
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Forte Land Co., Ltd.*, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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)

CONNECTED TRANSACTION

**ACQUISITION OF A 40% EQUITY INTEREST IN
DINGFEN PROPERTY COMPANY**

**Independent Financial Adviser to the Independent Board Committee
and Independent Shareholders of Forte**



A letter from the Board is set out on pages 3 to 7 of this circular. A letter from the Independent Financial Adviser is set out on pages 9 to 19 of this circular. A property valuation report is set out on pages I-1 to I-5 of this circular.

* For identification purpose only

CONTENTS

	<i>pages</i>
Definitions	1
Letter from the Board	3
1. Introduction	3
2. Acquisition of a 40% equity interest in Dingfen Property Company	4
3. General Information	6
4. Recommendation	7
5. Further Information	7
Letter from the Independent Board Committee	8
Letter from Independent Financial Adviser	9
Appendix I — Property Valuation Report	I-1
Appendix II — General Information	II-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the proposed acquisition of a 40% equity interest in the Dingfen Property Company by Forte from Shanghai Company under the Equity Transfer Contract
“Dingfen Property Company”	Shanghai Dingfen Property Development and Operation Company Limited (上海鼎奮房地產開發經營有限公司), a limited liability company incorporated under the laws of the PRC and the project company for the Xindu Project
“Domestic Share(s)”	ordinary share(s) of par value of RMB0.20 each in the share capital of Forte
“Equity Transfer Contract”	Shanghai Equity Transfer Contract dated 15 March 2010 and entered into between Forte and Shanghai Company in relation to the Acquisition
“Forte” or the “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
“Forte Group”	Forte and its subsidiaries
“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”	Fosun and its subsidiaries
“Fosun High Technology”	Shanghai Fosun High Technology (Group) Company Limited (上海復星高科技(集團)有限公司), a limited liability company incorporated under the laws of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“H Share(s)”	ordinary share(s) of par value of RMB0.20 each in the issued share capital of Forte which are listed and traded on the main board of the Hong Kong Stock Exchange
“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

DEFINITIONS

“Independent Board Committee”	an independent board committee of the board of directors of Forte, comprising all of its independent non-executive directors, namely, Mr. Charles Nicholas Brooke, Mr. Chen Yingjie, Mr. Zhang Hongming and Ms. Wang Meijuan
“Independent Shareholders”	shareholders of Forte who are not required under the Hong Kong Listing Rules to abstain from voting on the resolutions approving the Acquisition if an extraordinary general meeting of Forte were convened
“Latest Practicable Date”	14 April 2010
“PRC”	the People’s Republic of China, which for the purposes of this circular only (unless otherwise indicated) excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Company”	Shanghai Shanhai Enterprise (Group) Company Limited (上海山海企業(集團)有限公司), a limited liability company incorporated under the laws of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Sommerley”	Sommerley Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Xindu Project”	the land development project in relation to Xindu Project which comprises of properties for residential and commercial uses with a total gross floor area of approximately 120,195 square meters
“working day(s)”	Monday to Friday except for any public holidays in the PRC or Hong Kong

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Fan Wei (*the Chairman*)

Mr. Zhang Hua

Mr. Wang Zhe

Registered Office:

9th Floor

510 Caoyang Road

Shanghai

PRC

Non-executive Directors:

Mr. Guo Guangchang

Mr. Chen Qiyu

Mr. Feng Xiekun

Principal Place of Business in the PRC:

5th-7th Floor

Fuxing Business Building

2 Fuxing Road East

Shanghai 200010

PRC

Independent Non-executive Directors:

Mr. Charles Nicholas Brooke

Mr. Chen Yingjie

Mr. Zhang Hongming

Ms. Wang Meijuan

Principal Place of Business in Hong Kong:

Level 28

Three Pacific Place

1 Queen's Road East

Hong Kong

16 April 2010

To the Shareholders

CONNECTED TRANSACTION

**ACQUISITION OF A 40% EQUITY INTEREST IN
DINGFEN PROPERTY COMPANY**

Dear Sirs,

1. INTRODUCTION

Reference is made to the announcement jointly issued by Fosun and Forte dated 26 March 2010.

The purpose of this circular is to provide you with further information on the Acquisition contemplated under the Equity Transfer Contract.

* *For identification purpose only*

LETTER FROM THE BOARD

2. ACQUISITION OF A 40% EQUITY INTEREST IN DINGFEN PROPERTY COMPANY

2.1 Background

Forte and Shanghai Company entered into the Equity Transfer Contract on 15 March 2010, whereby Forte agreed to acquire from Shanghai Company a 40% equity interest in Dingfen Property Company for a consideration of RMB153,883,685.66 (equivalent to approximately HK\$174,979,175). The Equity Transfer Contract came into effect on 26 March 2010 when it was approved by the Shanghai United Assets and Equity Exchange.

2.2 Equity Transfer Contract

Date

15 March 2010

Parties

- (i) Forte
- (ii) Shanghai Company

Transaction

Pursuant to the Equity Transfer Contract, Forte agreed to acquire from Shanghai Company a 40% equity interest in the Dingfen Property Company for a consideration in the amount of RMB153,883,685.66 (equivalent to approximately HK\$174,979,175), which shall be fully settled in cash by Forte with its internal resources in the following manner:

- (1) an amount of RMB10,000,000 shall be paid within 10 days after the Equity Transfer Contract comes into effect;
- (2) an amount of RMB22,883,685.66 shall be paid within 30 days after the change of the shareholders is registered with the Administration of Industry and Commerce; and
- (3) an amount of RMB121,000,000 shall be paid by 31 December, 2010.

