

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



方興地產

FRANSHION PROPERTIES (CHINA) LIMITED

方興地產（中國）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00817)

**(1) COMPLETION OF ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF WISE PINE LIMITED;
(2) CONTINUING CONNECTED TRANSACTION -
LEASE OF PROPERTIES TO CONNECTED PERSONS**

Reference is made to the Company's announcements dated 5 June 2008 and 23 December 2008 respectively, and the circular dated 30 June 2008 in connection with the Company's acquisition of the entire issued share capital of Wise Pine, the principal asset of which consists of the entire equity interest in Jin Mao.

The Board of the Company is pleased to announce that the Acquisition Agreements with each of Sinochem Hong Kong and the Other Shareholders were completed.

Upon Completion, the Company holds the entire issued share capital of Wise Pine, the principal asset of which consists of the entire equity interest in Jin Mao. Jin Mao therefore becomes a wholly-owned subsidiary of the Company. As a result, the ongoing transactions contemplated under the Lease Agreements between Jin Mao and Sinochem Corporation's subsidiaries ("the **Lessee Companies**"), being the associates of a connected person of the Company within the meaning of the Listing Rules, have become continuing connected transactions of the Company. Accordingly, the Company is required to comply with all reporting and disclosure requirements in respect of the ongoing transactions pursuant to Rule 14A.41 of the Listing Rules.

A. ACQUISITION AGREEMENTS

Completion of the Acquisition Agreements

Reference is made to the Company's announcements dated 5 June 2008 and 23 December 2008 respectively, and the circular dated 30 June 2008 (the "**Circular**") in connection with the Company's acquisition of the entire issued share capital of Wise Pine, the principal asset of which consists of the entire equity interest in Jin Mao.

On 29 December 2008, the Company and Sinochem Hong Kong entered into a deferred payment arrangement in connection with the Cash Payment of HK\$2,716,472,878.81 to be made by the Company to Sinochem Hong Kong pursuant to the Sinochem Hong Kong Agreement. Pursuant to such deferred payment arrangement, the Cash Payment will be settled by no later than 30 June 2009, or such later date as the Company and Sinochem Hong Kong may agree in writing. Interest based on the normal market rate will be charged on the outstanding deferred payment.

Notwithstanding the deferred payment arrangement between the Company and Sinochem Hong Kong, the Board of the Company is pleased to announce that the Acquisition Agreements with each of Sinochem Hong Kong and the Other Shareholders were completed, upon which Jin Mao became a wholly-owned subsidiary of the Company.

Information Regarding Jin Mao Group

Reference is made to the information on Jin Mao Group as disclosed in the Circular. Jin Mao Group is principally engaged in the ownership, development and management of luxury hotels and upscale commercial properties in the PRC at selected prime locations.

Jin Mao Group owns the entire equity interests of Jinmao Tower (which houses a Grade A office section and Grand Hyatt Shanghai), JW Marriott Shenzhen, the Ritz-Carlton, Sanya and Westin Beijing, Chaoyang, and 60% of the equity interests of Hilton Sanya Resort & Spa. In addition, Jin Mao purchased Jin Mao Yulong Snow Mountain Golf Club Villa Project and Jin Mao World Heritage Park Redevelopment Project in March 2008. Both projects are currently undergoing redevelopment planning, and are expected to be redeveloped into five-star luxury hotel and resort areas.

The Shareholding Structure

The following table sets out the shareholding structure of the Company immediately after Completion:

Name of Shareholder	Immediately after Completion	
	<i>(Note 1)</i>	
	No. of Shares	Approximate % of issued share capital of the Company
Sinochem Hong Kong	<u>4,489,031,900</u>	<u>63.47</u>
Public		
Other Shareholders <i>(Note 2)</i>	970,066,368	13.71
Other public Shareholders	<u>1,614,194,000</u>	<u>22.82</u>
	<u>2,584,260,368</u>	<u>36.53</u>
Total	<u><u>7,073,292,268</u></u>	<u><u>100.00</u></u>

Note 1: The Company has 5,550,000 outstanding options under the Share Option Scheme and does not have any convertible securities.

Note 2: None of the Other Shareholders will hold more than 10% of the issued share capital of the Company upon Completion.

