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FORTE 复地

復地（集團）股份有限公司

SHANGHAI FORTE LAND CO., LTD.*

*(a sino-foreign joint stock company incorporated in the People's Republic of China
with limited liability)*

(Stock Code: 02337)

ANNOUNCEMENT

MAJOR TRANSACTION

**ACQUISITION OF THE ENTIRE EQUITY INTEREST
IN
NANJING PROJECT COMPANY**

**ACQUISITION OF THE ENTIRE EQUITY INTEREST IN NANJING
PROJECT COMPANY**

The Company, Lichang Property, Zhengyang Property, Sunshine Group and the Nanjing Project Company entered into the Equity Transfer Agreement on 9 August 2009, whereby Lichang Property and Zhengyang Property have agreed to transfer the Equity Interest and assign the Shareholders' Loan to the Company for a consideration of RMB1,044,500,000 (equivalent to approximately HK\$1,184,334,358).

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the Acquisition under the Equity Transfer Agreement exceed 25% but less than 100%, the Acquisition under the Equity Transfer Agreement constitutes a major transaction of the Company under Chapter 14 of the Hong Kong Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Hong Kong Listing Rules.

The Company obtained a written shareholders' approval dated 9 August 2009 in relation to the Acquisition under the Equity Transfer Agreement from Fosun, Fosun Group and Fosun Pharmaceutical Development, a closely allied group of Shareholders, which together hold more than 50% in nominal value of the shares of the Company giving the right to attend and vote at a general meeting of the Company, no general meeting is required to be held to consider the Acquisition under the Equity Transfer Agreement pursuant to Rule 14.44 of the Hong Kong Listing Rules.

GENERAL INFORMATION

A circular containing, among other things, further details of the Acquisition under the Equity Transfer Agreement will be despatched to the Shareholders within 21 days after the publication of this announcement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Hong Kong Stock Exchange has been suspended from 9:30 a.m. on Monday, 10 August 2009 pending the release of this announcement. Application has been made to the Hong Kong Stock Exchange for the resumption of trading in the Shares on the Hong Kong Stock Exchange from 9:30 a.m. on Wednesday, 12 August 2009.

ACQUISITION OF THE ENTIRE EQUITY INTEREST IN NANJING PROJECT COMPANY

Background

In April 2009, the Nanjing Project Company was established for the development of the Nanjing Project. As at the date of this announcement, the registered capital of the Nanjing Project Company in the amount of RMB875,000,000 (equivalent to approximately HK\$992,142,234) was held as to 51% and 49% by Lichang Property and Zhengyang Property, respectively.

Prior to completion in full of the Acquisition contemplated under the Equity Transfer Agreement, a shareholder's loan in the amount of RMB419,500,000 (equivalent to approximately HK\$475,661,334) will have been advanced by Lichang Property to the Nanjing Project Company for its acquisition of the Nanjing Land (the "**Shareholder's Loan**").

Lichang Property was the successful bidder in the course of a public listing process conducted by the Nanjing Land Bureau in respect of the Nanjing Land. Lichang

Property was the party to the state-owned land use rights grant contract (國有土地使用權出讓合同) entered into on 4 February 2008 with the Nanjing Land Bureau in respect of the Nanjing Land. An application will be lodged with the Nanjing Land Bureau for the change of grantee of the Nanjing Land from Lichang Property to the Nanjing Project Company and the assumption by the Nanjing Project Company of the rights and obligations under the land grant contract. If required by the applicable PRC laws and regulations, the Nanjing Project Company will enter into a new land use rights grant contract with the relevant PRC authority in respect of the Nanjing Land. The Nanjing Project Company will make instalment payments of land premium in an aggregate amount of RMB1,750,000,000 (equivalent to approximately HK\$1,984,284,467) for the Nanjing Land and apply for the land use rights certificate under its name. As at the date of this announcement, the outstanding land premium payable for the acquisition of the Nanjing Land is in the amount of RMB875,000,000 (equivalent to approximately HK\$992,142,234).

