
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Composite Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a 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 Composite Document together with the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the provisions of which form part of the terms of the H Share Offer contained herein.

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These materials are not an offer for sale of the Forte Shares in the United States. The Forte Shares have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be sold in the United States absent registration or an exemption from registration under the Securities Act.

FOSUN 复星
FOSUN INTERNATIONAL LIMITED
*(Incorporated in Hong Kong with limited liability
under the Companies Ordinance)*
(Stock Code: 00656)

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)

COMPOSITE OFFER AND RESPONSE DOCUMENT

VOLUNTARY CONDITIONAL OFFER BY STANDARD CHARTERED BANK (HONG KONG) LIMITED ON BEHALF OF

**FOSUN INTERNATIONAL LIMITED
FOR ALL THE ISSUED H SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD BY
FOSUN INTERNATIONAL LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

**VOLUNTARY CONDITIONAL OFFER
BY FOSUN INTERNATIONAL LIMITED
FOR ALL THE ISSUED DOMESTIC SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD BY
FOSUN INTERNATIONAL LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

PROPOSED WITHDRAWAL OF LISTING OF SHANGHAI FORTE LAND CO., LTD.

Financial adviser to Fosun International Limited



Standard Chartered Bank (Hong Kong) Limited
**Independent Financial Adviser to the Independent Board Committee of
Shanghai Forte Land Co., Ltd.**



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document. A letter from the board of Fosun is set out on pages 6 to 9 of this Composite Document. A letter from Standard Chartered Bank, containing amongst other things, the terms of the H Share Offer, is set out on pages 10 to 17 of this Composite Document. A letter from the board of Forte is set out on pages 18 to 24 of this Composite Document. A letter from the Independent Board Committee containing its recommendation to the Independent H Shareholders in respect of the H Share Offer and the withdrawal of listing of the H Shares is set out on pages 25 to 26 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the H Share Offer and the withdrawal of listing of the H Shares is set out on pages 27 to 49 of this Composite Document.

The procedures for acceptance and settlement of the H Share Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances of the H Share Offer contained herein should be received by the Registrar by no later than 4:00 p.m. on Thursday, 21 April 2011 or such later time or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.

The H Share Class Meeting convened to approve the voluntary withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange, will be held at 10:00 a.m. on Monday, 11 April 2011. A notice of the H Share Class Meeting is set out in Appendix V. A proxy form for use at the H Share Class Meeting is enclosed with this Composite Document. Whether or not you are able to attend the H Share Class Meeting, you are strongly urged to complete the accompanying proxy form in accordance with the instructions printed thereon and return the proxy form to the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 10:00 a.m. on Sunday, 10 April 2011 or not less than 24 hours before the time appointed for any adjournment of the H Share Class Meeting and return of the proxy form will not preclude you from attending and voting in person at the H Share Class Meeting or any adjourned meeting should you so wish. A reply slip for the H Share Class Meeting is also enclosed. You are reminded to complete and sign the reply slip (if you are entitled to attend the H Share Class Meeting) and return the signed reply slip to the Registrar on or before Monday, 21 March 2011 in accordance with the instructions printed thereon.

* For identification purpose only

25 February 2011

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DEFINITIONS

In this Composite Document, the following expressions have the meanings set out below unless the context requires otherwise:

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| “acting in concert” | has the meaning given to it in the Takeovers Code, and “parties acting in concert” and “concert parties” shall be construed accordingly |
| “Accepting Forte H Shareholder(s)” | the Forte H Shareholders who accept the H Share Offer by duly completing and returning the Form of Acceptance |
| “associate(s)” | has the meaning given to it in the Takeovers Code |
| “Authorisations” | all necessary authorisations, registrations, filings, rulings, consents, permissions, waivers, exemptions and approvals required from the Relevant Authorities or other third parties which are necessary for Forte to carry on its business |
| “Business Day” | a day (other than Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “Composite Document” | this composite offer and response document relating to the H Share Offer |
| “Domestic Share(s)” | ordinary share(s) of par value of RMB0.20 each in the share capital of Forte |
| “Domestic Share Offer” | the voluntary conditional offer made by the Offeror to acquire all of the issued Domestic Shares (other than those already owned by the Offeror and parties acting in concert with it but including the Domestic Shares held by Dahua (Group) Company Limited) |
| “Executive” | the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director |
| “First Closing Date” | Thursday, 21 April 2011 (or such later date(s) as the Offeror may, subject to the rules of the Takeovers Codes, decide), being the first closing date for the H Share Offer |
| “Form of Acceptance” | the form of acceptance and transfer in respect of the H Share Offer which accompanies this Composite Document |
| “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 whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 02337) |
| “Forte Domestic Shareholder(s)” | holders of the Domestic Shares |
| “Forte Group” | Forte and its subsidiaries |
| “Forte H Shareholder(s)” | holders of the H Shares |
| “Forte Shares” | the Domestic Shares and H Shares |
| “Forte Shareholder(s)” | holders of Forte Shares |
| “Fosun Group” | Fosun and its subsidiaries |

DEFINITIONS

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| “H Shares” | ordinary share(s) of par value of RMB0.20 each in the issued share capital of Forte which are listed and traded on the Hong Kong Stock Exchange |
| “H Share Class Meeting” | the extraordinary general meeting of the Independent H Shareholders to be convened, and any adjournment thereof for the purpose of approving the withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange |
| “H Share Conditions” | the conditions of the H Share Offer, as set out under the paragraph headed “Conditions of the H Share Offer” in the “Letter from Standard Chartered Bank” of this Composite Document |
| “H Share Offer” | the voluntary conditional offer made by Standard Chartered Bank on behalf of Fosun to acquire all of the issued H Shares other than those already owned by Fosun and parties acting in concert with it |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Independent Board Committee” | the independent board committee of Forte, comprising Mr. Feng Xiekun (being non-executive director of Forte), Mr. Charles Nicholas Brooke, Mr. Chen Yingjie, Mr. Zhang Hongming and Ms. Wang Meijuan (being independent non-executive directors of Forte) |
| “Independent Domestic Shareholder” | Forte Domestic Shareholder other than the Offeror or parties acting in concert with it |
| “Independent H Shareholder(s)” | Forte H Shareholder(s) other than the Offeror or parties acting in concert with it |
| “Independent Shareholders” | Independent Domestic Shareholder and Independent H Shareholders |
| “Irrevocable Undertaking” | the irrevocable undertaking dated 23 February 2011 given by Mr. Wong in favour of Fosun |
| “Joint Announcement” | the joint announcement issued jointly by Fosun and Forte on 20 January 2011 in connection with the Offers |
| “Last Trading Day” | 17 January 2011, being the last full trading day in the H Shares immediately before the suspension of trading in the H Shares pending publication of the Joint Announcement |
| “Latest Practicable Date” | 22 February 2011, being the latest practicable date prior to the printing of the Composite Document for the purpose of ascertaining certain information contained in this Composite Document |
| “Listing Rules” | the Rules Governing the Listing of Securities on Hong Kong Stock Exchange |

DEFINITIONS

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| “Mr. Wong” | Mr. Wong Sung Kau, who holds 79,372,000 H Shares as at the Latest Practicable Date, excluding the interests of his spouse |
| “Offeror” or “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 on the Main Board of the Hong Kong Stock Exchange (stock code: 00656) |
| “Offers” | the H Share Offer and the Domestic Share Offer |
| “Offer Period” | the period commencing from the date of the Joint Announcement until the later of (i) the date of the H Share Offer closes for acceptances, (ii) the date when the H Share Offer lapses and (iii) the date when an announcement is made of the withdrawal of the H Share Offer |
| “PRC” | the People’s Republic of China. Except where the context otherwise requires, references in this Composite Document to the PRC do not include Hong Kong or Macau Special Administrative Regions or Taiwan |
| “Relevant Authorities” | applicable governments or governmental bodies, regulatory bodies, courts or institutions including but not limited to the SFC and the Hong Kong Stock Exchange |
| “Registrar” | Computershare Hong Kong Investor Services Limited whose address is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, being the share registrar of Forte for receiving and processing the acceptances of the H Share Offer from Forte H Shareholders |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Somerley” or “Independent Financial Adviser” | Somerley 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 as defined under the SFO, the independent financial adviser appointed to advise the Independent Board Committee in respect of the H Share Offer and the withdrawal of listing of the H Shares |
| “SFC” | Securities and Futures Commission |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as revised from time to time) |
| “Standard Chartered Bank” | Standard Chartered Bank (Hong Kong) Limited, the financial adviser to the Offeror. Standard Chartered Bank is a licensed corporation under the SFO, 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 as defined under the SFO |
| “Takeovers Code” | Hong Kong Code on Takeovers and Mergers (as revised from time to time) |
| “Unconditional Date” | the date on which the H Share Offer becomes or is declared unconditional in all respects |

EXPECTED TIMETABLE

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| Despatch date of this Composite Document | Friday, 25 February 2011 |
| Opening date of the H Share Offer (Note 1) | Friday, 25 February 2011 |
| Latest time for lodging transfers of the H Shares in order to be entitled to attend and vote at the H Share Class Meeting | 4:30 p.m. on Friday, 11 March 2011 |
| Closure of the register of Forte for the determination of entitlements of the Independent H Shareholders to attend and vote at the H Share Class Meeting | Saturday, 12 March 2011 to Monday, 11 April 2011 (both days inclusive) |
| Last day for return of reply slip for the H Share Class Meeting (Note 2) | Monday, 21 March 2011 |
| Latest time for lodging proxy form in respect of the H Share Class Meeting (Note 3) | 10:00 a.m. on Sunday, 10 April 2011 |
| Record date for the H Share Class Meeting | Monday, 11 April 2011 |
| H Share Class Meeting | 10:00 a.m. on Monday, 11 April 2011 |
| Announcement of the results of the H Share Class Meeting on the website of the Hong Kong Stock Exchange | Monday, 11 April 2011 |
| Latest time for acceptance of the H Share Offer on the First Closing Date (Note 4) | 4:00 p.m. on Thursday, 21 April 2011 |
| First Closing Date (Note 5) | Thursday, 21 April 2011 |
| Announcement of the results of the H Share Offer as at the First Closing Date on the website of the Hong Kong Stock Exchange | by 7:00 p.m. on Thursday, 21 April 2011 |
| Latest date for posting of remittances for the amounts due under the H Share Offer in respect of valid acceptances received at or before the latest time for acceptances of the H Share Offer on the First Closing Date (assuming the H Share Offer becomes or is declared unconditional on the First Closing Date) (Note 6) | Friday, 29 April 2011 |
| Last day of trading the H Shares on the Hong Kong Stock Exchange | Friday, 6 May 2011 |
| Withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange (Note 7) | 9:00 a.m. on Friday, 13 May 2011 |
| Latest time and date for the H Share Offer remaining open for acceptance (assuming the H Share Offer becomes or is declared unconditional on the First Closing Date) and closing of the H Share Offer (Note 8) | 4:00p.m. on Thursday, 19 May 2011 |

EXPECTED TIMETABLE

Latest time and date for posting of remittances for the amounts due under the H Share Offer in respect of valid acceptances received at or before the latest time for acceptances of the H Share Offer on 19 May 2011 (being the latest date which the H Share Offer remains open for acceptance assuming the H Share Offer becomes or is declared unconditional on the First Closing Date) (Note 6) Friday, 27 May 2011

Notes:

- (1) The H Share Offer is made on Friday, 25 February 2011, the date of posting of this Composite Document, and is capable of being accepted on and from that date.
- (2) Reply slip should be duly completed and returned to Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than Monday, 21 March 2011 (i.e. 20 clear days prior to the date of convening of the H Share Class Meeting). Failure to return the reply slip will not affect Forte H Shareholders' right to attend the H Share Class Meeting.
- (3) Proxy form should be deposited with Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event by the time stated above, in order to be valid. Completion and return of a proxy form for the H Share Class Meeting will not preclude an Independent H Shareholder from attending the H Share Class Meeting, or from attending the H Share Class Meeting and voting in person if he/she/it so wishes and if such Independent H Shareholder has notified Forte not less than 24 hours in writing before the time appointed for any adjournment of the H Share Class Meeting. In such event, the returned proxy form will be deemed to have been revoked.
- (4) Unless the H Share Offer has previously become or been declared unconditional, revised or extended, the latest time and date for acceptance of the H Share Offer is 4:00 p.m. on the First Closing Date. Please refer to Appendix I to this Composite Document for additional information on how to accept the H Share Offer.
- (5) Fosun reserves the right to extend the H Share Offer until such time and/or date as it may determine and in accordance with the Takeovers Code. Fosun will issue an announcement, stating whether the H Share Offer has been revised or extended, has expired or has become or been declared unconditional (as to acceptances or in all respects).
- (6) Pursuant to Rule 20.1 of the Takeovers Code, settlement in cash in respect of acceptances of the H Share Offer will be made within 10 days of the later of the Unconditional Date and the date on which the H Shares are tendered for acceptance of the H Share Offer. Relevant documents of title must be received by the Registrar to render each acceptance of the H Share Offer complete and valid.
- (7) It is currently expected that the withdrawal of listing of the H Shares from the Hong Kong Stock Exchange would happen at 9:00 a.m. on 13 May 2011, subject to the satisfaction of any conditions for delisting such securities from the Hong Kong Stock Exchange, and receipt of any regulatory approvals required for such delisting.
- (8) In accordance with Rule 15.3 of the Takeovers Code, where the H Share Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days' notice in writing must be given before the H Share Offer is closed to the Independent H Shareholders who have not accepted the H Share Offer if the announcement to extend the H Share Offer does not state the next closing date. Fosun will extend the 14-day period under Rule 15.3 of the Takeovers Code to 28 calendar days.

Unless otherwise indicated, all time references contained in this Composite Document are to Hong Kong time.

LETTER FROM THE BOARD OF FOSUN

FOSUN 复星
FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 00656)

Executive Directors:

Guo Guangchang (*Chairman*)
Liang Xinjun (*Vice Chairman and Chief Executive Officer*)
Wang Qunbin (*President*)
Fan Wei (*Co-President*)
Ding Guoqi
Qin Xuetao
Wu Ping

Registered Office:

Room 808, ICBC Tower
3 Garden Road
Central, Hong Kong

Principal Office:

No. 2 East Fuxing Road
Shanghai 200010
PRC

Non-Executive Director:

Liu Benren

Independent Non-Executive Directors:

Chen Kaixian
Zhang Shengman
Andrew Y. Yan

25 February 2011

To the Independent Shareholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL OFFER
BY STANDARD CHARTERED BANK (HONG KONG) LIMITED
ON BEHALF OF
FOSUN INTERNATIONAL LIMITED
FOR ALL THE ISSUED H SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD
BY FOSUN INTERNATIONAL LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

**VOLUNTARY CONDITIONAL OFFER
BY FOSUN INTERNATIONAL LIMITED
FOR ALL THE ISSUED DOMESTIC SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD
BY FOSUN INTERNATIONAL LIMITED AND PARTIES ACTING IN CONCERT WITH IT)
PROPOSED WITHDRAWAL OF LISTING OF
SHANGHAI FORTE LAND CO., LTD.**

1. INTRODUCTION

On 20 January 2011, Fosun and Forte jointly announced that:

- (a) Standard Chartered Bank, on behalf of Fosun, will make a voluntary conditional offer to acquire all of the issued H Shares (other than those already held by Fosun and parties acting in concert with it); and

LETTER FROM THE BOARD OF FOSUN

- (b) subject to the H Share Offer becoming unconditional in all respects, Fosun will make a voluntary conditional offer to acquire all of the issued Domestic Shares (other than those already held by Fosun and parties acting in concert with it but including the Domestic Shares held by Dahua (Group) Company Limited).

This letter forms part of the Composite Document and sets out certain background information on Fosun, explains why we are making the Offers and our intention in relation to the Forte Group. Further details of the terms of the Offers are set out under the paragraphs headed “The H Share Offer”, “Conditions of the H Share Offer”, “The Domestic Share Offer” and “Conditions of the Domestic Share Offer” in the “Letter from Standard Chartered Bank” which immediately follows this letter in this Composite Document, and details of the procedures for acceptance of the H Share Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance.

Terms defined in the Composite Document have the same meaning when used in this letter.

2. INFORMATION ON THE FOSUN GROUP

Fosun was incorporated in Hong Kong with limited liability on 24 December 2004. Fosun was listed on the Hong Kong Stock Exchange on 16 July 2007, trading under the stock code 00656. The principal activities of Fosun are (i) pharmaceuticals, (ii) property development, (iii) steel, (iv) mining and (v) retail, services and strategic investments.

The holding company and the ultimate holding company of Fosun are Fosun Holdings Limited and Fosun International Holdings Ltd. which are incorporated in Hong Kong and the British Virgin Islands, respectively. Fosun International Holdings Ltd. is owned as to 58%, 22%, 10% and 10% by Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin and Mr. Fan Wei, respectively. Mr. Guo Guangchang and Mr. Fan Wei are also the directors of Forte. Fosun Holdings Limited currently holds 78.24% of the total issued share capital of Fosun. Mr. Guo Guangchang is the sole director of Fosun Holdings Limited and Fosun International Holdings Ltd.. Fosun Holdings Limited is wholly owned by Fosun International Holdings Ltd..

Save as disclosed below, to the best of the Offeror’s directors’ knowledge, information and belief having made all reasonable enquiry, the Forte H Shareholders (other than the Offeror and the parties acting in concert with it) and the Forte Domestic Shareholders (other than the Offeror and parties acting in concert with it) are third parties independent of the Offeror and connected persons of the Offeror.

Dahua (Group) Company Limited, one of the Forte Domestic Shareholders, currently holds more than 10% of two of the subsidiaries of Forte and as such it is a substantial shareholder (as defined in the Listing Rules) of the Fosun Group, and hence a connected person of the Fosun Group pursuant to Chapter 14A of the Listing Rules. The making of the Domestic Share Offer by the Offeror to Dahua (Group) Company Limited constitutes a connected transaction of the Offeror but is exempt from the reporting, announcement and independent shareholders’ approval requirements pursuant to Rule 14A.31(9) of the Listing Rules.

Dahua (Group) Company Limited is presumed, for the purpose of the Takeovers Code, to be a party acting in concert with the Offeror. Fosun has submitted an application to rebut such presumption, however, the Executive has indicated that it will not grant the requested ruling. As such, Dahua (Group) Company Limited will remain as a presumed concert party of the Offeror.

3. H SHARE OFFER

For further details of the H Share Offer, please refer to the “Letter from Standard Chartered Bank” which immediately follows this letter in this Composite Document.

LETTER FROM THE BOARD OF FOSUN

4. DOMESTIC SHARE OFFER

For further details of the Domestic Share Offer, please refer to the “Letter from Standard Chartered Bank” which immediately follows this letter in this Composite Document.

5. REASONS FOR AND BENEFITS OF THE OFFERS

Forte’s principal activities are the development and sale of high quality commercial and residential properties in the PRC. In order for Forte to continue to successfully grow, Forte will require access to substantial funding going forward. Fosun believes that Forte’s status as a listed company is an impediment to Forte’s future success, for the following reasons:

- as a PRC-incorporated company with H Shares listed on the Hong Kong Stock Exchange, Forte’s ability to raise funds offshore, including by way of offshore bank loans, international bond issuance and equity offering, is limited;
- the ability for Fosun to contribute substantial amounts of capital to Forte is constrained by the Listing Rules requirements on connected transactions between a company and its controlling shareholder; and
- consequently, Forte’s current financial gearing levels are relatively high compared to its industry peers listed on the Hong Kong Stock Exchange, further impairing Forte’s ability to obtain financing on commercially attractive terms.

Upon the completion of the Offers, Fosun believes that the following benefits can be achieved:

- Forte will be better positioned to fund larger property development projects through leveraging Fosun’s greater financial strength, including the latter’s access to more competitive financing terms for raising funds in both the onshore and offshore bank and capital markets;
- the provision of intra-group funding will be facilitated, in particular, if and when Forte becomes a wholly-owned subsidiary of Fosun; and
- costs and management resources associated with the maintenance of Forte’s listing on the main board of the Hong Kong Stock Exchange will be eliminated.

For Forte H Shareholders, Fosun believes that the H Share Offer provides a compelling opportunity to dispose of their H Shares, for the following reasons:

- **Premium valuation;** Forte H Shareholders receive cash at a price significantly above the prevailing market price as set out in the section headed “Comparisons of value” in the “Letter from Standard Chartered Bank” which immediately follows this letter;
- **Certain and immediate value;** considering the limited trading volume in the H Shares, the H Share Offer represents an opportunity for Forte H Shareholders to exit their investment for cash proceeds; and
- **Avoidance of funding uncertainty;** as set out above, Forte’s ability to fund future growth is constrained if it continues to carry on as a listed company.

The directors of Fosun believe that the terms of the Offers and the transactions contemplated thereunder are fair and reasonable and in the interests of the shareholders of Fosun as a whole.

6. OUR INTENTION WITH RESPECT TO FORTE

Fosun intends to continue with the existing business of Forte Group, and does not intend to make any material changes to the current business operations of Forte Group or to redeploy any fixed assets of Forte Group following completion of the Offers. It is also the intention of Fosun that there will not be any material changes in the management or the continued employment of the employees of Forte Group as a result of the Offers.

LETTER FROM THE BOARD OF FOSUN

7. NO RIGHT OF COMPULSORY ACQUISITION

We have no rights under the laws of the PRC and the Articles of Association of Forte to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Hong Kong Stock Exchange. In addition, Forte may not continue to be subject to the Takeovers Code after the completion of the Offers.

For further information, please refer to the “Letter from Standard Chartered Bank” which forms part of this Composite Document.

8. DISCLOSEABLE TRANSACTION

As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Offers exceed 5% but are less than 25%, the Offers and the transactions contemplated thereunder will constitute a discloseable transaction of Fosun under the Rule 14.08 of the Listing Rules.

9. WITHDRAWAL OF LISTING OF THE H SHARES

Upon the H Share Offer becoming unconditional, Forte will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.12 of the Listing Rules. The Forte Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the withdrawal of the listing of the H Shares on the Hong Kong Stock Exchange will become effective. The Offeror and the parties acting in concert with the Offeror will abstain from voting at the H Share Class Meeting in accordance with Rule 2.2 of the Takeovers Code.

10. OTHER INFORMATION

Your attention is drawn to the “Letter from Standard Chartered Bank” which immediately follows this letter in this Composite Document, as well as the other information set out in the rest of this Composite Document.

Yours faithfully,
For and on behalf of
Fosun International Limited
Guo Guangchang
Chairman

LETTER FROM STANDARD CHARTERED BANK



25 February 2011

To the Independent Shareholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL OFFER
BY STANDARD CHARTERED BANK (HONG KONG) LIMITED
ON BEHALF OF
FOSUN INTERNATIONAL LIMITED
FOR ALL THE ISSUED H SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD
BY FOSUN INTERNATIONAL LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

**VOLUNTARY CONDITIONAL OFFER
BY FOSUN INTERNATIONAL LIMITED
FOR ALL THE ISSUED DOMESTIC SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD
BY FOSUN INTERNATIONAL LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

**PROPOSED WITHDRAWAL OF LISTING OF
SHANGHAI FORTE LAND CO., LTD.**

1. INTRODUCTION

On 20 January 2011, Fosun and Forte jointly announced that:

- (a) Standard Chartered Bank, on behalf of Fosun, will make a voluntary conditional offer to acquire all of the issued H Shares (other than those already held by Fosun and parties acting in concert with it); and
- (b) subject to the H Share Offer becoming unconditional in all respects, Fosun will make a voluntary conditional offer to acquire all of the issued Domestic Shares (other than those already held by Fosun and parties acting in concert with it but including the Domestic Shares held by Dahua (Group) Company Limited).

This letter forms part of the Composite Document and sets out the details of the principal terms of the Offers, together with information relating to Fosun and the intentions of Fosun in relation to the Forte Group. Further details of the terms of the Offers are set out under the paragraphs headed "The H Share Offer", "Conditions of the H Share Offer", "The Domestic Share Offer" and "Conditions of the Domestic Share Offer" below, and details of the procedures for acceptance of the H Share Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance.

Your attention is also drawn to the letter from the board of Forte, the letter from the Independent Board Committee and the letter from the Independent Financial Adviser in this Composite Document.

Terms defined in the Composite Document have the same meaning when used in this letter.

2. THE H SHARE OFFER

2.1 Consideration for the H Share Offer

We are making the H Share Offer for and on behalf of Fosun on the following basis:

For each H Share HK\$3.50 in cash

LETTER FROM STANDARD CHARTERED BANK

Fosun will not increase the consideration for the H Share Offer as set out above. You should be aware that, following the making of such statement in the Joint Announcement, Fosun will not be permitted to revise the consideration for the H Share Offer as set out above, save in wholly exceptional circumstances and in compliance with Rule 18.3 of the Takeovers Code.

2.2 Comparisons of value

The value which the H Share Offer attributes to each H Share under the H Share Offer represents:

| | Value Comparison per H Share <i>HK\$</i> | Implied Premium of the H Share Offer <i>%</i> |
|---|--|---|
| Closing price on the Latest Practicable Date | 3.420 | 2.3 |
| Closing price on the Last Trading Date | 2.790 | 25.4 |
| Average closing price as quoted on the Hong Kong Stock Exchange for the one week up to and including the Last Trading Date | 2.842 | 23.2 |
| Average closing price as quoted on the Hong Kong Stock Exchange for the one month up to and including the Last Trading Date | 2.654 | 31.9 |
| Average closing price as quoted on the Hong Kong Stock Exchange for the 6 months up to and including the Last Trading Date | 2.397 | 46.0 |
| Average closing price as quoted on the Hong Kong Stock Exchange for the 12 months up to and including the Last Trading Date | 2.272 | 54.0 |
| Unaudited consolidated net asset value per H Share as at 30 June 2010 (for the purpose of the calculation of this metric, the translation of RMB into HK\$ is based on the average exchange rate of 1.1467 on 30 June 2010) | 3.255 | 7.5 |

2.3 Highest and lowest prices

During the period beginning 21 July 2010, being six months prior to the commencement of the Offer Period, and ending on the Latest Practicable Date, the highest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$3.42 on both 15 and 18 February 2011 and the Latest Practicable Date, and the lowest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$2.20 on 12 August 2010.

2.4 Consideration

Based on the offer price of HK\$3.50 per H Share and 729,828,122 H Shares in issue (representing the H Shares not already held by Fosun and parties acting in concert with it) as at the Latest Practicable Date, the maximum value of the H Share Offer (assuming the H Share Offer is accepted in full and there is no change in the share capital of Forte) is approximately HK\$2,554.4 million.

LETTER FROM STANDARD CHARTERED BANK

2.5 Settlement of consideration

Settlement of consideration in respect of acceptances of the H Share Offer will be made as soon as possible but in any event within ten days of the date of receipt of a complete and valid acceptance in respect of the H Share Offer or of the Unconditional Date, whichever is later. Forte H Shareholders should refer to Appendix I headed “Further Terms of the H Share Offer” for additional important information.

2.6 Confirmation of financial resources in respect of the H Share Offer

Fosun will finance such cash consideration for the H Share Offer by funds made available from bank loans.

We are satisfied that sufficient financial resources are available to Fosun to satisfy full acceptance of the Offers.

3. CONDITIONS OF THE H SHARE OFFER

The H Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the passing of a resolution approving the voluntary withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange at the H Share Class Meeting to be convened for this purpose by the Independent H Shareholders, provided that:
 - (i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) minimum valid acceptances of the H Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as Fosun may, subject to the rules of the Takeovers Code, decide) such that, following acquisition of such H Shares, Fosun would hold not less than 90% in nominal value of the H Shares carrying voting rights then exercisable at a general meeting of the Forte H Shareholders;
- (c) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the H Share Offer (including its implementation) having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;
- (d) all necessary third party consents in relation to the H Share Offer required pursuant to any agreement to which any member of the Forte Group is a party (where any failure to obtain a consent would have a material adverse effect on the business of the Forte Group taken as a whole) having been obtained or waived by the relevant party(ies);
- (e) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the H Share Offer void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the H Share Offer (other than such orders or decisions as would not have a material adverse effect on the legal ability of Fosun to proceed with or consummate the H Share Offer);
- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any of the Relevant Authorities which is not

LETTER FROM STANDARD CHARTERED BANK

expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws, rules, regulations or codes in connection with the H Share Offer or any matters, documents (including circulars) or things relating thereto, in each case up to and at the time when the H Share Offer becomes unconditional;

- (g) no event having occurred which would make the H Share Offer or the acquisition of any of the H Shares void, unenforceable or illegal or which would prohibit the implementation of the H Share Offer or impose any additional material conditions or obligations with respect to the H Share Offer or any part thereof; and
- (h) since the date of the Joint Announcement up to the Unconditional Date (both days inclusive), there having been no material adverse change in the business, financial or trading position of the Forte Group, taken as a whole.

Fosun reserves the right to waive all or any of the conditions set out above (except for the conditions referred to in paragraphs (a), (c), (e) and (g) above) in whole or in part. Forte does not have the right to waive any of the conditions.

Fosun will not invoke any condition, other than the condition referred to in (b) above, so as to cause the H Share Offer to lapse unless the circumstances which give rise to the right to invoke the condition are of material significance to Fosun in the context of the H Share Offer.

In addition to the conditions set out above, the H Share Offer is made on the basis that acceptance of the H Share Offer by any person will constitute a warranty by such person or persons to Fosun that the H Shares acquired under the H Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever and together with all rights attaching thereto as at the date of the Joint Announcement or subsequently becoming attached to them, and including the right to receive all dividends (whether final or interim) and other distributions, if any, declared, made or paid on or after the date of the Joint Announcement.

The H Share Offer will be made in compliance with the Takeovers Code, which is administered by the Executive.

As of the date of this Composite Document, save for the Irrevocable Undertaking, none of Fosun or parties acting in concert with it has received any irrevocable voting commitment in respect of the H Share Class Meeting and / or any irrevocable commitment to tender into the H Share Offer from any Independent H Shareholder.

4. THE DOMESTIC SHARE OFFER

4.1 Consideration for the Domestic Share Offer

The Domestic Share Offer will be made by Fosun on the following basis:

For each Domestic Share:

The equivalent in cash in RMB of the offer price of the H Share Offer of HK\$3.50 per H Share

For the purpose of this paragraph, the translation of HK\$ into RMB will be based on the average exchange rate of the day on which the Domestic Share Offer becomes unconditional.

Fosun will not increase the consideration for the Domestic Share Offer as set out above.

4.2 Consideration

Based on the equivalent in RMB of the offer price of the H Share Offer of HK\$3.50 per H Share for each Domestic Share and 14,804,300 Domestic Shares in issue (other than those already held by Fosun and parties acting in concert with it but including the Domestic Shares held by Dahua (Group)

LETTER FROM STANDARD CHARTERED BANK

Company Limited) as at the Latest Practicable Date, the maximum value of the Domestic Share Offer (assuming the Domestic Share Offer is accepted in full and there is no change in the share capital of Forte) is approximately RMB 43.8 million. For the purpose of this paragraph, the translation of RMB into HK\$ is based on the exchange rate of 1.1839 as at the Latest Practicable Date.