B. CONTINUING CONNECTED TRANSACTIONS

Sinochem Corporation is a controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. The Lessee Companies, being associates of Sinochem Corporation, had entered into lease agreements with Jin Mao. Upon Completion, the Company holds the entire issued share capital of Wise Pine, the principal asset of which consists of the entire equity interest in Jin Mao. Jin Mao therefore becomes a wholly-owned subsidiary of the Company. As a result, the ongoing transactions contemplated under the Lease Agreements between Jin Mao and the Lessee Companies, being the associates of a connected person of the Company within the meaning of the Listing Rules, have become continuing connected transactions of the Company. Accordingly, the Company is required to comply with all reporting and disclosure requirements in respect of such ongoing transactions pursuant to Rule 14A.41 of the Listing Rules. Further details of the continuing connected transactions and the ongoing transactions contemplated therein are set out below:

- (A) Lease Agreements with Far Eastern Leasing**
- (B) Lease Agreements with Sinochem International**
- (C) Lease Agreements with Manulife-Sinochem Insurance**
- (D) Lease Agreement with Sinochem Pudong**
- (E) Lease Agreements with Donghong Industrial**

Details of the continuing connected transactions

Each of the above transactions is described in detail below:

(A) Lease agreements between Far Eastern Leasing and Jin Mao

- (a) Lease agreement with respect to Unit 04 on 33/F on Jin Mao Tower (Block 4)*

Far Eastern Leasing and Jin Mao entered into a lease agreement on 29 November 2006, whereby Far Eastern Leasing leases from Jin Mao Unit 04 on 33/F of Jin Mao Tower (Block 4), with a GFA of 356.75 sq.m. to be used as office space. The term of the lease agreement is from 24 December 2006 to 31 July 2009. Pursuant to the lease agreement, Far Eastern Leasing shall pay a rental of RMB104,171 (based on RMB292/sq.m. per month) and property management fees of RMB13,288.94 (based on RMB37.25/sq.m. per month) to Jin Mao on a monthly basis. Far Eastern Leasing shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement was agreed upon following arm's length negotiations and is based on normal commercial terms.

- (b) *Lease agreement with respect to Units 04 and 05 on 36/F and Unit 09 of 35/F on Jin Mao Tower (Block 4)*

Far Eastern Leasing and Jin Mao entered into a lease agreement on 9 June 2007, whereby Far Eastern Leasing leases from Jin Mao Units 04 and 05 on 36/F and Unit 09 on 35/F of Jin Mao Tower (Block 4), with a GFA of 448.27 sq.m. to be used as office space. The term of the lease agreement is from 22 June 2007 to 31 July 2009. Pursuant to the lease agreement, Far Eastern Leasing shall pay a rental of RMB142,187.91 (based on RMB330/sq.m. per month with respect to Units 04 and 05 of 36/F, and RMB213/sq.m. per month with respect to Unit 09 of 35/F) to Jin Mao on a monthly basis. Far Eastern Leasing shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement was agreed upon following arm's length negotiations and is based on normal commercial terms.

- (c) *Lease agreement with respect to Units 01, 02, 08 and 09 on 33/F; Units 02, 03 and 04 on 35/F; and Unit 09 on 36/F of Jin Mao Tower (Block 4)*

Far Eastern Leasing and Jin Mao entered into a lease agreement on 9 July 2007, whereby Far Eastern Leasing leases from Jin Mao Units 01, 02, 08 and 09 on 33/F; Units 02, 03 and 04 on 35/F; and Unit 09 of 36/F of Jin Mao Tower (Block 4), with a GFA of 1,888.24 sq.m. to be used as office space. The term of the lease agreement is from 1 August 2007 to 31 July 2009. Pursuant to the lease agreement, Far Eastern Leasing shall pay a rental of RMB611,636.82 (based on RMB330/sq.m. per month with respect to Units 01, 02 and 08 on 33/F and Units 02, 03 and 04 on 35/F, and RMB213/sq.m. per month with respect to Unit 09 on 33/F and Unit 09 on 36/F) to Jin Mao on a monthly basis. Far Eastern Leasing shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement was agreed upon following arm's length negotiations and is based on normal commercial terms.

- (d) *Lease agreement with respect to Unit 10 on 36/F of Jin Mao Tower (Block 4)*

Far Eastern Leasing and Jin Mao entered into a lease agreement on 29 December 2007, whereby Far Eastern Leasing leases from Jin Mao Unit 10 on 36/F of Jin Mao Tower (Block 4), with a GFA of 178.21 sq.m. to be used as office space. The term of the lease agreement is from 1 January 2008 to 31 July 2009. Pursuant to the lease agreement, Far Eastern Leasing shall pay a rental of RMB37,958.73 (based on RMB213/sq.m. per month) to Jin Mao on a monthly basis. Far Eastern Leasing shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement was agreed upon following arm's length negotiations and is based on normal commercial terms.