Equity Transfer Agreement

The Company, Lichang Property, Zhengyang Property, Sunshine Group and the Nanjing Project Company entered into the Equity Transfer Agreement on 9 August 2009, whereby Lichang Property and Zhengyang Property have agreed to transfer the Equity Interest and assign the Shareholders' Loan to the Company for a consideration of RMB1,044,500,000 (equivalent to approximately HK\$1,184,334,358).

Date

9 August 2009

Parties

- (i) the Company
- (ii) Lichang Property
- (iii) Zhengyang Property
- (iv) Sunshine Group
- (v) Nanjing Project Company

Each of Lichang Property, Zhengyang Property, Sunshine Group and the Nanjing Project Company and their respective ultimate beneficial owner(s) is an independent third party, not connected with the Directors, chief executive, substantial shareholders of the Company or its subsidiaries or any of their respective Associates.

Lichang Property is a wholly owned subsidiary of Sunshine Group and Zhengyang Property is independent of Sunshine Group.

Sunshine Group has agreed to guarantee the due performance by Lichang Property and Zhengyang Property of their respective obligations under the Equity Transfer Agreement on a joint and several basis.

Consideration

Pursuant to the Equity Transfer Agreement, Lichang Property and Zhengyang Property have agreed to transfer the Equity Interest and assign the Shareholders' Loan to the Company for a consideration of RMB1,044,500,000 (equivalent to approximately HK\$1,184,334,358), which shall be fully settled by the Company in cash by internal resources in the following manner:

- (i) an amount of RMB400,000,000 (equivalent to approximately HK\$453,550,735) shall be paid on or before 30 August 2009 (the “**First Instalment**”);
- (ii) an amount of RMB494,500,000 (equivalent to approximately HK\$560,702,097) shall be paid on or before 30 November 2009 (the “**Second Instalment**”); and
- (iii) an amount of RMB150,000,000 (equivalent to approximately HK\$170,081,526) shall be paid on or before 31 July 2010 (the “**Third Instalment**”);

The consideration in the amount of RMB1,044,500,000 (equivalent to approximately HK\$1,184,334,358) has been arrived at after arm's length negotiations between the parties to the Equity Transfer Agreement with reference to (i) the net asset value of the Nanjing Project Company in the amount of RMB875,000,000 (equivalent to approximately HK\$992,142,234) as shown in its management accounts as of 31 July 2009; and (ii) the Shareholder's Loan in the amount of RMB419,500,000 (equivalent to approximately HK\$475,661,334).

Conditions Precedent

The completion of the Acquisition under the Equity Transfer Agreement will be conditional upon the fulfilment of the following conditions precedent:

- (i) the approval of the Shareholders, if necessary; and
- (ii) the satisfactory completion of a due diligence exercise conducted by the Company on the Nanjing Project Company.

Termination

In the event that the due diligence exercise conducted by the Company indicates that there is a material difference from the information disclosed by Lichang Property and Zhengyang Property in the Equity Transfer Agreement, the Company is entitled to terminate the Equity Transfer Agreement and all rights, obligations and liabilities of the parties in respect of or under the Equity Transfer Agreement shall cease and terminate, and no party shall have any claim of any nature whatsoever against the other parties under the Equity Transfer Agreement, except in respect of any antecedent breach of any obligation under the Equity Transfer Agreement and the following matters:

- (i) each of Lichang Property and Zhengyang Property shall return all the sum received under the Equity Transfer Agreement prior to the date of termination; and
- (ii) the Nanjing Project Company shall repay all the outstanding amount of the Advancement as of the date of the termination.

Completion

Upon the fulfilment of the conditions precedent above, the completion in full of the Acquisition under the Equity Transfer Agreement will take place on or before 31 July 2010 in the following manner:

- (i) a 49% equity interest in the Nanjing Project Company will be transferred to the Company upon the payment of the First Instalment;
- (ii) a 41% equity interest in the Nanjing Project Company will be transferred to the Company upon the payment of the Second Instalment and the Nanjing Project Company will become a non wholly owned subsidiary of the Company; and
- (iii) the remaining 10% equity interest in the Nanjing Project Company will be transferred to the Company upon the payment of the Third Instalment and the Nanjing Project Company will become a wholly owned subsidiary of the Company.

