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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 limited company incorporated in the
People's Republic of China with limited liability)*

(Stock Code: 02337)

DISCLOSEABLE TRANSACTION

ASSIGNMENT OF ENTRUSTMENT LOAN

Wuhan Zhongbei, a non-wholly owned subsidiary of the Company, was owned as to 70% and 30% by Forte Investment and Shanghai Yuyuan, respectively. Pursuant an entrustment loan agreement dated 7 August 2009 and entered into among Forte Investment, East Asia (China) and Wuhan Zhongbei, a loan in an amount of RMB566,000,000 (equivalent to approximately HK\$650,514,895) has been advanced to Wuhan Zhongbei by Forte Investment via an entrustment loan arrangement established by East Asia (China).

On 9 July 2010, the Entrustment Loan Assignment Agreement was entered into among BOCOM International Trust, Forte Investment, Wuhan Zhongbei and East Asia (China), whereby Forte Investment has agreed to assign to BOCOM International Trust the Entrustment Loan up to an amount of RMB566,000,000 (equivalent to approximately HK\$650,514,895) for a consideration of up to RMB566,000,000 (equivalent to approximately HK\$650,514,895).

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 Assignment exceed 5% but below 25%, the Assignment constitutes a discloseable transaction of the Company and subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

INTRODUCTION

Wuhan Zhongbei, a non-wholly owned subsidiary of the Company, was owned as to 70% and 30% by Forte Investment and Shanghai Yuyuan, respectively. Pursuant an entrustment loan agreement dated 7 August 2009 and entered into among Forte Investment, East Asia (China) and Wuhan Zhongbei, a loan in an amount of RMB566,000,000 (equivalent to approximately HK\$650,514,895) has been advanced to Wuhan Zhongbei by Forte Investment via an entrustment loan arrangement established by East Asia (China).

On 9 July 2010, the Entrustment Loan Assignment Agreement was entered into among BOCOM International Trust, Forte Investment, Wuhan Zhongbei and East Asia (China),

whereby Forte Investment has agreed to assign to BOCOM International Trust the Entrustment Loan up to an amount of RMB566,000,000 (equivalent to approximately HK\$650,514,895) for a consideration of up to RMB566,000,000 (equivalent to approximately HK\$650,514,895).

ENTRUSTMENT LOAN ASSIGNMENT AGREEMENT

Date

9 July 2010

Parties

(i) BOCOM International Trust

(ii) Forte Investment

(iii) Wuhan Zhongbei

(iv) East Asia (China)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of BOCOM International Trust and East Asia (China) and their respective ultimate beneficial owner(s), are not connected persons of the Company and are third parties independent of the Company and its connected persons.

Transaction

Pursuant to the Entrustment Loan Assignment Agreement, Forte Investment has agreed to assign to BOCOM International Trust the Entrustment Loan up to an amount of RMB566,000,000 (equivalent to approximately HK\$650,514,895) for a consideration of up to RMB566,000,000 (equivalent to approximately HK\$650,514,895). The final amount of the Entrustment Loan to be assigned by Forte Investment under the Entrustment Loan Assignment Agreement will be determined by BOCOM International Trust.

Upon completion of the Assignment contemplated under the Entrustment Loan Assignment Agreement, (i) the assigned amount of the Entrustment Loan will be governed by a loan agreement to be entered into between BOCOM International Trust and Wuhan Zhongbei; and (ii) the remaining amount of the Entrustment Loan (if any) will remain subject to the terms and conditions of the entrustment loan arrangement established by East Asia (China).

Consideration

Pursuant to the Entrustment Loan Assignment Agreement, the consideration in the amount of up to RMB566,000,000 (equivalent to approximately HK\$650,514,895) will be settled by BOCOM International Trust from the proceeds raised from a trust scheme to be established by BOCOM International Trust.

The consideration has been arrived at after arm's length negotiations between the parties to the Entrustment Loan Assignment Agreement with reference to the actual money value of the Entrustment Loan without any discount or premium.

Completion

The completion of the Assignment contemplated under the Entrustment Loan Assignment Agreement will take place on the date of payment of the consideration, which will be one (1) business day after the date of establishment of the trust scheme to be established by BOCOM International Trust.

Security and Guarantee

Upon completion of the Assignment contemplated under the Entrustment Loan Assignment Agreement, an amount equivalent to the assigned amount of the Entrustment Loan will be owed by Wuhan Zhongbei to BOCOM International Trust. Forte Investment will pledge its 70% equity interest in Wuhan Zhongbei and the Company will execute a guarantee, both in favour of BOCOM International Trust, to secure and guarantee, among other matters, the obligations of Wuhan Zhongbei in respect of the indebtedness due to BOCOM International Trust.