- (e) *Lease agreement with respect to Units 01, 07, 08 and 10 on 35/F of Jin Mao Tower (Block 4)*

Far Eastern Leasing and Jin Mao entered into a lease agreement on 10 July 2008, whereby Far Eastern Leasing leases from Jin Mao Units 01, 07, 08 and 10 on 35/F of Jin Mao Tower (Block 4), with a GFA of 1,018.50 sq.m. to be used as office space. The term of the lease agreement is from 1 September 2008 to 31 July 2009. Pursuant to the lease agreement, Far Eastern Leasing shall pay a rental of RMB323,656.06 (based on RMB340/sq.m. per month with respect to Units 01, 07 and 08 on 35/F, and RMB213/sq.m. per month with respect to Unit 10 on 35/F) to Jin Mao on a monthly basis. Far Eastern Leasing shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement was agreed upon following arm's length negotiations and is based on normal commercial terms.

- (f) *Lease agreements with respect to Unit 04 on 34/F of Jin Mao Tower (Block 4)*

Far Eastern Leasing and Jin Mao entered into a lease agreement on 29 December 2007 and a supplemental agreement on 30 September 2008, whereby Far Eastern Leasing leases from Jin Mao Unit 04 on 34/F of Jin Mao Tower (Block 4), with a GFA of 305.47 sq.m. to be used as office space. The term of the lease agreement was originally from 1 January 2008 to 30 September 2008 and was extended to 31 December 2008 pursuant to the supplemental agreement. The lease term has been further extended to 31 July 2009 pursuant to a new lease agreement entered into between the parties on 12 December 2008. Far Eastern Leasing shall pay a rental of RMB100,805.10 (based on RMB330/sq.m. per month) to Jin Mao on a monthly basis. Far Eastern Leasing shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreements were agreed upon following arm's length negotiations and are based on normal commercial terms.

(B) Lease agreements between Sinochem International and Jin Mao

- (a) *Lease agreement with respect to Units 01-09 on 18/F, Units 01-08 on 19/F, Unit 09 on 21/F, Unit 09 on 22/F and the units above Carpark Space No. 240 and 242 of B3/F of Jin Mao Tower (Block 3)*

Sinochem International and Jin Mao entered into a lease agreement on 30 November 2007, whereby Sinochem International leases from Jin Mao Units 01-09 on 18/F, Units 01-08 on 19/F, Unit 09 on 21/F, Unit 09 on 22/F and the units above Carpark Space No. 240 and 242 on B3/F of Jin Mao Tower (Block 3), with a GFA of 5,391.84 sq.m. to be used as office space. The term of the lease agreement is from 1 December 2007 to 30 November 2010. Pursuant to the lease agreement, Sinochem International shall pay a rental of RMB1,533,649.60 (based on RMB290/sq.m. per month with respect to Units 01-08 on 18/F and Units 01-08 on 19/F, and RMB190/sq.m. per month with respect to Unit 09 on 18/F, Unit 09 on 21/F, Unit 09 on 22/F and the units above Carpark Space No. 240 and 242 on B3/F) to Jin Mao on a monthly basis. Sinochem International shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement was agreed upon following arm's length negotiations and is based on normal commercial terms.

- (b) *Lease agreement with respect to Units 01, 02B, 03, 05-10 on 26/F of Jin Mao Tower (Block 3)*

Sinochem International and Jin Mao entered into a lease agreement on 30 November 2007, whereby Sinochem International leases from Jin Mao Units 01, 02B, 03, 05-10 on 26/F of Jin Mao Tower (Block 3), with a GFA of 1,910.90 sq.m. to be used as office space. The term of the lease agreement is from 1 April 2008 to 30 November 2010. Pursuant to the lease agreement, Sinochem International shall pay a rental of RMB539,642 (based on RMB290/sq.m. per month with respect to Units 01, 02B, 03, 05-08 on 26/F, and RMB190/sq.m. per month with respect to Units 09 and 10 on 26/F) to Jin Mao on a monthly basis. Sinochem International shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement was agreed upon following arm's length negotiations and is based on normal commercial terms.