4.3 Confirmation of financial resources in respect of the Domestic Share Offer

The consideration for the Domestic Share Offer will be funded by Fosun from funds which have been made available to it. Fosun will finance such cash consideration for the Domestic Share Offer by funds made available from existing cash resources. We are satisfied that sufficient financial resources are available to Fosun to satisfy full acceptance of the Offers.

5. CONDITIONS OF THE DOMESTIC SHARE OFFER

The Domestic Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the H Share Offer becoming unconditional in all respects; and
- (b) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the Domestic Share Offer having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions.

Fosun reserves the right to waive all or any of the conditions set out above (except for the condition referred to in paragraph (a) above) in whole or in part. Forte does not have the right to waive any of the conditions.

Note 3 to Rule 14 of the Takeovers Code requires that an offer for one class of equity share capital must be conditional on the offers for other classes of equity share capital becoming or being declared unconditional.

Given that the Domestic Share Offer and the H Share Offer are not interconditional, Fosun has applied to the Executive for, and the Executive has granted a waiver from the requirements under Note 3 to Rule 14 of the Takeovers Code.

6. NO RIGHT OF COMPULSORY ACQUISITION

Fosun has no rights under the laws of the PRC and the Articles of Association of Forte to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Hong Kong Stock Exchange. In addition, Forte may not continue to be subject to the Takeovers Code after the completion of the Offers.

Rule 2.2(c) of the Takeovers Code requires that the resolution to approve the delisting of Forte must be subject to Fosun being entitled to exercise, and exercising, its rights of compulsory acquisition.

Fosun has applied to the Executive for, and the Executive has granted a waiver from the requirements under Rule 2.2(c) of the Takeovers Code.

LETTER FROM STANDARD CHARTERED BANK

Once all of the conditions of the H Share Offer have been either satisfied or, waived by the Offeror, the H Share Offer will be declared unconditional and the H Share Offer will be extended for a subsequent period of 28 calendar days.

7. IRREVOCABLE UNDERTAKING

On 23 February 2011, Mr. Wong executed an Irrevocable Undertaking in favour of Fosun, pursuant to which Mr. Wong undertook to, within five Business Days following the despatch of the Composite Document, accept or procure the acceptance of the H Share Offer, in respect of all the H Shares owned by him as at the date of the Irrevocable Undertaking, and within five Business Days in respect of any H Shares of which he becomes the legal or beneficial owner thereafter. Mr. Wong has also undertaken to, within five Business Days following the despatch of the Composite Document, to complete and return or procure the completion and return of, relevant proxy form, in respect of all the H Shares owned by him as at the date of the Irrevocable Undertaking, and within five Business Days in respect of any H Shares of which he becomes the legal or beneficial owner thereafter and to vote in favour of any resolution proposed by Forte to approve the withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange at any shareholder meeting (“**Resolution**”). As at the Latest Practicable Date, Mr. Wong holds 79,372,000 H Shares, representing approximately 10.88% of the H Shares held by the Independent H Shareholders, approximately 7.52% of the total H Shares and approximately 3.14% of the total Forte Shares.

The Irrevocable Undertaking given by Mr. Wong also provides that unless and until the H Share Offer lapses or is withdrawn, Mr. Wong shall not, among other things:

- (a) accept or undertake to accept any other offer or give any indication to any third party of an intention to accept any offer in any circumstances in respect of all or any of the H Shares held by Mr. Wong, whether conditionally or unconditionally (by whatever means), or vote in favour of (or undertake to vote in favour of) any resolution to approve a compromise or arrangement under the Companies Ordinance with the members and creditors of Forte and any third party other than Fosun or its parent, subsidiaries or fellow subsidiaries or their associated companies (as “associated company” being a company in which a company owns or controls 20% or more of the equity share capital); or
- (b) revoke or amend the proxy form or submit new forms of proxy voting against the Resolution or attend in person or by proxy to attend at the relevant shareholder meetings and vote against the Resolution in respect of all or any of the H Shares owned by him as at the date of the Irrevocable Undertaking and any H Shares of which he will become the legal or beneficial owners thereafter.

The Irrevocable Undertaking does not restrict Mr. Wong from selling, transferring or otherwise disposing of all or any of the H Shares owned by him as at the date of the Irrevocable Undertaking or any H Shares of which he becomes the legal or beneficial owner thereafter.

The Irrevocable Undertaking shall terminate if the H Share Offer lapses or is withdrawn or Mr. Wong ceases to hold any H Shares.

As at the Latest Practicable Date, apart from the Irrevocable Undertaking, Fosun and parties acting in concert with it have not received any irrevocable undertaking from any Forte H Shareholders in connection with the H Share Offer.

LETTER FROM STANDARD CHARTERED BANK

8. GENERAL MATTERS RELATING TO THE H SHARE OFFER

8.1 Availability of the H Share Offer

Fosun intends to make available the H Share Offer to all Forte H Shareholders, including those who are resident outside Hong Kong, to the extent practicable. The availability of the H Share Offer to persons not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

8.2 Further agreements or arrangements

As of the Latest Practicable Date, except for the Irrevocable Undertaking, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Forte Shares or shares of the Offeror which might be material to the H Share Offer.

As of the Latest Practicable Date, there are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the H Share Offer.

As of the Latest Practicable Date, there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Forte which any of the Offeror or parties acting in concert with it has borrowed or lent.

8.3 Completion of the H Share Offer

If the H Share Conditions are not satisfied (or not waived where applicable) on or before the First Closing Date, the H Share Offer will lapse.

In that case, Fosun will issue an announcement in relation to the revision, extension, expiry or unconditionality of the H Share Offer in accordance with the Takeovers Code and Listing Rules by 7:00 p.m. on the First Closing Date. The latest time on which Fosun can declare the H Share Offer unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent).

If the H Share Conditions are satisfied (or, if permissible, waived), Forte Shareholders will be notified by an announcement in accordance with the Takeovers Code and Listing Rules as soon as practicable thereafter.

8.4 Extension of time for the despatch of the Composite Document

Fosun has applied to the Executive for, pursuant to Rule 8.2 of the Takeovers Code, and the Executive has consented to, that the Composite Document should be despatched on or before 4 March 2011.

9. WITHDRAWAL OF LISTING OF THE H SHARES

Upon the H Share Offer becoming unconditional, Forte will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.12 of the Listing Rules. The Forte Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the withdrawal of the listing of the H Shares on the Hong Kong Stock Exchange will become effective. The Offeror and the parties acting in concert with the Offeror will abstain from voting at the H Share Class Meeting in accordance with Rule 2.2 of the Takeovers Code.

LETTER FROM STANDARD CHARTERED BANK

10. ADDITIONAL INFORMATION

In considering what action to take in connection with the H Share Offer, Forte H Shareholders should consider their own tax position and, if they are in doubt, they should consult their own professional advisers.

In making their decision, the Forte H Shareholders must rely on their own examination of the terms of the H Share Offer, including the merits and risks involved. Forte H Shareholders should consult their own professional advisers for professional advice.

Your attention is drawn to the information set out in:

- (a) the letter from the board of Forte;
- (b) the letter from the Independent Board Committee;
- (c) the letter from the Independent Financial Adviser; and
- (d) the additional information set out in the appendices to the Composite Document which form part of this Composite Document.

Yours faithfully,
For and on behalf of
Standard Chartered Bank (Hong Kong) Limited
Lodewijk Meens
Director
Corporate Advisory & Finance

LETTER FROM THE BOARD OF FORTE

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:

Zhang Hua (Chairman)
Fan Wei
Wang Zhe

Registered Office:

9th Floor
510 Caoyang Road
Shanghai
PRC

Non-Executive Directors:

Guo Guangchang
Feng Xiekun
Chen Qiyu

Principal Place of Business in the PRC:

5th-7th Floor
Fuxing Business Building
2 Fuxing Road East
Shanghai 200010
PRC

Independent Non-Executive Directors:

Charles Nicholas Brooke
Chen Yingjie
Zhang Hongming
Wang Meijuan

Principal Place of Business in Hong Kong

Level 28,
Three Pacific place
1 Queen's Road East
Hong Kong

25 February 2011

To the Independent H Shareholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL OFFER
BY STANDARD CHARTERED BANK (HONG KONG) LIMITED
ON BEHALF OF
FOSUN INTERNATIONAL LIMITED
FOR ALL THE ISSUED H SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD
BY FOSUN INTERNATIONAL LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

**VOLUNTARY CONDITIONAL OFFER
BY FOSUN INTERNATIONAL LIMITED
FOR ALL THE ISSUED DOMESTIC SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD
BY FOSUN INTERNATIONAL LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

**PROPOSED WITHDRAWAL OF LISTING OF
SHANGHAI FORTE LAND CO., LTD.**

** For identification purpose only*

LETTER FROM THE BOARD OF FORTE

1. INTRODUCTION

On 20 January 2011, Fosun and Forte jointly announced that:

- (a) Standard Chartered Bank, on behalf of Fosun, will make a voluntary conditional offer to acquire all of the issued H Shares (other than those already held by Fosun and parties acting in concert with it); and
- (b) subject to the H Share Offer becoming unconditional in all respects, Fosun will make a voluntary conditional offer to acquire all of the issued Domestic Shares (other than those already held by Fosun and parties acting in concert with it but including the Domestic Shares held by Dahua (Group) Company Limited).

Mr. Feng Xiekun (being non-executive director of Forte), Mr. Charles Nicholas Brooke, Mr. Chen Yingjie, Mr. Zhang Hongming and Ms. Wang Meijuan (being independent non-executive directors of Forte) have been appointed as members of the Independent Board Committee in respect of the H Share Offer and the withdrawal of listing of the H Shares. Mr. Guo Guangchang, who is a non-executive director of Forte, is also the chairman and an executive director of the Offeror and he currently owns indirectly 78.24% of the Offeror through his shareholding in Fosun Holdings Limited and Fosun International Holdings Ltd.. Mr. Chen Qiyu, who is a non-executive director of Forte, is the vice-president of the Offeror and the chairman of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., which is a non-wholly owned subsidiary of the Offeror. Accordingly, Mr. Guo Guangchang and Mr. Chen Qiyu are considered to have a conflict of interests and have not been appointed as members of the Independent Board Committee to advise the Independent H Shareholders.

Somerley has been appointed with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in respect of the H Share Offer and the withdrawal of listing of the H Shares.

The purpose of this Composite Document is to provide you with, among other matters, information relating to the Forte Group, the Offeror and the Offers as well as setting out the letter from the Independent Board Committee containing its recommendation to the Independent H Shareholders in respect of the H Share Offer and the withdrawal of listing of the H Shares and the letter from Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the H Share Offer and the withdrawal of listing of the H Shares.

Terms defined in the Composite Document have the same meaning when used in this letter.

2. THE H SHARE OFFER

2.1 Consideration for the H Share Offer

The H Share Offer will be made on the following basis:

For each H Share HK\$3.50 in cash

The Offeror will not increase the consideration for the H Share Offer as set out above.

Further details of the H Share Offer, including the comparisons of value, the acceptance and settlement procedures, are set out in the "Letter from Standard Chartered Bank" on pages 10 to 17 of this Composite Document, Appendix I to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM THE BOARD OF FORTE

2.2 Comparisons of value

The value which the H Share Offer attributes to each H Share under the H Share Offer represents:

| | Value Comparison per H Share <i>HK\$</i> | Implied Premium of the H Share Offer <i>%</i> |
|---|--|---|
| Closing price on the Latest Practicable Date | 3.420 | 2.3 |
| Closing price on the Last Trading Date | 2.790 | 25.4 |
| Average closing price as quoted on the Hong Kong Stock Exchange for the one week up to and including the Last Trading Date | 2.842 | 23.2 |
| Average closing price as quoted on the Hong Kong Stock Exchange for the one month up to and including the Last Trading Date | 2.654 | 31.9 |
| Average closing price as quoted on the Hong Kong Stock Exchange for the 6 months up to and including the Last Trading Date | 2.397 | 46.0 |
| Average closing price as quoted on the Hong Kong Stock Exchange for the 12 months up to and including the Last Trading Date | 2.272 | 54.0 |
| Unaudited consolidated net asset value per H Share as at 30 June 2010 (for the purpose of the calculation of this metric, the translation of RMB into HK\$ is based on the average exchange rate of 1.1467 on 30 June 2010) | 3.255 | 7.5 |

2.3 Highest and lowest prices

During the period beginning 21 July 2010, being six months prior to the commencement of the Offer Period, and ending on the Latest Practicable Date, the highest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$3.42 on both 15 and 18 February 2011 and the Latest Practicable Date, and the lowest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$2.20 on 12 August 2010.

2.4 Consideration

Based on the offer price of HK\$3.50 per H Share and 729,828,122 H Shares in issue (representing the H Shares not already held by Fosun and parties acting in concert with it) as at the Latest Practicable Date, the maximum value of the H Share Offer (assuming the H Share Offer is accepted in full and there is no change in the share capital of Forte) is approximately HK\$2,554.4 million.

LETTER FROM THE BOARD OF FORTE

2.5 Settlement of consideration

Settlement of consideration in respect of acceptances of the H Share Offer will be made as soon as possible but in any event within ten days of the date of receipt of a complete and valid acceptance in respect of the H Share Offer or of the Unconditional Date, whichever is later. Your attention is drawn to the additional information set out in “Further Terms of the H Share Offer” in Appendix I of this Composite Document.

2.6 Conditions of the H Share Offer

In addition to the conditions set out in the section headed “Conditions of the H Share Offer” in the “Letter from Standard Chartered Bank” of this Composite Document, the H Share Offer is made on the basis that acceptance of the H Share Offer by any person will constitute a warranty by such person or persons to the Offeror that the H Shares acquired under the H Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever and together with all rights attaching thereto as at the date of the Joint Announcement or subsequently becoming attached to them, and including the right to receive all dividends (whether final or interim) and other distributions, if any, declared, made or paid on or after the date of the Joint Announcement.

3. THE DOMESTIC SHARE OFFER

3.1 Consideration for the Domestic Share Offer

The Domestic Share Offer will be made by Fosun on the following basis:

For each Domestic Share:

The equivalent in cash in RMB of the offer price of the H Share Offer of HK\$3.50 per H Share

For the purpose of this paragraph, the translation of HK\$ into RMB will be based on the average exchange rate of the day on which the Domestic Share Offer becomes or is declared unconditional.

Fosun will not increase the consideration for the Domestic Share Offer as set out above.

3.2 Consideration

Based on the equivalent in RMB of the offer price of the H Share Offer of HK\$3.50 per H Share for each Domestic Share and 14,804,300 Domestic Shares in issue (other than those already held by Fosun and parties acting in concert with it but including the Domestic Shares held by Dahua (Group) Company Limited) as at the Latest Practicable Date, the maximum value of the Domestic Share Offer (assuming the Domestic Share Offer is accepted in full and there is no change in the share capital of Forte) is approximately RMB43.8 million. For the purpose of this paragraph, the translation of RMB into HK\$ is based on the exchange rate of 1.1839 as at the Latest Practicable Date.

4. GENERAL INFORMATION ON FORTE

4.1 Information on Forte

Forte was established in the PRC on 13 August 1998 as a limited company. Pursuant to an approval document numbered “Hu Fu Ti Gai Shen [2001] No. 026” dated 12 September 2001 issued by the Shanghai Municipal Government, Forte was re-organised as a stock company on 27 September 2001. Forte was listed on the Hong Kong Stock Exchange on 6 February 2004, trading under the stock code 02337. The principal activities of the Forte Group are the development and sale of high quality commercial and residential properties in the PRC.

Based on audited financial statements of the Forte Group as set out in its annual report for the year ended 31 December 2008, Forte recorded consolidated total revenue of approximately

LETTER FROM THE BOARD OF FORTE

RMB3,733,255,000 (approximately HK\$4,183.5 million), consolidated net profit before tax and extraordinary items of approximately RMB887,078,000 (approximately HK\$994.1 million) and consolidated net profit after tax and extraordinary items of approximately RMB241,606,000 (approximately HK\$270.7 million), for the year ended 31 December 2008. Based on audited financial statements of the Forte Group as set out in its annual report for the year ended 31 December 2009, Forte recorded consolidated total revenue of approximately RMB5,184,804,000 (approximately HK\$5,883.7 million), consolidated net profit before tax and extraordinary items of approximately RMB1,060,709,000 (approximately HK\$1,203.7 million) and consolidated net profit after tax and extraordinary items of approximately RMB608,855,000 (approximately HK\$690.9 million), for the year ended 31 December 2009. Based on unaudited financial statements of the Forte Group as set out in its interim report for the six months ended 30 June 2010, Forte recorded consolidated total revenue of approximately RMB3,430,863,000 (approximately HK\$3,906.0 million), consolidated net profit before tax and extraordinary items of approximately RMB2,265,547,000 (approximately HK\$2,579.3 million) and consolidated net profit after tax and extraordinary items of approximately RMB1,378,301,000 (approximately HK\$1,569.2 million), for the six months ended 30 June 2010. For the purpose of this paragraph, the translation of RMB into HK\$ is based on an average exchange rate of 1.1206, 1.1348 and 1.1385 for the year ended 31 December 2008, the year ended 31 December 2009 and the six months ended 30 June 2010, respectively.

Based on the unaudited financial statements of the Forte Group as set out in its interim report for the six months ended 30 June 2010, the net asset value of the Forte Group (excluding non-controlling interests) was RMB7,179,589,000 (approximately HK\$8,232.8 million). For the purpose of this paragraph, the translation of RMB into HK\$ is based on the average exchange rate of 1.1467 on 30 June 2010.

4.2 Shareholding structure of Forte

As at the Latest Practicable Date, the registered share capital of Forte comprises 1,473,768,065 Domestic Shares and 1,055,538,122 H Shares.

The table below sets out the shareholding structure of Forte as at the Latest Practicable Date:

| Forte Shareholders | Number of Forte Shares | % of total issued share capital |
|---|-----------------------------------|--|
| <i>Domestic Shares</i> | | |
| Shanghai Fosun High Technology (Group) Co., Ltd. ⁽¹⁾ | 1,458,963,765 | 57.68 |
| Dahua (Group) Company Limited ⁽²⁾ | 7,402,150 | 0.29 |
| Independent Domestic Shareholder | 7,402,150 | 0.29 |
| <i>H Shares</i> | | |
| Fosun | 325,710,000 | 12.88 |
| Independent H Shareholders | 729,828,122 | 28.85 |
| Total issued share capital | <u>2,529,306,187</u> | <u>100.00</u> |

Notes:

- (1) Shanghai Fosun High Technology (Group) Co., Ltd. is a wholly-owned subsidiary of Fosun.
- (2) Dahua (Group) Company Limited is presumed, for the propose of the Takeovers Code, to be a party acting in concert with the Offeror.

LETTER FROM THE BOARD OF FORTE

As at the Latest Practicable Date, the Offeror is interested in 1,458,963,765 Domestic Shares and 325,710,000 H Shares, representing in aggregate approximately 70.56% of the Forte Shares, made up of approximately 99.00% of the total issued Domestic Shares and approximately 30.86% of the total issued H Shares. The H Shares beneficially owned by the Offeror and the parties acting in concert with it, will not, in compliance with the Takeovers Code, be voted at the H Share Class Meeting.

As at the Latest Practicable Date, Forte does not have in issue any outstanding options, warrants, derivatives or securities convertible into Forte Shares.

4.3 Fosun's intention with respect to Forte

Your attention is drawn to the section headed "Our intention with respect to Forte" in the "Letter from the board of Fosun" contained in this Composite Document. Independent H Shareholders should also note that upon the H Share Offer becoming unconditional, Forte will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.12 of the Listing Rules.

WARNING:

In this regard, the Independent H Shareholders should note that the Offeror has no rights under the laws of the PRC and the Articles of Association of Forte to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Hong Kong Stock Exchange. In addition, Forte may not continue to be subject to the Takeovers Code after the completion of the Offers.

5. WITHDRAWAL OF LISTING OF THE H SHARES

As set out in the section headed "Withdrawal of Listing of the H Shares" in the "Letter from Standard Chartered Bank" of this Composite Document, upon the H Share Offer becoming unconditional, Forte will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.12 of the Listing Rules. The Forte Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the withdrawal of the listing of the H Shares on the Hong Kong Stock Exchange will become effective.

6. RECOMMENDATION

Your attention is drawn to the recommendation of the Independent Financial Adviser to the Independent Board Committee, in respect of the H Share Offer and the withdrawal of listing of the H Shares as set out in the letter from the Independent Financial Adviser on pages 27 to 49 of this Composite Document and the recommendation of the Independent Board Committee in respect of the H Share Offer and the withdrawal of listing of the H Shares as set out in the letter from the Independent Board Committee on pages 25 to 26 of this Composite Document.

7. H SHARE CLASS MEETING

A class meeting of the Forte H Shareholders will be convened to approve the voluntary withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange at 10:00 a.m. on Monday, 11 April 2011. A notice of the H Share Class Meeting is set out in Appendix V to this Composite Document. The Offeror and the parties acting in concert with the Offeror will abstain from voting in the H Share Class Meeting in accordance with Rule 2.2 of the Takeovers Code.

LETTER FROM THE BOARD OF FORTE

Whether or not you are able to attend the H Share Class Meeting, you are strongly urged to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 10:00 a.m. on Sunday, 10 April 2011 or 24 hours before the time appointed for any adjournment of the H Share Class Meeting.

Completion and return of the proxy form shall not preclude you from attending and voting in person at the H Share Class Meeting or any adjourned meeting should you so wish if you have notified Forte not less than 24 hours in writing before the time scheduled for holding the H Share Class Meeting. In such event, the returned form of proxy shall be deemed to have been revoked.

You are requested to complete the accompanying reply slip in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Voting at the H Share Class Meeting will be taken by way of poll as required under the Listing Rules and the Takeovers Code.

8. ADDITIONAL INFORMATION

You are advised to read the "Letter from Standard Chartered Bank" of this Composite Document and the accompanying Form of Acceptance in respect of inter alia, further details of the H Share Offer and the acceptance and settlement procedures of the H Share Offer, as well as the additional information contained in the Appendices which form part of this Composite Document.

Yours faithfully,
For and on behalf of
Shanghai Forte Land Co., Ltd.
Zhang Hua
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)

25 February 2011

To the Independent H Shareholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL OFFER
BY STANDARD CHARTERED BANK (HONG KONG) LIMITED
ON BEHALF OF
FOSUN INTERNATIONAL LIMITED
FOR ALL THE H ISSUED SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD
BY FOSUN INTERNATIONAL LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

**VOLUNTARY CONDITIONAL OFFER
BY FOSUN INTERNATIONAL LIMITED
FOR ALL THE ISSUED DOMESTIC SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD
BY FOSUN INTERNATIONAL LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

**PROPOSED WITHDRAWAL OF LISTING OF
SHANGHAI FORTE LAND CO., LTD.**

We refer to the Composite Document of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein have the same meanings as defined in the Composite Document.

On 20 January 2011, Forte and Fosun jointly announced that on 17 January 2011 (after the trading hours of the Hong Kong Stock Exchange), Fosun informed the board of Forte that:

- (a) Standard Chartered Bank, on behalf of Fosun, will make a voluntary conditional offer to acquire all of the issued H Shares (other than those already held by Fosun and parties acting in concert with it); and
- (b) subject to the H Share Offer becoming unconditional in all respects, Fosun will make a voluntary conditional offer to acquire all of the issued Domestic Shares (other than those already held by Fosun and parties acting in concert with it but including the Domestic Shares held by Dahua (Group) Company Limited).

Details of the Offers are set out in the “Letter from the Board of Fosun” on pages 6 to 9, “Letter from Standard Chartered Bank” on pages 10 to 17 and the “Letter from the Board of Forte” on pages 18 to 24 of the Composite Document and Appendix I to the Composite Document.

** For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We have been appointed as members of the Independent Board Committee to make a recommendation to the Independent H Shareholders in respect of the H Share Offer and the withdrawal of listing of the H Shares. Somerley has been appointed as the Independent Financial Adviser to advise us as to whether the terms of the H Share Offer and the withdrawal of listing of the H Shares are fair and reasonable so far as the Independent H Shareholders are concerned and whether the Independent H Shareholders should accept the H Share Offer and the withdrawal of listing of the H Shares.

Having considered the terms of the H Share Offer and the withdrawal of listing of the H Shares and taken into account the advice of Somerley, in particular, the factors, reasons and recommendation set out in the “Letter from the Independent Financial Adviser” on pages 27 to 49 of the Composite Document, we consider that the terms of the H Share Offer and the withdrawal of listing of the H Shares are fair and reasonable so far as the Independent H Shareholders are concerned.

On this basis, we recommend the Independent H Shareholders to accept the H Share Offer and to vote in favour of the resolution in approving the withdrawal of listing of the H Shares at the H Share Class Meeting. It should be noted that in arriving at this view, we have taken into account Somerley’s “Letter from the Independent Financial Adviser” based on the latest reviewed financial results of Forte for the six months ended 30 June 2010 as well as the independent property valuation provided by Jones Lang LaSalle Sallmanns Limited as at 31 December 2010. Forte will release its annual results for the year ended 31 December 2010 on 24 March 2011.

Forte will inform the Forte H Shareholders by way of an announcement on whether the recommendation of the Independent Financial Adviser remain unchanged subsequent to the release of such annual results, and if necessary, a supplemental composite offer and response document relating to the H Share Offer may be published and despatched.

Yours faithfully,
For and on behalf of
Independent Board Committee

**Ms. Wang
Meijuan**
*Independent
Non-executive
Director*

**Mr. Charles
Nicholas Brooke**
*Independent
Non-executive
Director*

Mr. Chen Yingjie
*Independent
Non-executive
Director*

**Mr. Zhang
Hongming**
*Independent
Non-executive
Director*

Mr. Feng Xiekun
*Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from the Independent Financial Adviser, Somerley Limited, to the Independent Board Committee, which has been prepared for the purpose of inclusion in this Composite Document.



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

25 February 2011

To : the Independent Board Committee

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL OFFER
BY STANDARD CHARTERED BANK (HONG KONG) LIMITED
ON BEHALF OF
FOSUN INTERNATIONAL LIMITED
FOR ALL THE ISSUED H SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD
BY FOSUN INTERNATIONAL LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

**VOLUNTARY CONDITIONAL OFFER
BY FOSUN INTERNATIONAL LIMITED
FOR ALL THE ISSUED DOMESTIC SHARES IN
SHANGHAI FORTE LAND CO., LTD. (OTHER THAN THOSE ALREADY HELD
BY FOSUN INTERNATIONAL LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

**PROPOSED WITHDRAWAL OF LISTING OF
SHANGHAI FORTE LAND CO., LTD.**

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee in respect of the H Share Offer and the withdrawal of listing of the H Shares. Details of the H Share Offer and the withdrawal of listing of the H Shares are set out in the Composite Document jointly issued by the Offeror and Forte dated 25 February 2011 of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as defined in the Composite Document.

As stated in the letter from the board of Forte in this Composite Document, on 20 January 2011, Fosun and Forte jointly announced that (i) Standard Chartered Bank, on behalf of the Offeror, will make a voluntary conditional offer to acquire all of the issued H Shares (other than those already held by the Fosun and parties acting in concert with it); (ii) subject to the H Share Offer becoming unconditional in all respects, Fosun will make a voluntary conditional offer to acquire all of the issued Domestic Shares (other than those already held by the Offeror and parties acting in concert with it but including the Domestic Shares held by Dahua (Group) Company Limited); and (iii) the proposed withdrawal of listing of the H Shares.

The board of directors of Forte (the "Board") comprises three executive directors, three non-executive directors and four independent non-executive directors. In accordance with Rule 2.1 of the Takeovers Code, the Independent Board Committee has been established which comprises Mr. Feng Xiekun (being non-executive director), Mr. Charles Nicholas Brooke, Mr. Chen Yingjie, Mr. Zhang Hongming and Ms. Wang Meijuan (being independent non-executive directors) each of whom

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

has no direct or indirect interests in the Offers, to advise and make recommendations to the Independent H Shareholders in respect of the H Share Offer and the withdrawal of listing of the H Shares. Mr. Guo Guangchang, who is a non-executive director of Forte, is also the chairman and an executive director of the Offeror and currently owns indirectly 78.24% of the Offeror through his shareholding in Fosun Holdings Ltd. and Fosun International Holdings Limited. Mr. Chen Qiyu, who is a non-executive director of Forte, is the vice-president of the Offeror and the chairman of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., which is a non-wholly owned subsidiary of the Offeror. Accordingly, Mr. Guo Guangchang and Mr. Chen Qiyu are not included in the Independent Board Committee. The Independent Board Committee has approved our appointment as the Independent Financial Adviser to advise the Independent Board Committee on the terms of the H Share Offer and the withdrawal of listing of the H Shares.

We are not associated with the Offeror or Forte or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the H Share Offer and the withdrawal of listing of the H Shares. Apart from normal professional fees payable to us in connection with this appointment, and except as disclosed above, no arrangement exists whereby we will receive any fees or benefits from the Offeror or Forte or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the executive directors and management of Forte, which we have assumed to be true, accurate and complete. We have reviewed the published information on Forte, including its annual reports for the three years ended 31 December 2007, 2008 and 2009, and its interim report for the six months ended 30 June 2010 (the “2010 Interim Report”). We have discussed with Jones Lang LaSalle Sallmanns Limited (the “Valuer”) the methodology, bases and assumptions for their valuation as at 31 December 2010 of the Forte Group’s property interests which is contained in Appendix III to the Composite Document. We have reviewed the trading performance of the H Shares on the Hong Kong Stock Exchange. We have sought and received confirmation from the directors of Forte that no material facts have been omitted from the information supplied and opinions expressed by them. We consider that the information which we have received is sufficient for us to reach our opinion and advice as set out in this letter and to justify our reliance on such information. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material facts have been omitted or withheld. We have, however, not conducted any independent investigation into the business and affairs of the Forte Group. We have also assumed that all representations contained or referred to in the Composite Document were true at the time they were made and at the date of the Composite Document and will continue to be true until the end of the Offer Period.

We have not considered the tax implications on the Independent H Shareholders of acceptance of the H Share Offer since these depend on their individual circumstances. In particular, the Independent H Shareholders who are residents overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

TERMS OF THE OFFERS

For each H Share HK\$3.50 in cash

For each Domestic Share:

The equivalent in cash in RMB of the offer price of the H Share Offer of HK\$3.50 per H Share (For the purpose of this paragraph, the translation of HK\$ into RMB will be based on the average exchange rate of the day on which the Domestic Share Offer becomes or is declared unconditional).