Advancement to Nanjing Project Company

Under the Equity Transfer Agreement, prior to the Nanjing Project Company becomes a subsidiary of the Company, the Company will advance an interest free loan in an aggregate amount of RMB680,500,000 (equivalent to approximately HK\$771,603,188) to the Nanjing Project Company (the “**Advancement**”):

- (i) an amount of RMB475,000,000 (equivalent to approximately HK\$538,591,498) shall be advanced on or before 30 August 2009 for the payment of the outstanding land premium for the acquisition of the Nanjing Land; and
- (ii) an amount of RMB205,500,000 (equivalent to approximately HK\$233,011,690) shall be advanced on or before 30 November 2009 for the payment of the resettlement costs of the Nanjing Land.

The Advancement in the amount of RMB680,500,000 is a bridge loan/arrangement to facilitate the acquisition of the Nanjing Land by the Nanjing Project Company during the period from the date of the Equity Transfer Agreement and prior to the Nanjing Project Company becomes a subsidiary of the Company. The Advancement will become an advance to a subsidiary due to the Company upon the Nanjing Project Company becomes a non wholly subsidiary of the Company upon payment of the Second Instalment.

Financial Information

As the Nanjing Project Company was incorporated on 1 April 2009, (i) the audited net profit before and after taxation and extraordinary items for two years ended 31 December 2007 and 2008, respectively; and (ii) the audited net asset value of the Nanjing Project Company as of 31 December 2007 and 2008, respectively, are not available as of the date of this announcement.

According to the management account of the Nanjing Project Company for the 4 months commencing from its incorporation on 1 April 2009 and ended on 31 July 2009, there was no profit accrued and the net asset value as of 31 July 2009 was approximately RMB875,000,000 (equivalent to approximately HK\$992,142,234).

Reasons for and benefits of the Acquisition

The Company is of the view that the Nanjing Project is a land development project in line with its group strategy and commercial criteria. The Acquisition under the Equity Transfer Agreement will increase the Company’s land bank and project developments in the Nanjing City of Jiangsu Province in the PRC.

Hong Kong Listing Rules Implications

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Hong Kong Listing Rules) in relation to the Acquisition under the Cooperation Agreement exceed 25% but less than 100%, the Acquisition under the Equity Transfer Agreement constitutes a major transaction of the Company under Chapter 14 of the Hong Kong Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Hong Kong Listing Rules.

Each of Fosun Group and Fosun Pharmaceutical Development is a subsidiary of Fosun. Fosun, Fosun Group and Fosun Pharmaceutical Development, a closely allied group of Shareholders, hold 325,710,000 Shares, 1,191,746,150 Shares and 267,217,615 Shares, representing approximately 12.88%, 48.12% and 9.56%, respectively, and together hold approximately 70.56% in nominal value of the shares of the Company giving the right to attend and vote at a general meeting of the Company as at the date of this announcement.

The Company obtained a written shareholders' approval dated 9 August 2009 in relation to the Acquisition under the Equity Transfer Agreement from Fosun, Fosun Group and Fosun Pharmaceutical Development, a closely allied group of Shareholders, which together hold more than 50% in nominal value of the shares of the Company giving the right to attend and vote at a general meeting of the Company, no general meeting is required to be held to consider the Acquisition under the Equity Transfer Agreement pursuant to Rule 14.44 of the Hong Kong Listing Rules.

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, there is no other transaction entered into between any member of the Group and any of Lichang Property or Zhengyang Property and their respective ultimate beneficial owner(s) within a 12 month period prior to the date of this announcement or otherwise related, which would be, together with the Acquisition, regarded as a series of transactions and treated as if they are one transaction under Rule 14.22 of the Hong Kong Listing Rules.

General

The directors of the Company (including the independent non-executive directors) are of the view that the terms of the Equity Transfer Agreement (i) have been negotiated on an arm's length basis; and (ii) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION OF THE PARTIES TO THE TRANSACTION

The Company

The principal activities of the Company are the development and sale of high quality commercial and residential properties in the PRC.

Lichang Property

Lichang Property is a limited liability company incorporated under the laws of the PRC and a wholly owned subsidiary of Sunshine Group. It is principally engaged in property development.

