

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

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)

ANNOUNCEMENT

**DISCLOSEABLE TRANSACTION IN RELATION TO
ACQUISITION OF A 50% EQUITY INTEREST IN TARGET CO. AND
ASSIGNMENT OF SHAREHOLDER'S LOAN**

On 19 August 2010, Forte Investment, a subsidiary of Forte, Chongqing Yukaifa, and the Target Co. entered into a Cooperation Agreement, pursuant to which Chongqing Yukaifa will transfer its 50% equity interest in the Target Co. and assign RMB200,000,000 (equivalent to approximately HK\$228,866,994) of the Shareholder's Loan to Forte Investment for a total consideration of RMB663,000,000 (equivalent to approximately HK\$758,694,085).

Upon completion of the Cooperation Agreement, each of Chongqing Yukaifa and Forte Investment will own 50% equity interest of the Target Co., and the Shareholder's Loan will be owned by Chongqing Yukaifa and Forte Investment on a 50%:50% basis.

Pursuant to the Cooperation Agreement, Chongqing Yukaifa will be entitled to receive the Dividend in Priority, after which Chongqing Yukaifa and Forte Investment shall receive dividend in accordance with their respective equity interest holding in the Target Co.. In order to guarantee Chongqing Yukaifa receiving the Dividend in Priority, Forte Investment shall in accordance with the conditions of the Cooperation Agreement, pay Chongqing Yukaifa the Guarantee Fee.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Transaction exceed 5% but less than 25%, the Transaction constitutes a discloseable transaction of Forte under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, but exempt from shareholders' approval requirements under the Listing Rules.

COOPERATION AGREEMENT

Date:	19 August 2010
Parties:	(1) Forte Investment; (2) Chongqing Yukaifa; and (3) Target Co.
Registered capital of the Target Co.:	RM300,000,000 (equivalent to approximately HK\$343,300,491), which is fully paid by Chongqing Yukaifa
Total asset value of the Target Co.:	RMB699,696,076 (equivalent to approximately HK\$800,686,688)
Net profits of the Target Co.:	No net profits attributable to the Target Co. as the Project has not yet commenced
Business of the Target Co.:	Principally engage in the development of the Project on the Land

Terms of the Cooperation Agreement

Under the Cooperation Agreement, Chongqing Yukaifa will transfer its 50% equity interest in the Target Co. and assign RMB200,000,000 (equivalent to approximately HK\$228,866,994) of the Shareholder's Loan to Forte Investment for a total consideration of RMB663,000,000 (equivalent to approximately HK\$758,694,085).

Pursuant to the Cooperation Agreement, Chongqing Yukaifa will be entitled to receive a dividend of RMB466,000,000 (equivalent to approximately HK\$533,260,096) in priority against Forte Investment ("Dividend in Priority"), after which Chongqing Yukaifa and Forte Investment shall receive dividend in accordance with their respective equity interest holding in the Target Co..

Upon completion of the transfer of a 50% equity interest in the Target Co. to Forte Investment, Forte Investment shall not consolidate the accounts of the Target Co. into the accounts of Forte Investment pursuant to the Cooperation Agreement.

Save as disclosed above, to the best knowledge, information and belief of the directors of Forte having made all reasonable enquiry, each of Chongqing Yukaifa, the Target Co. and their respective ultimate beneficial owner(s) is an independent third party, not connected with Forte or its connected persons.

The Cooperation Agreement was concluded after arm's length negotiations and is on normal commercial terms.

