% of the Daowai Land (when such land is made available under the Harbin Daowai Government’s tender, auction and listing-for-sale process) for the above purposes. Accordingly, the Harbin JV will also not be established for the Harbin Project. China South International and Howard have agreed to, through amicable consultations, coordinate the development of their respective portions of the Daowai Land. Further announcement will be made by the Company in relation to this project as and when appropriate.

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

Hong Kong, 28 March 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.*