As stated in the Letter from Standard Chartered Bank, the Offeror will not increase the consideration for the H Share Offer as set out above. Independent H Shareholders should be aware that, following the making of such statement in the Joint Announcement, the Offeror will not be permitted to revise the consideration for the H Share Offer as set out above, save in wholly exceptional circumstances and in compliance with Rule 18.3 of the Takeovers Code.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the letter from Standard Chartered Bank, the H Share Offer is subject to the fulfilment or waiver, as applicable, of certain conditions, including but not limited to, the passing of a resolution approving the voluntary withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange at the H Share Class Meeting to be convened for this purpose by the Independent H Shareholders. Details of the terms and conditions of the Offers are contained in the “Letter from the board of Fosun”, “Letter from Standard Chartered Bank” and Appendix I to the Composite Document. Independent H Shareholders are urged to read the relevant sections in the Composite Document in full.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion with regard to the H Share Offer and the withdrawal of Listing of the H Shares, we have taken into consideration the following principal factors and reasons:

1. Information on the Forte Group

The Forte Group is principally engaged in the development and sale of high quality commercial and residential properties in the PRC. The H Shares have been listed on the Main Board of the Hong Kong Stock Exchange since 6 February 2004, trading under the stock code 02337.

(i) *Historical financial performance of the Forte Group*

Set out below is the summary of the financial results of Forte Group for the three years ended 31 December 2009 and the six months ended 30 June 2009 and 30 June 2010 respectively, details of which are set out in Appendix II to this Composite Document:

| | For the year ended 31 December | | | For the six months ended 30 June | |
|--------------------------|-----------------------------------|----------------|----------------|--|----------------|
| | 2007 | 2008 | 2009 | 2009 | 2010 |
| | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> | <i>RMB</i> |
| | <i>million</i> | <i>million</i> | <i>million</i> | <i>million</i> | <i>million</i> |
| | (audited) | (audited) | (audited) | (unaudited) | (unaudited) |
| Revenue | 3,977 | 3,733 | 5,185 | 2,004 | 3,431 |
| Gross Profit | 1,252 | 1,773 | 1,529 | 701 | 1,395 |
| Profit before taxation | 1,312 | 887 | 1,061 | 560 | 2,266 |
| Profit attributable to | | | | | |
| - Equity owners of Forte | 711 | 102 | 497 | 287 | 1,387 |
| - Minority interests | <u>50</u> | <u>140</u> | <u>112</u> | <u>15</u> | <u>(9)</u> |
| | <u>761</u> | <u>242</u> | <u>609</u> | <u>302</u> | <u>1,378</u> |

(a) *Year ended 31 December 2008*

In 2008, the Forte Group recorded a total turnover of approximately RMB3,733,255,000, a decrease of 6.1% as compared with that of RMB3,976,647,000 in 2007. The decrease in turnover was mainly due to a reduction of booked gross floor area (“GFA”) by 29.1% in year 2008.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Forte Group's gross profit in 2008 was approximately RMB1,773,282,000, representing an increase of 41.6% as compared to approximately RMB1,252,392,000 in 2007. The Forte Group's gross profit margin during 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 projects Forte International (*Note 1*), Yi He Hua Cheng Phase 3 (*Note 2*) and Peking House (*Note 3*) which accounted for 48.1% of the combined booked GFA of the year with relatively higher gross profit margin.

In 2008, profit attributable to equity holders of the Forte was approximately RMB101,655,000, representing a decrease of 85.7% as compared to approximately RMB711,050,000 in 2007, which was mainly due to the following reasons: (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 Limited. (stock code 00755), a company listed on the Main Board of the Hong Kong Stock Exchange; (ii) an inventory impairment provision of approximately RMB80,456,000 was made for certain properties such as Shihua International (*Note 4*), Chongqing Uptown (*Note 5*) and Villa Espana Estilo De Vila (*Note 6*); (iii) the additional land appreciation tax ("LAT") 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 Forte Group further expanded the development scale in 2008 and the administrative expenses increased accordingly.

(b) *Year ended 31 December 2009*

In 2009, the Forte Group recorded a total turnover of approximately RMB 5,184,804,000, an increase of 38.9% as compared to that of RMB 3,733,255,000 in 2008. The increase in turnover was mainly due to an increase of the booked GFA attributable to the Forte Group to approximately 490,000 sq.m., representing an increase of approximately 50.3% as compared to that of 2008 of 326,000 sq.m..

The Forte 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 Forte 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) (*Note 7*) was a primary land development project, which has a lower gross profit margin than that of the normal property development business.

In 2009, profit attributable to equity owners of Forte 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 the following facts: (i) no impairment loss for the available-for-sale investment and inventory provision in 2009 while impairment amounting to RMB270,682,000 were provided in 2008; and (ii) the gross profit margin of projects booked in 2008 was considerably higher than that in 2009, resulted in the decrease in the corresponding additional LAT provision by RMB319,647,000 to RMB112,768,000 for the year ended 31 December 2009.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. Forte International - a residential estate project with GFA of approximately 150,000 sq.m. located in the central district of Shanghai. The sale of the properties was completed in 2008.
2. Yi He Hua Cheng (Phase 3 - B1) - a low density residential estate with GFA of approximately 47,000 sq.m. located in Shanghai. The sale of the properties was mainly completed in 2008.
3. Peking House (North ABC) - a low density residential estate with GFA of approximately 77,000 sq.m. located in Chaoyang District of Beijing. The sale of the properties was mainly completed in 2008.
4. Forte International Apartment (formerly known as Shihua International) - a residential estate project with GFA of approximately 20,500 sq.m. located in Chaoyang District of Beijing. The sale of the properties were completed in 2009.
5. Chongqing Uptown (Phase 1) - a residential estate project with GFA of approximately 44,000 sq.m. located in Chongqing. The sale of the properties was mainly completed in 2007.
6. Villa Espana Estilo De Vila (Phase 1-B) - a residential estate project with GFA of approximately 81,000 sq.m. located in Qingpu District of Shanghai. The sale of the properties was completed in 2007.
7. Xintianjiayuan (South) - a primary land development project with GFA of approximately 139,000 sq.m. located in Chaoyang District of Beijing. The project was completed in 2009.

(c) *For the six months ended 30 June 2010*

During the interim period of 2010, the Forte Group recorded a total turnover of approximately RMB3,430,863,000, representing an increase of 71.2% as compared to RMB2,003,574,000 for the corresponding period in 2009. The increase in turnover was mainly due to higher average unit selling price during the six months ended 30 June 2010, representing an increase of approximately 97.6% as compared to the corresponding period in 2009.

The Forte Group's gross profit during the interim period of 2010 was approximately RMB1,395,342,000, representing an increase of 99.0% as compared to RMB701,266,000 for the corresponding period in 2009. Gross profit margin (net of business tax and government surcharges) for the six months ended 30 June 2010 was 40.7%, representing an increase of approximately 5.7 percentage points compared to the gross profit margin of 35% for the corresponding period in 2009. The increase of gross profit margin was mainly due to the fact that (i) the major booked projects for the six months ended 30 June 2010 were low density properties in the first tier cities with higher selling price over the average price in these regions; and (ii) booked projects during the six months ended 30 June 2010 were mostly sold in 2009 when the market price was at a high level.

During the six months ended 30 June 2010, profit attributable to equity owners of Forte was approximately RMB1,387,304,000, representing an increase of 383.9% as compared to approximately RMB286,700,000 for the corresponding period in 2009. The increase in profit attributable to equity owners of Forte was mainly due to the facts that (i) the gross profit of the Group's core businesses increased by approximately 99.0%; and (ii) the gain on disposal of 75% equity interest in a subsidiary, Tianjin Forte Puhe Development Co., Ltd. of the Forte Group recognised during the six months ended 30 June 2010.

In summary, while Forte Group's results in 2008 have been affected given the global economic crisis in late 2008, Forte has managed to recover quickly in 2009 and continue to grow in the first half of 2010 along with the rebound of China's real estate industry and the continued momentum of the China's property market since 2009 respectively. Though Forte has shown a growing trend in its results since 2009, we consider that the performance of Forte Group's financial results has been, generally, in line with the overall PRC property market performance which is currently considered to be subject to various challenges including, but not limited to, the continuous tightening measures imposed from time to time by the PRC government to control the property price appreciation trends. As further discussed in the section headed "Industry Overview of the PRC Property Market" below in this letter, it is difficult to ascertain whether any further tightening measures will have any impacts on the business prospects and sustainability of growth in profitability of Forte.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Financial position of Forte Group*

Set out below is the summary of the consolidated balance statements of Forte Group as at 31 December 2007, 31 December 2008, 31 December 2009 and 30 June 2010 respectively:

| | As at 31 December | | | As at |
|--|--------------------------|--------------------|--------------------|--------------------|
| | 2007 | 2008 | 2009 | 30 June |
| | <i>RMB million</i> | <i>RMB million</i> | <i>RMB million</i> | <i>RMB million</i> |
| | (audited) | (audited) | (audited) | (unaudited) |
| Non-current assets | | | | |
| - Investment properties | 456 | 429 | 2,057 | 4,779 |
| - Properties under development | 6,010 | 6,719 | 5,167 | 6,321 |
| - Investments in jointly-controlled entities | 377 | 629 | 690 | 1,031 |
| - Investments in associates | 407 | 256 | 599 | 1,605 |
| - Other non-current assets | <u>2,203</u> | <u>2,081</u> | <u>2,117</u> | <u>2,364</u> |
| | 9,453 | 10,114 | 10,630 | 16,100 |
| Current assets | | | | |
| - Cash and cash equivalent | 2,379 | 1,213 | 3,630 | 3,904 |
| - Completed properties held for sale | 747 | 988 | 1,698 | 2,229 |
| - Properties under development | 3,429 | 6,263 | 7,089 | 7,217 |
| - Other current assets | <u>2,315</u> | <u>1,384</u> | <u>4,410</u> | <u>3,728</u> |
| | 8,870 | 9,848 | 16,827 | 17,078 |
| Total assets | <u>18,323</u> | <u>19,962</u> | <u>27,457</u> | <u>33,178</u> |
| Current liabilities | 10,415 | 7,759 | 13,283 | 15,531 |
| Non-current liabilities | <u>2,298</u> | <u>6,352</u> | <u>7,668</u> | <u>9,947</u> |
| Total liabilities | <u>12,713</u> | <u>14,111</u> | <u>20,951</u> | <u>25,478</u> |
| Equity attributable to | | | | |
| - Equity holders of Forte | 5,085 | 5,285 | 5,913 | 7,180 |
| - Minority interests | <u>525</u> | <u>565</u> | <u>593</u> | <u>520</u> |
| | <u>5,610</u> | <u>5,850</u> | <u>6,506</u> | <u>7,700</u> |

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As at 30 June 2010, total assets amounted to approximately RMB33,178,000,000, representing an increase of approximately 20.8% when compared with the same as at 31 December 2009. Non-current assets amounted to approximately RMB16,100,000,000 as at 30 June 2010, representing approximately 48.5% of the total assets, among which, investment properties and properties under development amounted to approximately RMB4,779,000,000 and RMB6,321,000,000, representing approximately 14.4% and 19.1% of the total assets, respectively, as at 30 June 2010. Current assets mainly comprised cash and cash equivalents and properties under development. As at 30 June 2010, cash and cash equivalents and properties under development amounted to approximately RMB3,904,000,000 and RMB7,217,000,000, representing approximately 11.8% and 21.8% of the total assets, respectively. The Forte Group's interests in jointly-controlled entities and associates represent the Forte Group's share in net assets of the respective jointly-controlled entities and associates (including the Forte Group's interest in Shanghai Zendai Property Limited (stock code 00755)) which are mainly property development companies, as at 30 June 2010. Investment properties, properties under development, completed properties for sale and interests in jointly-controlled entities and in associates in aggregate amounted to approximately RMB23,182,000,000, representing approximately 70% of the total assets as at 30 June 2010.

As at 30 June 2010, total liabilities amounted to approximately RMB25,478,000,000, representing an increase of approximately 21.6% when compared with the same as at 31 December 2009. Current liabilities mainly comprised interest-bearing bank loans and other borrowings and advances from customers. As at 30 June 2010, interest-bearing bank loans and other borrowings, trade and bill payables and advances from customers amounted to approximately RMB3,155,000,000, RMB2,047,000,000 and RMB5,194,000,000, representing approximately 12.4%, 8.0% and 20.4% of the total liabilities, respectively. Non-current liabilities mainly comprised interest-bearing bank loans and other borrowings amounted to approximately RMB9,290,000,000, representing approximately 36.5% of the total liabilities.

As at 31 December 2009, the gearing ratio of the Forte Group (defined as (total liabilities / total assets) x 100%) was approximately 76.3%, representing an increase of around 5.6% as compared to that of approximately 70.7% as at 31 December 2008. The deterioration in the gearing was mainly due to the increased bank and other borrowings in 2009. As at 30 June 2010, the gearing ratio of Forte Group further increased to approximately 76.8%.

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(iii) *Properties interests of the Forte Group*

As reported in the valuation report prepared by the Valuer (the “Valuation Report”) as set out in Appendix III to this Composite Document, the market value of the property interests in existing state attributable to Forte Group in aggregate was approximately RMB26,791,829,000.

Set out below is a summary on the property interests based on the Valuation Report:

| City | Market value attributable to Forte Group as at 31 December 2010 (RMB'000) |
|--|--|
| <u>Property interest held for sale</u> | |
| Shanghai | 2,179,145.0 |
| Beijing | 2,033,472.0 |
| Changchun | 601,792.0 |
| Chongqing | 149,371.0 |
| Hangzhou (Note 1) | 562,785.0 |
| Wuhan | 126,701.0 |
| Xi'an | 64,113.0 |
| Nanjing | 31,831.0 |
| Wuxi | <u>22,750.0</u> |
| Sub-total: | 5,771,960.0 |
| <u>Property interests held for investment</u> | |
| Shanghai | 2,624,356.0 |
| Beijing | 1,511,788.0 |
| Hangzhou (Note 2) | <u>1,039,379.0</u> |
| Sub-total: | 5,175,523.0 |
| <u>Property interests held and occupied by Forte Group</u> | |
| Shanghai | 24,741.0 |
| Hangzhou (Note 3) | 51,512.3 |
| Chongqing | <u>42,359.0</u> |
| Sub-total: | 118,612.3 |

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| City | Market value attributable to Forte Group as at 31 December 2010 (RMB'000) |
|---|--|
| <u>Property interests held under development</u> | |
| Changchun (<i>Note 4</i>) | 279,410.0 |
| Chongqing | 790,783.0 |
| Hangzhou | 255,909.0 |
| Wuhan (<i>Note 5</i>) | 915,785.2 |
| Xi'an | 233,981.0 |
| Chengdu | 1,232,111.0 |
| Tianjin | 356,376.0 |
| Shanghai | 2,947,124.0 |
| Nanjing | 3,276,711.0 |
| Fuyang | 318,347.0 |
| Wuxi | <u>265,478.0</u> |
| Sub-total: | 10,872,015.2 |
| <u>Property interests held for future development</u> | |
| Chongqing | 822,074.0 |
| Hangzhou | 239,885.0 |
| Shanghai | 3,920,290.0 |
| Pengshan County (Sichuan) | 104,216.0 |
| Wuxi | 201,144.0 |
| Weiyang (Shaanxi) | 646,493.0 |
| Changchun | <u>422,873.0</u> |
| Sub-total: | 6,356,975.0 |
| <u>Property interests contracted to be acquired</u> | |
| Wuhan | 1,732,992.1 |
| Taiyuan | 356,393.6 |
| Tianjin | 39,741.8 |
| Chengdu | 956,975.0 |
| Shanghai | 882,579.0 |
| Wuxi | <u>815,368.8</u> |
| Sub-total: | 4,784,050.3 (<i>Note 6</i>) |

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| City | Market value attributable to Forte Group as at 31 December 2010 <i>(RMB'000)</i> |
|---|--|
| <u>Property interest rented and occupied by Forte Group</u> | |
| Shanghai | No commercial value |
| Xi'an | No commercial value |
| Taiyuan | No commercial value |
| Chongqing | <u>No commercial value</u> |
| Sub-total: | <u>No commercial value</u> |
| Total: | 33,079,135.8 <u><u>(Note 7)</u></u> |

Notes:

1. In the Valuation Report, the Valuer has attributed no commercial value to an office building in Hangzhou (property no. 6 in the Valuation Report) which has not obtained proper title certificate. However, for reference purpose, the Valuer is of the opinion that the market value of the property as at 31 December 2010 would be RMB375,637,000 assuming all relevant title certificates have been obtained and the property could be freely transferred. We have included such market value in the table above for reference purpose.
2. In the Valuation Report, the Valuer has attributed no commercial value to a commercial building in Hangzhou (property no. 25 in the Valuation Report) which has not obtained proper title certificate. However, for reference purpose, the Valuer is of the opinion that the market value of the property as at 31 December 2010 would be RMB1,039,379,000 assuming all relevant title certificates have been obtained and the property could be freely transferred. We have included such market value in the table above for reference purpose.
3. In the Valuation Report, the Valuer has attributed no commercial value to a composite building of Forte Invaluable City in Hangzhou (property no. 42 in the Valuation Report) which has not obtained proper title certificate. However, for reference purpose, the Valuer is of the opinion that the market value of the property as at 31 December 2010 would be RMB68,683,000 assuming all relevant title certificates have been obtained and the property could be freely transferred. Accordingly, given the interest attributable by this property to Forte Group being 75%, the capital value attributable to Forte Group would be RMB51,512,250. We have included such market value in the table above for reference purpose.
4. Based on the Valuation Report, the Valuer has attributed no commercial value to the Fudijianianhua Square in Changchun (property no. 46 in the Valuation Report) which has not obtained proper title certificate. However, for reference purpose, the Valuer is of the opinion that the depreciated replacement cost of construction of the property (excluding the land) as at 31 December 2010 would be RMB28,149,000 assuming all relevant title certificates have been obtained and the property could be freely transferred. We have included such market value in the table above for reference purpose.
5. Based on the Valuation Report, the Valuer has attributed no commercial value to the development of Phase III of Forte International Eastlake (excluding the land) (part of property no. 53 in the Valuation Report) which has not obtained Construction Work Commencement Permit. However, for reference purpose, the Valuer is of the opinion that the depreciated replacement cost of the construction of Phase III of Forte International Eastlake (excluding the land) as at 31 December 2010 would be RMB12,256,000 assuming all relevant title certificates have been obtained and the property could be freely transferred. Accordingly, given the interest attributable by this property to Forte Group being 70%, the capital value attributable to Forte Group would be RMB8,579,200. We have included such market value in the table above for reference purpose.

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6. According to the Valuation Report, these properties have not been assigned to Forte Group and thus the titles of these properties have not been vested in Forte Group, and as a result, the Valuer has attributed no commercial value to these properties. However, for reference purpose, assuming, among others, all relevant title certificates have been obtained and the properties could be freely transferred, the capital value of these properties attributable to Forte Group as at 31 December 2010 in aggregate would be RMB4,784,050,300. We have included such market values in the table above for reference purpose.
7. Being the total capital value attributable to Forte Group as at 31 December 2010 of RMB26,791,829,000 as disclosed in the Valuation Report plus the aggregate market value of those property interests attributable to Forte Group as disclosed in notes 1 to 6 above of RMB6,287,306,750 assuming, among others, all relevant title certificates have been obtained and those properties could be freely transferred.

We have discussed the methodology, bases and assumptions for the property valuation with the Valuer and we concur with the approach the Valuer has adopted in valuing the different properties interests of Forte Group in the Valuation Report.

(iv) *Industry Overview of the PRC property market*

Property prices in China have remained strong since 2009. As reported by an article as published on the Chinese Government's Official Web Portal, home prices in 70 major Chinese cities rose 0.3% month on month in December 2010 and 6.4% year on year in 2010. The central government has taken a slew of steps to cool its property market since mid-April 2010 as part of its efforts to tight against inflows of speculative funds. Both the PRC central and local governments have adopted a series of policies to increase supply, restrain speculation, tighten supervision and promote development of welfare housing in order to restrain the increase in property prices in major cities. However, China's real estate market has remained strong, even after a number of tightening measures in 2010.

In January 2011, Shanghai Municipal Government announced that a property tax will be imposed in Shanghai on residential properties purchased by local families who already have one or more homes, according to the news release published on the website of the Shanghai Municipal Government. The other city implementing a property tax is Chongqing in southwestern China. In the news release it also reported a statement from the ministry of finance that all provinces in China will adopt the property tax "when conditions are ripe". Despite the above and as disclosed in the 2010 Interim Report, the Board is of the view that China's real estate market still has relatively large scope for future growth, rapid urbanisation brings solid demand, there will still be high demand for improvement in the middle class as a result of its rapid wealth concentration.

While the strong China economy will still be one of the key drivers to the growth of the China property market, which may or may not attract continuous tightening measures by the PRC government in the near future, it is therefore difficult to ascertain whether any further tightening measures will have any impacts on the business prospects of the Chinese property developers including Forte.

2. **Information on the Offeror and its intention regarding the future of the Forte Group**

The Offeror is currently the controlling shareholder of Forte which was interested in 1,458,963,765 Domestic Shares and 325,710,000 H Shares, representing in aggregate approximately 70.56% of the Forte Shares. As stated in the letter from the board of Fosun in this Composite Document, the Offeror was incorporated in Hong Kong with limited liability on 24 December 2004. The Offeror was listed on the Hong Kong Stock Exchange on 16 July 2007, trading under the stock code 00656. The principal activities of the Offeror are (i) pharmaceuticals, (ii) property development, (iii) steel, (iv) mining and (v) retail, services and strategic investments.

The Offeror intends to continue with the existing business of Forte Group and does not intend to make any material changes to the current business operations of Forte Group or redeploy any fixed assets of Forte Group following completion of the Offers. It is also the intention of the Offeror that there will not be any material changes in the management or the continued employment of the employees of Forte Group as a result of the Offers.

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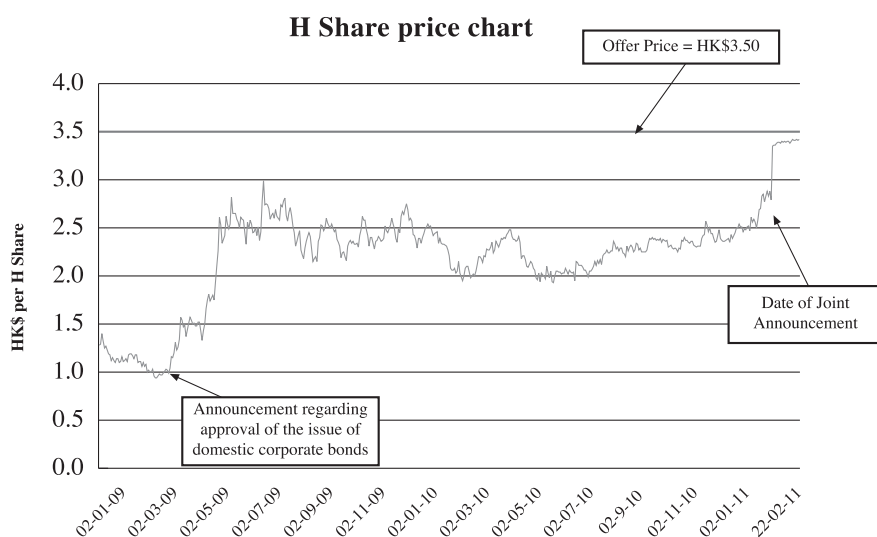
Upon the H Share Offer becoming unconditional, Forte will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.12 of the Listing Rules.

3. Share price and trading volume

(i) Share prices

Since the listing of Forte in February 2004, the H Share price performance has been, in general, in line with the performance of the Hang Seng Index (the “HSI”). The H Share price had been traded in a range between HK\$1.37 and HK\$6.99 since 2004 to end of 2007, and peaked at HK\$6.99 per H Share on 18 October 2007. Since then the H Share price experienced a downward trend in line with the HSI and, combined with the effects of the out-break of the global economic crisis in September 2008, the H Share price dropped to its trough of HK\$0.89 per H Share on 21 November 2008.

The share price chart below illustrates the daily closing price per H Share quoted on the Hong Kong Stock Exchange from 1 January 2009 up to the Latest Practicable Date (both dates inclusive):



As illustrated in the above share price chart, the closing price of the H Shares has been traded below the offer price of HK\$3.50 per H Share (the “Offer Price”) since 1 January 2009 after the global economic crisis in the second half of 2008. There has been an upward trend since the second quarter of 2009, which may be due to gradual recovery of the economy. The H Shares closed at HK\$2.79 on the Last Trading Date and surged to HK\$3.35 on 21 January 2011 after the release of the Joint Announcement. We are advised by Forte that Forte was not aware of any reasons, other than the Joint Announcement, for such significant increase in H Share price. While the recent rise in Share price is likely to be driven by the Offers, there is no assurance that the price of the H Shares will remain at the current level if the Offers are withdrawn or lapse.

The Offer Price represents:

- a premium of approximately 2.3% over the closing price of HK\$3.42 per H Share as quoted on the Hong Kong Stock Exchange as at the Latest Practicable Date;
- a premium of approximately 25.4% over the closing price of the H Shares of HK\$2.79 as quoted by the Hong Kong Stock Exchange on the Last Trading Date;

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- a premium of approximately 23.2% over the average closing price of the H Shares of approximately HK\$2.842 per H Share as quoted on the Hong Kong Stock Exchange for one week up to and including the Last Trading Date;
- a premium of approximately 31.9% over the average closing price of the H Shares of approximately HK\$2.654 per H Share as quoted on the Hong Kong Stock Exchange for one month up to and including the Last Trading Date;
- a premium of approximately 40.6% over the average closing price of the H Shares of approximately HK\$2.489 per H Share as quoted on the Hong Kong Stock Exchange for three months up to and including the Last Trading Date;
- a premium of approximately 46.0% over the average closing price of the H Shares of approximately HK\$2.397 per H Share as quoted on the Hong Kong Stock Exchange for the six months up to and including the Last Trading Date; and
- a premium of approximately 54.0% over the average closing price of the H Shares of approximately HK\$2.272 as quoted on the Hong Kong Stock Exchange for the twelve months up to and including the Last Trading Date.

(ii) **Turnover**

The table below sets out the total number of H Shares traded per month, the percentage of the monthly trading volume to the issued share capital of Forte and the percentage of the monthly trading volume to the H Shares held by the public respectively for the period commencing from 1 January 2009 and up to and including the Latest Practicable Date:

| | Average daily trading volume | Approximate % of average daily trading volume to the total issued H Shares <i>(note 2)</i> | Approximate % of average daily trading volume to the H Shares public float <i>(note 3)</i> |
|-------------|---------------------------------|---|---|
| 2009 | | | |
| January | 1,712,864 | 0.16 | 0.23 |
| February | 1,608,350 | 0.15 | 0.22 |
| March | 5,469,568 | 0.52 | 0.75 |
| April | 9,334,200 | 0.88 | 1.28 |
| May | 18,693,774 | 1.77 | 2.56 |
| June | 9,819,777 | 0.93 | 1.35 |
| July | 8,844,578 | 0.84 | 1.21 |
| August | 9,894,482 | 0.94 | 1.36 |
| September | 6,351,449 | 0.60 | 0.87 |
| October | 5,396,750 | 0.51 | 0.74 |
| November | 5,363,143 | 0.51 | 0.73 |
| December | 5,083,909 | 0.48 | 0.70 |

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| | Average daily trading volume | Approximate % of average daily trading volume to the total issued H Shares <i>(note 2)</i> | Approximate % of average daily trading volume to the H Shares public float <i>(note 3)</i> |
|--|---------------------------------|---|---|
| 2010 | | | |
| January | 4,490,652 | 0.43 | 0.62 |
| February | 3,521,118 | 0.33 | 0.48 |
| March | 2,770,670 | 0.26 | 0.38 |
| April | 4,731,106 | 0.45 | 0.65 |
| May | 1,576,445 | 0.15 | 0.22 |
| June | 1,499,215 | 0.14 | 0.21 |
| July | 1,104,167 | 0.10 | 0.15 |
| August | 1,265,941 | 0.12 | 0.17 |
| September | 1,957,556 | 0.19 | 0.27 |
| October | 3,103,785 | 0.29 | 0.43 |
| November | 2,474,636 | 0.23 | 0.34 |
| December | 2,666,949 | 0.25 | 0.37 |
| 2011 | | | |
| January | 17,790,773 | 1.69 | 2.44 |
| from 1 February up to the Latest Practicable Date | 9,801,575 | 0.93 | 1.34 |

Notes:

1. Source: Bloomberg
2. Based on 1,055,538,122 H Shares in issue.
3. Based on the number of H Shares held by public (other than Fosun and its associates) of 729,828,122 H Shares during the period from 1 January 2009 up to the Latest Practicable Date.

The average daily trading volume of the H Shares during the period was generally below 1.0% of the H Shares in public hands for most months, except for the periods from April 2009 to August 2009 and from January 2011 to the Latest Practicable Date. The relatively higher trading volume during such periods might have been prompted by (i) positive news relating to the conditional approval granted by the Issuance Review Committee of China Securities Regulatory Commission in relation to the issue of domestic corporate bonds by Forte as announced by Forte on 9 April 2009; and (ii) the announcement of the Offers in January 2011 by Fosun and Forte.

Given the relatively thin historical trading volume of the H Shares in general, in our view, there may not be sufficient liquidity in the H Shares for the Independent H Shareholders to dispose of a significant number of H Shares in the open market without causing an adverse impact on the market price level of the H Shares. The H Share Offer, therefore, represent an opportunity for the Independent H Shareholders to dispose of their entire holdings at the Offer Price if they so wish.

Independent H Shareholders should note that, as disclosed in the Letter from the board of Forte in this Composite Document, the Offeror has no rights under the laws of the PRC and the Articles of Association of Forte to compulsorily acquire the H Shares that are not tendered for acceptance

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pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Hong Kong Stock Exchange. In addition, Forte may not continue to be subject to the Takeovers Code after the completion of the Offers.

4. Comparisons

(i) *Historical discount of market price to net asset value*

We have compared the closing price of the H Shares against the then latest consolidated net asset value attributable to equity holders of Forte, which we have assumed was generally available to the market from the date of publication of the relevant full year or interim results announcements and that the H Share price has reflected such information.

| Period | Published consolidated net asset value attributable to equity shareholders per Forte Share # | Closing price per H Share | | | Premium/(Discount) to net asset value attributable to equity holders per Forte Share | | | Average closing price |
|--------------------------------|--|---------------------------|------|---------|--|---------------|---------------|-----------------------|
| | | High | Low | Average | Lowest | Highest | | |
| | | HK\$ | HK\$ | HK\$ | Approximate % | Approximate % | Approximate % | |
| 27/8/2008* - 2/3/2009 | 2.29 | 1.67 | 0.89 | 1.19 | (61.14) | (27.07) | (48.03) | |
| 3/3/2009* - 18/8/2009 | 2.37 | 2.99 | 0.94 | 2.03 | (60.34) | 26.16 | (14.35) | |
| 19/8/2009* - 14/3/2010 | 2.55 | 2.75 | 1.95 | 2.35 | (23.53) | 7.84 | (7.84) | |
| 15/3/2010* - 21/8/2010 | 2.66 | 2.48 | 1.93 | 2.17 | (27.44) | (6.77) | (18.42) | |
| 22/8/2010* - Last Trading Date | 3.26 | 2.88 | 2.25 | 2.43 | (30.98) | (11.66) | (25.46) | |

Notes:

* Date when Forte released its full year or interim results announcements.