FINANCIAL EFFECTS OF THE ASSIGNMENT AND USE OF PROCEEDS

The proceeds of the Assignment up to the amount of RMB566,000,000 (equivalent to approximately HK\$650,514,895) will be used as funding for other real estate development projects of the Group.

It is estimated that there will be (i) no gain or loss expected to accrue to the Group; and (ii) no effects on the assets and liabilities of the Group, as a result of the transaction contemplated under the Entrustment Loan Assignment Agreement.

REASONS FOR THE ASSIGNMENT

Taking into consideration of the status of the current internal funding resources, the Directors (including the independent non-executive Directors) consider that the Assignment contemplated under the Entrustment Loan Assignment Agreement represents a good opportunity for the Company to reallocate the funding originally allocated for Wuhan Zhongbei for other real estate development opportunities in China, so as to reorganize the assets portfolio of the Group.

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 Assignment exceed 5% but below 25%, the Assignment constitutes a discloseable transaction of the Company and subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

GENERAL

The Directors (including the independent non-executive Directors) are of the view that the terms of the Entrustment Loan Assignment Agreement (i) have been negotiated on an arm's length basis; and (ii) are on normal commercial terms and fair and reasonable and in the interests of its shareholders as a whole.

The Company confirms that there is no other transaction entered into between any member of the Group and BOCOM Investment Trust or its Associates within a 12-month period prior to the date of this announcement or otherwise related, which would be, together with the Assignment, 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 INFORMATION OF THE PARTIES TO THE TRANSACTION

The Company

The Company is principally engaged in the development and sale of high quality commercial and residential properties in the PRC.

Forte Investment

Forte Investment is a limited liability company incorporated under the laws of the PRC and a wholly owned subsidiary of the Company. It is principally engaged in investment management and real estate investment.

Wuhan Zhongbei

Wuhan Zhongbei is a limited liability company incorporated under the laws of the PRC and a non-wholly owned subsidiary of the Company. It is owned as to 70% and 30% by Forte Investment and Shanghai Yuyuan, respectively. It is principally engaged in real estate project development in Wuhan, the PRC.

BOCOM Investment Trust

BOCOM Investment Trust is a limited liability company incorporated under the laws of the PRC. It is principally engaged in financial services in the PRC.

East Asia (China)

East Asia (China) is a limited liability company incorporated under the laws of the PRC. It is principally engaged in commercial banking business in the PRC.

DEFINITIONS

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

“Assignment”	the assignment of the Entrustment Loan contemplated under the Entrustment Loan Assignment Agreement
“Associates”	has the meanings ascribed thereto under the Hong Kong Listing Rules
“Board”	the board of Directors of the Company
“BOCOM International Trust”	BOCOM International Trust Company Limited (交銀國際信託有限公司), a limited liability company incorporated under the laws of the PRC

“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
“Director(s)”	the director(s) of the Company
“East Asia (China)”	East Asia Bank (China) Company Limited, Wuhan Branch (東亞銀行(中國)有限公司武漢分行), a limited liability company incorporated under the laws of the PRC
“Entrustment Loan Assignment Agreement”	an entrustment loan assignment agreement dated 9 July 2010 and entered into among BOCOM International Trust, Forte Investment, Wuhan Zhongbei and East Asia (China), whereby Forte Investment has agreed to assign to BOCOM International Trust the Entrustment Loan pursuant to the terms and conditions thereof
“Entrustment Loan “	a loan in an amount of RMB566,000,000 (equivalent to approximately HK\$650,514,895) advanced to Wuhan Zhongbei by Forte Investment via an entrustment loan arrangement established by East Asia (China) pursuant an entrustment loan agreement dated 7 August 2009 and entered into among Forte Investment, East Asia (China) and Wuhan Zhongbei
“Forte Investment”	Shanghai Forte Investment Management Co., Ltd. (上海復地投資管理有限公司), a limited liability company incorporated under the laws of the PRC
“Group”	the Company and its subsidiaries
“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
“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 lawfully currency of the PRC
“Shanghai Yuyuan”	Shanghai Yuyuan Tourist Mart Real Estate Development Co., Ltd. (上海豫園商城房地產發展有限公司), a limited liability company incorporated under the laws of the PRC

“Wuhan Zhongbei”

Wuhan Zhongbei Real Estate Development Co., Ltd.
(武漢中北房地產開發有限公司), a limited liability company
incorporated under the laws of the PRC

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

9 July 2010, Shanghai, the PRC

As at the date of this announcement, the executive Directors of the Company are Mr. Fan Wei, Mr. Zhang Hua 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*