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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)

**PROPOSED APPLICATION FOR ISSUE OF A SHARES IN THE PRC
PROPOSED AMENDMENTS OF THE ARTICLES OF ASSOCIATION**

AND

**PROPOSED ESTABLISHMENT OF THE INDEPENDENT DIRECTORS
RULES AND THE PROCEDURAL RULES**

PROPOSED APPLICATION FOR ISSUE OF A SHARES

The Board has resolved that the Company would apply to the CSRC for the issue of 285,000,000 A Shares of RMB0.20 each.

PROPOSED AMENDMENTS OF THE ARTICLES OF ASSOCIATION

To accommodate the Proposed A Share Issue, the Company will, when proceeding with the Proposed A Share Issue, make proposed amendments to the Articles of Association in compliance with all relevant and applicable PRC legal and regulatory requirements. It is expected that the proposed amendments will become effective upon completion of the Proposed A Share Issue.

**PROPOSED AMENDMENT OF THE INDEPENDENT DIRECTORS RULES
AND THE PROCEDURAL RULES**

Pursuant to the relevant laws, rules and regulations and requirements of the CSRC, the Company has proposed to streamline the independent directors rules to regulate the appointment, election, powers, duties and responsibilities of the independent

directors and to streamline the Procedural Rules for the meeting of the Shareholders, Board and Supervisory Committee of the Company to regulate the functions, powers and the procedures of such relevant meetings.

(i) The Proposed A Share Issue are subject to approval by way of special resolutions by the Shareholders at the EGM and the separate Class Meetings, (ii) the proposed amendments of the Articles of Association are subject to approval by way of special resolutions by the Shareholders at the EGM, and (iii) the proposed establishment of the independent directors rules and the Procedural Rules are subject to approval by way of ordinary resolutions by the Shareholders at the EGM, which are proposed to be held on or after Tuesday, 29 September 2009, and the obtaining of any approval, endorsement or registration (as applicable) from or with the Relevant Authorities.

The notice of the EGM and the separate Class Meetings, its reply slip and the proxy form, and the Circular will be issued by the Company and despatched to its Shareholders as soon as practicable.

The Proposed A Share Issue may or may not proceed. Investors should therefore exercise caution when dealing in the H Shares.

PROPOSED APPLICATION TO ISSUE A SHARES IN THE PRC

The Directors hereby announce that on 13 August 2009, the Board resolved that the Company would apply (i) to the CSRC for the issue to the PRC public and institutional investors of 285,000,000 A Shares of RMB0.20 each, and (ii) to the Shanghai Stock Exchange for the listing of the A Shares on the Shanghai Stock Exchange.

The structure of the Proposed A Share Issue is proposed as follows:

Type of securities to be issued : A Shares

Place of Listing : Shanghai Stock Exchange

Number of A Shares to be issued : 285,000,000 A Shares of RMB0.20 each. The final number of A Shares to be issued and the structure of the issue will be subject to adjustments made by the Board as authorised by the Shareholders at the EGM and the Class Meetings, and approval by the CSRC and other Relevant Authorities

- Target subscribers : The PRC public and institutional investors (i.e. PRC individuals and institutional investors (including qualified foreign institutional investors recognised in the PRC) having A Share accounts with the Shanghai Stock Exchange), except those prohibited under PRC laws and regulations to invest in the A Shares
- Nominal value : RMB0.20 per A Share
- Rights attached to A Shares : The A Shares, except as otherwise provided for in the applicable laws, rules and regulations and the Articles of Association, will rank *pari passu* in all respects with the Domestic Shares and H Shares. Once the Proposed A Share Issue is completed, both new and existing Shareholders will be entitled to share the accumulated retained earnings according to their respective shareholdings.
- For the avoidance of doubt, the holders of the A Shares will not be entitled to any dividends declared prior to the issue of A Shares.
- Basis for determining the issue price : The issue price of the Proposed A Share Issue will be determined based on the basis of market conditions and the conditions prevailing in the PRC securities market at the time of the Proposed A Share Issue by way of customary market consultation and such other ways as approved by the CSRC. The amount of funds to be raised from the Proposed A Share Issue cannot be confirmed at the date of this announcement.
- Method of issue : The issue will be conducted via placement through offline offering to institutional investors as approved by the CSRC, and placement through online subscription, or such other methods as approved by the CSRC.
- Use of proceeds : The proceeds obtained from the A Share Issue (after deducting the costs in relation to the Proposed A Share Issue) shall be used to facilitate the approved real estate development projects of the Company and to replenish the working capital of the Company.