Net asset values attributable to equity holders are extracted from Forte's annual reports or interim reports. For the purpose of this table, the translation of RMB into HK\$ are based on the average exchange rate as at the relevant period end of the respective reporting period under the respective annual and interim announcements, for the purpose of illustration only.

Based on the analysis set out above, we note that the average closing price of the H Shares have been traded at a discount to the then underlying net asset value attributable to equity holders for the majority of time during the period from 27 August 2008 to the Last Trading Date.

The Offer Price represents a premium of approximately 7.5% to the unaudited consolidated net asset value of approximately HK\$3.255 per H Share as at 30 June 2010.

(ii) *Peer comparison*

We have identified the following 15 property companies listed in Hong Kong (the "Comparable Companies"), which (i) are principally engaged in property developments and/or investments with

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property development and/or investments primarily in the PRC; (ii) are profit making for the latest reported financial year; and (iii) have market capitalisation above HK\$1,000 million and below HK\$14,000 million as at the Latest Practicable Date, and we consider the Comparable Companies an exhaustive list of relevant comparable companies based on the said criteria above.

The table below illustrates the level of premium/discount of share prices to net asset values attributable to equity holders of each of the Comparable Companies and Forte.

| | Closing share price on the Latest Practicable Date <i>HK\$ (Note 1)</i> | Market capitalisation as at the Latest Practicable Date <i>HK\$'million (Note 1)</i> | Audited/ unaudited consolidated net asset value attributable to equity holders <i>HK\$'million (Note 1)</i> | Premium/ (Discount) of market capitalisation to the consolidated net asset value attributable to equity holders <i>Approximate % (Note 1)</i> | Audited consolidated profits attributable to equity holders <i>HK\$'million (Note 1)</i> | Historical price-earnings multiple <i>Times (Note 2)</i> |
|---|--|---|--|--|---|---|
| Coastal Greenland Limited (stock code: 01124) | 0.52 | 1,451.1 | 3,335.8 | (56.50) | 209.58 | 6.9 |
| SRE Group Limited (stock code: 01207) | 0.72 | 2,594.8 | 8,280.1 | (68.66) | 785.08 | 3.3 |
| China Aoyuan Property Group Limited (stock code: 03883) | 1.35 | 3,526.9 | 6,616.1 | (46.69) | 363.61 | 9.7 |
| Zhong An Real Estate Limited (stock code: 00672) | 1.65 | 3,846.5 | 4,960.2 | (22.45) | 464.45 | 8.3 |
| SPG Land (Holdings) Limited (stock code: 00337) | 3.75 | 3,941.7 | 4,508.5 | (12.57) | 770.66 | 5.1 |
| Central China Real Estate Limited (stock code: 00832) | 2.15 | 4,300.0 | 3,731.7 | 15.23 | 460.37 | 9.3 |
| Tomson Group Limited (stock code: 00258) | 3.09 | 4,312.5 | 9,505.5 | (54.63) | 1,387.41 | 3.1 |
| China Properties Group Limited (stock code: 01838) | 2.55 | 4,613.1 | 34,583.5 | (86.66) | 9,609.32 | 0.5 |
| Beijing Capital Land Limited (stock code: 02868) | 2.49 | 5,049.6 | 5,347.3 | (5.57) | 611.55 | 8.3 |
| Yuzhou Properties Company Limited (stock code: 01628) | 2.30 | 5,520.0 | 4,674.9 | 18.08 | 1,250.56 | 4.4 |
| Fantasia Holdings Group Company Limited (stock code: 01777) | 1.15 | 5,605.0 | 4,708.9 | 19.03 | 424.19 | 13.2 |
| Shenzhen Investment Limited (stock code: 00604) | 2.51 | 8,876.8 | 13,173.3 | (32.62) | 987.66 | 9.0 |
| Powerlong Real Estate Holdings Limited (stock code: 01238) | 2.58 | 10,496.6 | 10,040.1 | 4.55 | 3,455.86 | 3.0 |
| Kaisa Group Holdings Limited (stock code: 01638) | 2.43 | 11,918.3 | 7,274.2 | 63.84 | 622.27 | 19.2 |
| Beijing North Star Company Limited (“Beijing North Star”) (stock code: 00588) | H Shares HK\$1.98/ A Shares RMB3.46 | 12,296.0 | 13,962.3 | (11.93) | 1,713.19 | 7.2 |
| Mean | | | | (18.50) | | 7.4 |
| Forte | 3.50 <i>(Note 3)</i> | 8,852.6 <i>(Note 4)</i> | 8,232.8 <i>(Note 5)</i> | 7.53 <i>(Note 5)</i> | 564.09 | 15.7 <i>(Note 6)</i> |

For the purpose of this table, the translation of RMB into HK\$ are based on the average exchange rate of RMB1.00 to HK\$1.1358 as of 31 December 2009 and RMB1.00 to HK\$1.1467 on 30 June 2010 respectively, for the purpose of illustration only.

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Notes:

- (1) The closing share price and market capitalisation of the Comparable Companies as at the Latest Practicable Date are sourced from the website of Hong Kong Stock Exchange, and the closing price of Beijing North Star's A Shares is sourced from Bloomberg. The market capitalisation of the Comparable Companies is calculated based on their respective closing share price (including closing price of Beijing North Star's A Shares) and number of issued shares as at the Latest Practicable Date. The audited/unaudited consolidated net asset value attributable to equity holders are extracted from the latest annual/interim reports of the Comparable Companies and audited profits attributable to equity holders are extracted from the latest annual reports of the Comparable Companies. For the purpose of the valuation of market capitalisation of the Comparable Companies, the translation of RMB into HK\$ is based on the exchange rate of RMB1.0 to HK\$1.1839 as at the Latest Practicable Date.
- (2) The historical price-earnings multiples of the Comparable Companies are calculated based on their latest audited consolidated profits attributable to their respective equity holders and their closing market capitalisation as at the Latest Practicable Date.
- (3) Being the Offer Price of HK\$3.50 per H Share.
- (4) We have taken the Offer Price for the purpose of determining the market capitalisation of Forte.
- (5) The premium of the market capitalisation to the consolidated net asset value attributable to equity holders of Forte is calculated based on the Offer Price and the unaudited consolidated net asset value of Forte as at 30 June 2010 (based on average exchange rate of RMB1.0 to HK\$1.1467 on 30 June 2010).
- (6) The historical price-earnings multiple of Forte is calculated based on its latest audited consolidated profits attributable to equity holders for the financial year ended 31 December 2009 and its market capitalisation represented by the Offer Price.

As at the Latest Practicable Date, the market capitalisation of the Comparable Companies to their respective net asset values were ranged from a premium of approximately 63.84% to a discount of approximately 86.66%, with a mean of approximately 18.50% discount. The premium of approximately 7.53% represented by the Offer Price over the unaudited net asset value of Forte as at 30 June 2010 per H Share is higher than the mean discount of the Comparable Companies, which is considered favourable as compared with the Comparable Companies.

As shown in the above table, the historical price-earnings multiples of the Comparable Companies ranged from approximately 0.5 times to 19.2 times, with a mean of approximately 7.4 times. The historical price-earnings multiple for Forte based on its market capitalisation represented by the Offer Price is approximately 15.7 times, which is also higher than the mean of the price-earnings multiples of the Comparable Companies. However, we are of the view that the price-earnings multiples of property development companies are likely to fluctuate widely depending on the timing of completion and sales of projects and, therefore, we have not placed much weight on the historical price-earnings multiples in our analysis.

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(iii) *Privatisation precedents*

For preparing our analysis, we have also considered the adjusted unaudited consolidated net assets (the “Reassessed NAV”) of the Forte Group based on the unaudited consolidated financial statements of Forte as at 30 June 2010 in the 2010 Interim Report and adjusted with reference to the latest valuation of the property interests of the Forte Group in the Valuation Report and the relevant tax liabilities. Set out below is the calculation of the Reassessed NAV provided by Forte:

RMB million

| | |
|--|-----------------------|
| Unaudited consolidated net asset value of Forte Group as at 30 June 2010 as extracted from the 2010 Interim Report | 7,180 |
| <i>Add:</i> | |
| Revaluation surplus arising from the valuation of property interests attributable to Forte Group as at 31 December 2010 (<i>Note 1</i>) | <u>2,931</u> |
| Reassessed NAV (<i>Note 2</i>) | <u><u>10,111</u></u> |
| Reassessed NAV per Forte Share (based on 2,529,306,187 Forte Shares in issue as at the Latest Practicable Date) | <u><u>RMB4.00</u></u> |

(Equivalent to approximately HK\$4.74)

For the purpose of the calculation of the Reassessed NAV per Forte Share, the translation of RMB into HK\$ are based on the exchange rate of RMB1.0 to HK\$1.1839 as at the Latest Practicable Date.

Notes:

1. This represents a revaluation surplus calculated by the fair value of the property interests held by Forte Group (including the property interests (i) held for sale; (ii) held for investment; (iii) held and occupied by Forte Group; (iv) held under development; (v) held for future development; and (vi) contracted to be acquired, attributable to Forte Group as at 31 December 2010 as shown in the Valuation Report) as disclosed in the Valuation Report, net of the book value of such property interests as of 31 December 2010 and relevant potential PRC tax liability. For those properties which the Valuer has attributed “no commercial value” and were referred to in notes 1 to 6 in sub-section headed “Properties interests of the Forte Group” above, we consider that they should be taken into account for the calculation of the Reassessed NAV since these properties could have significant values to Forte Group after relevant title certificates have been obtained. In order to avoid under-estimation on the calculation of the Reassessed NAV, their respective revaluation surplus arising from the change in fair value based on their respective capital values as at 31 December 2010 by assuming relevant title certificates have been obtained and the properties could be freely transferred (as disclosed in the relevant notes to the respective valuation certificates in the Valuation Report), have been taken into account in calculating the Reassessed NAV.
2. The Reassessed NAV estimated above has not taken into account the unaudited second half financial results of the Forte Group in 2010. For the avoidance of doubt, the Reassessed NAV estimated has not taken into account any revenue recognised from the sales of property interests and relevant costs/expenses incurred thereof by Forte Group during the second half of 2010.

The calculation of the Reassessed NAV above has been prepared by Forte solely with reference to the latest published unaudited consolidated net asset value of Forte Group as at 30 June 2010 and the revaluation surplus arising from the change in fair value of the property interests held by Forte Group as listed in the Valuation Report. Independent H Shareholders should note that such calculation has not taken into account the unaudited 2010 second half financial results of the Forte Group, in particular, has not taken into account any revenue recognised from the sales of property interests and relevant costs/expenses incurred thereof by Forte Group during the second half of 2010. As such, the Reassessed NAV may not fully reflect the underlying assets value of Forte Group as at 31 December 2010.

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Set out in the table below are all the privatisation proposals involving companies with principal activities in property development and/or investment listed on the Hong Kong Stock Exchange announced since 1 January 2003 and up to the Latest Practicable Date (the “Privatisation Precedents”). The table below illustrates the range of premium over prevailing market prices at which privatisation proposals have been priced over the last approximately seven years. The level of discount/premium to/over consolidated adjusted net assets at which the Privatisation Precedents were made is also summarised in the table below.

| Date of initial announcement | Company | Principal activities | Offer/ cancellation price <i>HK\$</i> | Premium of offer/ cancellation price over the average share price prior to announcement of privatisation | | | Premium/ (Discount) of cancellation price over/(to) consolidated adjusted net asset value per share | Result |
|------------------------------|--|---|--|---|-----------------|-----------------|---|------------|
| | | | | <i>1 month</i> | <i>3 months</i> | <i>6 months</i> | | |
| 2010 | | | | | | | | |
| April | Wheelock Properties Limited (“Wheelock”) (stock code: 49) | Ownership of properties for development and letting, and investment holding | 13.00 | 153.91% | 165.31% | 156.41% | (12.10)% | Successful |
| 2008 | | | | | | | | |
| February | Pacific Century Premium Developments Limited (stock code: 432) | Development and management of premium property and infrastructure projects, investment in premium-grade buildings, in the Asia-Pacific region | 2.85 | 23.38% | 16.33% | 15.38% | (12.3)% | Failed |
| 2007 | | | | | | | | |
| April | Shimao International Holdings Limited (stock code: 649) | Property development and investment | 1.05 | 47.89% | 45.83% | 41.89% | (19.8)% | Successful |
| 2005 | | | | | | | | |
| May | Henderson China Holdings Limited (stock code: 246) | Property development and investment, project management, property management, finance and investment holding | 8.00 | 63.27% | 65.29% | 75.44% | (36.1)% | Successful |

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| Date of initial announcement | Company | Principal activities | Offer/ cancellation price <i>HK\$</i> | Premium of offer/ cancellation price over the average share price prior to announcement of privatisation | | | Premium/ (Discount) of cancellation price over/(to) consolidated adjusted net asset value per share | Result |
|------------------------------|---|---|--|---|-----------------|-----------------|---|------------|
| | | | | <i>1 month</i> | <i>3 months</i> | <i>6 months</i> | | |
| 2004 | | | | | | | | |
| November | Kwong Sang Hong International Limited ("KSH") (stock code: 189) | Property development, sales of properties, property leasing, manufacturing and trading in cosmetic products | 1.25 | 22.55% | 47.06% | 66.67% | (31.7)% <i>(Note 1)</i> | Successful |
| 2003 | | | | | | | | |
| May | Oxford Properties & Finance Limited ("Oxford Properties") (stock code: 220) | Investment holding, property investment, property development and the provision of property agency services | 15.00 <i>(Note 2)</i> | 68.35% | 79.43% | 70.65% | 13.3% <i>(Note 2)</i> | Successful |
| May | Pacific Concord Holding Limited (stock code: 438) | Property sales and development, consumer products and strategic investments, rental and finance | 0.65 | 62.50% | 51.16% | 51.16% | (55.5)% | Successful |
| May | Top Glory International Holdings Limited (stock code: 268) | Property investment and developments in Hong Kong and the PRC and hotel ownership and operations in the PRC | 0.74 | 80.49% | 64.44% | 80.49% | (44.8)% | Successful |

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| Date of initial announcement | Company | Principal activities | Offer/ cancellation price <i>HK\$</i> | Premium of offer/ cancellation price over the average share price prior to announcement of privatisation | | | Premium/ (Discount) of cancellation price over/(to) consolidated adjusted net asset value per share | Result |
|------------------------------|---|---|--|---|-----------------|-----------------|---|--------|
| | | | | <i>1 month</i> | <i>3 months</i> | <i>6 months</i> | | |
| | | | | | | | | |
| April | Kerry Properties Limited (stock code: 683) | Property development and investment in Hong Kong, the PRC, Australia and the Philippines, logistics, freight and warehouse ownership and operation, infrastructure-related investment in Hong Kong and the PRC and hotel ownership in the PRC | 9.50 | 49.14% | 46.83% | 54.98% | (39.8)% | Failed |
| | Highest | | | 153.91% | 165.31% | 156.41% | (12.1)% <i>(Note 3)</i> | |
| | Lowest | | | 22.55% | 16.33% | 15.38% | (55.5)% <i>(Note 3)</i> | |
| | Mean | | | 63.50% | 64.63% | 68.12% | (31.5)% <i>(Note 3)</i> | |
| | Median | | | 62.50% | 51.16% | 66.67% | (33.9)% <i>(Note 3)</i> | |
| 20 January 2011 | the H Share Offer | | 3.50 | 31.89% | 40.61% | 46.03% | (26.2)% | |

Source: Published circulars or announcements relating to the above proposals.

Notes:

1. The figure represents the pro forma adjusted unaudited consolidated net assets as disclosed in the pro forma statement of adjusted unaudited consolidated net tangible assets contained in the KSH privatisation document, after taking into account the attributable property revaluation surplus in the amount of approximately HK\$471.0 million as disclosed in the note to such statement.
2. Based on the revised cancellation price and adjusted consolidated net asset value as disclosed in the Oxford Properties privatisation document dated 29 March 2004.
3. We consider that the cancellation price for the Oxford Properties case, which is at a premium over the underlying net asset value, may be due to the particular circumstances regarding the shareholding base and public float issues of Oxford Properties at the relevant time which is considered exceptional and therefore may not be an appropriate reference for this analysis.

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Based on the above table, the premium represented by the offer/cancellation price over the average closing price for the Privatisation Precedents for (i) 1 month prior to announcement of privatisation ranged from approximately 22.55% to 153.91% with the mean of approximately 63.50%; (ii) 3 month prior to announcement of privatisation ranged from approximately 16.33% to 165.31% with the mean of approximately 64.63%; and (iii) 6 month prior to announcement of privatisation ranged from approximately 15.38% to 156.41% with the mean of approximately 68.12%. As such, the premium represented by the Offer Price over the average closing price of the H Shares for the corresponding periods of approximately 31.9%, 40.6% and 46.0% were lower than the corresponding mean values but within the range of the premiums of the Privatisation Precedents.

As seen in the above table, with the exception of Oxford Properties at a premium of 13.3%, offer/cancellation prices offered under the other Privatisation Precedents all represented discounts to their respective adjusted net asset values per share. Except for Oxford Properties, the offer/cancellation price offered under the other Privatisation Precedents ranged from a 12.1% to 55.5% discount to the adjusted net asset value per share with the mean discount of approximately 31.5%. The 26.2% discount to the Reassessed NAV per H Share represented by the Offer Price is therefore below the mean discount of the above precedent cases (excluding Oxford Properties).

CONCLUSION AND RECOMMENDATION

As discussed in the section headed “Share Price and Trading Volume” above, since the listing of Forte in February 2004, the H Share price performance has been, in general, in line with the performance of the HSI and the PRC property market performance. We note that Forte Group has reported growth in its revenue and net profit for the first half of 2010 which is mainly due to the strong property prices in major Chinese cities in 2010 and the gains from disposal of equity interests in certain subsidiaries. As discussed above, while the strong China economy will still be one of the key drivers to the growth of the China property market, which may or may not attract continuous tightening measures by the PRC government in the near future, it is difficult to ascertain whether any further tightening measures will have any impacts on the business prospects of Forte.

As discussed in the section headed “Share Price and Trading Volume” above, the H Shares have been traded at price level below the Offer Price during the past two years and at a discount to the then underlying net asset value attributable to equity holders of Forte for majority of time since 1 January 2009. In such circumstances, we consider the H Share Offer could be a suitable opportunity for Independent H Shareholders to realise, if they so wish, their investment in Forte at the Offer Price which represents a premium to the prevailing market price as well as a premium to the net asset value attributable to equity holders of Forte as at 30 June 2010. As we have discussed in the respective sections above, given the Offer Price representing (i) a premium over the consolidated net asset value attributable to equity holders of Forte as at 30 June 2010 which is considered favourable as compared to the mean discount represented by market capitalisation to the net asset value of the Comparable Companies; and (ii) a discount to the Reassessed NAV per H Share which is lower than the mean discount of the Privatisation Precedents (excluding Oxford Properties), we consider the Offer Price reasonable and acceptable.

Also we are of the view that the H Share Offer provides an exit to the Independent H Shareholders who want to realise their investment given the relatively thin historical trading volume of the H Shares.

Having considered the above principal factors and reasons, we are of the opinion that the terms of the H Share Offer are fair and reasonable so far as the Independent H Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent H Shareholders to accept the H Share Offer.

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The H Share Offer is conditional on, among other things, the passing by the Independent H Shareholders of a resolution approving the voluntary withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange. If the withdrawal of listing is not approved, the H Share Offer will lapse. In light of this, we are of the view that the proposed withdrawal of listing of H Shares, which will be followed by the H Share Offer, is acceptable to, and in the interest of the Independent H Shareholders as a whole and accordingly, we recommend the Independent Board Committee to advise the Independent H Shareholders to vote in favour of the resolution in approving the withdrawal of listing of the H Shares at the H Share Class Meeting.

Independent H Shareholders are reminded to note that, as disclosed in the letter from the board of Forte, the Offeror has no rights under the laws of the PRC and the Articles of Association of Forte to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, if the Independent H Shareholders do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Hong Kong Stock Exchange. In addition, Forte may not continue to be subject to the Takeovers Code after the completion of the Offers.

In any case, Independent H Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. Also, the Independent H Shareholders who wish to realise all or part of their investment in the H Shares should monitor the H Share price performance during the period of the H Share Offer. In the event that the market price of the H Shares exceeds the Offer Price and the net sale proceeds, net of all transaction costs, exceed the amount receivable under the H Share Offer, Independent H Shareholders should consider selling their H Shares on the market instead of accepting the H Share Offer.

Forte H Shareholders should also note that according to Forte, Forte will announce its annual results for the financial year ended 31 December 2010 (the “2010 Annual Results”) on 24 March 2011. Shareholders are strongly advised to take into consideration the 2010 Annual Results in deciding whether to accept or reject the H Share Offer. Forte will inform the Forte H Shareholders by way of an announcement on whether the recommendations of the Independent Financial Adviser remain unchanged subsequent to the release of such annual results and, if necessary, a supplemental composite offer and response document relating to the H Share Offer may be published and despatched.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED

Kenneth Chow
Managing Director — Corporate Finance

Lyan Tam
Director

1. PROCEDURES FOR ACCEPTANCE AND SETTLEMENT FOR FORTE H SHAREHOLDERS

- 1.1 If the H Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your H Shares is/are in your name, and you wish to accept the H Share Offer in respect of your H Shares, you must send the duly completed Form of Acceptance together with the relevant H Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand to the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event so as to reach the Registrar at the aforesaid address no later than 4:00 p.m. on the First Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code to the Registrar.
- 1.2 If the H Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your H Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the H Share Offer in respect of your H Shares, you must either:
- (a) lodge your H Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the H Share Offer on your behalf and requesting it to deliver the duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar; or
 - (b) arrange for the H Shares to be registered in your name by Forte through the Registrar, and deliver the duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar; or
 - (c) if your H Shares have been lodged with your licensed securities dealer or registered institution in securities or custodian bank through CCASS, instruct your licensed securities dealer or registered institution in securities or custodian bank to authorise HKSCC to accept the H Share Offer on your behalf on or before the deadline set out by HKSCC (which is normally one Business Day before the latest date on which acceptances of the H Share Offer must be received by the Registrar). In order to meet the deadline set by HKSCC, you should check with your licensed securities dealer or registered institution in securities or custodian bank for the timing on the processing of your instruction, and submit your instructions to your licensed securities dealer or registered institution in the securities or custodian bank as required by them; or

- (d) if your H Shares have been lodged with your Investor Participant Account with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System no later than the deadline set out by HKSCC (which is normally one Business Day before the latest date on which acceptances of the H Share Offer must be received by the Registrar).
- 1.3 If you have lodged transfer(s) of any of your H Shares for registration in your name and have not yet received your H Share certificate(s), and you wish to accept the H Share Offer in respect of your H Shares, you should nevertheless complete the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to Standard Chartered Bank and/or Fosun or their respective agent(s) to collect from Forte or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the H Share Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.
- 1.4 If the H Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your H Shares is/are not readily available and/or is/are lost and you wish to accept the H Share Offer in respect of your H Shares, you should nevertheless complete the Form of Acceptance and deliver it to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title should be forwarded to the Registrar as soon as possible thereafter. If you have lost your H Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- 1.5 Acceptance of the H Share Offer will be treated as valid only if the completed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the First Closing Date or such later time and/or date as Fosun may determine and announce as permitted under the Takeovers Code, and is:
- (i) accompanied by the relevant H Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those H Share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant H Share; or
 - (ii) from a registered Forte H Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to H Shares which are not taken into account under another sub-paragraph of this paragraph 1.5); or

- (iii) certified by the Registrar or the Hong Kong Stock Exchange.
- 1.6 If the Form of Acceptance is executed by a person other than the registered Forte H Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- 1.7 No acknowledgement of receipt of any Form(s) of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or satisfactory indemnity or indemnities required in respect thereof) will be given.
- 1.8 Provided that a valid Form of Acceptance and the relevant H Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Registrar no later than the latest time for acceptance (or such later time and/or date as Fosun may announce with the consent of the Executive) and the H Share Offer has become or is declared unconditional in all respects, a cheque for the amount due to each Accepting Forte H Shareholder less seller's ad valorem stamp duty in respect of the Accepting Forte H Shares tendered by him/her/it under the H Share Offer will be despatched to the Accepting Forte H Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within 10 days of the later of the date on which the H Share Offer becomes or is declared unconditional in all respects and the date of receipt of the completed Form of Acceptance and all the relevant documents by the Registrar (which should be received no later than 4:00 p.m. on the First Closing Date or such later time and date as determined and announced by Fosun with the consent of the Executive) from the Forte H Shareholder accepting the H Share Offer.

2. ACCEPTANCE PERIOD AND REVISIONS

- 2.1 The H Share Offer is made on Friday, 25 February 2011, the date of posting of this Composite Document, and is capable of acceptance on and from this date.
- 2.2 Fosun has the right, subject to the Takeovers Code, to extend the H Share Offer after the despatch of this Composite Document or to revise the terms of the H Share Offer (other than the offer price of the H Share Offer), and may introduce new conditions to be attached to any revision to any of the H Share Offer or any subsequent revision thereof to the extent necessary to implement the revised H Share Offer and subject to the consent of the Executive.
- 2.3 Unless the Executive consents to the extension of the H Share Offer, all acceptances must be received by 4:00 p.m. on the First Closing Date in accordance with the instructions printed on the Form of Acceptance and the H Share Offer will be closed at 4:00 p.m. on the First Closing Date. In accordance with Rule 15.3 of the Takeovers Code, where the H Share Offer becomes or is declared unconditional, it should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days' notice in writing must be given before the H Share Offer is closed to the Independent H Shareholders who have not accepted the H Share Offer and an announcement will be published. Fosun will extend the 14-day period under Rule 15.3 of the Takeovers Code to 28 calendar days.

- 2.4 If in the course of the H Share Offer, Fosun revises its terms (other than the offer price of the H Share Offer), all Forte H Shareholders, whether or not they have already accepted the H Share Offer, will be entitled to the revised terms. A revised offer must be kept open for at least 14 days following the date on which the revised offer document is posted and shall not be closed earlier than the First Closing Date.
- 2.5 If the H Share Offer is extended (with the consent of the Executive) or revised, the announcement of such extension or revision will state the next closing date or, if the H Share Offer becomes or is declared unconditional as to acceptances, a statement may be made that the H Share Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the H Share Offer is closed to those Forte H Shareholders, who have not accepted the H Share Offer and an announcement will be published.
- 2.6 If the closing date of the H Share Offer is extended, any reference in this Composite Document and in the Form of Acceptance to the closing date shall, except where the context otherwise requires, be deemed to refer to the closing date of the H Share Offer so extended.
- 2.7 The acceptance by or on behalf of Forte H Shareholder in its original and/or any previously revised form, shall be treated as an acceptance of the relevant H Share Offer as so revised.
- 2.8 Any acceptance of the relevant revised H Share Offer and/or any election pursuant thereof shall be irrevocable unless and until the Accepting Forte H Shareholder of the H Share Offer becomes entitled to withdraw his/her/its acceptance under the paragraph headed "Right of Withdrawal" below and duly does so.

3. ANNOUNCEMENTS

- 3.1 By 6:00 p.m. on the First Closing Date (or such later time and/or date as the Executive may agree), Fosun must inform the Executive and the Hong Kong Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the H Share Offer. Fosun must publish an announcement on the Hong Kong Stock Exchange's website by 7:00 p.m. on the First Closing Date stating, among other information required under Rule 19.1 of the Takeovers Code, whether the H Share Offer has been revised or extended, has expired or has become or been declared unconditional (and, in such cases, whether as to acceptances or in all respects).
- 3.2 In computing the total number of H Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfil the acceptance conditions set out in paragraph 1 of this Appendix I, and which have been received by the Registrar no later than 4:00 p.m. on the First Closing Date, being the latest time and date for acceptance of the H Share Offer, shall be included.
- 3.3 As required under the Takeovers Code and the Listing Rules, any announcement in relation to the H Share Offer, in respect of which the Executive and the Hong Kong Stock Exchange have confirmed that they have no further comments thereon, must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

4. RIGHT OF WITHDRAWAL

- 4.1 Acceptance of the H Share Offer tendered by the Forte H Shareholders shall be irrevocable and cannot be withdrawn, except in circumstances set out in 4.2 below or in compliance with Rule 17 of the Takeovers Code which provides that an acceptor shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the H Share Offer has not by then become unconditional as to acceptances.
- 4.2 If Fosun is unable to comply with the requirements set out in the paragraph headed “Announcements” in this Appendix, the Executive may require that Accepting Forte H Shareholders who have tendered acceptances to the H Share Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.
- 4.3 If the H Share Offer is withdrawn or lapses, Fosun shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the H Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Accepting Forte H Shareholder(s).

5. GENERAL

- 5.1 All communications, notices, Form of Acceptance, certificates of the H Shares, transfer receipts, other documents of title or indemnities, and remittances to settle the consideration payable under the H Share Offer to be delivered by or sent to or from the Forte H Shareholders will be delivered by or sent to or from them, or their designated agents, at their own risk, and none of Fosun, Standard Chartered Bank, Forte, the Registrar, or any of their respective directors, or any other person involved in the H Share Offer, shall accept any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- 5.2 Subject to the terms of the Takeovers Code, acceptance(s) of the H Share Offer may, at the discretion of Fosun, be treated as valid even if it is not entirely in order or is not accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or a satisfactory indemnity or indemnities in respect thereof), but the cheque(s) for the consideration due will not be despatched or (as the case may be) made available for collection until the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or a satisfactory indemnity or indemnities in respect thereof), has/have been received by the Registrar. However, such acceptances to the H Share Offer will not be counted towards fulfilling the acceptance condition unless Rule 30.2 of the Takeovers Code had been fully complied with.
- 5.3 Acceptance of the H Share Offer by any nominee will be deemed to constitute a warranty by such nominee to Fosun and Standard Chartered Bank that the number of H Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of H Shares held by such nominee for such beneficial owners who are accepting the H Share Offer.

- 5.4 The provisions set out in the Form of Acceptance form part of the terms of the H Share Offer.
- 5.5 The accidental omission to despatch this Composite Document and/or the Form of Acceptance or any of them to any person to whom the H Share Offer is made will not invalidate the H Share Offer in any way.
- 5.6 The H Share Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- 5.7 Due execution of a Form of Acceptance will constitute an irrevocable authority to Fosun or Standard Chartered Bank or such person or persons as Fosun or Standard Chartered Bank may direct to complete, amend and execute any document on behalf of the person accepting the H Share Offer and to do any other act that may be necessary or expedient for the purposes of vesting in Fosun or such person or persons as it may direct the H Shares in respect of which such person has accepted the H Share Offer.
- 5.8 Acceptance of the H Share Offer by any person or persons will constitute a warranty by such person or persons to Fosun that the H Shares acquired under the H Share Offer are sold by any such person or persons free from all liens, charges, equities, adverse interests, options, claims, and encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the date of the Joint Announcement or subsequently becoming attached to them, including without limitation the right to receive in full all dividends (whether final or interim) and other distributions, if any, declared, made or paid on or after the date of the Joint Announcement.
- 5.9 References to the H Share Offer in this Composite Document and in the Form of Acceptance shall include any revision and/or extension thereof and references to the H Share Offer becoming unconditional shall include a reference to the H Share Offer being declared unconditional.
- 5.10 Seller's ad valorem stamp duty for transfers of the H Shares registered with the Registrar arising in connection with acceptance of the H Share Offer will be payable by each Accepting Forte H Shareholder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the greater of (i) the consideration payable by Fosun for such person's H Shares; and (ii) the value of the H Shares and will be deducted from the cash amount due to such Forte H Shareholder under the H Share Offer. Fosun will pay the buyer's ad valorem stamp duty in respect of the H Shares accepted under the H Share Offer.
- 5.11 Settlement of the consideration to which any Accepting Forte H Shareholder is entitled under the H Share Offer will be implemented in full in accordance with the terms of the H Share Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Fosun may otherwise be, or claim to be, entitled against such Accepting Forte H Shareholder.