Consideration and Payment terms

The aggregate value of the consideration for the Transaction is RMB663,000,000 (equivalent to approximately HK\$758,694,085), which will be settled by three instalments as follows:

- (i) the first instalment of the consideration with the value of RMB265,200,000 (equivalent to approximately HK\$303,477,634) shall be paid by Forte Investment to Chongqing Yukaifa within 10 days after the signing of the Cooperation Agreement. Within 10 business days of receipt of the first instalment of the consideration by Chongqing Yukaifa, 20% of the shareholding of the Target Co. shall be transferred to Forte Investment;
- (ii) the second instalment of the consideration with the value of RMB198,900,000 (equivalent to approximately HK\$227,608,225) shall be paid by Forte Investment to Chongqing Yukaifa before 25 December 2010. Within 10 business days of receipt of the second instalment of the consideration by Chongqing Yukaifa, 30% of the shareholding of the Target Co. shall be transferred to Forte Investment. Upon the registration of such share transfer, Forte Investment shall own 50% of the shareholding in the Target Co.; and
- (iii) the third instalment of the consideration with the value of RMB198,900,000 (equivalent to approximately HK\$227,608,225) shall be paid by Forte Investment to Chongqing Yukaifa before 25 December 2011.

If the transfer of the 20% of the shareholding in the Target Co. does not complete within the agreed time pursuant to the Cooperation Agreement due to the fault of Chongqing Yukaifa, Forte Investment shall delay its payment of the second instalment of the consideration. If the transfer of the remaining 30% of the shareholding in the Target Co. does not complete within the agreed time pursuant to the Cooperation Agreement due to the fault of Chongqing Yukaifa, Forte Investment shall delay its payment of the third instalment of the consideration.

Basis of the Determination of Consideration

The consideration under the Cooperation Agreement is determined on the following basis:

- (i) the Equity Transfer Price;
- (ii) the Price for Assigned Debt Rights; and
- (iii) the Guarantee Fee.

A valuation report in respect of the Land is being prepared by an independent valuer.

Dividend in Priority

Pursuant to the Cooperation Agreement, Chongqing Yukaifa shall be entitled to receive the Dividend in Priority unless Forte Investment has not received the 50% shareholding in the Target Co. as contemplated under the Cooperation Agreement. In the event that Chongqing Yukaifa has not received the Dividend in Priority, Forte Investment shall compensate Chongqing Yukaifa 50% of the outstanding amount of the Dividend in Priority. Forte Investment cannot seek for compensation or indemnity for such losses from the Target Co. after paying the above compensation.

Upon the holding of 50% equity interest in the Target Co. by Forte Investment, Forte Investment shall pledge its 50% equity interest in the Target Co. to Chongqing Yukaifa as a guarantee for the Dividend in Priority.

Chongqing Yukaifa shall use 50% of the Dividend in Priority to repay Forte Investment the Guarantee Fee.

Termination of the Cooperation Agreement

The Target Co. shall procure the national land department to deliver the cleared Land to the Target Co. in accordance with the scheduled time. If the national land department delays delivery of the Land, and is unable to deliver the Land to the Target Co. by 25 December 2010, Forte Investment has the right to terminate the Cooperation Agreement, within 5 business days, Chongqing Yukaifa and the Target Co. shall refund all the amounts already paid by Forte Investment in full, and the cost of funds used, shall be calculated in accordance with the one year deposit base rate issued by the People's Bank of China over the same period.

If Forte Investment chooses to continue with the performance of the Cooperation Agreement despite the Land is not delivered by 25 December 2010, Forte Investment shall pay Chongqing Yukaifa RMB138,000,000 (equivalent to approximately HK\$157,918,226) of the Equity Transfer Price before 28 December 2010. Within 5 business days of receipt of the above sum by Chongqing Yukaifa, it shall transfer its 30% equity interest in the Target Co. to Forte Investment. The payment time for the Shareholder's Loan as comprised in the second instalment of the consideration pursuant to the Cooperation Agreement shall be delayed to the actual delivery date of the Land.

INFORMATION OF THE PARTIES

Forte

The principal activities of Forte are 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 Forte. It is principally engaged in investment management and real estate management.