Consideration

The consideration in the amount of RMB153,883,685.66 (equivalent to approximately HK\$174,979,175) was arrived at after arm's length negotiations between the parties to the Equity Transfer Contract with reference to the gross floor area of the property of the Xindu Project, the relevant market price, future market development trend and other relevant factors.

LETTER FROM THE BOARD

Completion

The completion of the Acquisition will take place within 30 working days following the execution of the Equity Transfer Contract.

2.3 Financial Information

The unaudited net asset value of Dingfen Property Company attributable to equity holders as of 31 December 2009 was RMB62,066,436.

The unaudited consolidated net profit/(loss) before and after taxation and extraordinary items of Dingfen Property Company for the two years ended 31 December 2008 and 2009, were as follows:

	For the year ended 31 December 2008 RMB	For the year ended 31 December 2009 RMB
Unaudited consolidated net profit/(loss) before taxation and extraordinary items	(50,000)	3,236,581
Unaudited consolidated net profit/(loss) after taxation and extraordinary items	(50,000)	2,427,436

2.4 Reasons for and benefits of the Acquisition

Forte is of the view that the Acquisition will enable Forte to increase its competitive strength in the real estate market in Shanghai on the basis that (i) there is a foreseeable growth potential in the real estate market in Shanghai, an important economic centre of the PRC; and (ii) the Xindu Project is in line with its group strategy and commercial criteria.

2.5 Hong Kong Listing Rules Implications

Shanghai Company is a substantial shareholder of Dingfen Property Company, a non wholly owned subsidiary of Forte, and is therefore a connected person of Forte. The Acquisition constitutes a connected transaction of Forte under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) in respect of the Acquisition exceed 2.5% for Forte, the Acquisition is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Hong Kong Listing Rules and the independent shareholders' approval requirement under Rule 14A.48 of the Hong Kong Listing Rules. As at the Latest Practicable Date, Shanghai Company has no shareholding in Forte, and no shareholder of Forte is required under the Hong Kong Listing Rules to abstain from voting on the resolutions approving the Acquisition if an extraordinary meeting of Forte were convened.

LETTER FROM THE BOARD

Fosun High Technology is a subsidiary of Fosun. Fosun and Fosun High Technology, a closely allied group of shareholders of Forte, hold 325,710,000 H Shares and 1,458,963,765 Domestic Shares, representing approximately 12.88% and 57.68%, respectively, and together hold approximately 70.56% in nominal value of the shares of Forte giving the right to attend and vote at a general meeting of Forte as at the Latest Practicable Date.

Forte obtained a written Independent Shareholders' approval dated 26 March 2010 in relation to the Acquisition from Fosun and Fosun High Technology, a closely allied group of shareholders of Forte, which together hold more than 50% in nominal value of the shares of Forte giving the right to attend and vote at a general meeting of Forte. Therefore, no general meeting is required to be held to consider the Acquisition pursuant to Rule 14A.43 of the Hong Kong Listing Rules.

2.6 General

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

To the best of the knowledge, information and belief of the directors of Forte having made all reasonable enquiries, there is no other transaction entered into between any member of the Forte Group and Shanghai Company and its 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 and/or Rule 14A.25 of the Hong Kong Listing Rules.

3. GENERAL INFORMATION

Forte

Forte is a 70.56% owned subsidiary of Fosun. It is principally engaged in the development and sale of high quality commercial and residential properties in the PRC.

Shanghai Company

Shanghai Company is a limited liability company incorporated under the laws of the PRC. It is principally engaged in investment, trading, storage service and consultancy.

Dingfen Property Company

Dingfen Property Company is a limited liability company incorporated under the laws of the PRC and a non-wholly owned subsidiary of Forte. It is principally engaged in the development of the Xindu Project.

LETTER FROM THE BOARD

4. RECOMMENDATION

An Independent Board Committee has been formed by Forte to advise the Independent Shareholders of Forte on the Acquisition and Somerley has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders of Forte on the Acquisition in accordance with the Hong Kong Listing Rules.

The directors of the Company are of the view that the terms of the Equity Transfer Contract (i) have been negotiated on arm's length basis; and (ii) are fair and reasonable and in the interests of the Shareholders as a whole. Accordingly the directors of the Company recommend the Shareholders to vote in favour of the resolutions to approve the Acquisition if an extraordinary general meeting of the Company were convened.

5. FURTHER INFORMATION

Your attention is also drawn to (i) letter from the Independent Board Committee, (ii) the letter from the Independent Financial Adviser, (iii) Appendix I — Property Valuation Report; and (iv) Appendix II — General Information, to this circular.

Yours faithfully
For and on behalf of
SHANGHAI FORTE LAND CO., LTD.
FAN WEI
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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)

16 April 2010

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
ACQUISITION OF A 40% EQUITY INTEREST
IN DINGFEN PROPERTY COMPANY**

We refer to the circular of Forte dated 16 April 2010 (the “**Circular**”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used herein.

We have been appointed to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the Acquisition contemplated under the Equity Transfer Contract, details of which are set out in the letter from the board of Forte contained in the Circular, are fair and reasonable and in the interests of Forte and its shareholders as a whole.