(C) Lease agreements between Manulife-Sinochem Insurance and Jin Mao

- (a) *Lease agreement with respect to Units 01-03, 08 and 10 on 21/F of Jin Mao Tower (Block 3)*

Manulife-Sinochem Insurance and Jin Mao entered into a lease agreement on 30 November 2007, whereby Manulife-Sinochem Insurance leases from Jin Mao Units 01-03, 08 and 10 on 21/F of Jin Mao Tower (Block 3), with a GFA of 1,284.43 sq.m. to be used as office space. The term of the lease agreement is from 1 December 2007 to 30 November 2010. Manulife-Sinochem Insurance shall pay a rental of RMB411,017.60 (based on RMB320/sq.m. per month) to Jin Mao on a monthly basis. Manulife-Sinochem Insurance shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement was agreed upon following arm's length negotiations and is based on normal commercial terms.

- (b) *Lease agreement with respect to Unit 04A of 21/F on Jin Mao Tower (Block 3)*

Manulife-Sinochem Insurance and Jin Mao entered into a lease agreement on 8 April 2008, whereby Manulife-Sinochem Insurance leases from Jin Mao Unit 04A on 21/F of Jin Mao Tower (Block 3), with a GFA of 179.01 sq.m. to be used as office space. The term of the lease agreement is from 1 May 2008 to 30 November 2010. Manulife-Sinochem Insurance shall pay a rental of RMB57,283.20 (based on RMB320/sq.m. per month) to Jin Mao (or Jin Mao Imtech) on a monthly basis. Manulife-Sinochem Insurance shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement was agreed upon following arm's length negotiations and is based on normal commercial terms.

(D) Lease agreement between Sinochem Pudong and Jin Mao

Sinochem Pudong and Jin Mao entered into a lease agreement on 24 October 2008, whereby Sinochem Pudong leases from Jin Mao Units 06 and 10 on 25/F of Jin Mao Tower (Block 3), with a GFA of 476.68 sq.m. to be used as office space. The term of the lease agreement is from 1 December 2008 to 30 November 2009. Sinochem Pudong shall pay a rental of RMB134,397.91 (based on RMB292.50/sq.m. per month with respect to Unit 06 on 25/F and RMB192.50/sq.m. per month with respect to Unit 10 on 25/F) to Jin Mao on a monthly basis. Sinochem Pudong shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement was agreed upon following arm's length negotiations and is based on normal commercial terms.

(E) Lease agreements between Donghong Industrial and Jin Mao

(a) Lease agreement with respect to Unit 08 on 36/F of Jin Mao Tower (Block 4)

Far Eastern Leasing and Jin Mao entered into a lease agreement on 3 April 2006, whereby Far Eastern Leasing leases from Jin Mao Unit 08 on 36/F of Jin Mao Tower (Block 4), with a GFA of 270.61 sq.m. to be used as office space. The term of the lease agreement is from 3 May 2006 to 31 July 2009. Subsequently, Far Eastern Leasing, Donghong Industrial and Jin Mao entered into a supplemental agreement to the lease agreement on 1 June 2006, whereby Far Eastern Leasing assigned all of its rights and obligations under the lease agreement to Donghong Industrial starting from 1 June 2006. Pursuant to the lease agreement and its supplemental agreement, Donghong Industrial shall pay a rental of RMB64,946.40 (based on RMB240/sq.m. per month) and property management fees of RMB10,080.22 (based on RMB37.25/sq.m. per month) to Jin Mao on a monthly basis. Donghong Industrial shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement and its supplemental agreement were agreed upon following arm's length negotiations and are based on normal commercial terms.

(b) Lease agreement with respect to Unit 07 of 36/F on Jin Mao Tower (Block 4)

Far Eastern Leasing and Jin Mao entered into a lease agreement on 26 March 2007, whereby Far Eastern Leasing leases from Jin Mao Unit 07 on 36/F of Jin Mao Tower (Block 4), with a GFA of 239.41 sq.m. to be used as office space. The term of the lease agreement is from 1 May 2007 to 31 July 2009. Subsequently, Far Eastern Leasing, Donghong Industrial and Jin Mao entered into a supplemental agreement to the lease agreement on 21 May 2007, whereby Far Eastern Leasing assigned all of its rights and obligations under the lease agreement to Donghong Industrial starting from 1 April 2007. Pursuant to the lease agreement and its supplemental agreement, Donghong Industrial shall pay a rental of RMB81,399.40 (based on RMB340/sq.m. per month) to Jin Mao on a monthly basis. Donghong Industrial shall also pay carpark fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Jin Mao Imtech). The lease agreement and its supplemental agreement were agreed upon following arm's length negotiations and are based on normal commercial terms.

