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This press release contains forward-looking statements regarding future events. Such forward-looking statements are not guarantees of future performance of China South City Holdings Limited and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in such forward-looking statements.

For immediate release

16 September 2009



China South City Holdings Limited
華南城控股有限公司

Incorporated in Hong Kong with Limited liability under the Hong Kong Companies Ordinance

China South City Announces Main Board Listing Details

Global Offering of 1,500,000,000 Shares At Between HK\$1.40 and HK\$2.10 Per Share

HONG KONG, 16 September 2009 – **China South City Holdings Limited** (“China South City” or “the Group”), one of the leading developers and operators of large-scale, integrated logistics and trade centers in the PRC, today announced the details of its proposed listing on the Main Board (“Main Board”) of The Stock Exchange of Hong Kong Limited. China South City currently operates one integrated logistics and trade center platform in Shenzhen (“China South City Shenzhen”), which provides domestic and international suppliers, manufacturers and distributors of raw materials and finished goods with superior facilities and an integrated platform to display and sell their products. The Group has identified two new sites for similar centers planned for future development in Nanchang, Jiangxi Province (“China South City Nanchang”) and Nanning, Guangxi Zhuang Autonomous Region (“China South City Nanning”).

China South City will offer a total of 1,500,000,000 shares under the Global Offering comprising, initially, 150,000,000 shares being offered to the public in Hong Kong for subscription under the Hong Kong Public Offering, and 1,350,000,000 shares under the International Offering, subject to adjustment and the over-allotment option. The Group expects to grant to the Joint Bookrunners under the International Placing Agreement an over-allotment option to allot and issue up to an aggregate of 225,000,000 additional shares, representing approximately 15% of the initial size of the Global Offering.

The offer price range will be between HK\$1.40 and HK\$2.10 per share. At the mid-point of the indicative offer price range, the Group’s net proceeds of the Global Offering would be approximately HK\$2,419 million before the exercise of the over-allotment option. If the over-allotment option is exercised in full, the net proceeds of the Global Offering would be approximately HK\$2,798 million.

Approximately 25.2% of the net proceeds will be used for financing part of the construction and

development costs for the Group's development projects in Phase Two of China South City Shenzhen. Approximately 25.0% and 25.0% of the net proceeds will be used for funding a portion of development costs for Phase One of China South City Nanchang and China South City Nanning respectively. Approximately 5.9% of the net proceeds will be used for the development of potential new projects which consist of integrated logistics and trade centers with supporting commercial facilities and residential units. Approximately 9.8% of the net proceeds will be used for repaying in full the outstanding principal amount of the secured convertible notes due 2012 which were issued by the Group on July 11, 2007. The remaining 9.1% of the net proceeds will be used for repayment of bank borrowings and general working capital purposes.

The Hong Kong Public Offering will open at 9:00 am on Thursday, 17 September 2009 and close at 12:00 noon on Tuesday, 22 September 2009. The final offer price is expected to be fixed on Wednesday, 23 September 2009 and allotment results will be announced on Tuesday, 29 September 2009. Trading of the Group's shares on the Main Board is expected to commence on Wednesday, 30 September 2009 under the stock code 1668. Shares will be traded in board lots of 2,000 shares.

BofA Merrill Lynch is the Sole Sponsor of the Hong Kong Public Offering and the Sole Global Coordinator of the Global Offering. BofA Merrill Lynch and BOCI Asia Limited are the Joint Bookrunners and Joint Lead Managers in relation to the Global Offering.

Comprehensive integrated platform

China South City is one of the leading developers and operators of large-scale, integrated logistics and trade centers in the PRC, based on GFA, industry coverage and range of supporting services and facilities offered. The Group sells and leases trade center units for domestic and international suppliers, manufacturers and distributors to display and sell their products. The Group's unique business model offers trade center tenants and their customers a comprehensive range of trade, logistics and supporting facilities and services, including transportation services, bonded, unbounded and export supervised warehouses, logistics liaison services, on-site logistics service providers and quality testing services. The Group also provides value-added exhibition and conference, residential, hotel and office facilities and procures other parties to provide banking and advertising services as well as restaurant services.