Having considered the terms of the Equity Transfer Contract, and the advice from the Independent Financial Adviser in relation thereto as set out on pages 9 to 19 of the Circular, we are of the opinion that the terms of the Equity Transfer Contract, are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of Forte and its shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to approve Acquisition contemplated under the Equity Transfer Contract if an extraordinary general meeting of Forte were convened.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Charles Nicholas Brooke

Chen Yingjie

Zhang Hongming

Wang Meijuan

** For identification purpose only*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of the letter of advice from Somerley Limited to the Independent Board Committee and the Independent Shareholders in respect of the connected transactions, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY LIMITED

10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

16 April 2010

To: The Independent Board Committee and
the Independent Shareholders

Dear Sirs,

**CONNECTED TRANSACTION
ACQUISITION OF A 40% EQUITY INTEREST IN
DINGFEN PROPERTY COMPANY**

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in connection with the proposed acquisition of a 40% equity interest in Dingfen Property Company by the Company from Shanghai Company under the Equity Transfer Contract. Details of the Equity Transfer Contract and Dingfen Property Company are contained in the circular to the Shareholders dated 16 April 2010 (the “Circular”), of which this letter forms a part. Unless otherwise defined, terms used in this letter shall have the same meanings as defined in the Circular.

Shanghai Company is a substantial shareholder of Dingfen Property Company, a non-wholly owned subsidiary of the Company, and is therefore a connected person of the Company. The Acquisition constitutes a connected transaction of the Company under the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) in respect of the Acquisition exceed 2.5% for the Company, the Acquisition is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Hong Kong Listing Rules and the independent shareholders’ approval requirement under Rule 14A.48 of the Hong Kong Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the letter from the Board of the Circular, since none of the Shareholders are required to abstain from voting for the approval of the Acquisition, a written Independent Shareholders' approval has been obtained from Fosun and Fosun High Technology, a closely allied group of Shareholders who together hold more than 50% in nominal value of the Shares of the Company as at the date of the written approval. Therefore, no general meeting is required to be held by the Company to consider the Acquisition pursuant to Rule 14A.43 of the Hong Kong Listing Rules.

The Independent Board Committee, comprising all four independent non-executive Directors namely Mr. Charles Nicholas Brooke, Mr. Chen Yingjie, Mr. Zhang Hongming and Ms. Wang Meijuan, has been established to advise the Independent Shareholders regarding the fairness and reasonableness of the Equity Transfer Contract. We, Somerley Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We are not connected with the Company, the Shanghai Company, their substantial shareholders or associates and accordingly are considered suitable to give independent financial advice on the above matters. Apart from the normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, its substantial shareholders and/or associates.

In formulating our opinion and recommendation, we have reviewed, amongst others, the Equity Transfer Contract, the valuation report of the property interest of the Xindu Project dated 16 April 2010 (the "Valuation Report") issued by Jones Lang LaSalle Sallmanns Limited (the "Valuer"), the annual report of the Company for the financial year 2008 (the "2008 Annual Report"), the interim report of the Company for the six months ended 30 June 2009 (the "2009 Interim Report"), the annual results for the financial year 2009 published by the Company on 15 March 2010 (the "2009 Annual Results Announcement"), the unaudited financial statements of Dingfen Property Company for the two financial years ended 31 December 2009 and the information contained in the Circular. We have also discussed the valuation methodology and bases and assumptions for the valuation of the property interest of the Xindu Project with the Valuer.

We have relied on the information and facts supplied, and the opinions expressed, by the Directors and the management of the Group, which we have assumed to be true, accurate, complete and not misleading in all material aspects as at the date of this letter and the Circular. We have sought and received confirmation from the Directors and management of the Group that no material facts have been omitted from the information supplied and opinions expressed by them to us. We consider that the information which we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have no reason to doubt the truth, accuracy or completeness of the information provided to us or to believe that any material information has been omitted or withheld. We have not, however, conducted any independent investigation into the business and affairs of the Group, Dingfen Property Company, Shanghai Company or their respective subsidiaries nor have we carried out any independent verification of the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS TAKEN INTO ACCOUNT

In arriving at our opinion and recommendation, we have taken into account the principal factors and reasons set out below.

1. Principal business activities of the Group

The Group is principally engaged in the development and sale of high quality commercial and residential properties in the PRC. Set out below is the summary of the Group's audited financial information for the three years ended 31 December 2009 as extracted from the 2008 Annual Report and the 2009 Annual Results Announcement:

	Year ended 31 December		
	2007	2008	2009
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	<u>3,976,647</u>	<u>3,733,255</u>	<u>5,184,804</u>
Gross profit	<u>1,252,392</u>	<u>1,773,282</u>	<u>1,529,043</u>
Profit attributable to equity holders	<u>711,050</u>	<u>101,655</u>	<u>496,648</u>

In 2008 the Group recorded a total turnover of approximately RMB3,733,255,000, represented a decrease of 6.1% as compared with that of RMB3,976,647,000 in 2007. The decrease was mainly due to a reduction of booked gross floor area ("GFA") by 29.1% in 2008. The Group reported improvement in gross profit in the year ended 31 December 2008. The Group's gross profit in 2008 was approximately RMB1,773,282,000, represented an increase of 41.6% as compared to approximately RMB1,252,392,000 in 2007. The Group's gross profit margin in 2008 was 47.5%, an increase of 16% as compared to 31.5% in 2007, which was mainly attributable to the fact that the majority of the turnover was generated by the certain projects which accounted for 48.1% of the combined booked GFA of the year with relatively higher gross profit margin.

In 2009, the Group recorded a total turnover of approximately RMB5,184,804,000, an increase of 38.9% as compared to that of RMB3,733,255,000 in 2008. The increase in turnover was mainly due to an increase of the booked GFA attributable to the Group to approximately 490,000 square meters, representing an increase of 50.3% as compared to that of 2008 of 326,000 square meters.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's gross profit in 2009 was approximately RMB1,529,043,000, representing an decrease of 13.8 % as compared to approximately RMB1,773,282,000 in 2008. The Group's gross profit margin during the year was 29.5%, a decrease of 18% as compared to 47.5% in 2008, which was mainly attributable to the facts that (i) approximately 40% of the total booked GFA in 2009 was pre-sold in 2008, when the selling price of the properties was at a relatively lower level, leading to the lower gross profit margin; (ii) the underlying land associated to the booked turnover in 2009 was acquired in recent years with higher average cost, while in 2008 the booked turnover was generated by sales of projects with land acquired in prior years, hence the average cost was lower; and (iii) the booked project of Xintianjiayuan (South) was a primary land development project, which has a lower gross profit margin than that of the normal property development business.