Ancillary matters relating to the Proposed A Share Issue

Authorisation to be given to the Board

Subject to the approval of the Shareholders at the EGM and separate Class Meetings, the Board shall be authorised to make such decisions, sign such documents, amend the Articles of Association and Procedural Rules, carry out such procedures and take such other actions as are in its discretion necessary to effect and complete the Proposed A Share Issue (including the proposed listing of the A Shares on the Shanghai Stock Exchange).

Shareholders' approvals to be sought at the EGM and the separate Class Meetings

The Proposed A Share Issue is subject to approval by way of special resolutions by the Shareholders at the EGM and the separate Class Meetings. Such resolutions will, in compliance with and as legally required under relevant PRC laws and regulations, be effective for a period of one year from the date of the EGM and the separate Class Meetings.

The EGM will be held on or after Tuesday, 29 September 2009 to consider and, if thought fit, approve, among other things, the Proposed A Share Issue and to authorise the Board to determine and deal with at its discretion and with full authority, matters relating to the Proposed A Share Issue (including but not limited to the specific timing of the issue, number of A Shares to be issued, offering mechanism, pricing mechanism, issue price of the A Shares, target subscribers and the number and proportion of A Shares to be allocated to each subscriber).

Reasons for and the benefits of the Proposed A Share Issue

The Directors consider that the Proposed A Share Issue will broaden the Company's shareholder base. Further, the Directors believe that the Proposed A Share Issue will provide an additional source of funding for the Company's property development projects which will in turn further enhance the Company's leading position in the PRC property market. The net proceeds of the Proposed A Share Issue will be used primarily for the funding of the development of the Company's property development projects.

Effect of the Proposed A Share Issue on the shareholding structure of the Company

Assuming that a total of 285,000,000 A Shares of RMB0.20 each is issued under the Proposed A Share Issue and that the Company will not issue and allot further Shares prior to the Proposed A Share Issue, the expected shareholding structure of the Company immediately upon completion of the Proposed A Share Issue is set out and summarised as follows:

	As at the date of this announcement		Immediately after completion of the Proposed A Share Issue	
	Number of Shares of RMB0.20 each	%	Number of Shares of RMB0.20 each	%
(1) Domestic Shares:	1,473,768,065	58.27	1,758,768,065	62.50
● Existing Domestic Shares issued	1,473,768,065	58.27	1,473,768,065	52.37
● A Shares to be issued	—	—	285,000,000	10.13
(2) H Shares	1,055,538,122	41.73	1,055,538,122	37.50
(3) Total number	2,529,306,187	100	2,814,306,087	100

The Proposed A Share Issue may or may not proceed. Investors should therefore exercise caution when dealing in the H Shares.

PROPOSED AMENDMENTS OF THE ARTICLES OF ASSOCIATION

To accommodate the Proposed A Share Issue, the Company will, when proceeding with the Proposed A Share Issue, make proposed amendments to the Articles of Association in compliance with all relevant and applicable PRC legal and regulatory requirements.

The proposed amendments to be made to the Articles of Association primarily aim to enhance the corporate governance of the Company and, in accordance with the relevant PRC laws and regulations, deal with matters relating to different areas such as alteration of the Company's registered capital and shareholding structure and other provisions as required by any applicable laws and regulations for companies with A Shares in issue.

Further details regarding such proposed amendments will be set out in the Circular to be despatched to the Shareholders as soon as possible. The proposed amendments of the Articles of Association will become effective upon completion of the Proposed A Share Issue, subject to approval by way of a special resolution by the Company's shareholders at the EGM, and conditional upon obtaining any approval, endorsement or registration as may be necessary from the Relevant Authorities.

PROPOSED ESTABLISHMENT OF THE INDEPENDENT DIRECTORS RULES AND THE PROCEDURAL RULES

Pursuant to the relevant laws, rules and regulations and the requirements of the CSRC, the Company has proposed to streamline the independent directors rules to regulate the appointment, election, powers, duties and responsibilities of the independent directors and to streamline the Procedural Rules for the meeting of the Shareholders, Board and Supervisory Committee of the Company to regulate the functions, powers, and the procedures of such relevant meetings.