China South City Shenzhen, with a total site area of over one million square meters, is strategically located at the heart of the Pearl River Delta, one of the largest manufacturing and export regions in China and serviced by a well-developed transportation network. It serves five complementary light industries of the region including (i) textile and clothing; (ii) leather and accessories; (iii) electronic accessories; (iv) printing, paper and packaging and (v) metals, chemicals and plastics. Phase I of the China South City Shenzhen commenced operations in December 2004 and offers trade center units covering a gross floor area of approximately 359,000 square meters. Phase II of the project, which commenced development in December 2007, is expected to add a total gross floor area of approximately 1.5 million square meters of trade center units when completed by the end of 2012.

Strong business growth

China South City has enjoyed strong growth in rental income and profits in the past three fiscal years. In just five years since operation, Phase 1 of China South City Shenzhen has attracted approximately 2,100 occupants and achieved an occupancy rate of approximately 81.6%. The Group's rental income grew from approximately HK\$40.0 million for the fiscal year 2007 to approximately HK\$100.2 million in 2009, representing a CAGR (compound annual growth rate) of around 58%, while profit increased at a CAGR of about 108% to approximately HK\$753.6 million in 2009. The Group also benefits from the fair value increment of its investment properties. As of June 30, 2009, China South City Shenzhen was valued by Savills at about HK\$25.5 billion.

Commenting on the Group's upcoming listing, **Mr. Cheng Chung Hing, Co-Chairman and Executive Director of China South City**, said, "We are delighted that China South City is tapping the international capital market through the listing. This marks an exciting milestone in the Group's history. The proposed listing will not only boost the Group's capital base and solidify our leadership position in the industry, but also enable us to capture more business opportunities and accelerate the Group's development."

With its track record, China South City Shenzhen has achieved a high degree of brand recognition and has established itself as an ideal business partner for trades and businesses in China. The Group has been invited by local governments across China to replicate its successful business model in other key strategic locations in China. The Group has currently identified two locations for projects, including Nanchang in Jiangxi Province and Nanning in Guangxi Zhuang Autonomous Region

China South City's strong leadership of its founding shareholders, coupled with an experienced management team, provides a firm foundation for its operations and future development. Each of the Group's five founding shareholders (Messrs Cheng Chung Hing, Leung Moon Lam, Ma Kai Cheung, Sun Kai Lit and Ma Wai Mo) has extensive experience and business networks in the five industries represented in China South City Shenzhen. They are either chairmen or vice chairmen of manufacturing and industrial associations in Hong Kong and China, and share the same vision and strategy in the Group's business.

Mr. Cheng said, "Since joining the WTO, China has become a global manufacturing powerhouse of industrial goods for the world. As one of the leading developers and operators of large-scale, integrated logistics and trade centers in China, China South City is expected to be benefited from the significant GDP growth in China and the increasing procurement needs of industrial materials and finished goods from businesses worldwide.

"Looking ahead, we will continue to leverage our experience in developing and operating large-scale logistics and trade centers, our strong brand recognition, the strong leadership of the Group's founding shareholders and the management team's extensive industry knowledge and network to replicate the successful business model of China South City Shenzhen in other strategic economic regions in China, and contribute to the growth of the Chinese economy while creating a brighter future for the Group and maximizing returns for all of our shareholders."

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Where to collect the application forms:

For the Hong Kong Public Offer, white Application Forms and Prospectuses can be obtained from BofA Merrill Lynch and BOCI Asia Limited, or any of the designated branches of The Hongkong and Shanghai Banking Corporation Limited, Bank of China (Hong Kong) Limited and Bank of Communications Co., Ltd. Hong Kong Branch.

Applicants may also complete electronic applications under White Form eIPO service through the designated website www.eipo.com.hk.

Yellow Application Forms can be obtained from the HKSCC or from the applicant's stockbroker, who may have such Application Forms and Prospectuses available.

For further enquiries, please contact Hill and Knowlton Asia Ltd.:-

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China South City Holdings Limited

Factsheet

Offering Statistics

No. of Offer Shares	: 1,500,000,000 Shares (Subject to adjustment and the over-allotment option)
No. of International Offering Shares	: 1,350,000,000 Shares* (Subject to adjustment and the over-allotment option)
No. of Hong Kong Public Offer Shares	: 150,000,000 Shares (Subject to adjustment)
Offer Price Range	: HK\$1.40 to HK\$2.10
Market Capitalization	: Approx. HK\$8,400 million to HK\$12,600 million (Before exercise of the over-allotment option)
Dealings Expected to Commence	: 30 September 2009 (Wednesday)
Stock Code	: 1668
Board Lot	: 2,000 Shares

*The Group may allot and issue up to an aggregate of 225,000,000 additional shares pursuant to the over-allotment option.