As reported in the 2008 Annual Report, profit attributable to equity holders of the Company in 2008 was approximately RMB101,655,000, represented a decrease of 85.7% as compared to approximately RMB711,050,000 in 2007, which was mainly due to, amongst others, that (i) an impairment loss of approximately RMB190,226,000 was made in 2008 due to the significant decline in the market value of available-for-sale equity investments in Shanghai Zendai Property Development Co. Ltd.; (ii) an inventory impairment provision of approximately RMB80,456,000 was made for certain properties; (iii) the additional land appreciation tax provision increased by approximately RMB160,167,000 as compared with that of 2007, since most of the properties were low-density houses with higher gross profit margins in 2008; (iv) no non-recurring profits such as gain on disposal of equity interest incurred in 2008; and (v) the Group further expanded the development scale in 2008 and the administrative expenses increased accordingly.

In 2009, profit attributable to equity holders of the Company was approximately RMB496,648,000, representing an increase of 388.6% as compared to approximately RMB101,655,000 in 2008, which was mainly due to: (i) no impairment loss for the available-for-sale investment and inventory provision in 2009 while impairment amounting to approximately RMB270,682,000 were provided in 2008; and (ii) the gross profit margin of projects booked in 2008 was considerably higher while during 2009, the gross profit margin was around the normal level, resulted in the decrease in the additional land appreciation tax provision by RMB319,647,000 to RMB112,768,000 for the year ended 31 December 2009.

In the financial year ended 31 December 2009, there were 41 projects under development (including joint ventures in which the Group owns equity interests and associate companies). Total GFA of these projects was approximately 3,551,228 square meters, of which a total GFA of approximately 2,630,038 square meters was attributable to the Company, represented an increase of approximately 9.9% compared with 2008. Of the aforementioned 41 projects, 14 projects with a total GFA of approximately 1,168,140 square meters were new, of which a total GFA of approximately 852,585 square meters was attributable to the Company.

In accordance with the Group's development strategy and real estate industry policies, the Group adopted cautious approach in acquiring additional projects primarily by participating in government tenders and auctions and acquiring equity interests of other companies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As of 31 December 2009, the Group acquired projects with planned GFA of approximately 10,880,000 square meters, located in 11 cities, namely Shanghai, Beijing, Tianjin, Nanjing, Hangzhou, Wuxi, Chongqing, Wuhan, Xi'an, Chengdu and Changchun. As disclosed in the 2009 Annual Results Announcement, the Directors are of the view that the current land bank of the Group is sufficient to satisfy its development needs for the next three to five years, and thereby provides a solid foundation for the Group's long-term rapid development.

Given that the Xindu Project is in line with the Group's existing business activities, we concur with the view of the Directors that the Xindu Project is in the ordinary and usual course of business of the Group.

2. Background of Dingfen Property Company, the Xindu Project and the property market of Shanghai

(i) Location of the Xindu Project and property market of Shanghai

Shanghai plays an important role in the nation's social and economic development as the international metropolis-oriented city is striving to serve the nation and lead the growth of the Yangtze River Delta region. According to 2009 economic and social development statistics announcement published on the website of the Shanghai Municipal Government, with only 1% of the nation's population and 0.06% of the nation's land, Shanghai contributes one-eighth of China's financial income. Shanghai kept its economy on the track of stable and relatively fast growth in recent years despite the severe economic environment. In 2008, Shanghai's GDP reached RMB1,369.8 billion, a 9.7% increase over 2007 in terms of comparable prices. The GDP further rose to RMB1,490.1 billion in 2009, representing a growth of approximately 8.8% as compared with that in 2008.

Situated at the northern part of central Shanghai, Zhabei District is one of the nine central districts of Shanghai. The district covers an area of 29.18 square kilometers and resembles a rectangle on the map, with a population of 800,000.

Known as the "northern gateway to Shanghai", Zhabei District boasts an advantageous geographical location. The North-South Elevated Highway in the district links Hongqiao International Airport and Pudong with downtown Shanghai. In addition, there are over ten long haul bus stations for passengers and 337 long haul stations for freight, and eleven stations of Metro Lines No. 1 and 3 in the district.

(ii) Background information of Dingfen Property Company and the Xindu Project

Dingfen Property Company is a limited liability company incorporated on 4 November 2002 under the laws of the PRC, and is currently a non-wholly owned subsidiary of the Company. It is principally engaged in the development of the Xindu Project.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The registered capital of Dingfen Property Company of RMB60,000,000 (equivalent to approximately HK\$68,225,234) was contributed by the Company and Shanghai Company in the amount of RMB36,000,000 (equivalent to approximately HK\$40,935,141) and RMB24,000,000 (equivalent to approximately HK\$27,290,094) respectively, representing 60% and 40% of the registered capital of Dingfen Property Company, respectively.

Dingfen Property Company is currently the registered owner of the Xindu Project located in Zhabei District of Shanghai, the PRC, according to the State-owned Land Use Rights Grant Contract dated 14 May 2003. The Xindu Project comprises properties for residential and commercial uses with an aggregate GFA of approximately 120,195 square meters, among which commercial area amounted to approximately 13,063 square meters, residential areas amounted to approximately 75,723 square meters, underground car parking spaces amounted to approximately 29,719 square meters and other ancillary areas of approximately 1,690 square meters. The construction work has commenced since April 2008. Out of the total GFA of approximately 120,195 square meters, about 18,127 square meters has been launched for pre-sales since April 2010, while the rest of it is still under construction which is expected to be completed in March 2012.