- 5.12 The making of the H Share Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. The Forte H Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about or obtain appropriate legal advice regarding the implications of the H Share Offer in the relevant jurisdiction and observe any applicable regulatory or legal requirements. It is the responsibility of any such person who wishes to accept the H Share Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control, regulation or other consents which may be required or the compliance with other necessary formalities, regulatory or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdiction. Any such overseas Forte H Shareholders shall be fully responsible for payment of any transfer or other taxes and duties imposed by whomsoever payable in respect of that jurisdiction. Fosun, Standard Chartered Bank and any other person involved in the H Share Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay.
- 5.13 Acceptance of the H Share Offer by any person or persons will constitute a warranty by such person to Fosun and Standard Chartered Bank and that such person is permitted under all applicable laws to receive and accept the H Share Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws.
- 5.14 H Shares sold to Fosun by way of the H Share Offer will be registered under the name of Fosun or its nominee.
- 5.15 The English text of this Composite Document and of the Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

1. FINANCIAL SUMMARY

The following summary financial information for each of the three financial years ended 31 December 2007, 2008 and 2009 and for the six months ended 30 June 2009 and 2010 is extracted from the audited consolidated financial statements of the Forte Group prepared in accordance with International Financial Reporting Standards and the unaudited interim reports of the Forte Group for the six months ended 30 June 2009 and 2010.

Summary Consolidated Income Statement

| | Year ended 31 December | | | Six months ended | |
|--|------------------------|------------------|------------------|------------------|------------------|
| | 2007 | 2008 | 2009 | 30 June 2009 | 2010 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) |
| Turnover | <u>3,976,647</u> | <u>3,733,255</u> | <u>5,184,804</u> | <u>2,003,574</u> | <u>3,430,863</u> |
| Profit/(loss) before taxation | 1,312,469 | 887,078 | 1,060,709 | 559,536 | 2,265,547 |
| Taxation | <u>(551,487)</u> | <u>(645,472)</u> | <u>(451,854)</u> | <u>(257,569)</u> | <u>(887,246)</u> |
| Profit/(loss) for the year/period | <u>760,982</u> | <u>241,606</u> | <u>608,855</u> | <u>301,967</u> | <u>1,378,301</u> |
| Profit (loss) attributable to: | | | | | |
| Owners of Forte | 711,050 | 101,655 | 496,648 | 286,700 | 1,387,304 |
| Minority interests | <u>49,932</u> | <u>139,951</u> | <u>112,207</u> | <u>15,267</u> | <u>(9,003)</u> |
| | <u>760,982</u> | <u>241,606</u> | <u>608,855</u> | <u>301,967</u> | <u>1,378,301</u> |
| Dividends attributable to the year/period | <u>63,233</u> | <u>50,586</u> | <u>151,758</u> | <u>—</u> | <u>—</u> |
| Earnings (loss) per Share — basic (RMB) | <u>0.281</u> | <u>0.04</u> | <u>0.196</u> | <u>0.113</u> | <u>0.548</u> |
| Dividend per Share (RMB) | <u>0.03</u> | <u>0.02</u> | <u>0.06</u> | <u>—</u> | <u>—</u> |

Notes:

1. The audit report issued by Ernst & Young each of the three financial years ended 31 December 2007, 2008 and 2009 was not qualified.
2. There are no extraordinary or exceptional items in the financial periods referred to above.

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

The following financial information is extracted from the audited consolidated financial statements of the Forte Group prepared in accordance with International Financial Reporting Standards for the financial year ended 31 December 2009:

Consolidated Income Statement

Year ended 31 December 2009

| | <i>Notes</i> | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|---|--------------|-------------------------------|-------------------------------|
| Revenue | 5 | 5,184,804 | 3,733,255 |
| Cost of sales | | <u>(3,655,761)</u> | <u>(1,959,973)</u> |
| Gross profit | | 1,529,043 | 1,773,282 |
| Other income and gains | 5 | 157,959 | 50,446 |
| Selling and distribution costs | | (233,993) | (287,970) |
| Administrative expenses | | (288,427) | (263,142) |
| Other expenses | 7 | (36,997) | (335,985) |
| Finance costs | 8 | (76,302) | (44,421) |
| Share of profits and losses of: | | | |
| Jointly-controlled entities | | 14,859 | (6,354) |
| Associates | | <u>(5,433)</u> | <u>1,222</u> |
| PROFIT BEFORE TAX | 6 | 1,060,709 | 887,078 |
| Tax | 10 | <u>(451,854)</u> | <u>(645,472)</u> |
| PROFIT FOR THE YEAR | | <u>608,855</u> | <u>241,606</u> |
| Attributable to: | | | |
| Owners of the parent | 11 | 496,648 | 101,655 |
| Minority interests | | <u>112,207</u> | <u>139,951</u> |
| | | <u>608,855</u> | <u>241,606</u> |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT — | | | |
| Basic (RMB) | 14 | <u>0.196</u> | <u>0.040</u> |

Consolidated Statement of Comprehensive Income*Year ended 31 December 2009*

| | 2009 | 2008 |
|--|-----------------------|-----------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| PROFIT FOR THE YEAR | <u>608,855</u> | <u>241,606</u> |
| OTHER COMPREHENSIVE INCOME | | |
| Available-for-sale assets: | | |
| Changes in fair value | 145,770 | (143,363) |
| Reclassification adjustments for gains included in the consolidated income statement — impairment losses | — | 190,226 |
| Income tax effect | <u>—</u> | <u>—</u> |
| | 145,770 | 46,863 |
| Share of other comprehensive income of a jointly-controlled entity | 2,515 | — |
| Exchange differences on translation of foreign operations | <u>464</u> | <u>6,517</u> |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | <u>148,749</u> | <u>53,380</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u><u>757,604</u></u> | <u><u>294,986</u></u> |
| Attributable to: | | |
| Owners of the parent | 645,397 | 155,035 |
| Minority interests | <u>112,207</u> | <u>139,951</u> |
| | <u><u>757,604</u></u> | <u><u>294,986</u></u> |

Statement of Financial Position

31 December 2009

| | Notes | Group | | Company | |
|--|-------|-------------------|-------------------|------------------|------------------|
| | | 2009 RMB'000 | 2008 RMB'000 | 2009 RMB'000 | 2008 RMB'000 |
| NON-CURRENT ASSETS | | | | | |
| Property and equipment | 16 | 291,533 | 202,187 | 5,627 | 6,278 |
| Investment properties | 17 | 2,057,400 | 429,000 | — | — |
| Properties under development | 18 | 5,167,352 | 6,718,930 | 29,694 | 29,678 |
| Goodwill | 19 | 65,867 | 35,719 | — | — |
| Other intangible assets | 20 | 5,198 | 5,780 | — | — |
| Investments in subsidiaries | 21 | — | — | 1,941,170 | 1,858,120 |
| Interests in jointly-controlled entities | 22 | 689,737 | 629,232 | 134,342 | 134,342 |
| Interests in associates | 23 | 598,892 | 256,278 | 187,560 | 187,560 |
| Available-for-sale investments | 24 | 298,110 | 77,018 | 10,510 | 250 |
| Amount due from related companies | 31 | 191,905 | — | — | — |
| Loan receivables | 25 | 220,000 | 220,000 | — | — |
| Prepayments | 26 | 616,313 | 1,156,383 | — | — |
| Deferred tax assets | 27 | 427,359 | 383,549 | — | — |
| Total non-current assets | | <u>10,629,666</u> | <u>10,114,076</u> | <u>2,308,903</u> | <u>2,216,228</u> |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 28 | 3,629,771 | 1,213,089 | 396,485 | 26,834 |
| Pledged deposits | 28 | 122,000 | 19,449 | — | — |
| Income tax recoverable | | 141,028 | 95,684 | — | — |
| Trade receivables | 29 | 242,475 | 185,189 | — | 221 |
| Prepayments, deposits and other receivables | 30 | 1,531,989 | 569,331 | 613,575 | 12,834 |
| Amounts due from related companies | 31 | 724,667 | 454,759 | 8,773,653 | 7,166,736 |
| Amount due from holding company | 31 | 98,462 | 59,441 | 98,462 | 59,441 |
| Completed properties for sale | | 1,698,292 | 987,604 | 12,534 | 14,249 |
| Properties under development | 18 | <u>7,089,469</u> | <u>6,263,042</u> | — | — |
| | | 15,278,153 | 9,847,588 | 9,894,709 | 7,280,315 |
| Assets of disposal group classified as held for sale | 12 | <u>1,548,894</u> | — | — | — |
| Total current assets | | <u>16,827,047</u> | <u>9,847,588</u> | <u>9,894,709</u> | <u>7,280,315</u> |

APPENDIX II
FINANCIAL INFORMATION ON FORTE

| | <i>Notes</i> | Group | | Company | |
|---|--------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| CURRENT LIABILITIES | | | | | |
| Interest-bearing bank loans and other borrowings | 32 | 2,966,897 | 2,507,736 | 560,000 | 812,000 |
| Trade and bills payables | 34 | 1,491,922 | 1,275,421 | 19,350 | 20,145 |
| Advances from customers | | 4,696,858 | 2,110,091 | — | — |
| Accrued liabilities and other payables | 35 | 1,541,972 | 447,005 | 108,456 | 21,146 |
| Tax payable | | 1,316,669 | 1,191,732 | 8,408 | 5,814 |
| Amounts due to related companies | 36 | <u>270,985</u> | <u>227,368</u> | <u>3,363,993</u> | <u>2,014,892</u> |
| | | 12,285,303 | 7,759,353 | 4,060,207 | 2,873,997 |
| Liabilities directly associated with the assets of disposal group classified as held for sale | 12 | <u>997,393</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Total current liabilities | | <u>13,282,696</u> | <u>7,759,353</u> | <u>4,060,207</u> | <u>2,873,997</u> |
| NET CURRENT ASSETS | | <u>3,544,351</u> | <u>2,088,235</u> | <u>5,834,502</u> | <u>4,406,318</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>14,174,017</u> | <u>12,202,311</u> | <u>8,143,405</u> | <u>6,622,546</u> |
| NON-CURRENT LIABILITIES | | | | | |
| Interest-bearing bank loans and other borrowings | 32 | 7,344,170 | 5,938,232 | 3,319,304 | 1,938,000 |
| Loans from related companies | 33 | 106,618 | 152,193 | 81,324 | 76,118 |
| Deferred tax liabilities | 27 | <u>217,514</u> | <u>261,687</u> | <u>72,317</u> | <u>62,562</u> |
| Total non-current liabilities | | <u>7,668,302</u> | <u>6,352,112</u> | <u>3,472,945</u> | <u>2,076,680</u> |
| Net assets | | <u><u>6,505,715</u></u> | <u><u>5,850,199</u></u> | <u><u>4,670,460</u></u> | <u><u>4,545,866</u></u> |

APPENDIX II**FINANCIAL INFORMATION ON FORTE**

| | | Group | | Company | |
|---|--------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | <i>Notes</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| EQUITY | | | | | |
| Equity attributable to owners of the parent: | | | | | |
| Issued capital | 37 | 505,861 | 505,861 | 505,861 | 505,861 |
| Reserves | 39 | 5,254,927 | 4,728,140 | 4,012,841 | 3,989,419 |
| Proposed final dividends | 13 | <u>151,758</u> | <u>50,586</u> | <u>151,758</u> | <u>50,586</u> |
| | | 5,912,546 | 5,284,587 | 4,670,460 | 4,545,866 |
| Minority interests | | <u>593,169</u> | <u>565,612</u> | <u>—</u> | <u>—</u> |
| Total equity | | <u><u>6,505,715</u></u> | <u><u>5,850,199</u></u> | <u><u>4,670,460</u></u> | <u><u>4,545,866</u></u> |

Consolidated Statement of Changes in Equity
Year ended 31 December 2009

| | Attributable to owners of the parent | | | | | | | | | | | |
|--|--------------------------------------|--|----------------------------------|---|----------------------------|--|---|-----------------------------|---|-------------------------|-------------------------------|-------------------------|
| | Notes | Issued capital RMB'000 (note 37) | Share premium account RMB'000 | Available-for-sale investment revaluation reserve RMB'000 (note 24) | Capital reserve RMB'000 | Statutory surplus reserve RMB'000 (note 39(a)) | Exchange fluctuation reserve RMB'000 | Retained profits RMB'000 | Proposed final dividend RMB'000 (note 13) | Total equity RMB'000 | Minority interests RMB'000 | Total equity RMB'000 |
| At 1 January 2009 | | 505,861 | 2,624,510 | — | 237,680 | 592,172 | 6,567 | 1,267,211 | 50,586 | 5,284,587 | 565,612 | 5,850,199 |
| Total comprehensive income for the year | | — | — | 145,770 | — | — | 2,979 | 496,648 | — | 645,397 | 112,207 | 757,604 |
| Partial disposal of equity interest in a subsidiary | | — | — | — | — | — | — | — | — | — | 23,511 | 23,511 |
| Capital contribution from minority shareholder of subsidiaries | | — | — | — | — | — | — | — | — | — | 89,200 | 89,200 |
| Acquisition of a subsidiary | 40.1 | — | — | — | — | — | — | — | — | — | 4,550 | 4,550 |
| Acquisition of minority interests | | — | — | — | — | — | — | — | — | — | (135,730) | (135,730) |
| Dividends paid to minority shareholders | | — | — | — | — | — | — | — | — | — | (66,181) | (66,181) |
| Final 2008 dividend declared | | — | — | — | — | — | — | — | (50,586) | (50,586) | — | (50,586) |
| Proposed 2009 final dividend | 13 | — | — | — | — | — | — | (151,758) | 151,758 | — | — | — |

| | | Attributable to owners of the parent | | | | | | | | | |
|--|----|--------------------------------------|-------------------------------|-----------------|---------------------------|------------------------------|------------------|-------------------------|-----------|--------------------|--------------|
| | | Share premium account | Available-for-sale investment | Capital reserve | Statutory surplus reserve | Exchange fluctuation reserve | Retained profits | Proposed final dividend | Total | Minority interests | Total equity |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Notes | | (note 37) | (note 24) | (note 39(a)) | (note 13) | | | | | | |
| Indemnity receivable of land appreciation tax ("LAT") from the holding company | 10 | — | — | 39,021 | — | — | — | — | 39,021 | — | 39,021 |
| Tax effect of LAT indemnity | 27 | — | — | (9,755) | — | — | — | — | (9,755) | — | (9,755) |
| Equity-settled share-based payment | | — | 3,882 | — | — | — | — | — | 3,882 | — | 3,882 |
| Transfer from retained profits | | — | — | — | 33,737 | — | (33,737) | — | — | — | — |
| At 31 December 2009 | | 505,861 | 2,628,392 | 145,770 | 266,946 | 625,909 | 1,578,364 | 151,758 | 5,912,546 | 593,169 | 6,505,715 |

| | | Attributable to owners of the parent | | | | | | | | | | | | | | | | | | | |
|-------|--|--|----------------------------------|---|----------------------------|--|--|-----------------------------|---|------------------|-------------------------------|-------------------------|--|--|--|--|--|--|--|--|--|
| | | Issued capital RMB'000 (note 37) | Share premium account RMB'000 | Available-for-sale investment revaluation reserve RMB'000 (note 24) | Capital reserve RMB'000 | Statutory surplus reserve RMB'000 (note 39(a)) | Exchange fluctuation reserve RMB'000 | Retained profits RMB'000 | Proposed final dividend RMB'000 (note 13) | Total RMB'000 | Minority interests RMB'000 | Total equity RMB'000 | | | | | | | | | |
| Notes | | | | | | | | | | | | | | | | | | | | | |
| | At 1 January 2008 | 505,861 | 2,624,510 | (46,863) | 193,099 | 481,302 | 50 | 1,327,012 | — | 5,084,971 | 524,616 | 5,609,587 | | | | | | | | | |
| | Total comprehensive income for the year | — | — | 46,863 | — | — | 6,517 | 101,655 | — | 155,035 | 139,951 | 294,986 | | | | | | | | | |
| | Capital contribution from minority shareholder of subsidiaries | — | — | — | — | — | — | — | — | — | 62,838 | 62,838 | | | | | | | | | |
| | Acquisition of minority interests | — | — | — | — | — | — | — | — | — | (18,068) | (18,068) | | | | | | | | | |
| | Dividends paid to minority shareholders | — | — | — | — | — | — | — | — | — | (143,725) | (143,725) | | | | | | | | | |
| | Propose 2008 final dividend | — | — | — | — | — | — | (50,586) | — | 50,586 | — | — | | | | | | | | | |
| 13 | Indemnity receivable of LAT from the holding company | — | — | — | 59,441 | — | — | — | — | — | — | 59,441 | | | | | | | | | |
| 10 | Tax effect of LAT indemnity | — | — | — | (14,860) | — | — | — | — | — | — | (14,860) | | | | | | | | | |
| 27 | Transfer from retained profits | — | — | — | — | 110,870 | — | (110,870) | — | — | — | — | | | | | | | | | |
| | At 31 December 2008 | 505,861 | 2,624,510 | — | 237,680 | 592,172 | 6,567 | 1,267,211 | 50,586 | 5,284,587 | 565,612 | 5,850,199 | | | | | | | | | |

Consolidated Statement of Cash Flows*Year ended 31 December 2009*

| | <i>Notes</i> | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|---|--------------|-------------------------------|-------------------------------|
| Cash flows from operating activities | | | |
| Profit before tax | | 1,060,709 | 887,078 |
| Adjustments for: | | | |
| Impairment of available-for-sale investments | 7 | — | 190,226 |
| (Reversal of)/impairment of inventories | 5, 7 | (19,168) | 80,456 |
| Impairment of goodwill | 7 | 3,179 | 6,965 |
| Share of profits and losses of associates and jointly-controlled entities | | (9,426) | 5,132 |
| Bank interest income | 5 | (1,649) | (5,966) |
| Interest income for loan receivables | 5 | (6,870) | (17,257) |
| Changes in fair value of investment properties | 5, 7 | (75,404) | 27,000 |
| Gain on acquisition of minority interests | 5 | (4,057) | — |
| Gain on disposal of available-for-sale investments | 5 | (2,351) | — |
| (Gain)/loss on disposal of items of property and equipment | 5, 7 | (1,022) | 575 |
| Loss on disposal of an investment property | 7 | 790 | — |
| Depreciation | 6 | 19,636 | 19,227 |
| Amortisation of other intangible assets | 6 | 582 | 49 |
| Finance costs | 8 | 73,609 | 48,820 |
| Equity-settled share-based payment expense | 6 | 16,426 | — |
| | | 1,054,984 | 1,242,305 |
| (Increase)/decrease in trade receivables | | (68,385) | 95,680 |
| Increase in properties under development and completed properties held for sale | | (1,572,583) | (3,066,626) |
| (Increase)/decrease in prepayments, deposits and other receivables | | (376,447) | 656,537 |
| Increase in amounts due from related companies | | (511,030) | (243,091) |
| Increase in trade and bills payables | | 501,889 | 354,164 |
| Increase/(decrease) in advances from customers | | 2,591,162 | (500,542) |
| Increase/(decrease) in accrued liabilities and other payables | | 408,475 | (2,454) |
| Cash generated from/(used in) operations | | 2,028,065 | (1,464,027) |
| Interest paid | | (525,378) | (696,032) |
| Tax paid | | (432,829) | (480,330) |
| Net cash flows from/(used in) operating activities | | 1,069,858 | (2,640,389) |

APPENDIX II**FINANCIAL INFORMATION ON FORTE**

| | <i>Notes</i> | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|---|--------------|-------------------------------|-------------------------------|
| Net cash flows from/(used in)operating activities | | <u>1,069,858</u> | <u>(2,640,389)</u> |
| Cash flows from investing activities | | | |
| Purchases of items of property and equipment | | (45,080) | (35,673) |
| Proceeds from disposal of items of property and equipment | | 7,303 | 1,775 |
| Interest received | | 15,389 | 27,947 |
| Dividends received from associates | | 587 | 51,353 |
| Acquisition of minority interests | | (165,000) | (24,019) |
| Acquisition of subsidiaries | | (482,428) | (157,827) |
| Capital contribution to jointly-controlled entities | | (50,000) | (5,000) |
| Capital contribution to/acquisition of associates | | (270,674) | — |
| Acquisition of available-for-sale investments | | (78,777) | (22,068) |
| Proceeds from disposal of subsidiaries | | — | (688) |
| Proceeds from disposal of jointly-controlled entities | | — | 52,000 |
| Proceeds from partial disposal of equity interests in subsidiaries | | — | 232,000 |
| Proceeds from disposal of available-for-sale investments | | 5,630 | — |
| Proceeds from closure of associates | | 1,150 | — |
| Proceeds from disposal of an investment property | | 428,210 | — |
| Prepayments for acquisitions | | (111,938) | (40,435) |
| Return of prepayment in respect of a proposed acquisition | | — | 311,330 |
| Shareholder loans provided to related companies | | — | (266,400) |
| Increase in pledged deposits | | <u>(102,551)</u> | <u>(17,199)</u> |
| Net cash flows (used in)/from investing activities | | <u>(848,179)</u> | <u>107,096</u> |
| Net proceeds from issue of corporate bonds | | 1,870,250 | — |
| Other transaction costs paid in respect of issue of corporate bonds | | (1,509) | — |
| New interest-bearing bank loans and other borrowings | | 7,126,179 | 6,675,644 |
| Repayment of bank loans and other borrowings | | (6,727,532) | (5,418,352) |
| Dividends paid | | (50,586) | — |
| Dividends paid to minority shareholders | | (66,181) | (143,725) |
| Capital contribution from minority shareholders of subsidiaries | | 89,200 | 62,838 |
| LAT indemnity received from holding company | | <u>—</u> | <u>190,808</u> |
| Net cash flows from financing activities | | <u>2,239,821</u> | <u>1,367,213</u> |

APPENDIX II**FINANCIAL INFORMATION ON FORTE**

| | <i>Notes</i> | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|--|--------------|-------------------------------|-------------------------------|
| Net increase/(decrease) in cash and cash equivalents | | 2,461,500 | (1,166,080) |
| Cash and cash equivalents at beginning of year | | <u>1,213,089</u> | <u>2,379,169</u> |
| Cash and cash equivalents at end of year | | <u><u>3,674,589</u></u> | <u><u>1,213,089</u></u> |
| Analysis of balances of cash and cash equivalents | | | |
| Cash and cash equivalents as stated in the statement of financial position | | | |
| Cash and cash equivalents as stated in the statement of financial position | 28 | 3,629,771 | 1,213,089 |
| Cash and cash equivalents attributable to assets of disposal group classified as held for sale | 12 | <u>44,818</u> | <u>—</u> |
| Cash and cash equivalents as stated in the statement of cash flows | | <u><u>3,674,589</u></u> | <u><u>1,213,089</u></u> |

Note to the Financial Statements**1. CORPORATE INFORMATION**

Shanghai Forte Land Co., Ltd. (the “Company”) was established in the People’s Republic of China (the “PRC”) on 13 August 1998 as a limited company. Pursuant to an approval document numbered “Hu Fu Ti Gai Shen [2001] No. 026” dated 12 September 2001 issued by the Shanghai Municipal Government, the Company was reorganised as a joint stock limited company on 27 September 2001. The registered office of the Company is located at 9th Floor, 510 Caoyang Road, Shanghai, the PRC. The principal place of business of the Company is located at 5th-7th Floor, Fuxing Business Building, No.2 East Fuxing Road, Shanghai, the PRC.

The principal activities of the Company and its subsidiaries (the “Group”) are property development and property investment, as well as the development and operation of ancillary property related services.

In the opinion of the directors, the holding company of the Group is Shanghai Fosun High Technology (Group) Co., Ltd. (“Fosun High Technology”), which is incorporated in the PRC; the intermediate holding company of the Group is Fosun International Limited (“FIL”), which is incorporated in Hong Kong; the ultimate holding company of the Group is Fosun International Holdings Ltd., which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) (which include all International Financial Reporting Standards, International Accounting Standards (“IAS”) and Interpretations) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment property and certain financial assets that have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.3. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000), except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group for the year ended 31 December 2009. The results of the subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from inter-company transactions and inter-company balances within the Group are eliminated on consolidation in full.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value

of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The Company assesses whether the acquisition of a subsidiary constitutes a business combination. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. If the subsidiary acquired does not constitute a business, the Company accounts for the acquisition as an acquisition of asset.

Minority interests represent the interest of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries. An acquisition of minority interests is accounted for using the parent entity extension method whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognised as goodwill.

2.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revise IFRSs for the first time for the current year's financial statements.

| | |
|----------------------------------|---|
| IFRS 1 and IAS 27 Amendments | Amendments to IFRS 1 <i>First-time Adoption of IFRSs and IAS 27 Consolidated and Separate Financial Statements- Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i> |
| IFRS 2 Amendments | Amendments to IFRS 2 <i>Share - based Payment-Vesting Conditions and Cancellations</i> |
| IFRS 7 Amendments | Amendments to IFRS 7 <i>Financial Instruments: Disclosure-Improving Disclosures about Financial Statements</i> |
| IFRS 8 | <i>Operating Segments</i> |
| IAS 1 (Revised) | <i>Presentation of Financial Statements</i> |
| IAS 18 Amendment* | Amendment to Appendix to IAS 18 <i>Revenue - Determining whether an entity is acting as a principal or as an agent</i> |
| IAS 23 (Revised) | <i>Borrowing Costs</i> |
| IAS 32 and IAS 1 Amendments | Amendments to IAS 32 <i>Financial Instruments: Presentation</i> and IAS 1 <i>Presentation of Financial Statements-Putable Financial Instruments and Obligations Arising on Liquidation</i> |
| IFRIC 9 and IAS 39 Amendments | Amendments to IFRIC 9 <i>Reassessment of Embedded Derivatives</i> and IAS 39 <i>Financial Instruments: Recognition and Measurement-Embedded Derivatives</i> |

| | |
|-------------------------------------|---|
| IFRIC 13 | <i>Customer Loyalty Programmes</i> |
| IFRIC 15 | <i>Agreements for the Construction of Real Estate</i> |
| IFRIC 16 | <i>Hedges of a Net Investment in a Foreign Operation</i> |
| IFRIC 18 | <i>Transfers of Assets from Customer</i> (adopted from 1 July 2009) |
| Improvements to IFRSs (May 2008) | Amendments to a number of IFRSs |

* Included in *Improvements to IFRSs 2009* (as issued in April 2009)

The principal effects of adopting these new and revised IFRSs are as follows:

(a) IFRS 8 *Operating Segments*

IFRS 8, which replaces IAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purpose of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customer. The revised disclosures, including the related revised comparative information, are shown in note 4 to the financial statements.

(b) IAS 1 (Revised) *Presentation of Financial Statements*

IAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

(c) In May 2008, the IASB issued its first *Improvements to IFRSs* which sets out amendments to a number of IFRSs. Except for the amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations — Plan to Sell the Controlling Interest in a Subsidiary* which is effective for annual reporting periods beginning on or after 1 July 2009, the Group adopted all the amendments from 1 January 2009. While the adoption of some of the

amendments results in changes in accounting policies, none of these amendments has had a significant financial impact to the Group. Details of the key amendments most applicable to the Group are as follows:

- IAS 40 *Investment Property*: Revised the scope such that property being constructed or developed for future as an investment property is classified as an investment property. The Group has applied the amendment prospectively from 1 January 2009. The Group's accounting policy for investment properties is to subsequently state them at fair value with changes in fair values recognised in profit or loss. As a result of the amendment, an investment property under construction is carried at fair value at the earlier of when the fair value first becomes reliably determinable and when the construction of the property is completed.

Other than as explained above regarding the impact of IFRS 8, IAS 1 (Revised) and Improvements to IFRSs, the adoption of these new and revised IFRSs has had no significant financial effect on these financial statements.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

| | |
|---------------------|--|
| IFRS 1 (Revised) | <i>First-time Adoption of IFRS</i> ¹ |
| IFRS 1 Amendments | Amendments to IFRS 1 <i>First-time Adoption of IFRS — Additional Exemptions for First-time Adopters</i> ² |
| Amendment to IFRS 1 | <i>Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters</i> ⁴ |
| IFRS 2 Amendments | Amendments to IFRS 2 <i>Share-based Payment — Group Cash-settled Share-based Payment Transactions</i> ² |
| IFRS 3 (Revised) | <i>Business Combinations</i> ¹ |
| IFRS 9 | <i>Financial Instruments</i> ⁶ |
| IAS 24 (Revised) | <i>Related Party Disclosures</i> ⁵ |
| IAS 27 (Revised) | <i>Consolidated and Separate Financial Statements</i> ¹ |
| IAS 32 Amendment | Amendment to IAS 32 <i>Financial Instruments: Presentation — Classification of Rights Issues</i> ³ |
| IAS 39 Amendment | Amendment to IAS 39 <i>Financial Instruments: Recognition and Measurement — Eligible Hedged Items</i> ¹ |

| | |
|--|---|
| IFRIC 14 Amendments | Amendments to IFRIC 14 <i>Prepayments of a Minimum Funding Requirement</i> ⁵ |
| IFRIC 17 | <i>Distribution of Non - cash Assets to Owners</i> ¹ |
| IFRIC 19 | <i>Extinguishing Financial Liabilities with Equity Instruments</i> ⁴ |
| Amendments to IFRS 5 included in Improvements to IFRS issued in October 2008 | Amendments to IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations — Plan to Sell the Controlling Interest in a Subsidiary</i> ¹ |

Apart from the above, the IASB has issued *Improvements to IFRSs 2009* which sets out amendments to a number of IFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to IFRS 2, IAS 38, IFRIC 9 and IFRIC 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36 and IAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

¹ Effective for financial years beginning on or after 1 July 2009

² Effective for financial years beginning on or after 1 January 2010

³ Effective for financial years beginning on or after 1 February 2010

⁴ Effective for financial years beginning on or after 1 July 2010

⁵ Effective for financial years beginning on or after 1 January 2011

⁶ Effective for financial years beginning on or after 1 January 2013

Further information about those changes that are expected to significantly affect the Group is as follows:

IFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

IAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 *Statement of Cash Flows*, IAS 12 *Income Taxes*, IAS 21 *The Effects of Changes in Foreign Exchange Rates*, IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures*.

The Group expects to adopt IFRS 3 (Revised) and IAS 27 (Revised) from 1 January 2010. The changes introduced by these revised standards must be applied prospectively and will affect the accounting of future acquisitions, loss of control and transactions with minority interests.

IFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace IAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on

the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of IAS 39.

The amendments to IFRS 5 clarify that all assets and liabilities of a subsidiary shall be classified as held for sale if an entity has a sale plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest. The Group expects to adopt the amendments from 1 January 2010. The changes must be applied prospectively and will affect future sale transactions or plans involving loss of control of a subsidiary.

Other than as explained above regarding the impact of IFRS 3 (Revised), IAS 27 (Revised), IFRS 9 and the amendments to IFRS 5, the adoption of these new and revised IFRSs are unlikely to have a significant financial effect on the Group's results of operations and financial position.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with IFRS 5 are stated at cost less any impairment losses.

Jointly-controlled entities

A jointly-controlled entity is a joint venture that is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's interests in jointly-controlled entities are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of jointly-controlled entities is included in the consolidated income statement and consolidated reserves, respectively. Where the profit sharing ratio is different to the Group's equity interest, the share of post-acquisition results of the jointly-controlled entities is determined based on the agreed profit sharing ratio. Unrealised gains and losses resulting from transactions between the Group and its jointly-controlled entities are eliminated to the extent of the Group's interests in the jointly-controlled entities, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of jointly-controlled entities is included as part of the Group's interests in jointly-controlled entities.

The results of jointly-controlled entities are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in the jointly-controlled entities are treated as non-current assets and are stated at cost less any impairment losses.

Associates

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's interests in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates is included as part of the Group's interests in associates and is not individually tested for impairment.

The results of associates are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in associates are treated as non-current assets and are stated at cost less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries, associates and jointly-controlled entities represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated statement of financial position as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses. In the case of associates and jointly-controlled entities, goodwill is included in the carrying amount thereof, rather than as a separately identified asset in the consolidated statement of financial position.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within the unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Excess over the cost of business combinations

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition of subsidiaries (previously referred to as negative goodwill), after reassessment, is recognised immediately in the income statement.

The excess for associates and jointly-controlled entities is included in the Group's share of the associates' and jointly-controlled entities' profits or losses in the period in which the investments are acquired.

Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, investment properties, goodwill and a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a before-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill and certain financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no

impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d); or
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e).

Property, equipment and depreciation

Property and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item or property and equipment is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over the estimated useful life of the assets. The estimated useful lives of property and equipment are as follows:

| | |
|------------------------|---|
| Properties | 10-20 years |
| Leasehold improvements | The lesser of the lease terms or their useful lives |
| Office equipment | 5 years |
| Motor vehicles | 5 years |

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least, at each financial year end.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property and equipment or investment properties when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement. For an investment property under construction, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

Non-current assets and disposal group held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal group and its sale must be highly probable.

Non-current assets and disposal group (other than investment properties, deferred tax assets and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets other than goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end.

The Group's intangible asset is stated at cost less any impairment losses and is amortised on the straight-line basis over their estimated useful lives of 10 years.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Investment and other financial assets***Initial recognition and measurement***

Financial assets in the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and bank balances, trade and other receivables, loan receivables, quoted and unquoted financial instruments and amounts due from related companies/holding company.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in the income statement. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the income statement. The loss arising from impairment is recognised in the income statement.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity and debt securities. Equity investments classified as available for sale are those neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment valuation reserve until the investment is derecognised, at which time the

cumulative gain or loss is recognised in the income statement in other gains, or until the investment is determined to be impaired, at which time the cumulative gain or loss is recognised in the income statement and removed from the available-for-sale investment valuation reserve. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as other income in accordance with the policies set out for “Revenue recognition” below.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

The Group evaluates its available-for-sale financial assets whether the ability and intention to sell them in the near term are still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management’s intent to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or to maturity. The reclassification to the held-to-maturity category is permitted only when the entity has the ability and intent to hold until the maturity date of the financial asset.

For a financial asset reclassified out of available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the expected cash flow is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flow in full without material delay to a third party under a “pass-through” arrangement;
- and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and

rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that event has an impact on the estimated future cash flow of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default of delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flow, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the group determines that no objective evidence of impairment exist for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of estimated future cash flow is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flow for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If the future write-off is later recovered, the recovery is credited to the income statement.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investment is impaired.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is removed from other comprehensive income and recognised in income statement.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. The determination of what is "significant" or "prolonged" requires judgement. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured at the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement — is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity instruments classified as available-for-sale are not reversed through the income statement. Increases in their fair value after impairment are recognised directly in other comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities including trade and bills payables, other payables, interest-bearing bank loans and other borrowings, amounts due to related companies and loans from related companies.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowing are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the effective interest rate. The effective interest rate amortisation is included in finance cost in the income statement.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Properties under development

Properties under development are stated at cost, which includes all development expenditures, including land costs, interest charges and other costs directly attributable to such properties.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

Properties under development are valued at the lower of cost and net realizable value at the end of reporting period and any excess of cost over net realizable value of individual item of properties under development is accounted for as a provision. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

Completed properties for sale

Completed properties for sale are recognised in the statement of financial position at the lower of cost and the net realisable value. Net realisable value is estimated by the directors based on the prevailing market conditions. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. Any excess of cost over net realizable value of individual item of completed properties for sale is accounted for as a provision.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows and the statement of financial position, cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably, on the following bases:

- (a) income from sale of properties is recognised when the risks and rewards of the properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement and collectibility of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under current liabilities;
- (b) property agency income, property sales planning and advertising income, construction supervisory income and property management income recognised when relevant services have been rendered and it is probable that economic benefits will flow to the Group and the relevant fees can be measured reliably;
- (c) rental income, on a time proportion basis over the lease terms;
- (d) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a to the net carrying amount of the financial asset, and
- (e) dividend income when the shareholders' right to receive payment has been established.

Share-based payment transactions

Certain senior management personnel are provided with the opportunity to purchase the equity interest in a subsidiary of the Company at a discounted price for their contribution to the success of the Group's operation.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a market approach, further details of which are given in note 38 to the financial statements.

Retirement benefits

Obligatory retirement benefits in the form of contributions under a defined contribution retirement schedule administered by local government agencies are charged to the income statement as incurred.

Accommodation benefits

Contributions to an accommodation fund administered by the Public Accumulation Funds Administration Centre are charged to the income statement as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by th/e shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional and presentation currency. Each entity within the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of reporting period. All differences are taken to the income statement. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of certain subsidiaries incorporated outside Mainland China is Hong Kong dollars ("HK\$"). As at the end of reporting period, the assets and liabilities of the Group's foreign entity are translated into RMB at the exchange rates ruling at the end of reporting period and their income statements are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of its overseas subsidiaries are translated into RMB at the exchange rate ruling at the dates of the cash flows. Frequently recurring cash flows of its overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rate for the year.

3 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2009 was RMB65,867,000 (2008: RMB35,719,000) and the details are set out in note 19.

Fair value of investment properties

As set out in note 17, investment properties were revalued as at 31 December 2009 on an open market value by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from actual results. In making the judgement, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of reporting period.

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of a different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences;
- (b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

- (c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs. The carrying amount of investment properties at 31 December 2009 was RMB2,057,400,000 (2008: RMB429,000,000).

Provision for impairment of trade receivables and other receivables

Provision for impairment of trade receivables and other receivables is made based on an assessment of the recoverability of trade receivables and other receivables. The identification of doubtful debts requires management's judgement and estimates. Provision is made when there is objective evidence that the Group will not be able to collect the debts. Where the actual outcome or further expectation is different from the original estimate, such differences will impact the carrying value of the receivables, doubtful debt expenses and write-back in the period in which such estimate has been changed.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Where the actual or expected tax positions of the relevant companies of the Group in future are different from the original estimate, such differences will impact the recognition of deferred tax assets and income tax charge in the period in which such estimate has been changed.

Impairment of available-for-sale financial assets

The Group classifies certain assets as available-for-sale and recognizes movements of their fair values in equity. When the fair value declines, management makes an assumption about the decline in value to determine whether there is an impairment that should be recognised in the income statement. At 31 December 2009, no impairment losses have been recognized for available-for-sale assets (2008: RMB190,226,000). The carrying amount of available-for-sale assets measured at fair value was RMB240,690,000 (2008: RMB73,489,000).

4. OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their products and geographies and has eleven reportable segments as follows:

- (a) Shanghai, Beijing, Tianjin, Hubei, Chongqing, Zhejiang, Sichuan, Jiangsu, Jilin and Shaanxi segments principally engaged in development as well as sales of residential and commercial properties;
- (b) The “others” segment comprises, principally the Group’s ancillary services relating to real estate industry, which provides property agency, property management, property consulting and advertising services.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit/(loss) before tax after deducting LAT.

Segment assets excluded goodwill and deferred tax assets.

Segment liabilities exclude deferred tax liabilities except that arising from LAT indemnity.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

| Year ended 31 December 2009 | Property development | | | | | | | | | | Total RMB'000 | |
|--|----------------------|--------------------|--------------------|------------------|----------------------|---------------------|--------------------|--------------------|------------------|--------------------|------------------|-------------------|
| | Shanghai RMB'000 | Beijing RMB'000 | Tianjin RMB'000 | Hubei RMB'000 | Chongqing RMB'000 | Zhejiang RMB'000 | Sichuan RMB'000 | Jiangsu RMB'000 | Jilin RMB'000 | Shaanxi RMB'000 | | Others RMB'000 |
| Segment revenue: | | | | | | | | | | | | |
| Sales to external customers | 1,174,715 | 2,777,309 | 375,028 | 30,019 | 342,505 | 519,126 | — | 22,080 | 67,791 | — | 159,247 | 5,467,820 |
| Intersegment sales | — | — | — | — | — | — | — | — | — | — | 110,290 | 110,290 |
| | 1,174,715 | 2,777,309 | 375,028 | 30,019 | 342,505 | 519,126 | — | 22,080 | 67,791 | — | 269,537 | 5,578,110 |
| Reconciliation: | | | | | | | | | | | | |
| Elimination of intersegment sales | | | | | | | | | | | | (110,290) |
| Offsetting sales tax | | | | | | | | | | | | (283,016) |
| Revenue | | | | | | | | | | | | 5,184,804 |
| Segment results | 337,444 | 635,433 | 122,063 | (19,883) | (9,754) | 66,476 | (10) | 5,918 | 4,079 | (9,084) | (34,771) | 1,097,911 |
| Reconciliation: | | | | | | | | | | | | |
| Elimination and adjustment | | | | | | | | | | | | (37,002) |
| Profit before tax | | | | | | | | | | | | 1,060,709 |
| Segment assets | 18,558,850 | 9,292,736 | 269,816 | 2,705,297 | 721,636 | 3,143,367 | 439,613 | 3,015,019 | 1,084,853 | 692,621 | 2,147,405 | 42,071,213 |
| Reconciliation: | | | | | | | | | | | | |
| Elimination and adjustment | | | | | | | | | | | | (16,163,394) |
| Assets of disposal group classified as held for sale | | | | | | | | | | | | 1,548,894 |
| Total assets | | | | | | | | | | | | 27,456,713 |

| Year ended 31 December 2009 | Property development | | | | | | | | | | Total RMB'000 | |
|---|----------------------|--------------------|--------------------|------------------|----------------------|---------------------|--------------------|--------------------|------------------|--------------------|------------------|-------------------|
| | Shanghai RMB'000 | Beijing RMB'000 | Tianjin RMB'000 | Hubei RMB'000 | Chongqing RMB'000 | Zhejiang RMB'000 | Sichuan RMB'000 | Jiangsu RMB'000 | Jilin RMB'000 | Shaanxi RMB'000 | | Others RMB'000 |
| Segment liabilities | 14,390,056 | 10,607,511 | 467,838 | 1,951,430 | 366,861 | 2,064,152 | 239,623 | 2,555,798 | 1,051,203 | 612,000 | 2,313,746 | 36,620,218 |
| Reconciliation: | | | | | | | | | | | | |
| Elimination and adjustment | | | | | | | | | | | | (16,666,613) |
| Liabilities related to the assets of disposal group classified as held for sale | | | | | | | | | | | | 997,393 |
| Total liabilities | | | | | | | | | | | | 20,950,998 |
| Other segment information: | | | | | | | | | | | | |
| Impairment losses recognised in the income statement | — | 3,179 | — | — | — | — | — | — | — | — | — | 3,179 |
| Impairment losses reversed in the income statement | — | (19,168) | — | — | — | — | — | — | — | — | — | (19,168) |

| | Property development | | | | | | | | | | Total RMB'000 | |
|-----------------------------------|----------------------|--------------------|--------------------|------------------|----------------------|---------------------|--------------------|--------------------|------------------|--------------------|------------------|-------------------|
| | Shanghai RMB'000 | Beijing RMB'000 | Tianjin RMB'000 | Hubei RMB'000 | Chongqing RMB'000 | Zhejiang RMB'000 | Sichuan RMB'000 | Jiangsu RMB'000 | Jilin RMB'000 | Shaanxi RMB'000 | | Others RMB'000 |
| Segment revenue: | | | | | | | | | | | | |
| Sales to external customers | 2,706,454 | 839,092 | 17 | 47,795 | 247,744 | — | 22,068 | — | — | — | 85,326 | 3,948,496 |
| Intersegment sales | 22,191 | — | — | — | — | — | — | — | — | — | 89,805 | 111,996 |
| | 2,728,645 | 839,092 | 17 | 47,795 | 247,744 | — | 22,068 | — | — | — | 175,131 | 4,060,492 |
| Reconciliation: | | | | | | | | | | | | |
| Elimination of intersegment sales | | | | | | | | | | | | (111,996) |
| Offsetting sales tax | | | | | | | | | | | | (215,241) |
| Revenue | | | | | | | | | | | | 3,733,255 |
| Segment results | 947,978 | 84,978 | (3,614) | (21,174) | (35,740) | (43,745) | 3,347 | — | (2,839) | (263,309) | | 665,882 |
| Reconciliation: | | | | | | | | | | | | |
| Elimination and adjustment | | | | | | | | | | | | 221,196 |
| Profit before tax | | | | | | | | | | | | 887,078 |
| Segment assets | 13,899,820 | 8,405,383 | 1,306,030 | 2,146,295 | 920,321 | 1,729,100 | 171,998 | 272,244 | 280,338 | 494,322 | 1,149,347 | 30,775,198 |
| Reconciliation: | | | | | | | | | | | | |
| Elimination and adjustments | | | | | | | | | | | | (10,813,534) |
| Total assets | | | | | | | | | | | | 19,961,664 |

| Year ended 31 December 2008 | Property development | | | | | | | | | | Total RMB'000 | |
|---|----------------------|--------------------|--------------------|------------------|----------------------|---------------------|--------------------|--------------------|------------------|--------------------|------------------|-------------------|
| | Shanghai RMB'000 | Beijing RMB'000 | Tianjin RMB'000 | Hubei RMB'000 | Chongqing RMB'000 | Zhejiang RMB'000 | Sichuan RMB'000 | Jiangsu RMB'000 | Jilin RMB'000 | Shaanxi RMB'000 | | Others RMB'000 |
| Segment liabilities | 9,911,925 | 9,002,649 | 1,062,034 | 1,562,393 | 547,792 | 1,056,903 | 105,998 | 692,253 | 250,767 | 404,617 | 1,216,634 | 25,813,965 |
| Reconciliation: | | | | | | | | | | | | |
| Elimination and adjustment | | | | | | | | | | | | (11,702,500) |
| Total liabilities | | | | | | | | | | | | 14,111,465 |
| Other segment information: | | | | | | | | | | | | |
| Impairment losses recognised in the income statement | 11,235 | 52,062 | — | — | 24,124 | — | — | — | — | — | 190,226 | 277,647 |

Geographical information

(a) The Group's revenue for the two years ended 31 December 2009 and 2008 were mainly derived from property development in Mainland China.

(b) Non-current assets

| | 2009 | 2008 |
|----------------|------------------|------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Mainland China | 9,284,606 | 9,307,109 |
| Hong Kong | <u>207,686</u> | <u>126,400</u> |
| | <u>9,492,292</u> | <u>9,433,509</u> |

The non-current asset information above is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Revenue from operation of approximately RMB609,520,000 (2008: Nil) was derived from sales generated by Beijing segment to a single customer.

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of properties sold, after allowances for returns and trade discounts; the value of services rendered, and gross rental income received and receivable from investment properties during the year.

An analysis of revenue, other income and gains is as follows:

| | 2009 | 2008 |
|---|-------------------------|-------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Revenue | | |
| Sale of properties | 5,286,497 | 3,857,386 |
| Rental income | 26,529 | 7,230 |
| Property agency income | 86,209 | 47,801 |
| Property sales planning and advertising income | 6,998 | 6,167 |
| Property management income | 38,645 | 19,734 |
| Construction supervisory and consulting income | 12,884 | 9,234 |
| Decoration and provision of construction materials | <u>10,058</u> | <u>944</u> |
| | 5,467,820 | 3,948,496 |
| Less: Business tax and government surcharges | <u>(283,016)</u> | <u>(215,241)</u> |
| Total revenue | <u><u>5,184,804</u></u> | <u><u>3,733,255</u></u> |
| Other income | | |
| Government grants | 32,112 | 16,496 |
| Reversal of impairment of inventories | 19,168 | — |
| Bank interest income | 1,649 | 5,966 |
| Interest income for loan receivables | 6,870 | 17,257 |
| Miscellaneous rental income | 10,424 | 6,486 |
| Others | <u>4,902</u> | <u>4,241</u> |
| | <u>75,125</u> | <u>50,446</u> |
| Gains | | |
| Fair value gain on investment properties | 75,404 | — |
| Gain on acquisition of minority interests | 4,057 | — |
| Gain on disposal of available-for-sale investments | 2,351 | — |
| Gain on disposal of items of property and equipment | <u>1,022</u> | <u>—</u> |
| | <u>82,834</u> | <u>—</u> |
| Other income and gains | <u><u>157,959</u></u> | <u><u>50,446</u></u> |

Business tax is calculated at 5% of the revenue from the sale and pre-sale of properties and the provision of property agency services, property sales planning and advertising services, property management services and construction supervisory services. Government surcharges, comprising City Maintenance, Education Surtax and River Way Management Fee, etc., are calculated at certain percentages of business tax.

Government grants represent government subsidies for enterprises' development received by the Group from the government during the year ended 31 December 2009. There are no conditions attached to the government subsidies received.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

| | <i>Note</i> | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|--|-------------|-------------------------------|-------------------------------|
| Staff costs (including directors', supervisors' and senior executives' emoluments as set out in note 9): | | | |
| Basic salaries and benefits in kind | | 156,436 | 170,801 |
| Equity-settled share-based payment | 38 | 16,426 | — |
| Pension scheme contributions: | | | |
| — defined contribution scheme | | <u>11,415</u> | <u>12,726</u> |
| Total staff costs | | <u>184,277</u> | <u>183,527</u> |
| Cost of sales | | 3,655,761 | 1,959,973 |
| Minimum lease payments under operating leases | | 43,351 | 14,913 |
| Auditors' remuneration | | 3,630 | 3,120 |
| Depreciation | | 19,636 | 19,227 |
| Amortisation of other intangible assets | 20 | 582 | 49 |
| Impairment of goodwill | 19 | 3,179 | 6,965 |
| Impairment of available-for-sale investments | 7 | — | 190,226 |
| (Reversal of)/impairment of inventories | 5, 7 | (19,168) | 80,456 |
| (Gain)/loss on disposal of items of property and equipment | 5, 7 | (1,022) | 575 |
| Finance costs | 8 | 76,302 | 44,421 |
| Loss on disposal of an investment property | 7 | 790 | — |
| Bank interest income | 5 | (1,649) | (5,966) |
| Interest income for loan receivables | 5 | (6,870) | (17,257) |
| Rental income from investment properties | | (16,661) | (7,230) |
| Gain on acquisition of minority interests | 5 | (4,057) | — |
| Gain on disposal of available-for-sale investment stated at cost | 5 | (2,351) | — |
| Changes in fair value of investment properties | 5, 7 | <u>(75,404)</u> | <u>27,000</u> |

7. OTHER EXPENSES

| | <i>Notes</i> | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|--|--------------|-------------------------------|-------------------------------|
| Impairment of available-for-sale investments | | — | 190,226 |
| Impairment of goodwill | 19 | 3,179 | 6,965 |
| Impairment of inventories | | — | 80,456 |
| Loss on fair value adjustment of investment properties | 17 | — | 27,000 |
| Donation | | 3,015 | 3,553 |
| Compensation for delay of delivery | | 28,182 | 26,747 |
| Losses on disposal of items of property and equipment | | — | 575 |
| Loss on disposal of an investment property | | 790 | — |
| Others | | <u>1,831</u> | <u>463</u> |
| | | <u>36,997</u> | <u>335,985</u> |

8. FINANCE COSTS

| | <i>Note</i> | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|---|-------------|-------------------------------|-------------------------------|
| Interest on bank loans, other borrowings and bonds: | | | |
| -wholly repayable within five years | | 619,224 | 670,871 |
| -not wholly repayable within five years | | 7,161 | 4,290 |
| Notional interest | | <u>11,132</u> | <u>10,489</u> |
| Total interest | | 637,517 | 685,650 |
| Less: Interest capitalised, in respect of: | | | |
| -bank loans, other borrowings and bonds | | (558,068) | (631,434) |
| -notional interest | 44 (I) (e) | <u>(5,840)</u> | <u>(5,396)</u> |
| Total interest capitalised | | <u>(563,908)</u> | <u>(636,830)</u> |
| | | 73,609 | 48,820 |
| Other finance costs: | | | |
| -exchange losses/(gains) | | 1,665 | (4,557) |
| -bank charges and others | | <u>1,028</u> | <u>158</u> |
| Total finance costs | | <u>76,302</u> | <u>44,421</u> |

9. DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

| | 2009 | 2008 |
|--|---------------------|---------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Fees | 741 | 749 |
| Other emoluments for executive directors, independent non-executive directors and supervisors: | | |
| -basic salaries and benefits in kind | 3,262 | 3,079 |
| -performance-related bonuses | 1,430 | 578 |
| -pension scheme contributions | <u>124</u> | <u>88</u> |
| | <u><u>5,557</u></u> | <u><u>4,494</u></u> |

Three executive directors and four independent non-executive directors received remuneration from the Company for the year ended 31 December 2009.

The remuneration for the executive directors, independent non-executive directors and supervisors fell within the range of Nil to RMB2,000,000.

(a) *Independent non-executive directors*

The fees paid to independent non-executive directors during the year were as follows:

| | 2009 | 2008 |
|-----------------------------|-------------------|-------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Mr. Charles Nicholas Brooke | 441 | 488 |
| Mr. Chen Yingjie | 100 | 87 |
| Mr. Zhang Hongming | 100 | 87 |
| Ms. Wang Meijuan | <u>100</u> | <u>87</u> |
| | <u><u>741</u></u> | <u><u>749</u></u> |

There were no other emoluments payable to the independent non-executive directors during the year (2008: Nil).

(b) *Executive directors, non-executive directors and supervisors*

| | Fees | Salaries and benefits in kind | Performance- related bonuses | Pension scheme contributions | Total remuneration |
|-----------------------------|----------------|-------------------------------------|------------------------------------|------------------------------------|-----------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| 2009 | | | | | |
| Executive directors: | | | | | |
| Mr. Fan Wei | — | 1,176 | — | 25 | 1,201 |
| Mr. Wangzhe | — | 735 | 578 | 25 | 1,338 |
| Mr. Zhang Hua | — | 835 | 700 | 25 | 1,560 |
| | — | 2,746 | 1,278 | 75 | 4,099 |
| Non-executive directors: | | | | | |
| Mr. Feng Xiekun | — | — | — | — | — |
| Mr. Guo Guangchang | — | — | — | — | — |
| Mr. Chen Qiyu | — | — | — | — | — |
| | — | — | — | — | — |
| Supervisors: | | | | | |
| Mr. Ma Suxiang | — | 288 | 130 | 25 | 443 |
| Mr. Zhang Guozheng | — | 50 | — | — | 50 |
| Mr. Sun Wenqiu | — | 50 | — | — | 50 |
| Mr. Liu Zhangxi | — | 50 | — | — | 50 |
| Mr. Shen Guoliang | — | 78 | 22 | 24 | 124 |
| | — | 516 | 152 | 49 | 717 |
| | — | 3,262 | 1,430 | 124 | 4,816 |

APPENDIX II
FINANCIAL INFORMATION ON FORTE

| | Fees | Salaries and benefits in kind | Performance- related bonuses | Pension scheme contributions | Total remuneration |
|-----------------------------|----------------|-------------------------------------|------------------------------------|------------------------------------|-----------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| 2008 | | | | | |
| Executive directors: | | | | | |
| Mr. Guo | | | | | |
| Guangchang | — | 197 | — | 7 | 204 |
| Mr. Fan Wei | — | 1,371 | — | 22 | 1,393 |
| Mr. Wangzhe | — | 809 | 578 | 22 | 1,409 |
| | — | 2,377 | 578 | 51 | 3,006 |
| Non-executive directors: | | | | | |
| Mr. Feng Xiekun | — | — | — | — | — |
| Mr. Ding Guoqi | — | — | — | — | — |
| Mr. Chen Qiyu | — | — | — | — | — |
| | — | — | — | — | — |
| Supervisors: | | | | | |
| Mr. Ma Suxiang | — | 444 | — | 22 | 466 |
| Mr. Zhang | | | | | |
| Guozheng | — | 43 | — | — | 43 |
| Mr. Sun Wenqiu | — | 43 | — | — | 43 |
| Mr. Liu Zhangxi | — | 43 | — | — | 43 |
| Mr. Shen Guoliang | — | 129 | — | 15 | 144 |
| | — | 702 | — | 37 | 739 |
| | — | 3,079 | 578 | 88 | 3,745 |

Under the arrangement of the service contract, the non-executive director, Mr. Feng Xiekun, Guo Guangchang and Chen Qiyu agreed to waive the remuneration during the year. Mr. Guo Guangchang has tendered his resignation as executive director of the Company with effect from 13 May 2009 and thereafter was been a non-executive director of the Company.

(c) *Five highest paid employees*

The five highest paid employees of the Group include two directors for the year ended 31 December 2009 (2008: one).

Details of the emoluments of the remaining three (2008: four) highest paid, non-director employees are as follows:

| | 2009 | 2008 |
|-------------------------------------|---------------------|---------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Basic salaries and benefits in kind | 4,436 | 6,290 |
| Pension scheme contributions | <u>75</u> | <u>88</u> |
| | <u><u>4,511</u></u> | <u><u>6,378</u></u> |

The number of highest paid employees whose remuneration fell within the following bands is as follows:

| | Number of employees | |
|------------------------------|----------------------------|-----------------|
| | 2009 | 2008 |
| RMB1,000,001 to RMB2,000,000 | <u><u>5</u></u> | <u><u>5</u></u> |

There were no emoluments paid by the Group to the directors, supervisors or the other highest paid, non-director employees as an inducement to join the Group, or upon joining the Group, or as compensation for loss of office during the year.

10. TAX

A subsidiary incorporated in the British Virgin Islands is not subject to any income tax. Certain subsidiaries incorporated in Hong Kong are subject to income tax at the rate of 16.5% (2008: 16.5%). The Company and all the other subsidiaries of the Group are subject to PRC income tax.

Provision for PRC income tax has been provided at the applicable income tax rate of 25% (2008: 25%) on the assessable profits of the Group in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in the PRC, which are taxed at preferential rates of 15% and 20%, respectively.

PRC land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation values, being the proceeds from sales of properties less deductible expenditures including amortization of land use rights, borrowing costs, business taxes and all property development expenditures. The tax is incurred upon transfer of property ownership.

APPENDIX II**FINANCIAL INFORMATION ON FORTE**

Major components of income tax expense for the years ended 31 December 2009 and 2008 are as follows:

| | <i>Note</i> | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|-------------------------------------|-------------|-------------------------------|-------------------------------|
| Current taxation | | | |
| -Income tax in the PRC for the year | | 351,251 | 374,456 |
| -LAT in the PRC for the year | | 205,422 | 477,579 |
| Deferred tax | 27 | <u>(104,819)</u> | <u>(206,563)</u> |
| Total tax charge for the year | | <u>451,854</u> | <u>645,472</u> |

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates to the effective tax rates, are as follows:

| | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|---|-------------------------------|-------------------------------|
| Profit before tax | <u>1,060,709</u> | <u>887,078</u> |
| Tax at the statutory tax rate of 25% in Mainland China | 269,797 | 269,469 |
| Tax at the statutory tax rate of 16.5% in Hong Kong | (3,049) | (31,481) |
| Lower tax rates for specific entities | (3,113) | 2,282 |
| Profits and losses attributable to jointly-controlled entities and associates | (2,357) | 1,283 |
| Expenses not deductible for tax | 15,576 | 9,995 |
| Tax losses not recognized | <u>20,933</u> | <u>35,740</u> |
| Sub-total | 297,787 | 287,288 |
| Additional LAT provision for the year | 112,768 | 432,415 |
| Prepaid LAT for the year | 92,654 | 45,164 |
| Deferred tax effect of additional LAT provision | (28,192) | (108,104) |
| Tax effect of prepaid LAT | <u>(23,163)</u> | <u>(11,291)</u> |
| Tax charged at the Group's effective rate | <u>451,854</u> | <u>645,472</u> |

According to a tax notice issued by the relevant local tax authorities, the Group commenced to pay LAT at rates ranging from 1% to 3% on proceeds of the sale and pre-sale of properties ("Prepaid LAT") from 2004. Prior to the year end of 2006, except for the Prepaid LAT to the local tax authorities,

no further provision for LAT had been made. The directors considered that the relevant tax authorities would be unlikely to impose additional LAT levies other than the amount already paid based on the relevant percentages of the proceeds from the sale and pre-sale of the Group's properties.

From year 2006 onward, the Group provided additional LAT in respect of the properties sold in accordance with the requirements as set forth in the relevant PRC tax laws and regulations. For the year ended 31 December 2009, based on the latest understanding of LAT regulations from tax authorities, an additional LAT in the amount of RMB112,768,000 (2008: RMB432,415,000) was provided by the Group.

In 2004, upon the reorganisation and the listing of the Company, the Company and Fosun High Technology entered into a deed of tax indemnity whereby Fosun High Technology has undertaken to indemnify the Company in respect of the LAT payable attributable to the Group in excess of the prepaid LAT based on 1% to 3% of sales proceeds, after netting off potential income tax savings, in consequence of the disposal of the properties owned by the Group as at 30 November 2003. As at 31 December 2009, the indemnity of LAT from the holding company after netting off potential income tax saving amounted to RMB98,462,000 (2008: RMB59,441,000), as set out in note 31, and the deferred tax liability arising thereon amounted to RMB72,317,000 (2008: RMB62,562,000), as set out in note 27. This LAT indemnity after netting off the corresponding tax liability was credited to capital reserve directly.

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 December 2009 includes a profit of RMB145,914,000 (2008: RMB637,919,000), which has been dealt with in the financial statements of the Company as set out in note 39(b).

12. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 24 December 2009, the Company announced the decision of its board of directors to dispose of its 75% equity interest in Tianjin Forte Puhe Development Co., Ltd. ("Tianjin Forte") at a total cash consideration of RMB1,176,790,000 (the "Disposal"). Tianjin Forte is principally engaged in the development and sale of properties in Tianjin.

As at 31 December 2009, the Disposal is still subject to the approval of relevant PRC government authorities and the settlement of the consideration. The Disposal is expected to be completed before 31 December 2010. Therefore, Tianjin Forte was classified as held for sale.

The major classes of assets and liabilities of Tianjin Forte classified as held for sale as at 31 December are as follows:

| | <i>Notes</i> | 2009 <i>RMB'000</i> |
|---|--------------|-------------------------------|
| <i>Assets</i> | | |
| Property and equipment | 16 | 4,538 |
| Deferred tax assets | 27 | 7,081 |
| Completed properties for sale | | 1,475,662 |
| Prepayment, deposits and other receivables | | 5,674 |
| Trade receivables | | 11,121 |
| Cash and cash equivalents | | <u>44,818</u> |
| Assets of disposal group classified as held for sale | | <u><u>1,548,894</u></u> |
| <i>Liabilities</i> | | |
| Interest-bearing bank loans and other borrowings | | 574,570 |
| Trade payables | | 286,767 |
| Advances from customers | | 4,415 |
| Accrued liabilities and other payables | | 5,558 |
| Tax payable | | 44,251 |
| Loan from a related company | | <u>81,832</u> |
| Liabilities directly associated with the assets of disposal group classified as held for sale | | <u><u>997,393</u></u> |

13. DIVIDENDS

| | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|---|-------------------------------|-------------------------------|
| Proposed final — RMB0.06 (2008: RMB0.02) per ordinary share | <u>151,758</u> | <u>50,586</u> |

A final dividend for the year ended 31 December 2009 of RMB0.06 per ordinary share, amounting to a total dividend of RMB151,758,000, was proposed at the Board meeting held on 15 March 2010. Such dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting before 15 June 2010.

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent of approximately RMB496,648,000 (2008: RMB101,655,000) and the weighted average number of 2,529,306,000 (2008: 2,529,306,000) ordinary shares in issue during the year.

Diluted earnings per share amounts for the two years ended 31 December 2009 and 2008 have not been disclosed as no diluting events existed during those years.

15. RETIREMENT BENEFITS AND ACCOMMODATION BENEFITS**Retirement benefits**

As stipulated by the PRC State regulations, the Company and its subsidiaries participate in a defined contribution retirement plan. All employees are entitled to an annual pension equal to a fixed proportion of the average basic salary amount within the geographical area of their last employment at their retirement date. The Company and its subsidiaries are required to make contributions to the local social security bureau at a certain percentage of the employees' average salaries and wages of prior year. The Company and its subsidiaries have no obligations for the payment of pension benefits beyond the annual contributions to the local social security bureau, as set out above.

Accommodation benefits

According to the relevant PRC rules and regulations, the Company and its subsidiaries and their employees are each required to make contributions, which are in proportion to the salaries and wages of the employees to an accommodation fund administered by the Public Accumulation Funds Administration Centre. There are no further obligations on the part of the Company and its subsidiaries, except for contributions to the accommodation fund.

16. PROPERTY AND EQUIPMENT

Group

2009

| | <i>Notes</i> | Properties <i>RMB'000</i> | Office equipment <i>RMB'000</i> | Motor vehicles <i>RMB'000</i> | Construction in progress <i>RMB'000</i> | Total <i>RMB'000</i> |
|---|--------------|-------------------------------------|---|---|---|--------------------------------|
| Cost: | | | | | | |
| As at 31 December 2008 and at 1 January 2009 | | 166,583 | 31,043 | 37,156 | 23,561 | 258,343 |
| Additions | | 48,790 | 7,128 | 4,313 | 34,506 | 94,737 |
| Acquisition of subsidiaries | 40 | — | 36 | — | 27,379 | 27,415 |
| Assets included in assets of disposal group classified as held for sale | 12 | — | (4,610) | (946) | — | (5,556) |
| Disposals | | <u>(6,209)</u> | <u>(1,934)</u> | <u>(7,911)</u> | <u>—</u> | <u>(16,054)</u> |
| As at 31 December 2009 | | <u>209,164</u> | <u>31,663</u> | <u>32,612</u> | <u>85,446</u> | <u>358,885</u> |
| Accumulated depreciation: | | | | | | |
| As at 31 December 2008 and at 1 January 2009 | | 21,998 | 13,687 | 20,471 | — | 56,156 |
| Provided during the year | | 10,633 | 7,043 | 4,311 | — | 21,987 |
| Assets included in a assets of disposal group classified as held for sale | 12 | — | (467) | (551) | — | (1,018) |
| Disposals | | <u>(2,375)</u> | <u>(1,141)</u> | <u>(6,257)</u> | <u>—</u> | <u>(9,773)</u> |
| As at 31 December 2009 | | <u>30,256</u> | <u>19,122</u> | <u>17,974</u> | <u>—</u> | <u>67,352</u> |
| Net carrying amount: | | | | | | |
| As at 31 December 2009 | | <u>178,908</u> | <u>12,541</u> | <u>14,638</u> | <u>85,446</u> | <u>291,533</u> |
| As at 31 December 2008 | | <u>144,585</u> | <u>17,356</u> | <u>16,685</u> | <u>23,561</u> | <u>202,187</u> |

APPENDIX II
FINANCIAL INFORMATION ON FORTE

| 2008 | Properties | Office equipment | Motor vehicles | Construction in progress | Total |
|---|-------------------|-------------------------|-----------------------|---------------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Cost: | | | | | |
| As at 31 December 2007 and at 1 January 2008 | 105,771 | 25,310 | 32,528 | — | 163,609 |
| Additions | 677 | 7,054 | 4,543 | 23,561 | 35,835 |
| Acquisition of subsidiaries | 61,990 | 629 | 748 | — | 63,367 |
| Disposals | <u>(1,855)</u> | <u>(1,950)</u> | <u>(663)</u> | <u>—</u> | <u>(4,468)</u> |
| As at 31 December 2008 | <u>166,583</u> | <u>31,043</u> | <u>37,156</u> | <u>23,561</u> | <u>258,343</u> |
| Accumulated depreciation: | | | | | |
| As at 31 December 2007 and at 1 January 2008 | 9,323 | 10,303 | 15,870 | — | 35,496 |
| Provided during the year | 12,860 | 4,802 | 5,116 | — | 22,778 |
| Disposals | <u>(185)</u> | <u>(1,418)</u> | <u>(515)</u> | <u>—</u> | <u>(2,118)</u> |
| As at 31 December 2008 | <u>21,998</u> | <u>13,687</u> | <u>20,471</u> | <u>—</u> | <u>56,156</u> |
| Net carrying amount: | | | | | |
| As at 31 December 2008 | <u>144,585</u> | <u>17,356</u> | <u>16,685</u> | <u>23,561</u> | <u>202,187</u> |
| As at 31 December 2007 | <u>96,448</u> | <u>15,007</u> | <u>16,658</u> | <u>—</u> | <u>128,113</u> |

Company

2009

| | Office equipment <i>RMB'000</i> | Motor vehicles <i>RMB'000</i> | Total <i>RMB'000</i> |
|---|---|---|--------------------------------|
| Cost: | | | |
| As at 31 December 2008 and at 1 January 2009 | 7,585 | 4,713 | 12,298 |
| Additions | 178 | 719 | 897 |
| Disposals | <u>(241)</u> | <u>(529)</u> | <u>(770)</u> |
| As at 31 December 2009 | <u>7,522</u> | <u>4,903</u> | <u>12,425</u> |
| Accumulated depreciation: | | | |
| As at 31 December 2008 and at 1 January 2009 | 2,783 | 3,237 | 6,020 |
| Provided for the year | 859 | 484 | 1,343 |
| Disposals | <u>(115)</u> | <u>(450)</u> | <u>(565)</u> |
| As at 31 December 2009 | <u>3,527</u> | <u>3,271</u> | <u>6,798</u> |
| Net carrying amount: | | | |
| As at 31 December 2009 | <u>3,995</u> | <u>1,632</u> | <u>5,627</u> |
| As at 31 December 2008 | <u>4,802</u> | <u>1,476</u> | <u>6,278</u> |

2008

| | Office equipment <i>RMB'000</i> | Motor vehicles <i>RMB'000</i> | Total <i>RMB'000</i> |
|---|---|---|--------------------------------|
| Cost: | | | |
| As at 31 December 2007 and at 1 January 2008 | 7,090 | 5,129 | 12,219 |
| Additions | 1,340 | — | 1,340 |
| Disposals | <u>(845)</u> | <u>(416)</u> | <u>(1,261)</u> |
| As at 31 December 2008 | <u>7,585</u> | <u>4,713</u> | <u>12,298</u> |
| Accumulated depreciation: | | | |
| As at 31 December 2007 and at 1 January 2008 | 2,594 | 2,924 | 5,518 |
| Provided for the year | 881 | 619 | 1,500 |
| Disposals | <u>(692)</u> | <u>(306)</u> | <u>(998)</u> |
| As at 31 December 2008 | <u>2,783</u> | <u>3,237</u> | <u>6,020</u> |
| Net carrying amount: | | | |
| As at 31 December 2008 | <u>4,802</u> | <u>1,476</u> | <u>6,278</u> |
| As at 31 December 2007 | <u>4,496</u> | <u>2,205</u> | <u>6,701</u> |

As at 31 December 2009, certain items of the Group's properties with a book value of approximately RMB 94,718,000 (2008: RMB7,960,000) were pledged to secure bank loans amounting to RMB74,379,000 (2008: RMB10,000,000), as set out in note 32(a).

17. INVESTMENT PROPERTIES

| | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|--|-------------------------------|-------------------------------|
| Carrying amount at 1 January | 429,000 | 456,000 |
| Transfer from properties under development | 1,981,996 | — |
| Gain/(loss) from a fair value adjustment | 75,404 | (27,000) |
| Disposal | <u>(429,000)</u> | <u>—</u> |
| Carrying amount at 31 December | <u>2,057,400</u> | <u>429,000</u> |

The Group's investment properties are situated in Beijing and Hangzhou, the PRC.

The Group's investment properties were revalued on 31 December 2009 by Jones Lang LaSalle Sallmanns Limited ("Sallmanns"), independent professionally qualified valuers at RMB2,057,400,000, on an open market. The valuation was made on the estimated amount for which a property should exchange on the dates 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. The investment properties are leased to third parties under operating leases.

At 31 December 2009, the Group's investment properties with a net carrying amount of approximately RMB2,057,400,000 (2008: RMB429,000,000) were pledged to bank for interest-bearing bank loans amounting to RMB1,172,067,000 (2008: RMB190,000,000), as set out in note 32(a).

18. PROPERTIES UNDER DEVELOPMENT

| | Group | | Company | |
|--------------------------------------|-------------------------|-------------------------|----------------------|----------------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Land costs | 8,869,790 | 8,227,326 | 12,993 | 12,978 |
| Construction costs | 2,605,321 | 3,801,908 | 14,872 | 14,871 |
| Financial costs | <u>781,710</u> | <u>952,738</u> | <u>1,829</u> | <u>1,829</u> |
| | 12,256,821 | 12,981,972 | 29,694 | 29,678 |
| Portion classified as current assets | <u>(7,089,469)</u> | <u>(6,263,042)</u> | <u>—</u> | <u>—</u> |
| | <u><u>5,167,352</u></u> | <u><u>6,718,930</u></u> | <u><u>29,694</u></u> | <u><u>29,678</u></u> |

The Group's properties under development are situated in Shanghai, Hangzhou, Wuhan, Nanjing, Beijing, Chongqing, Xi'an, Tianjin, Changchun and Chengdu, the PRC.

As at 31 December 2009, certain items of the Group's properties under development with a book value of approximately RMB4,639,332,000 (2008: RMB3,937,313,000) were pledged to secure bank loans amounting to RMB2,971,063,000 (2008: RMB3,261,510,000), as set out in note 32(a).

19. GOODWILL

Group

| | <i>RMB'000</i> |
|---|-----------------|
| At 1 January 2008: | |
| Cost | 49,714 |
| Accumulated impairment | <u>(22,292)</u> |
| Net carrying amount | <u>27,422</u> |
| Cost at 1 January 2008, net of accumulated impairment | 27,422 |
| Acquisition of a subsidiary | 8,297 |
| Acquisition of minority interests | 6,965 |
| Impairment during the year | <u>(6,965)</u> |
| At 31 December 2008 | <u>35,719</u> |
| At 31 December 2008: | |
| Cost | 64,976 |
| Accumulated impairment | <u>(29,257)</u> |
| Net carrying amount | <u>35,719</u> |
| Cost at 1 January 2009, net of accumulated impairment | 35,719 |
| Acquisition of minority interests | 33,327 |
| Impairment during the year | <u>(3,179)</u> |
| Cost and carrying amount at 31 December 2009 | <u>65,867</u> |
| At 31 December 2009: | |
| Cost | 98,303 |
| Accumulated impairment | <u>(32,436)</u> |
| Net carrying amount | <u>65,867</u> |

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the Group's cash-generating units ("CGU") for impairment testing.

The recoverable amount of each CGU is determined based on value-in-use calculations. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. The discount rate applied to the cash flow projections is 12% (2008: 13%). Cash flows beyond the five-year period are extrapolated using the estimated growth rate, which does not exceed the projected long-term average growth rate for property development in the PRC.

Key assumptions were used in the value in use calculation of the CGU for 31 December 2009 and 31 December 2008. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins - Management determined budgeted gross margin based on past performance and its expectations for the development of the market.

Discount rates - The discount rates used are before tax and reflect specific risks relating to property development.

The values assigned to key assumptions are consistent with external information sources.

20. OTHER INTANGIBLE ASSETS

Group

Licence
RMB'000

31 December 2009

| | |
|---|--------------|
| Cost at 1 January 2009, net of accumulated amortisation | 5,780 |
| Amortisation provided during the year | <u>(582)</u> |
| At 31 December 2009 | <u>5,198</u> |
| At 31 December 2009: | |
| Cost | 5,829 |
| Accumulated amortisation | <u>(631)</u> |
| Net carrying amount | <u>5,198</u> |

31 December 2008

| | |
|---|--------------|
| Cost at 1 January 2008, net of accumulated amortisation | — |
| Acquisition of a subsidiary | 5,829 |
| Amortisation provided during the year | <u>(49)</u> |
| At 31 December 2008 | <u>5,780</u> |
| At 31 December 2008 and 1 January 2009: | |
| Cost | 5,829 |
| Accumulated amortisation | <u>(49)</u> |
| Net carrying amount | <u>5,780</u> |

21. INVESTMENTS IN SUBSIDIARIES

| Company | 2009 | 2008 |
|--------------------------------|------------------|------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Unlisted shares, at cost | 1,948,370 | 1,867,720 |
| Impairment for unlisted shares | <u>(7,200)</u> | <u>(9,600)</u> |
| | <u>1,941,170</u> | <u>1,858,120</u> |

The amounts due from and to subsidiaries included in the Company's current assets and current liabilities of RMB8,319,057,000 (2008: RMB6,727,714,000) and RMB3,285,993,000 (2008: RMB1,915,892,000), respectively, are unsecured, interest-free and repayable on demand, as set out in note 31 and note 36. The carrying amounts of these amounts approximate to their fair values.

Particulars of principal subsidiaries as at 31 December 2009 are as follows:

| Name of company | Place and date of incorporation/ establishment | Registered and paid-up capital | Attributable equity interest | | Principal activities |
|---|---|---------------------------------------|-------------------------------------|-----------------|-----------------------------|
| | | | Direct | Indirect | |
| | | <i>RMB'000</i> | | | |
| Shanghai Forte Zhibao Property Development Co., Ltd. | Mainland China 27 May 2003 | 205,000 | 75% | 25% | Property development |
| Beijing Baihong Property Development Co., Ltd. | Mainland China 8 December 2000 | 30,000 | — | 100% | Property development |
| Chongqing Runjiang Property Development Co., Ltd. | Mainland China 19 April 2004 | 400,000 | 95% | 5% | Property development |
| Shanghai Forte Investment Co., Ltd. ("Forte Investment") | Mainland China 21 July 2006 | 100,000 | 100% | — | Investment management |

| Name of company | Place and date of incorporation/ establishment | Registered and paid-up capital <i>RMB'000</i> | Attributable equity interest | | Principal activities |
|---|---|--|---------------------------------|----------|-------------------------|
| | | | Direct | Indirect | |
| Wuhan Zhongbei Real Estate Development Co., Ltd. ("Wuhan Zhongbei") | Mainland China 3 April 2007 | 733,000 | — | 70% | Property development |
| Beijing Kangbao Property Development Co.,Ltd. | Mainland China 2 August 2001 | 10,000 | — | 100% | Property development |
| Shanghai Yihua Property Development Co.,Ltd. | Mainland China 11 January 2001 | 10,000 | 50% | — | Property development |
| Zhejiang Forte Property Development Co., Ltd | Mainland China 20 November 2006 | 440,000 | 60% | 15% | Property development |

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

22. INTERESTS IN JOINTLY-CONTROLLED ENTITIES

| | Group | | Company | |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
| Unlisted investments, at cost | — | — | 134,342 | 134,342 |
| Share of net assets | <u>273,337</u> | <u>212,832</u> | <u>—</u> | <u>—</u> |
| | 273,337 | 212,832 | 134,342 | 134,342 |
| Loans to jointly-controlled entities | <u>416,400</u> | <u>416,400</u> | <u>—</u> | <u>—</u> |
| | <u>689,737</u> | <u>629,232</u> | <u>134,342</u> | <u>134,342</u> |

The loans to jointly-controlled entities of RMB416,400,000 are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, these loans are considered as quasi-equity investments in jointly-controlled entities.

The Group's amounts due from jointly-controlled entities and amounts due to jointly-controlled entities are disclosed in note 31 and note 36 to the financial statements.

Particulars of the jointly-controlled entities as at 31 December 2009 are as follows:

| Name of company | Place and date of incorporation/ establishment | Registered and paid-up capital <i>RMB'000</i> | Attributable equity interest | | Principal activities |
|---|---|--|---------------------------------|----------|-------------------------|
| | | | Direct | Indirect | |
| Shanghai Jufeng Property Development Co., Ltd. | Mainland China 4 June 2002 | 50,000 | 45% | — | Property development |
| Wuxi Forte Real Estate Development Co., Ltd. | Mainland China 28 September 2004 | 195,000 | 50% | — | Property development |
| Shanghai Mushen Property Development Co., Ltd. | Mainland China 1 September 2004 | 21,576 | 50% | — | Property development |
| Shanghai Tengxing Property Development Co., Ltd. | Mainland China 6 September 2004 | 13,249 | 50% | — | Property development |
| Shanghai Gangrui Property Development Co., Ltd. | Mainland China 12 August 2004 | 9,518 | 50% | — | Property development |
| Shanghai Hugang Property Development Co., Ltd. | Mainland China 24 August 2004 | 27,660 | 50% | — | Property development |
| Show All Limited (“Show All”) | Hong Kong 27 November 2007 | —* | — | 50% | Property development |
| Shaanxi Jianqin Real Estate Development Co., Ltd. (“Shaanxi Jianqin”) | Mainland China 22 September 1992 | 130,000 | — | 50% | Property development |
| Shanghai Shunsheng Steel Material Co., Ltd | Mainland China 29 October 2008 | 50,000 | — | 50% | Logistics and trading |
| Sichuan Forte Huanglong Investment Co., Ltd. (“Huanglong Investment”) | Mainland China 19 October 2009 | 50,000** | — | 50% | Investment management |

APPENDIX II
FINANCIAL INFORMATION ON FORTE

| Name of company | Place and date of incorporation/ establishment | Registered and paid-up capital <i>RMB'000</i> | Attributable equity interest | | Principal activities |
|---|---|--|------------------------------|----------|----------------------|
| | | | Direct | Indirect | |
| Sichuan Forte Huanglong Real Estate Development Co., Ltd. (“Huanglong Real Estate”) | Mainland China 19 October 2009 | 150,000** | — | 50% | Property development |

* The paid-up capital of Show All Ltd. is HK\$2.

** The paid-up capital of Huanglong Investment and Huanglong Real Estate as at 31 December 2009 is RMB15,000,000 and RMB45,000,000, respectively.

The following table illustrates the summarised financial information of the Group’s jointly-controlled entities:

| | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|---|-------------------------------|-------------------------------|
| Share of the jointly-controlled entities’ assets and liabilities: | | |
| Current assets | 968,594 | 834,879 |
| Non-current assets | 302,329 | 168,302 |
| Current liabilities | (733,803) | (592,877) |
| Non-current liabilities | <u>(263,783)</u> | <u>(197,472)</u> |
| Net assets | <u>273,337</u> | <u>212,832</u> |
| Share of the jointly-controlled entities’ results: | | |
| Revenue | 192,209 | 3,116 |
| Other income | <u>2,986</u> | <u>1,206</u> |
| | 195,195 | 4,322 |
| Total expenses | (176,285) | (9,221) |
| Tax | <u>(4,051)</u> | <u>(2,407)</u> |
| Profit/(loss) after tax | <u>14,859</u> | <u>(7,306)</u> |

23. INTERESTS IN ASSOCIATES

| | Group | | Company | |
|--------------------------|----------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Unlisted shares, at cost | — | — | 187,560 | 187,560 |
| Share of net assets | <u>598,892</u> | <u>256,278</u> | <u>—</u> | <u>—</u> |
| | <u>598,892</u> | <u>256,278</u> | <u>187,560</u> | <u>187,560</u> |

The Group's amounts due from associates and amounts due to associates are disclosed in note 31 and note 36 to the financial statements, respectively.

Particulars of the principal associates as at 31 December 2009 are as follows:

| Name of company | Place of incorporation/ registration | Percentage of ownership/equity interest attributable to the Group | Principal activities |
|---|---|---|----------------------|
| Nanjing Dahua Investment Development Co., Ltd. | Mainland China | 41% | Property development |
| Chengdu Boland Real Estate Development Co., Ltd. ("Chengdu Boland") | Mainland China | 21% | Property development |
| Beijing Hehua Property Development Co., Ltd. ("Beijing Hehua") | Mainland China | 37% | Property development |

The above table lists the associates of the Group which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

The Group's shareholding in the above mentioned associates all comprise equity shares held by the Company, except for Chengdu Boland and Beijing Hehua, the shareholdings in which are held through two wholly-owned subsidiaries of the Company.

The following table illustrates the summarised financial information of the Group's associates extracted from their financial statements:

| | 2009 | 2008 |
|-------------|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Assets | 8,373,671 | 1,827,049 |
| Liabilities | (6,318,233) | (1,134,045) |
| Revenue | 962,501 | 691,177 |
| Profit | <u>12,656</u> | <u>2,664</u> |

24. AVAILABLE-FOR-SALE INVESTMENTS

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Listed equity investment at fair value: | | | | |
| Hong Kong | <u>240,690</u> | <u>73,489</u> | <u>—</u> | <u>—</u> |
| Unlisted equity investments, at cost | <u>57,420</u> | <u>3,529</u> | <u>10,510</u> | <u>250</u> |
| | <u>298,110</u> | <u>77,018</u> | <u>10,510</u> | <u>250</u> |

During the year, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to RMB 145,770,000, of which Nil was classified from other comprehensive income to the income statement for the year.

The Group's listed equity investment represents the Group's 8.47% equity interest in Shanghai Zendai Property Development Co., Ltd., a company listed on the Main Board of Hong Kong Stock Exchange. This investment was designated as an available-for-sale financial asset, the fair value of which is based on quoted market prices.

The Group's unlisted equity investments represent the Group's equity interests in five unlisted companies established in the PRC with limited liability. These unlisted equity investments were stated at cost because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably. The Group does not intend to dispose of these investments in the near future.

As at 31 December 2009, part of the Group's available-for-sale investments in the amount of approximately RMB 163,769,000 (2008: RMB61,380,000) were pledged to secure bank loans amounting to HK\$426,850,000 (equivalent to RMB375,833,000) (2008: HK\$273,200,000 (equivalent to RMB240,932,000)), as set out in note 32(a).

25. LOAN RECEIVABLES

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Loan receivables from a jointly-controlled entity | <u>220,000</u> | <u>220,000</u> | <u>—</u> | <u>—</u> |

As at 31 December 2009, loan receivables represented the entrusted bank loan of RMB220,000,000 provided to Shaanxi Jianqin, a jointly-controlled entity, to support its property development. This loan is unsecured, interest bearing at a variable interest rate of 7.02% per annum based on the rates quoted by People's Bank of China ("PBOC") and repayable on 20 October 2011.

The carrying amounts of these loan receivables approximate to their fair values as at 31 December 2009.

26. PREPAYMENTS

On 20 December 2007, Forte Investment entered into a cooperative agreement with Shanghai Vanke Real Estate Co., Ltd. ("Shanghai Vanke") in respect of the joint development of a property development project in Shanghai, for a total consideration of RMB2,430,690,000, pursuant to which (i) Shanghai Vanke and Forte Investment will jointly acquire 60% and 40% equity interests in Shanghai Dijie Real Estate Limited ("Dijie"), respectively, and (ii) Forte Investment will contribute 40% of the total consideration in proportion to its shareholding in Dijie in the amount of RMB972,276,000.

As at 31 December 2009, the Group advanced RMB616,313,000 (31 December 2008: RMB616,313,000) to Shanghai Vanke. The remaining capital commitment not paid as at 31 December 2009 amounted to RMB355,963,000 (31 December 2008: RMB355,963,000) is set out in note 42.

| 27. DEFERRED TAX | | | | | | | |
|---|--|--|---|--|--|---------------------------|--------------------------|
| Group | | | | | | | |
| Deferred tax assets | | | | | | | |
| | Loss available for offsetting against future taxable profit RMB'000 | Accruals and provisions RMB'000 | Accrual of additional LAT of RMB'000 | Impairment of inventory RMB'000 | Elimination of unrealised profits RMB'000 | Others RMB'000 | Total RMB'000 |
| At 1 January 2008 | 21,163 | 5,567 | 167,256 | — | — | 1,117 | 195,103 |
| Deferred tax credited to the income statement during the year | 30,094 | 3,183 | 108,104 | 16,957 | 29,708 | 400 | 188,446 |
| As at 31 December 2008 and 1 January 2009 | 51,257 | 8,750 | 275,360 | 16,957 | 29,708 | 1,517 | 383,549 |
| Deferred tax credited/ (charged) to the income statement during the year | 15,280 | (4,897) | 28,192 | (13,506) | 25,822 | — | 50,891 |
| As at 31 December 2009 | 66,537 | 3,853 | 303,552 | 3,451 | 55,530 | 1,517 | 434,446 |

| | | Revaluation of investment properties | Fair value adjustments arising from acquisition of subsidiaries | LAT indemnity receivable from holding company | Others | Total |
|---|------|--------------------------------------|---|---|---------|----------|
| | Note | RMB'000 | RMB'000 | RMB'000 (note 10) | RMB'000 | RMB'000 |
| At 1 January 2008 | | 35,163 | 177,820 | 47,702 | 2,802 | 263,487 |
| Deferred tax charged/(credited) to the income statement during the year | 10 | (6,750) | (13,346) | — | 1,979 | (18,117) |
| Deferred tax debited to equity during the year | | — | — | 14,860 | — | 14,860 |
| Acquisition of subsidiaries | | — | 1,457 | — | — | 1,457 |
| As at 31 December 2008 and 1 January 2009 | | 28,413 | 165,931 | 62,562 | 4,781 | 261,687 |
| Deferred tax credited to the income statement during the year | 10 | (9,562) | (43,636) | — | (730) | (53,928) |
| Deferred tax debited to equity during the year | | — | — | 9,755 | — | 9,755 |
| As at 31 December 2009 | | 18,851 | 122,295 | 72,317 | 4,051 | 217,514 |

The following is an analysis of the deferred tax assets of the Group for financial reporting purposes:

| | <i>Note</i> | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
|--|-------------|-------------------------------|-------------------------------|
| Deferred tax assets recognised in the consolidated statement of financial position | | 434,440 | 383,549 |
| Deferred tax assets in the disposal group | 12 | <u>(7,081)</u> | <u>—</u> |
| | | <u>427,359</u> | <u>383,549</u> |

As at 31 December 2009, except for the deferred tax assets in respect of tax losses amounting to RMB111,868,000, no deferred tax assets arising from temporary differences have not been recognized.

The above tax losses will expire in one to five years for offsetting against future taxable profits

28. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

| | Group | | Company | |
|---------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> | 2009 <i>RMB'000</i> | 2008 <i>RMB'000</i> |
| Cash and bank balances | 3,751,771 | 1,232,538 | 396,485 | 26,834 |
| Less: Pledged deposits | <u>(122,000)</u> | <u>(19,449)</u> | <u>—</u> | <u>—</u> |
| Cash and cash equivalents | <u>3,629,771</u> | <u>1,213,089</u> | <u>396,485</u> | <u>26,834</u> |

At 31 December 2009, the Group's pledged deposits with a net carrying amount of approximately RMB91,158,000 (2008: Nil) were pledged to bank for interest-bearing bank loans as set out in note 32(a).

29. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on the payment due date, is as follows:

| | Group | | Company | |
|----------------------------|----------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Undue | 230,606 | 185,189 | — | 221 |
| Overdue, within six months | <u>11,869</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| | <u>242,475</u> | <u>185,189</u> | <u>—</u> | <u>221</u> |

Credit terms granted to the Group's customers range from 30 to 360 days.

The aged analysis of trade receivables that are not considered to be impaired is as follows:

| | Group | | Company | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Neither past due nor impaired | 230,606 | 185,189 | — | 221 |
| Less than six months past due | <u>11,869</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| | <u>242,475</u> | <u>185,189</u> | <u>—</u> | <u>221</u> |

Receivables that were neither past due nor impaired related to a number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to certain independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The carrying amounts of trade receivables approximate to their fair values.

30. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | Group | | Company | |
|--------------------------------|------------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Prepayments | 217,802 | 122,748 | 616 | 98 |
| Deposits and other receivables | <u>1,314,187</u> | <u>446,583</u> | <u>612,959</u> | <u>12,736</u> |
| | <u>1,531,989</u> | <u>569,331</u> | <u>613,575</u> | <u>12,834</u> |

Deposits and other receivables mainly represented deposits for land use rights through tendering system and deposits for proposed acquisition of equity interests. Deposits for land acquisition would be transferred to properties under development when the land use right is acquired while deposits for acquisition of equity interests would be transferred to investments when the acquisition is concluded.

None of the above assets is either past due or impaired.

The carrying amounts of prepayments, deposits and other receivables approximate to their fair values.