Historical amounts and annual caps

The aggregate yearly rent, Other Fees and property management fees (if applicable) paid by the Lessee Companies to Jin Mao for each of the three years ending 31 December 2007 were RMB32,607,000, RMB34,065,500 and RMB37,739,400 respectively. It is expected that the aggregate amounts payable by the Lessee Companies pursuant to the Lease Agreements for each of the three years ending 31 December 2008, 31 December 2009 and 31 December 2010 will not exceed RMB53,322,698, RMB45,604,261 and RMB30,387,790, respectively. The annual caps are calculated and based on the aggregation of the actual rents, Other Fees and property management fees (if applicable) and are payable by the Lessee Companies to Jin Mao under the Lease Agreements.

The monthly rental in respect of each of the Lease Agreements were determined in accordance with the prevailing market rate and with reference to considerations such as the GFA, floor and location of the properties leased. The Lessee Companies do not receive more favourable terms than other tenants which are not related to the Group, and the terms of the Lease Agreements were arrived on a fair and reasonable basis.

REASONS FOR ENTERING INTO THE TRANSACTIONS

Due to the operational set-up and close business co-operation among Sinochem Corporation, the Company and Jin Mao, the Directors consider that the leases of the above properties to, the associates of Sinochem Corporation, its controlling shareholder, is conducive to the business efficiency of both the Sinochem Group and the Group. As Jin Mao has leased some of the properties to the Lessee Companies at a cost no less than the prevailing market rates, the Directors consider that there will be considerable time and cost saving (in terms of securing tenants on a long-term basis) for the Group to continue to lease the office space, and to lease additional office space, to the Lessee Companies.

The Directors (including the independent non-executive Directors) consider that the transactions under the Lease Agreements between Jin Mao and the Lessee Companies were entered into after arm's length negotiations and reflect normal commercial terms and that the terms of such transactions and the related annual caps described above are fair and reasonable so far as the shareholders of the Company are concerned and are in the interests of the Company and its shareholders as a whole.

INFORMATION REGARDING THE COMPANY AND THE LESSEE COMPANIES

The Company is the flagship real estate development company of Sinochem Corporation, which is one of the central state-owned enterprises in the PRC with the approval of the SASAC of the State Council of the PRC to develop, invest in and manage real estate projects as one of its core businesses. The Company has, with other members of the Group as project companies, built landmark buildings in different cities, with representative projects including, among others, the Shanghai Fortune Plaza in Shanghai and the Chemsunny Plaza in Beijing. The Company's properties are located in Shanghai, Beijing and Zhuhai.

Far Eastern Leasing engages principally in the leasing of machinery, equipment and real property.

Sinochem International is primarily involved in rubber, chemicals, metallurgy, chemical goods and products logistics.

Manulife-Sinochem Insurance engages primarily in life insurance business.

Sinochem Pudong engages principally in the trading of oil and oil-related products.

Donghong Industrial engages principally in the trading of medical devices and equipment.

IMPLICATIONS UNDER THE LISTING RULES

Sinochem Corporation is a controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. The Lessee Companies, being the associates of Sinochem Corporation, had entered into Lease Agreements with Jin Mao, which has become a wholly-owned subsidiary of the Company upon the Company's acquisition of the entire share capital of Wise Pine. As a result, the ongoing transactions contemplated under the Lease Agreements between Jin Mao and the Lessee Companies, being the associates of a connected person of the Company within the meaning of the Listing Rules, have become continuing connected transactions of the Company.

The Lease Agreements have been aggregated pursuant to Rule 14A.25 of the Listing Rules as they have all been entered into by Jin Mao and the Lessee Companies, being members of the Sinochem Group. Under the Listing Rules, the continuing connected transactions contemplated under the Lease Agreements are non-exempt continuing connected transactions under Rule 14A.16(5) of the Listing Rules as one or more of the percentage ratios (other than profit ratio) is/are, on an annual basis, expected to exceed 2.5%. The Lease Agreements, when aggregated with the Previous Leases pursuant to Rule 14A.25 of the Listing Rules, will also constitute non-exempt continuing connected transactions under the Listing Rules. Save as disclosed above and to the best of the knowledge and belief of the Directors, no other transactions between the Group and the Sinochem Group are required to be aggregated pursuant to Rule 14A.25 of the Listing Rules.