According to the legal opinion issued by the Company's PRC legal advisers, Shanghai Lijing Law Office, regarding the property interest (the "PRC Legal Opinion"), among other things, Dingfen Property Company has obtained the land use rights and relevant title documents for the development of the property under the Xindu Project. We also noted from the State-owned Land Use Rights Grant Contract dated 14 May 2003 that the land being developed under the Xindu Project (the "Land") is located at urban redevelopment area (舊區改造地塊) and according to relevant local provision, the land premium of RMB32,190,000 relating to the Land was therefore waived in full by the local government authority.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iii) *Financial information on Dingfen Property Company*

Set out below is the summary of Dingfen Property Company's unaudited financial information for the two years ended 31 December 2009 prepared according to Hong Kong Financial Reporting Standard:

	As at / for the year ended 31 December 2008	As at / for the year ended 31 December 2009
	<i>RMB</i>	<i>RMB</i>
Turnover	—	13,334,619
Consolidated net profit/(loss) before taxation and extraordinary items	(50,000)	3,236,581
Consolidated net profit/(loss) after taxation and extraordinary items	(50,000)	2,427,436
Inventory	921,395,616	1,078,132,471
Other assets	41,641,175	17,676,680
Total assets	963,036,791	1,095,809,151
Total liabilities	903,397,791	1,033,742,715
Net asset	59,639,000	62,066,436

According to the unaudited accounts of Dingfen Property Company for the two years ended/as at 31 December 2009, Dingfen Property Company recorded no turnover and a minimal loss after tax of RMB50,000 for the year ended 31 December 2008. Dingfen Property Company reported a turnover of approximately RMB13,334,619 and a profit after tax of approximately RMB2,427,436 for the year ended 31 December 2009 as a result of the previous acquisition and subsequent disposal of certain properties which were acquired solely for the purpose of providing temporary shelters for residences on the Land before they were reallocated to their new homes. Dingfen Property Company reported a net asset value of approximately RMB62,066,436 as at 31 December 2009. The assets of Dingfen Property Company mainly comprises inventory (i.e. construction in progress and properties held for sale), while its liabilities includes bank loans and shareholder's loan.

3. Reasons for and benefits of the Acquisition

The Directors are of the view that the Acquisition will enable the Company to increase its competitive strength in the real estate market in Shanghai on the basis that (i) there is a foreseeable growth potential in the real estate market in Shanghai, an important economic centre of the PRC; and (ii) the Xindu Project is in line with its group strategy and commercial criteria.

As disclosed in the 2009 Annual Results Announcement, the Directors are of the view that in 2010, China's macro environment has gradually walked out of the shadow of the global financial storm and shown signs of strong recovery. At the beginning of 2010, the central government has already committed to maintaining a moderately loose monetary policy, the credit amount will remain at a higher level. However, different industries will be treated differently. The Directors believe the real

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

estate sector will be among the industries facing a different credit policy, with the bank adopting a tightening lending policy. As the property prices have been moving too fast, both the central and local governments have adopted a series of policies to increase supply, restrain speculation, tighten supervision and promote development of welfare housing.

Notwithstanding the aforementioned, the Directors are of the view that undersupply is still the overall trend in the real estate market. The Directors therefore believe China's real estate market will remain strong in the first half of 2010 but pricing will be stable due to the adjusted policy.

Based on China's stable economic growth and rapid urbanization process, China's real estate industry's long term growth is indisputable. While urbanization, upgrade of wealthier middle class and investment needs will continue to drive demand in the long run, the Directors are cautiously optimistic of development prospect of the Group in 2010 and continue to be optimistic of the long term growth trend of the industry.

As the Xindu Project is located in the premium location of Shanghai comprising of properties for residential and commercial uses, the Acquisition which will enable the Company to increase its project developments in Shanghai is considered in line with the Group's strategy to focus on key regions and concentrating on short to medium development projects.

Given that the Xindu Project is in line with the Group's development strategy to focus on key regions and concentrating on short to medium development projects, and its view of the market prospect, we concur with the Directors' view that the Xindu Project is a land development project in line with the Group's strategy and commercial criteria.

4. Major terms and conditions of the Equity Transfer Contract

Pursuant to the Equity Transfer Contract, the Company has agreed to acquire from Shanhai Company a 40% equity interest in Dingfen Property Company at a consideration of RMB153,883,685.66 (equivalent to approximately HK\$174,979,175) (the "Consideration").

(i) Consideration

As disclosed in the letter from the Board of the Circular, the Consideration shall be fully settled in cash by the Company with its internal resources in the following manner:

- (1) an amount of RMB10,000,000 shall be paid within 10 days after the Equity Transfer Contract comes into effect;
- (2) an amount of RMB22,883,685.66 shall be paid within 30 days after the change of the shareholders is registered with the Administration of Industry and Commerce; and
- (3) an amount of RMB121,000,000 shall be paid by 31 December 2010.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Consideration has been arrived at after arm's length negotiations between the parties to the Equity Transfer Contract with reference to the GFA of the property of the Xindu Project, the relevant market price, future market development trend and other relevant factors.

According to the Valuation Report, the capital value of the Xindu Project as at 28 February 2010 is RMB1,629.75 million (equivalent to approximately HK\$1,853.17 million). We have reviewed and discussed with the Valuer regarding the methodology of, and bases and assumptions adopted for the valuation and noted that the Valuer has adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and has also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the date of valuation and the remainder of the cost and fees expected to incur for completing the development.

