

October 4, 2009

Dear shareholders and friends,

On behalf of China South City Holdings Limited ("China South City" or the "Company"), we would like to thank you once again for your support on the successful completion of the initial public offering of China South City on the Stock Exchange of Hong Kong. We would like to take this opportunity to re-iterate the key highlights of our business operations:

- As stated in the prospectus dated September 17, 2009 (the "Prospectus"), China South City is one of the leading developers and operators of large-scale, integrated logistics and trade centers in the PRC:
 - Upon completion, our first project, China South City Shenzhen, will have a total GFA of 1.9 million sq.m of trade centers as well as over 720,000 sq.m of supporting facilities;
 - Upon completion of China South City Nanning and China South City Nanchang, the Company will have a combined GFA of approximately 10.6 million sq.m;
 - As of July 31, 2009, we had entered into purchase agreements and letters of intent for a total GFA of approximately 52,541 sq.m of China South City Shenzhen Phase Two trade center units at an average selling price of HK\$15,319/sq.m, which represented 48.7% of the total saleable GFA of the Phase Two trade centers we have launched for sale to date;
 - For China South City Nanning, the Company expects to acquire parcels of land of approximately 839,000 sq.m by end of October 2009;
 - For China South City Nanchang, the Company expects to acquire parcels of land of approximately 750,000 sq.m by end of fourth quarter 2009;
 - For the planned project in Xi'an, the Company entered into a non legally-binding memorandum of understanding with the Xi'an International Trade and Logistics Park Management Committee for the development of a large-scale integrated logistics center in the Xi'an International Trade and Logistics Park on June 20, 2009 and the discussion is ongoing as planned.

- With the approximately HK\$2,916 million net proceeds from the initial public offering, the Company is now in a cash-rich position. The Company also has additional bank facilities in place which it can utilize as needed.

- The HK\$2.10 per share IPO price and the HK\$1.57 per share closing price as of October 2, 2009 represented a discount of approximately 52% and 64%, respectively, to the attributable market value of RMB22.70 (HK\$25.77) billion based on Savills' independent valuation for China South City Shenzhen and the Heyuan project as of June 30, 2009, which such valuation was stated in the Prospectus and the Company

believes such is at a larger discount than the average of the market comparables. In addition, the valuation has not taken into account the value of China South City Nanchang and China South City Nanning of RMB14.98 (HK\$17.00) billion in total based on Savills' independent valuation, as stated in the Prospectus, assuming once we acquire those parcels of land.

We hope that you will find the above useful for you to better understand the current business conditions of China South City. We will continue to update you on any new development of the Company.

Thank you once again for your support!

Yours sincerely,

Stephen Fung
Chief Financial Officer
China South City Holdings Limited