Accordingly, the Company is required to comply with the applicable reporting and disclosure requirements pursuant to Rule 14A.41 of the Listing Rules. The Company will also comply with the requirements under Rules 14A.37 to 14A.40 of the Listing Rules in relation to the Lease Agreements between Jin Mao and the Lessee Companies for the current year ending 31 December 2008. Details of such transactions will be included in the Company's annual report and accounts for the year ending 31 December 2008 in accordance with Rules 14A.45 and 14A.46 of the Listing Rules. The Company will comply with all applicable reporting, disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of any renewal or variation of the relevant agreements.

DEFINITIONS

“Acquisition”	the acquisition of the entire issued share capital of Wise Pine pursuant to the terms and conditions of the Sinochem Hong Kong Acquisition Agreement and the Other Shareholders Acquisition Agreements
“Acquisition Agreements”	the Sinochem Hong Kong Acquisition Agreement and the Other Shareholders Acquisition Agreements
“associate”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Cash Payment”	the cash payment of HK\$2,716,472,878.81 which constitutes part of the Consideration

“Chemsunny”	北京凱晨置業有限公司 (Beijing Chemsunny Property Company Limited), a wholly-owned subsidiary of the Company
“Company”	Franshion Properties (China) Limited (方興地產(中國)有限公司), a company incorporated in Hong Kong on 2 June 2004 with limited liability, which shares are listed on the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Sinochem Hong Kong Acquisition Agreement and the Other Shareholders Acquisition Agreements
“connected person”	has the meaning given to it under the Listing Rules
“Consideration”	the consideration under the Sinochem Hong Kong Acquisition Agreement
“Consideration Shares”	an aggregate of 2,158,028,268 new Shares, credited as fully paid, to be allotted and issued by the Company at the Issue Price to Sinochem Hong Kong and Other Shareholders, as the case may be
“Directors”	the directors of the Company
“Donghong Industrial”	上海東泓實業發展有限公司 (Shanghai Donghong Industrial Limited)
“Far Eastern Leasing”	遠東國際租賃有限公司 (International Far Eastern Leasing Co., Ltd.)
“Final Asset Injection”	Sinochem Hong Kong Asset Injection and Other Shareholders Asset Injection
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Issue Price”	HK\$3.43 per Consideration Share, being the average of the closing market prices of the Shares as quoted on the Stock Exchange over the 20 consecutive trading days before but excluding the date of the Sinochem Hong Kong Acquisition Agreement or the Other Shareholders Acquisition Agreement, as the case may be
“Jin Mao”	中國金茂(集團)有限公司 (China Jin Mao (Group) Company Limited), a company limited by shares and incorporated under the laws of the PRC
“Jin Mao Group”	Jin Mao and its subsidiaries

“Jin Mao Imtech”	上海金茂英泰設施管理有限公司 (Shanghai Jin Mao Imtech Facility Services Co., Ltd.), the property management company of Jin Mao Tower
“Jin Mao Shareholders”	the shareholders of Jin Mao before the Final Asset Injection
“Jin Mao World Heritage Park Redevelopment Project”	the redevelopment project undergoing by Jin Mao Group at the former site of Lijiang World Heritage Park (麗江世界遺產公園) in the ancient town of Lijiang, Yunnan Province, PRC
“Jin Mao Yulong Snow Mountain Golf Club Villa Project”	the redevelopment project undergoing by Jin Mao Group at Ganhaizi in Yulong County, Lijiang, Yunnan Province, PRC (up on Yulong mountain and next to the Yulong Golf Course) (玉龍雪山高爾夫球場配套設施會員別墅項目)
“Lease Agreements”	the lease agreements entered into between Jin Mao and the Lessee Companies, collectively
“Lessee Companies”	comprising Far Eastern Leasing, Sinochem International, Manulife-Sinochem Insurance, Sinochem Pudong and Donghong Industrial, collectively
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manulife-Sinochem Insurance”	Manulife-Sinochem Life Insurance Co., Ltd. (中宏人壽保險有限公司)
“Most Giant”	Most Giant Limited (加豪有限公司), a company incorporated in Hong Kong, a wholly-owned subsidiary of Wise Pine
“Other Fees”	the sundry charges payable by the Lessee Companies to Jin Mao (or Jin Mao Imtech) under the Lease Agreements on a monthly basis in accordance with the actual leasing conditions, including but not limited to carpark fees, electricity, telephone, overtime air conditioning fees and other miscellaneous fees
“Other Shareholders”	shareholders of Wise Pine (other than Sinochem Hong Kong) following the Final Asset Injection, being Charm Glory Holdings Limited, China Minmetals H.K. (Holdings) Limited (which has transferred its interest in Jin Mao to Luck Achieve Limited prior to Completion), Tri-Union (International) Development Limited, Grand Neway Limited, Precious Luck Holdings Limited, Chinatex (H.K.) Holding Limited and Artluck (China) Limited (each an “Other Shareholder”)
“Other Shareholders Acquisition”	the acquisition of Other Shareholders’ entire interests in Wise Pine, representing an aggregate 45.1291% attributable interest in Jin Mao immediately before Completion