In valuing the property interest which is currently under development, the Valuer has assumed that it will be developed and completed in accordance with the latest development proposal provided to the Valuer by Dingfen Property Company. Given the above, we considered that the methodology is a reasonable and acceptable approach in establishing the open market value of the property interests of the Xindu Project.

As provided by the Company, the estimated adjusted net asset value of Dingfen Property Company as at 31 December 2009 (adjusted by the valuation of the property interests of the Xindu Project as at 28 February 2010 and the deferred taxation) is approximately RMB482.47 million (equivalent to approximately HK\$548.61 million), and hence 40% of the adjusted net asset value of Dingfen Property Company as at 31 December 2009 is approximately RMB192.99 million (equivalent to approximately HK\$219.44 million). We note that the Consideration represents a discount as compared with the 40% of the adjusted net asset value of Dingfen Property Company. In such circumstances, the Directors consider that the Consideration is in the interest of the Company and the Shareholders as a whole.

The development of the Xindu Project commenced since April 2008 and is planned to be completed in March 2012. As advised by the Company, the total construction cost (excluding finance cost) of Xindu Project is estimated to be approximately RMB935,180,000, of which approximately RMB129,231,981 has been paid up to 28 February 2010. The Company expects to finance the unpaid portion of the construction cost by way of (i) proceeds from the sales and presales of property units; and (ii) shareholder's loan from the Group and/or bank loans.

We also noted that pursuant to a mortgage contract dated 5 May 2008, the property is subject to a mortgage in favour of Shanghai Pudong Development Bank Changning Sub-branch as security for a loan with an amount of RMB650,000,000 for a term of 2 years expiring on 8 May 2010. Written consent from the bank has been obtained for the approval of the Acquisition. The Company is negotiating with the bank to renew such bank loan. In the event that such bank loan has not been renewed by 8 May 2010, the Company expects to finance the repayment by way of (i) proceeds from the sales and presales of property units; and (ii) shareholder's loan from the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Completion*

The completion of the Acquisition will take place within 30 working days following the execution of the Equity Transfer Contract.

We have considered the above including, in particular, 40% of the adjusted net asset value of Dingfen Property Company represents a premium of approximately RMB39.11 million (a premium of approximately 25.4%) as compared with the Consideration, we are of the view that the terms of the Equity Transfer Contract are on normal commercial terms and are fair and reasonable, and that the entering into of the Equity Transfer Contract is in the interest of the Company and the Shareholders as a whole.

5. Financial impacts of the Acquisition

(i) *Earnings*

Following the completion of the Equity Transfer Contract, Dingfen Property Company will continue to be the subsidiary of the Company and the results of Dingfen Property Company will continue to be consolidated into the consolidated financial statements of the Group. As discussed above, Dingfen Property Company reported a profit after tax of approximately RMB2,427,436 for the year ended 31 December 2009. Given the profit attributable to equity holders of the Company in 2009 of over RMB496 million, the Acquisition is not expected to have an immediate material earnings contribution to the Group's earnings upon completion of the Equity Transfer Contract.

(ii) *Working capital*

As set out in the letter from the Board of the Circular, the Consideration will be funded by the Group's internal resources. According to the 2009 Annual Results Announcement, the Group had cash and cash equivalent of approximately RMB3,630 million. As such, we concur with the view of the Directors that the settlement of the Consideration will not have material adverse impact on the working capital of the Group.

(iii) *Net asset value*

As at 31 December 2009, the audited consolidated net asset value of the Group was approximately RMB5,913 million. Upon completion of the Equity Transfer Contract, the assets and liabilities of the Dingfen Property Company will continue to be consolidated into the Group's consolidated financial statements. As mentioned above, the Consideration represents a discount as compared with the 40% of the adjusted net asset value of Dingfen Property Company, taking into account the valuation of the property interest of Xindu Project as at 28 February 2010 and the deferred taxation. However, since the valuation of the property interests of the Xindu Project as at 28 February 2010 has not been reflected on the accounts of Dingfen Property Company, the Consideration therefore represents a premium of approximately RMB130 million over the 40% of the book value of the net asset value of Dingfen Property Company. Given that the Consideration will be financed entirely by cash, the Directors expect that the Acquisition will

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

cause a decrease in net asset of the Group by approximately RMB130 million upon completion of the Equity Transfer Contract. The property under the Xindu Project will continue to be accounted for as property under development immediately upon completion of the Equity Transfer Contract. Whether an impairment loss would incur will depend on the then recoverable amount of the Xindu Project upon revaluation in the future.

Having considered the above, we concur with the view of the Directors that the Acquisition will not generate material adverse impact to the earnings, working capital and net asset value of the Group immediately upon completion of the Equity Transfer Contract.

RECOMMENDATION

Based on the above principal factors and reasons, we are of the opinion that the Acquisition pursuant to the Equity Transfer Contract is in the ordinary and usual course of business of the Group and the terms of the Equity Transfer Contract are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the entering into of the Equity Transfer Contract are in the interests of the Company and the Shareholders as a whole.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED
Kenneth Chow
Managing Director — Corporate Finance

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this Circular received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 28 February 2010 of the property interest of Shanghai Dingfen Property Development and Operation Company Limited.