Chongqing Yukaifa

Chongqing Yukaifa is a company limited by shares incorporated under the laws of the PRC. It is principally engaged in property development, distribution, leasing and information consulting services, as well as related construction business and venue leasing services

Target Co.

Target Co. is a limited liability company incorporated under the laws of the PRC. It is principally engaged in the development of the Project on the Land.

REASONS FOR THE JOINT INVESTMENT IN THE TARGET CO.

Forte is of the view that the Transaction will be a viable investment and is in line with its group strategy. The Transaction will strengthen the cooperation with industrial partners and prepare Forte for future growth opportunities.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Transaction exceed 5% but less than 25%, the Transaction constitutes a discloseable transaction of Fosun under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, but exempt from shareholders' approval requirements under the Listing Rules.

General

Forte

The directors of Forte are of the view that the terms of the Joint Investment Agreement (i) have been negotiated on an arm's length basis; and (ii) are on normal commercial terms and 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, Chongqing Yukaifa, the Target Co. and their respective ultimate beneficial owner(s) within a 12-month period prior to the date of this announcement or otherwise related, which would be, together with the Transaction, regarded as a series of transactions and treated as if they are one transaction under Rule 14.22 of the Listing Rules.

DEFINITIONS

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

“Chongqing Yukaifa”	Chongqing Yukaifa Company Limited (重慶渝開發股份有限公司), a company limited by shares incorporated under the laws of the PRC
“Cooperation Agreement”	the cooperation agreement entered into between Forte Investment, Chongqing Yukaifa and the Target Co. on 19 August 2010
“Dividend in Priority”	a profit distribution of RMB466,000,000 (equivalent to approximately HK\$533,260,096) in the Target Co., which Chongqing Yukaifa will be entitled to receive in priority against Forte Investment
“Equity Transfer Price”	RMB230,000,000 (equivalent to approximately HK\$263,197,043), being the consideration for the transfer of a 50% equity interest in the Target Co. from Chongqing Yukaifa to Forte Investment
“Forte”	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
“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
“Guarantee Fee”	the guarantee fee of RMB233,000,000 (equivalent to approximately HK\$266,630,048) to be paid by Forte Investment to Chongqing Yukaifa in order to guarantee that Chongqing Yukaifa will receive Dividend in Priority
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Land”	the piece of land located in between of Nanping City and New Tea Garden, in Nanshan Huangjueya, Chongqing, PRC and measuring 955.48 acres in total
“Listing Rules”	the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange
“PRC”	the People’s Republic of China
“Price for Assigned Debt Rights”	RMB200,000,000 (equivalent to approximately HK\$228,866,994), being the consideration for the assignment of RMB200,000,000 (equivalent to approximately HK\$228,866,994) of the Shareholder’s Loan from Chongqing Yukaifa to Forte Investment
“Project”	the property development project engaged by the Target Co. on the Land
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder’s Loan”	the loans in the total amount of RMB400,021,260 (equivalent to approximately HK\$457,758,316) provided by Chongqing Yukaifa to the Target Co. as at the Transaction Date
“Target Co.”	Chongqing LangFu Property Company Limited (重慶朗福置業有限公司), a limited liability company incorporated under the laws of the PRC
“Transaction”	the joint investment in the Target Co. by Forte Investment and Chongqing Yukaifa pursuant to the Cooperation Agreement, under which Chongqing Yukaifa will transfer its 50% equity interest in the Target Co. and assign RMB200,000,000 (equivalent to approximately HK\$228,866,994) of the Shareholder’s Loan to Forte Investment
“Transaction Date”	19 August 2010, being the date of execution of the Cooperation Agreement
“%”	per cent.

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

19 August 2010, Shanghai, the PRC

As at the date of this announcement, the executive directors of Forte 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.

Unless otherwise stated, amounts in RMB have been translated into HK\$ at the exchange rate of HK\$1.00 to RMB0.87387 for illustration purpose only. No representation has been made that any amount in RMB or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

* *For identification purpose only*