“Other Shareholders Acquisition Agreement”	each separate acquisition agreement entered into between the Company, each Other Shareholder and their respective holding companies in respect of the Other Shareholders Acquisition (collectively, the “Other Shareholders Acquisition Agreements”)
“Other Shareholders Asset Injection”	the injection of an aggregate 45.1291% equity interest in Jin Mao from Jin Mao Shareholders (other than Sinochem Hong Kong) to Other Shareholders, and then from each Other Shareholder to Wise Pine, which shall further inject the same to Most Giant
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Taiwan or Hong Kong and Macau Special Administrative Region
“Previous Leases”	the lease agreements entered into between the Sinochem Group and Chemsunny and Sinochem Property Management as disclosed in the Prospectus, and the announcements dated 18 December 2007 and 16 May 2008 (the revision of which has been disclosed in the announcement dated 8 September 2008)
“Prospectus”	the prospectus of the Company dated 6 August 2007
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Share Option Scheme”	the share option scheme of the Company adopted at an extraordinary general meeting held on 22 November 2007
“Shareholders”	the shareholders of the Company
“Shares”	the ordinary shares of HK\$1.00 each in the share capital of the Company (each a “Share”)
“Sinochem Corporation”	中國中化集團公司 (Sinochem Corporation)
“Sinochem Group”	Sinochem Corporation and its subsidiaries (excluding the Group)
“Sinochem Hong Kong”	Sinochem Hong Kong (Group) Company Limited, a company incorporated in Hong Kong with limited liability which is wholly-owned by Sinochem Corporation
“Sinochem Hong Kong Acquisition”	the acquisition of Sinochem Hong Kong’s entire interest in Wise Pine representing a 54.8709% attributable interest in Jin Mao immediately before Completion
“Sinochem Hong Kong Acquisition Agreement”	the acquisition agreement entered into between the Company, Sinochem Hong Kong and Sinochem Corporation in respect of the Sinochem Hong Kong Acquisition

“Sinochem Hong Kong Asset Injection”	the injection of a 54.8709% equity interest in Jin Mao from Sinochem Corporation to Sinochem Hong Kong and then from Sinochem Hong Kong to Wise Pine, which shall further inject the same to Most Giant
“Sinochem International”	中化國際(控股)股份有限公司 (Sinochem International Corporation)
“Sinochem Property Management”	中化國際物業酒店管理有限公司 (Sinochem International Management Property & Hotels Management Co., Ltd.)
“Sinochem Pudong”	中化浦東貿易有限公司 (Sinochem Pudong Trading Co., Ltd.)
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wise Pine”	Wise Pine Limited (慧柏有限公司), a company incorporated in the British Virgin Islands

By Order of the Board
Franshion Properties (China) Limited
PAN Zhengyi
Chairman

Hong Kong, 5 January 2009

As at the date of this announcement, the Directors of the Company are Ms. LI Xuehua, Mr. HE Binwu and Mr. JIANG Nan as Executive Directors; Mr. PAN Zhengyi (Chairman), Ms. LI Lun (Vice Chairman) and Mr. WANG Hongjun as Non-executive Directors; Mr. LAU Hon Chuen, Ambrose, Professor SU Xijia, Professor LIU Hongyu, Mr. NGAI Wai Fung and Dr. GAO Shibin as independent non-executive Directors.