Jones Lang LaSalle Sallmanns Limited
17/F Dorset House Taikoo Place
979 King's Road Quarry Bay Hong Kong
tel +852 2169 6000 fax +852 2169 6001
Licence No: C-030171

16 April 2010

The Board of Directors
Shanghai Forte Land Co., Ltd.
5th-7th Floor
Fuxing Business Building
No. 2 East Fuxing Road
Huangpu District, Shanghai
The People's Republic of China

Dear Sirs,

Shanghai Forte Land Company Limited ("Forte") and Shanghai Shanhai Enterprise (Group) Company Limited ("Shanghai Company") entered into an Equity Transfer Contract on 15 March 2010, whereby Forte agreed to acquire a 40% equity interest from Shanghai Company in Shanghai Dingfen Property Development and Operation Company Limited ("Dingfen Property Company") for a consideration of RMB153,883,685.66. Dingfen Property Company is principally engaged in the development and sale of Xindu Project ("Xindu Project") which is planned to be developed into residential and commercial uses with a total planned gross floor area of approximately 120,195 sq.m.. Xindu Project is located in Shanghai in the People's Republic of China (the "PRC").

In accordance with your instructions to value the property interest of Xindu Project, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of the property interest as at 28 February 2010 (the "date of valuation").

Our valuation of the property interest represents the market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

In valuing the property interest which is currently under development, we have assumed that it will be developed and completed in accordance with the latest development proposal provided to us by Dingfen Property Company. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the date of valuation and the remainder of the cost and fees expected to incur for completing the development.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards (6th Edition) published by the Royal Institution of Chartered Surveyors; and the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors.

We have relied to a very considerable extent on the information given by Dingfen Property Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including Real Estate Title Certificate, Construction Planning, Commencement Permits and official plans relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest. We have relied considerably on the advice given by the Company's PRC legal advisers — Shanghai Lijing Law Office, concerning the validity of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by Dingfen Property Company. We have also sought confirmation from Dingfen Property Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Sallmanns Limited
Paul L. Brown
B.Sc. FRICS FHKIS
Director

Note: Paul L. Brown is a Chartered Surveyor who has 27 years' experience in the valuation of properties in the PRC and 30 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.

VALUATION CERTIFICATE

Property interest held under development by Dingfen Property Company in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 28 February 2010 RMB														
<p>Qiu 25 Jiefang 33 Baoshan Road located at the southern side of Yongxing Road and the eastern side of Gongxing Road (known as Xindu Project) Zhabei District Shanghai The PRC</p>	<p>The property comprises various residential, commercial buildings and ancillary facilities (the "CIPs") under construction which are erected on a parcel of land with a site area of approximately 23,754 sq.m..</p> <p>As advised by Dingfen Property Company, the property is scheduled to be completed in March 2012. Upon completion, the development will have a total gross floor area of approximately 120,195 sq.m. and the details are set out as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">75,723</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;">13,063</td> </tr> <tr> <td>Ancillary</td> <td style="text-align: right;">292</td> </tr> <tr> <td>Insulating layer</td> <td style="text-align: right;">1,398</td> </tr> <tr> <td>Underground car parking spaces (563 lots)</td> <td style="text-align: right;">29,719</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">120,195</td> </tr> </tbody> </table>	Usage	Gross Floor Area (sq.m.)	Residential	75,723	Commercial	13,063	Ancillary	292	Insulating layer	1,398	Underground car parking spaces (563 lots)	29,719	Total:	120,195	<p>The property is currently under construction.</p>	<p>1,629,750,000</p>
Usage	Gross Floor Area (sq.m.)																
Residential	75,723																
Commercial	13,063																
Ancillary	292																
Insulating layer	1,398																
Underground car parking spaces (563 lots)	29,719																
Total:	120,195																
	<p>The land use rights of the property have been granted for a term of 70 years expiring on 13 May 2073 for residential use.</p>																

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 14 May 2003 — Hu Fang Di Zha (2003) Chu Rang He Tong Di No. 056 entered into between Shanghai Zhabei District Housing and Land Resources Administration Bureau and Dingfen Property Company, a 60% owned subsidiary of Forte, the land use rights of the property with a site area of approximately 23,754 sq.m. were contracted to be granted to Dingfen Property Company for a term of 70 years for residential use. The land premium was RMB32,190,000, which was exempted by the local government authority in accordance with a relevant local provision.
- Pursuant to a Real Estate Title Certificate — Hu Fang Di Zha Zi (2007) Di No. 014813 dated 19 September 2007, the land use rights of a parcel of land with a site area of approximately 23,754 sq.m. were granted to Dingfen Property Company for a term of 70 years expiring on 13 May 2073 for residential use.

3. Pursuant to a Construction Work Planning Permit — Hu Zha Jian (2008) No. 08080313F00565 in favour of Dingfen Property Company, the 11 buildings and underground car park spaces with a total planned gross floor area of approximately 120,195 sq.m. have been approved for construction.
4. Pursuant to a Construction Work Commencement Permit — No. 0301ZB0331D01(310108200307162919) in favour of Dingfen Property Company, permission was given to commence the construction work of the development of the property with a total planned gross floor area of approximately 120,195 sq.m..
5. Pursuant to a Pre-sales Permit — Zha Bei Fang Guan (2010) Yu Bei Zi No. 000110 dated 20 March 2010, in favour of Dingfen Property Company, Dingfen Property Company is entitled to sell the portions of the property with a total gross floor area of approximately 18,127.21 sq.m. to purchasers.
6. As advised by Dingfen Property Company, the total construction cost excluding financial cost of Xindu Project is estimated to be approximately RMB935,180,000, of which RMB129,231,981 has been paid up to the date of valuation.
7. Pursuant to a Mortgage Contract dated 5 May 2008 entered into between Shanghai Pudong Development Bank Changning Sub-branch and Dingfen Property Company, the property is subject to a mortgage in favour of Shanghai Pudong Development Bank Changning Sub-branch as security for a loan with an amount of RMB650,000,000 for a term of 2 years commencing from 9 May 2008 and expiring on 8 May 2010.
8. The gross development value (“GDV”) of Xindu Project as if completed as at the date of valuation would be approximately RMB3,240,000,000.
9. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. Dingfen Property Company legally owns the land use rights of the property, and is entitled to occupy, use and profit from the captioned land use rights during the term stipulated in the Real Estate Title Certificate stated in note 2;
 - b. Dingfen Property Company has obtained relevant planning documents for the development of the property and legally owns the CIPs built upon the said land. Dingfen Property Company is entitled to occupy, use and profit from the CIPs; and
 - c. Dingfen Property Company has rights to transfer, lease, mortgage or otherwise dispose of the land use rights and the CIPs of the property upon the written approval of Shanghai Pudong Development Bank Changning Sub-branch.
10. A summary of major certificates/approvals is shown as follows:

a. Real Estate Title Certificate (for land only)	Yes
b. Construction Work Planning Permit	Yes
c. Construction Work Commencement Permit	Yes
d. Pre-sale Permit	portion
e. Construction Work Completion and Inspection Certificate/table	N/A

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(A) Directors', Supervisors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at the Latest Practicable Date, the following directors, supervisors or chief executive of the Company had or deemed to have interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to the Model Code for Securities Transactions by directors of listed issuers, to be notified to the Company and the Hong Kong Stock Exchange:

(a) Long positions in the shares, underlying shares and debentures of the Company:

Name of director	Class of shares	Nature of interest	Number of shares	Approximate percentage in the relevant class of share capital
Guo Guangchang	Domestic Shares	Corporate	1,458,963,765	99%
	H Shares	Corporate	325,710,000	30.86%

(b) Long positions in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO):

Name of directors	Name of associated corporation	Nature of interest	Number of shares directly and indirectly held	Approximate percentage of shares in issue of the associated corporation
Guo Guangchang	Fosun International Holdings Ltd.	Individual	29,000	58%
	Fosun Holdings Limited	Corporate	1	100%

Name of directors	Name of associated corporation	Nature of interest	Number of shares directly and indirectly held	Approximate percentage of shares in issue of the associated corporation
	Fosun	Corporate	5,024,555,500	78.24%
Fan Wei	Fosun International Holdings Ltd.	Individual	5,000	10%

(B) Substantial Shareholders' and other persons' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company

As at the Latest Practicable Date, so far as is known to any director or chief executive of the Company, the following persons or entities (other than directors or chief executive or supervisors of the Company) had, or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company (i) which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or of any other company which is a subsidiary of the Company; or (iii) which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Name of Shareholders	Class of shares	Number of shares	Approximate percentage in the relevant class of share capital	Approximate percentage in total share capital
Fosun High Technology	Domestic Shares	1,458,963,765 (L) (Note 1)	99.00%	57.68%
Fosun	Domestic Shares	1,458,963,765 (L) (Note 1)	99.00%	57.68%
	H Shares	325,710,000 (L)	30.86%	12.88%
Fosun Holdings Limited	Domestic Shares	1,458,963,765 (L) (Note 2)	99.00%	57.68%
	H Shares	325,710,000 (L) (Note 2)	30.86%	12.88%
Fosun International Holdings Ltd.	Domestic Shares	1,458,963,765 (L) (Note 3)	99.00%	57.68%
	H Shares	325,710,000 (L) (Note 3)	30.86%	12.88%
Wong Sung Kau	H Shares	73,914,000 (L)	7.00%	2.92%

Notes:

- 1 Fosun High Technology is wholly owned by Fosun. Fosun is deemed to be interested in 1,458,963,765 shares held by Fosun High Technology. Two of the directors of the Company, namely Guo Guangchang and Fan Wei are the directors of Fosun.
- 2 Fosun Holdings Limited owns 78.24% share interest of Fosun. Guo Guangchang, a director of the Company, is a director of Fosun Holdings Limited.
- 3 Fosun Holdings Limited is wholly owned by Fosun International Holdings Ltd. Guo Guangchang, a director of the Company, is a director of Fosun International Holdings Ltd.
- 4 (L) represents long position.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable date, none of the directors or proposed directors of the Company had any existing or proposed service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the relevant employer within one year without payment of compensation other than statutory compensation).

4. INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as known to the directors of the Company, none of the directors or their respective associates has any interests in other business which competes or is likely to compete with the business of the Group.

5. DIRECTOR'S INTERESTS IN THE ASSETS OR CONTRACTS OF THE GROUP

As at the Latest Practicable Date, none of the directors of the Company was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Company.

As at the Latest Practicable Date, none of the directors of the Company has or had any interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2009 (being the date to which the latest published audited financial statements of the Company were made up).

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the directors of the Company are not aware of any material adverse change in the financial or trading positions of the Company since 31 December 2009, being the date to which the latest published audited financial statement of the Company were made up.

7 EXPERTS' QUALIFICATION AND CONSENT

Name	Qualification
Somerley Limited	A corporation licensed to carry out type 1 (dealings in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
Jones Lang LaSalle Sallmanns Limited	Independent Property Valuer

Somerley Limited and Jones Lang LaSalle Sallmanns Limited have given, and have not withdrawn, their respective written consent to the issue of this circular with the inclusion herein of their letter and/or references to their name, in the form and context in which they appear. As at the Latest Practicable Date, Somerley Limited and Jones Lang LaSalle Sallmanns Limited were not interested in any share of the Company or share in any member of the Group nor did they have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any share of the Company or share in any member of the Group. As at the Latest Practicable Date, Somerley Limited and Jones Lang LaSalle Sallmanns Limited did not have any direct or indirect interest in any asset which had been, since 31 December 2009, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business in Hong Kong of the Company at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong up to and include 30 April 2010:

- (A) the Equity Transfer Contract.