Zhengyang Property

Zhengyang Property is a limited liability company incorporated under the laws of the PRC. It is principally engaged in development and business operations of properties.

Sunshine Group

Sunshine Group is a limited liability company incorporated under the laws of the PRC. It is principally engaged in property development, new energy and non-ferrous metallurgy.

Nanjing Project Company

Nanjing Project Company is a limited liability company incorporated under the laws of the PRC. It is principally engaged in the development of the Nanjing Project.

GENERAL INFORMATION

A circular containing, among other things, further details of the Acquisition under the Equity Transfer Agreement will be despatched to the Shareholders within 21 days after the publication of this announcement.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Acquisition”	the proposed transfer of the Equity Interest and the assignment of the Shareholders’ Loan by Lichang Property and Zhengyang Property to the Company under the Equity Transfer Agreement
“Advancement”	has the meaning ascribed thereto under the section headed “ Acquisition of the entire equity interest in Nanjing Project Company - Equity Transfer Agreement — Advancement to Nanjing Project Company”
“Associates”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Company”	Shanghai Forte Land Co., Ltd. (復地(集團)股份有限公司), a sino-foreign joint stock company incorporated in the PRC with limited liability and whose H shares are listed and traded on the main board of the Hong Kong Stock Exchange
“Equity Interest”	the entire equity interest in the Nanjing Project Company
“Equity Transfer Agreement”	an equity transfer agreement dated 9 August 2009 and entered into between the Company, Lichang Property, Zhengyang Property, Sunshine Group and the Nanjing Project Company in relation to the Acquisition
“Fosun”	Fosun International Limited (復星國際有限公司), a company incorporated under the laws of Hong Kong and whose shares are listed and traded on the main board of the Hong Kong Stock Exchange
“Fosun Group”	Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司), a limited liability company incorporated under the laws of the PRC
“Fosun Pharmaceutical Development”	Shanghai Fosun Pharmaceutical Development Company Limited (上海復星醫藥產業發展有限公司), a limited liability company incorporated under the laws of the PRC

“Group”	the Company and its subsidiaries
“Lichang Property”	Jiangyin Lichang Property Development Co., Ltd. (江陰利昌房地產開發有限公司), a limited liability company incorporated under the laws of the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhengyang Property”	Jiangsu Zhengyang Property Management Co., Ltd. (江蘇正陽置業有限公司), a limited liability company incorporated under the laws of the PRC
“Nanjing Land”	a parcel of land of an aggregate area of approximately 176,751.7 square meters and an aggregate gross floor area of approximately 300,417 square meters located at Nanjing City of Jiangsu Province, the PRC for residential and commercial uses
“Nanjing Land Bureau”	Nanjing Land and Resource Administration Bureau (南京市國土資源局)
“Nanjing Project”	the land development project on the Nanjing Land
“Nanjing Project Company”	Nanjing Runchang Property Development Co., Ltd. (南京潤昌房地產開發有限公司), a limited liability company incorporated under the laws of the PRC and the project company for the Nanjing Project
“PRC”	the People’s Republic of China, which for the purposes of this announcement only (unless otherwise indicated) excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of par value of RMB0.20 each in the share capital of the Company
“Shareholders”	the shareholders of the Company

“Shareholder’s Loan” has the meaning ascribed thereto under the section headed “Acquisition of the entire equity interest in Nanjing Project Company — Background”

“Sunshine Group” Jiangsu Sunshine (Group) Co., Ltd. (江蘇陽光集團有限公司), a limited liability company incorporated under the laws of the PRC

By Order of the Board
SHANGHAI FORTE LAND CO., LTD.*
FAN WEI
Chairman

11 August 2009, Shanghai, the PRC

As at the date of this Notice, the executive Directors of Forte are Mr. Fan Wei and Mr. Wang Zhe; the non-executive Directors are Mr. Guo Guangchang, Mr. Feng Xiekun and Mr. Chen Qiyu; and the independent non-executive Directors are Mr. Charles Nicholas Brooke, Mr. Chen Yingjie, Mr. Zhang Hongming and Ms. Wang Meijuan.

** For identification purpose only*