Further details will be set out in the Circular to be despatched to the Shareholders as soon as possible. The proposed establishment of the independent directors rules and the Procedural Rules are subject to approval by way of ordinary resolutions at the EGM, and the obtaining of any approval, endorsement or registration (as applicable) from or with the Relevant Authorities.

GENERAL INFORMATION

(i) The Proposed A Share Issue are subject to approval by way of special resolutions by the Shareholders at the EGM and the separate Class Meetings, (ii) the proposed amendments to the Articles of Association are subject to approval by way of special resolutions by the Shareholders at the EGM, and (iii) the proposed establishment of the independent directors rules and the Procedural Rules are subject to approval by way of ordinary resolutions by the Shareholders at the EGM, which were proposed to be held on or after Tuesday, 29 September 2009, and the obtaining of any approval, endorsement or registration (as applicable) from or with the Relevant Authorities.

The notice of the EGM and the separate Class Meetings, its reply slip and the proxy form, and the Circular will be issued by the Company and despatched to its Shareholders as soon as practicable.

This announcement is issued in compliance with the disclosure requirements under the Listing Rules, and does not constitute an offer or an invitation to induce an offer by any person to acquire, subscribe for or purchase the A Shares.

DEFINITIONS

The following words and phrases used in this announcement have the same meaning assigned:

“A Share(s)”	ordinary domestic shares of the Company, with a nominal value of RMB 0.20 each, to be issued by the Company pursuant to the Proposed A Share Issue
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Circular”	the circular to be despatched to the Shareholders in relation to the Proposed A Share Issue, the proposed amendments of the Articles of Association, proposed establishment of the independent directors rules and the Procedural Rules together with the notice of the EGM and separate Class Meetings (as the case may be) to approve the relevant resolutions
“Class Meetings”	the class shareholders’ meeting of the Company for each of the holders of the H Shares and holders of the Domestic Shares to be convened on the same date as the EGM to consider and, if though fit, approve the Proposed A Share Issue
“Company”	復地(集團)股份有限公司 (Shanghai Forte Land Co. Ltd.) a sino-foreign joint stock limited company incorporated in the People’s Republic of China with limited liability
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary domestic share(s) of nominal value of RMB0.20 each in the share capital of the Company which are subscribed for in Renminbi

“EGM”	the extraordinary general meeting of the holders of Domestic Shares and holders of H Shares of the Company to be convened and held for the purpose of approving, among other things, the Proposed A Share Issue, amendments of the Articles of Association, the establishment to independent directors rules and the establishment of the Procedural Rules
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“H Shares”	the overseas listed foreign invested shares of nominal value of RMB0.20 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK\$
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Procedural Rules”	collectively, (i) the Rules and Procedures of the Board, (ii) the Rules and Procedures of Shareholders’ General Meetings and (iii) the Rules and Procedures of the Supervisory Committee to be adopted by the Company
“Proposed A Share Issue”	the proposed issue of 285,000,000 A Shares of RMB0.20 each to the PRC public, and the proposed listing of the A Shares on the Shanghai Stock Exchange
“Relevant Authorities”	the CSRC and such other PRC authorities having power to regulate, among other things, the Proposed A Share Issue and amendments of the Articles of Association
“RMB”	Renminbi, the lawful currency of the PRC

“the Rules and Procedures of the Board”	the rules governing the procedures for the meeting of the Board
“the Rules and Procedures of Shareholders’ General Meetings”	the rules governing the procedures for the meeting of the Shareholders
“the Rules and Procedures of the Supervisory Committee”	the rules governing the procedures for the meeting of the Supervisory Committee
“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Share(s)”	the Domestic Share(s) and the H Share(s)
“Shareholders”	holders of the Domestic Shares and the H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisors”	supervisors of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Trading Day”	a day on which the Stock Exchange is open for trading
“%”	per cent.

As at the date hereof, the executive Directors of the Company 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.

By order of the Board
Shanghai Forte Land Co., Ltd.*
Fan Wei
Chairman

Shanghai, the PRC, 13 August 2009

** The Company’s English name is for identification purpose only.*