31. AMOUNTS DUE FROM RELATED COMPANIES

| | <i>Notes</i> | Group | | Company | |
|--------------------------------------|--------------|------------------|------------------|--------------------|--------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Due from subsidiaries | (c) | — | — | 8,319,057 | 6,727,714 |
| Due from associates | (a, c) | 567,822 | 120,473 | 112,073 | 112,073 |
| Due from jointly-controlled entities | (c) | <u>348,750</u> | <u>334,286</u> | <u>342,523</u> | <u>326,949</u> |
| | | 916,572 | 454,759 | 8,773,653 | 7,166,736 |
| Portion classified as current | | <u>(724,667)</u> | <u>(454,759)</u> | <u>(8,773,653)</u> | <u>(7,166,736)</u> |
| | (a) | <u>191,905</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Due from holding company | (b) | <u>98,462</u> | <u>59,441</u> | <u>98,462</u> | <u>59,441</u> |

(a) Included in the amounts due from associates, RMB213,190,000 provided to an associate was interest-free, unsecured and was estimated to be repayable in 2011. The fair value of this loan at the date of inception was estimated with reference to the prevailing interest rate with the same repayment period published by the People's Bank of China of 5.4% and the difference between the fair value and its carrying amount was charged to interests in associates. Subsequent to its initial recognition, the financial liability is measured using the effective interest method. As at 31 December 2009, the amortized cost of this loan to an associate was RMB191,905,000.

- (b) The amounts due from holding company represent the LAT indemnity receivable from the holding company, which is unsecured, interest-free and repayable on demand, as set out in note 10.
- (c) Except for the amount due from associates and the amount due from the holding company as mention above in (a) and (b), respectively, the amounts due from other related companies are non-trade in nature, unsecured, interest-free and repayable on demand.

The carrying amounts of these amounts due from related companies approximate to their fair values.

32. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

| | Notes | Group | | Company | |
|---|-------|--------------------|--------------------|------------------|------------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Bank loans, secured | (a) | 4,710,043 | 3,702,442 | — | — |
| Bank loans, unsecured | | 1,509,750 | 2,183,500 | 540,000 | 740,000 |
| | | <u>6,219,793</u> | <u>5,885,942</u> | <u>540,000</u> | <u>740,000</u> |
| Other borrowings, unsecured | | <u>2,221,970</u> | <u>2,560,026</u> | <u>1,470,000</u> | <u>2,010,000</u> |
| Corporate bonds, unsecured | (b) | <u>1,869,304</u> | — | <u>1,869,304</u> | — |
| | | <u>10,311,067</u> | <u>8,445,968</u> | <u>3,879,304</u> | <u>2,750,000</u> |
| Repayable: | | | | | |
| Within one year | | 2,966,897 | 2,507,736 | 560,000 | 812,000 |
| In the second year | | 1,527,633 | 3,769,232 | — | 1,938,000 |
| In the third to fifth years, inclusive | | 4,934,399 | 2,153,000 | 3,319,304 | — |
| Beyond five years | | <u>882,138</u> | <u>16,000</u> | — | — |
| | | 10,311,067 | 8,445,968 | 3,879,304 | 2,750,000 |
| Portion classified as current liabilities | | <u>(2,966,897)</u> | <u>(2,507,736)</u> | <u>(560,000)</u> | <u>(812,000)</u> |
| Non-current portion | (c) | <u>7,344,170</u> | <u>5,938,232</u> | <u>3,319,304</u> | <u>1,938,000</u> |

The bank loans bear interest at rates ranging from 2.179% to 6.75% (2008: 2.79% to 8.59%) per annum. The other borrowings bear interest at rates ranging from 3.179% to 12.18% (2008: 2.099% to 9.34%) per annum.

- (a) The Group's bank loans are secured by the pledge of the following:
- (i) RMB1,172,067,000 (2008: RMB190,000,000) are secured by the Group's investment properties situated in Beijing and Hangzhou, the PRC, with an aggregate carrying value at 31 December 2009 of approximately RMB2,057,400,000 (2008: RMB429,000,000), as set out in note 17.
- (ii) RMB3,537,976,000 (2008: RMB3,512,442,000) are secured by the Group's properties with an aggregate carrying value of approximately RMB94,718,000 (2008: RMB7,960,000), properties under development with an aggregate carrying value of approximately RMB4,639,332,000 (2008: RMB3,937,313,000), available-for-sale investments of approximately RMB163,769,000 (2008: RMB61,380,000), properties held for sale with an aggregate carrying value of approximately RMB309,490,000 (2008: Nil) and pledged deposits with an aggregate carrying value of approximately RMB91,158,000 (2008: Nil) at 31 December 2009, as set out in notes 16, 18, 24 and 28, respectively.
- (b) Corporate bonds

| | No. 122020 Corporate bonds issued in 2009 <i>RMB'000</i> |
|---|--|
| Proceeds from issue of corporate bonds of RMB100 each | 1,900,000 |
| Transaction costs: | |
| - Underwriting commission fee | (29,750) |
| - Other transaction costs | <u>(2,509)</u> |
| | 1,867,741 |
| Transaction costs amortized | <u>1,563</u> |
| Carrying value at 31 December | <u><u>1,869,304</u></u> |

On 25 September 2009, the Company issued five-year domestic corporate bonds at an aggregate principal amount of RMB1,900,000,000. The net proceeds after deducting the underwriting commission fee amounted to RMB1,870,250,000. The bonds are listed on the Shanghai Stock Exchange.

The bonds that are guaranteed by Fosun High Technology as set out in note 44(II), bear a fixed coupon rate of 7.3% per annum payable annually in arrears on 22 September, and the maturity date is 22 September 2014.

- (c) The carrying amounts of the Group's and the Company's current borrowings approximate to their fair values. The carrying amounts and fair values of the Group's non-current borrowings are as follows:

| | Carrying amounts | | Fair values | |
|---|------------------|------------------|------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Non-current borrowings in respect of | | | | |
| -bank loans | 3,445,996 | 3,938,500 | 3,446,313 | 3,943,955 |
| -other borrowings | 2,028,870 | 1,999,732 | 2,026,381 | 2,000,259 |
| -corporate bonds | 1,869,304 | — | 1,888,072 | — |
| | <u>7,344,170</u> | <u>5,938,232</u> | <u>7,360,766</u> | <u>5,944,214</u> |

The fair value of the Company's unsecured borrowings (non-current portion) with a carrying amount of RMB3,319,304,000 (2008: RMB1,938,000,000) was RMB3,335,481,000 (2008: RMB1,938,524,000) at the end of the reporting period.

33. LOANS FROM RELATED COMPANIES

Group

| | Carrying amounts | | Fair values | |
|--|------------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Loans from | | | | |
| -a jointly-controlled entity | 81,324 | 76,118 | 83,017 | 78,495 |
| -an associate | 25,294 | — | 25,286 | — |
| -a minority shareholder of a subsidiary | — | 76,075 | — | 77,813 |
| Wholly repayable in the second to fourth years, inclusive | <u>106,618</u> | <u>152,193</u> | <u>108,303</u> | <u>156,308</u> |

Company

| | Carrying amounts | | Fair values | |
|---|-------------------------|----------------|--------------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| A loan from | | | | |
| -a jointly-controlled entity | <u>81,324</u> | <u>76,118</u> | <u>83,017</u> | <u>78,495</u> |
| Wholly repayable in the second to fourth years, inclusive | <u>81,324</u> | <u>76,118</u> | <u>83,017</u> | <u>78,495</u> |

Loans from related companies are interest-free and unsecured. The fair values of these loans as at the date of inception were estimated with reference to the prevailing interest rate with the same repayment period published by the People's Bank of China. Subsequent to the initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

34. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period is as follows:

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Within six months | 1,029,176 | 1,079,125 | — | — |
| More than six months, but within one year | 137,250 | 7,698 | 195 | — |
| Over one year | <u>325,496</u> | <u>188,598</u> | <u>19,155</u> | <u>20,145</u> |
| | <u>1,491,922</u> | <u>1,275,421</u> | <u>19,350</u> | <u>20,145</u> |

The carrying amounts of trade and bills payables approximate to their fair values.

35. ACCRUED LIABILITIES AND OTHER PAYABLES

| | Group | | Company | |
|---|------------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Payables related to: | | | | |
| Payroll | 54,416 | 23,965 | 26,969 | 3,023 |
| Deposits received | 389,506 | 97,755 | 20,000 | — |
| Business taxes and government surcharges | 115,060 | 48,762 | 1,616 | 256 |
| Consideration in respect of acquisition of subsidiaries | 216,313 | 89,940 | — | — |
| Accruals | 75,070 | 18,701 | 45,562 | 2,100 |
| Advance from Dijie | 415,694 | — | — | — |
| Others | <u>275,913</u> | <u>167,882</u> | <u>14,309</u> | <u>15,767</u> |
| | <u>1,541,972</u> | <u>447,005</u> | <u>108,456</u> | <u>21,146</u> |

The carrying amounts of accrued liabilities and other payables approximate to their fair value.

36. AMOUNTS DUE TO RELATED COMPANIES

| | Group | | Company | |
|------------------------------------|----------------|----------------|------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Due to associates | 70,771 | 107,368 | 78,000 | 99,000 |
| Due to jointly-controlled entities | 50,000 | 120,000 | — | — |
| Due to an other related party | 150,214 | — | — | — |
| Due to subsidiaries | <u>—</u> | <u>—</u> | <u>3,285,993</u> | <u>1,915,892</u> |
| | <u>270,985</u> | <u>227,368</u> | <u>3,363,993</u> | <u>2,014,892</u> |

The amounts due to related companies are non-trade in nature, unsecured, interest-free and repayable on demand. The carrying amounts of these amounts due to related companies approximate to their fair values.

37. ISSUED CAPITAL**Group and Company**

| | 2009 | 2008 | | |
|---------------------------------|------------------|------------------|----------------|----------------|
| | Number of | Number of | 2009 | 2008 |
| | shares | shares | RMB'000 | RMB'000 |
| | <i>'000</i> | <i>'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Registered | <u>2,529,306</u> | <u>2,529,306</u> | <u>505,861</u> | <u>505,861</u> |
| Issued and fully paid: | | | | |
| Domestic shares of RMB0.20 each | 1,473,768 | 1,473,768 | 294,754 | 294,754 |
| H Shares of RMB0.20 each | <u>1,055,538</u> | <u>1,055,538</u> | <u>211,107</u> | <u>211,107</u> |
| | <u>2,529,306</u> | <u>2,529,306</u> | <u>505,861</u> | <u>505,861</u> |

The Domestic Shares are not currently listed on any stock exchange. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

38. SHARE-BASED PAYMENT

On 31 October 2009, the Company disposed of its 23% equity interest in a subsidiary, Shanghai Resource Property Consultancy Co., Ltd. (“Shanghai Resource”) to certain senior management personnel of Shanghai Resource at a consideration of RMB10,967,000 as incentives and rewards for their past contributions to the successful operation of Shanghai Resource. The fair value of the 23% equity interest of Shanghai Resource as at the grant date was RMB27,393,000, valued by Sallmanns. The excess of the fair value over the consideration amounting to RMB16,426,000 was recognized as equity-settled share-based payment and recorded into the staff cost on the grant date.

39. RESERVES**(a) Group**

In accordance with the Company Law of the PRC, the Company and its subsidiaries are required to allocate 10% of their profit after tax to the statutory surplus reserve (the “SSR”) until such reserve reaches 50% of the registered capital of the Company and its subsidiaries, respectively. Subject to certain restrictions set out in the Company Law of the PRC, part of the SSR may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

For dividend purposes, the amount which the PRC group companies can legally distribute by way of a dividend is determined by reference to the distributable profits as reflected in their PRC statutory financial statements, which are prepared in accordance with PRC GAAP. Those profits differ from those that are reflected in this report, which is prepared in accordance with IFRSs.

In accordance with the Company Law of the PRC, profits after tax of the PRC group companies can be distributed as dividends after the appropriation to the SSR, as set out above. In accordance with the articles of association of the Company, the Company is required to distribute dividends based on the lower of the Company's profits determined under PRC GAAP and IFRS.

(a) **Company**

| | Issued capital <i>RMB'000</i> <i>(note 37)</i> | Share premium account <i>RMB'000</i> | Capital reserve <i>RMB'000</i> | Statutory surplus reserve <i>RMB'000</i> | Retained profits <i>RMB'000</i> | Proposed final dividend <i>RMB'000</i> <i>(note 13)</i> | Total equity <i>RMB'000</i> |
|--|---|---|--------------------------------------|---|---------------------------------------|---|-----------------------------------|
| Balance at 1 January 2008 | 505,861 | 2,624,510 | 143,106 | 208,186 | 381,703 | — | 3,863,366 |
| Total comprehensive income for the year | — | — | — | — | 637,919 | — | 637,919 |
| Proposed 2008 final dividend | — | — | — | — | (50,586) | 50,586 | — |
| Indemnity receivable of LAT from the holding company | — | — | 59,441 | — | — | — | 59,441 |
| Tax effect of LAT indemnity | — | — | (14,860) | — | — | — | (14,860) |
| Retained profits | — | — | — | 63,535 | (63,535) | — | — |
| At 31 December 2008 | 505,861 | 2,624,510 | 187,687 | 271,721 | 905,501 | 50,586 | 4,545,866 |
| Total comprehensive income for the year | — | — | — | — | 145,914 | — | 145,914 |
| Final 2008 dividend declared | — | — | — | — | — | (50,586) | (50,586) |
| Proposed 2009 final dividend | — | — | — | — | (151,758) | 151,758 | — |
| Indemnity receivable of LAT from the holding company | — | — | 39,021 | — | — | — | 39,021 |
| Tax effect of LAT indemnity | — | — | (9,755) | — | — | — | (9,755) |
| At 31 December 2009 | <u>505,861</u> | <u>2,624,510</u> | <u>216,953</u> | <u>271,721</u> | <u>899,657</u> | <u>151,758</u> | <u>4,670,460</u> |

40. ACQUISITION OF SUBSIDIARIES

40.1 Acquisition of Shanghai Fuhua Commercial Investment Development Co., Ltd. (“Fuhua Commercial”)

On 31 January 2009, the Group acquired a 54.5% equity interest in Fuhua Commercial, a private limited company together with a wholly-owned subsidiary located in Shanghai, China. Fuhua Commercial and its subsidiary (“Fuhua”) are engaged in investment management. The purchase consideration for the acquisition was in the form of cash and amounted to RMB5,450,000, which was fully paid as at 31 December 2009. The Group accounted for this acquisition of subsidiary as a business combination.

The fair value of the identifiable assets and liabilities of Fuhua as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

| | Fair value recognised on acquisition | Previous carrying amount |
|---|---|---|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Property and equipment | 27,391 | 27,391 |
| Cash and cash equivalents | 1,019 | 1,019 |
| Trade receivables | 22 | 22 |
| Prepayments, deposits and other receivables | 5,282 | 5,282 |
| Inventory | 6 | 6 |
| Trade and bills payables | (1,367) | (1,367) |
| Advances from customers | (20) | (20) |
| Accrued liabilities and other payables | <u>(22,333)</u> | <u>(22,333)</u> |
| | 10,000 | 10,000 |
| Minority interest | <u>(4,550)</u> | |
| | <u>5,450</u> | |
| Satisfied by cash | <u>5,450</u> | |

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

| | |
|--|---------------------|
| | <i>RMB'000</i> |
| Cash consideration paid | 5,450 |
| Cash and bank balances acquired | <u>(1,019)</u> |
| Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary | <u><u>4,431</u></u> |

From the date of acquisition, Fuhua's results have had no significant impact on the Group's consolidated turnover or net profit for the year ended 31 December 2009.

40.2 Acquisition of Nanjing Runchang Property Development Co., Ltd. ("Nanjing Runchang")

On 24 August 2009, the Group acquired a 100% equity interest in Nanjing Runchang, a private limited company located in Nanjing, China. Nanjing Runchang is engaged in property development. The purchase consideration for the acquisition was in the form of cash and amounted to RMB625,000,000, of which RMB150,000,000 remained unpaid as at 31 December 2009. The Group accounted for this acquisition of subsidiary as an asset acquisition.

The allocation of acquisition consideration of Nanjing Runchang as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

| | Allocation of acquisition consideration | Previous carrying amount |
|---|--|---------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Prepayments, deposits and other receivables | 277 | 277 |
| Property under development | 1,044,500 | 1,294,500 |
| Accrued liabilities and other payables | <u>(419,777)</u> | <u>(419,777)</u> |
| | <u><u>625,000</u></u> | <u><u>875,000</u></u> |
| Satisfied by cash | <u><u>625,000</u></u> | |

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

| | |
|--|----------------|
| | <i>RMB'000</i> |
| Cash consideration paid | 475,000 |
| Cash and bank balances acquired | <u>—</u> |
| Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary | <u>475,000</u> |

From the date of acquisition, Nanjing Runchang's results have had no impact on the Group's consolidated turnover or net profit for the year ended 31 December 2009.

40.3 Acquisition of Fuyang Furun Real Estate Co., Ltd. ("Fuyang Furun")

On 7 December 2009, the Group acquired a 100% equity interest in Fuyang Furun, a private limited company located in Hangzhou, China. Fuyang Furun is engaged in property development. The purchase consideration for the acquisition was in the form of cash and amounted to RMB150,214,000, of which RMB150,214,000 remained unpaid as at 31 December 2009. The Group accounted for this acquisition of subsidiary as an asset acquisition.

The allocation of acquisition consideration of Fuyang Furun as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

| | Allocation of acquisition consideration | Previous carrying amount |
|--|--|---------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Property and equipment | 24 | 24 |
| Cash and cash equivalents | 4,980 | 4,980 |
| Prepayments, deposits and other receivables | 293 | 293 |
| Property under development | 345,178 | 344,556 |
| Interest-bearing bank loan and other borrowing | (200,000) | (200,000) |
| Trade payables | (12) | (12) |
| Accrued liabilities and other payables | <u>(249)</u> | <u>(249)</u> |
| | <u>150,214</u> | <u>149,592</u> |
| Satisfied by cash | <u>150,214</u> | |

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

| | |
|--|-----------------------|
| | <i>RMB'000</i> |
| Cash consideration paid | — |
| Cash and bank balances acquired | <u>(4,980)</u> |
| Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary | <u><u>(4,980)</u></u> |

From the date of acquisition, Fuyang Furun's results have had no significant impact on the Group's consolidated turnover or net profit for the year ended 31 December 2009.

41. OPERATING LEASE ARRANGEMENTS

As lessor

The Group leases its investment properties, as set out in note 17 to the financial statements, under operating lease arrangements, with leases negotiated for terms ranging from one to seventeen years.

At 31 December 2009, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

| | Group | | Company | |
|---|-----------------------|----------------------|-----------------|-----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Within one year | 32,333 | 17,233 | — | — |
| In the second to fifth years, inclusive | 71,463 | 29,766 | — | — |
| After five years | <u>25,244</u> | <u>395</u> | <u>—</u> | <u>—</u> |
| | <u><u>129,040</u></u> | <u><u>47,394</u></u> | <u><u>—</u></u> | <u><u>—</u></u> |

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to twenty years.

At 31 December 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Within one year | 37,340 | 13,996 | — | 5,116 |
| In the second to fifth years, inclusive | 150,103 | 4,950 | — | — |
| After five years | <u>368,141</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| | <u>555,584</u> | <u>18,946</u> | <u>—</u> | <u>5,116</u> |

42. COMMITMENTS

In addition to the operating lease commitments detailed above, the Group and the Company had the following capital commitments at the end of the reporting period:

| | Group | | Company | |
|-----------------------------------|------------------|------------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Contracted, but not provided for: | | | | |
| - investments | 460,013 | 375,963 | 34,050 | — |
| - properties under development | 4,531,525 | 4,108,550 | — | — |
| - property and equipment | <u>44,253</u> | <u>46,439</u> | <u>—</u> | <u>—</u> |
| | <u>5,035,791</u> | <u>4,530,952</u> | <u>34,050</u> | <u>—</u> |

In addition, the Group's and the Company's share of the jointly-controlled entities' own capital commitments, which are not included in the above, is as follows:

| | Group | | Company | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Contracted, but not provided for: | | | | |
| -properties under development | <u>33,499</u> | <u>6,022</u> | <u>33,499</u> | <u>6,022</u> |

43. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the consolidated financial statements were as follows:

| | Notes | Group | | Company | |
|--|--------|------------------|------------------|-----------------|-----------------|
| | | 2009 RMB'000 | 2008 RMB'000 | 2009 RMB'000 | 2008 RMB'000 |
| Guarantees given to banks in connection with banking facilities granted to third parties | (a) | — | 441,000 | — | 441,000 |
| Guarantees given to banks in connection with banking facilities granted to associates | (a, b) | 541,000 | — | 541,000 | — |
| Guarantees given to banks in connection with banking facilities granted to its customers | (c) | <u>2,762,666</u> | <u>1,938,549</u> | <u>—</u> | <u>—</u> |
| | | <u>3,303,666</u> | <u>2,379,549</u> | <u>541,000</u> | <u>441,000</u> |

Guarantees given to banks in connection with banking facilities granted to associates are in respect of the following:

- (a) On 23 October 2008, Beijing Hehua entered into a bank loan agreement (“Loan Agreement”) with Shanghai Pudong Development Bank to obtain a long-term bank loan amounting to RMB900,000,000 (“Loan”), which is secured by the pledge of properties owned by Beijing Hehua. Pursuant to the Loan Agreement: i) this bank loan bears an interest rate of 7.2% per annum and is repayable on 23 October 2016; and ii) the maximum guarantee provided by the Company was RMB441,000,000.

On 18 August 2009, Beijing Hehua became an associate of the Group upon the business re-registration and the completion of its 37% equity interest transfer.

- (b) On 3 December 2009, Beijing Yuquan entered into a borrowing agreement (“Agreement”) with Huarong International Trust Co., Ltd. to obtain an unsecured 18-months borrowing amounting to RMB400,000,000. Pursuant to the Agreement: i) this bank loan bears an interest rate of 9% per annum; and ii) the guarantee provided by the Company was RMB100,000,000.

- (c) As at 31 December 2009, the Group provided guarantees of approximately RMB2,762,666,000 (2008: RMB1,938,549,000), for their customers in favour of the banks in respect of mortgage loans provided by banks to such customers for their purchases of the Group's developed properties.

These guarantees provided by the Group will be released when the customers pledge their real estate certificates as securities to the banks for the mortgage loans granted by the banks. The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principal together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

44. RELATED PARTY TRANSACTIONS

- (I) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

| Name of related parties | Nature of transactions | 2009 | 2008 |
|--|---|---------------|---------------|
| | | RMB'000 | RMB'000 |
| <i>Recurring transactions</i> | | | |
| Shanghai Fosun Property Management Co., Ltd. (note (a)) | Operating lease in respect of office buildings leased from the related company (note (b)) | 5,023 | 5,125 |
| | Property management services provided by the related company (note (b)) | <u>3,780</u> | <u>3,857</u> |
| Shanghai Foreal Property Management Co., Ltd. (note (a)) | Property management services provided by the related company (note (b)) | <u>13,392</u> | <u>11,096</u> |
| Wuxi Forte Real Estate Development Co., Ltd. (note (a)) | Consulting services provided to the related company (note (b)) | — | 4,302 |
| | Sales agency services provided to the related company (note (b)) | 877 | 928 |
| | Notional interest (note (d)) | <u>5,206</u> | <u>5,093</u> |

APPENDIX II
FINANCIAL INFORMATION ON FORTE

| Name of related parties | Nature of transactions | 2009 | 2008 |
|---|---|---------------|----------------|
| | | RMB'000 | RMB'000 |
| Yangzte Tianjin Limited Co., Ltd. (note (a)) | Notional interest (note (e)) | <u>5,840</u> | <u>5,396</u> |
| Tianjin Binhai Auto Parts Industry Base Co., Ltd. (note (a)) | Loan provided by the related company (note (f)) | 28,000 | — |
| Fosun High Technology (note (a)) | LAT indemnity receivable from the holding company (note (c)) | 39,021 | 59,441 |
| | Interest expenses of entrusted bank loan provided by the holding company (note (g)) | 81,752 | 143,467 |
| | Property management services provided to the related company (note (b)) | <u>1,063</u> | <u>1,501</u> |
| Shanghai Fosun Industrial Investment Co., Ltd. (note (a)) | Interest expenses of entrusted bank loan provided by the related company (note (g)) | <u>32,965</u> | <u>27,329</u> |
| Shaanxi Jianqin (note (a)) | Entrusted bank loan provided to the related company (note (h)) | 220,000 | — |
| | Interest income of entrusted bank loan provided to the related company (note (h)) | 13,740 | 21,981 |
| | Shareholder loan provided to the related company (note (i)) | <u>—</u> | <u>140,000</u> |
| Show All (note (a)) | Shareholder loan provided to the related company (note (i)) | — | 126,400 |
| | Interest income of shareholder loan provided to the related company | <u>—</u> | <u>6,266</u> |

| Name of related parties | Nature of transactions | 2009 | 2008 |
|---|---|----------------|----------|
| | | RMB'000 | RMB'000 |
| FIL | Other borrowings provided by the related company (note (j)) | 288,078 | 61,732 |
| | Interest expenses of other borrowings provided by the related company (note (j)) | <u>1,523</u> | <u>—</u> |
| Shanghai Yuyuan Mart Real Estate Development Co., Ltd. (note (a)) | Other borrowing provided by the related company (note (k)) | 247,792 | — |
| | Interest expenses of other borrowings provided by the related company (note (k)) | <u>6,690</u> | <u>—</u> |
| <i>Non-recurring transactions</i> | | | |
| Fosun Property Holdings Company Limited (note (a)) | Acquisition of 100% equity interest in a subsidiary from the related company (note (l)) | <u>150,214</u> | <u>—</u> |

Notes:

- (a) Shanghai Fosun Property Management Co., Ltd. and Shanghai Fosun Industrial Investment Co., Ltd. are subsidiaries of Fosun High Technology, the holding company. Fosun Property Holdings Company Limited (“Fosun Property”) is a wholly-owned subsidiary of FIL. Shanghai Yuyuan Mart Real Estate Development Co., Ltd. is an entity significantly influenced by a party that has an interest in the Company. Shanghai Foreal Property Management Co., Ltd. and Tianjin Binhai Auto Parts Industry Base Co., Ltd. (“Tianjin Binhai”) are associates of the Group. Wuxi Forte Real Estate Co., Ltd. (“Wuxi Forte”), Show All and Shaanxi Jianqin are jointly-controlled entities of the Group. Yangzte Tianjin Limited (Yangtze”) is a shareholder of a subsidiary, Tianjin Forte.
- (b) The directors consider that the fees for rentals for office buildings paid and fees for property management services paid to and received from related companies as well as income received from sales agency services and consulting services provided to related companies, were determined based on prices available to third-party customers of the related companies.
- (c) This relates to tax indemnity receivable from the holding company, as set out in note 10.
- (d) The corresponding notional interest computed with reference to the prevailing interest rate for the year ended 31 December 2009 amounting to approximately RMB5,206,000 was arising from the entrusted bank loan in the amount of RMB93,000,000 provided by Wuxi Forte in 2006, which is interest-free, unsecured and repayable by 2012.
- (e) The corresponding notional interest computed with reference to the prevailing interest rate for the year ended 31 December 2009 amounting to approximately RMB5,840,000 was arising from the loan in the amount of USD12,798,000 (equivalent to RMB99,716,000) provided by Yangzte in 2006, which is interest-free, unsecured and repayable by 2010.

(f) The loan in the amount of RMB28,000,000 was provided by Tianjin Binhai, and is interest-free, unsecured and repayable by 2011, as set out in note 33.

(g) On 25 October 2007, the Group and FIL entered into a financial assistance agreement (“Financial Assistance Agreement”), pursuant to which, i) FIL or its subsidiaries would provide the Group entrusted bank loans not exceeding RMB2,000,000,000 which are unsecured and repayable within one year; and ii) bank guarantees in the aggregate amount of RMB1,300,000,000, free of charges.

Pursuant to a supplemental agreement entered into by the Group and FIL on 30 October 2009, Fosun High Technology and FIL agreed to extend the entrusted bank loans to 23 October 2013.

(h) As at 31 December 2009, entrusted bank loans amounting to RMB1,450,000,000 were provided by FIL, bearing an interest rate at 105% of the interest rates quoted by PBOC. The interest expenses on these entrusted bank loans amounted to RMB114,717,000 for the year ended 31 December 2009.

The entrusted bank loan in the amount of RMB220,000,000 was provided by the Group as set out in note 25, and the relevant interest income for the year ended 31 December 2009 amounted to RMB13,740,000.

(i) Shareholder loans in the amount of RMB140,000,000 and RMB126,400,000 were provided by the Group to Shaanxi Jianqin and Show All in year 2008.

(j) Other borrowings in the amount of USD16,400,000 and HKD200,000,000 (equivalent to RMB288,078,000 in aggregate) were provided to China Alliance, bearing an interest rate at 2.5% above the LIBOR and the HIBOR, respectively and are repayable by 22 October 2013. The relevant interest expenses amounted to RMB1,523,000 for the year ended 31 December 2009.

(k) The other borrowing in the amount of RMB247,792,000 was provided to Wuhan Zhongbei, bearing an interest rate at 5.4% per annum, and is repayable by 20 June 2011. The relevant interest expenses amounted to RMB6,690,000 for the year ended 31 December 2009.

(l) On 21 April 2009, Shiner Way Limited, a wholly-owned subsidiary of the Company entered into an equity transfer agreement with Fosun Property to acquire 100% equity interest in Fuyang Furun at a consideration of RMB150,214,000. Subsequently, Fuyang Furun became a wholly-owned subsidiary of the Company effective on 7 December 2009 as set out in note 40.3.

(II) Guarantees provided by related companies of the Group

According to the agreement set out in note (I) (g), Fosun High Technology and FIL would provide the Group with bank guarantees of RMB1,300,000,000. As at 31 December 2009, (i) the Group’s short-term bank loans amounting to HKD426,850,000 (equivalent to RMB375,833,000) and RMB200,000,000 were guaranteed by FIL; and (ii) the Group’s short-term bank loan amounting to RMB340,000,000 was guaranteed by Fosun High Technology.

On 9 September 2008, the Group and FIL entered into another supplemental agreement under the Financial Assistance Agreement, pursuant to which, the five-year domestic corporate bonds amounting to RMB1,900,000,000 issued in September 2009 as set out in note 32 was guaranteed by Fosun High Technology.

(III) Guarantees provided to related companies by the Company

As at 31 December 2009, part of non-current portion of interest-bearing bank loans of two associates amounting to RMB541,000,000 (2008: Nil) in aggregate was guaranteed by the Company as set out in note 43 (a) and (b).

As at 31 December 2009, the Company guaranteed banking facilities to its subsidiaries in the amount of RMB2,194,110,000 (2008: RMB2,800,010,000).

(IV) Compensation of key management personnel of the Group:

| | 2009 | 2008 |
|---|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Short-term employee benefits | 11,447 | 11,545 |
| Pension scheme contributions | <u>277</u> | <u>220</u> |
| Total compensation paid to key management personnel | <u>11,724</u> | <u>11,765</u> |

Further details of directors' and supervisors' emoluments are included in note 9 to the financial statements.

The related party transactions in respect of note (I) (k) above also constitutes connected transactions as defined in Chapter 14A of the Listing Rules.

45. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2009

| Financial assets | Loans and receivables | Group Available for-sale financial assets | Total |
|---|----------------------------------|--|-------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Available-for-sale investments | — | 298,110 | 298,110 |
| Loan receivables | 220,000 | — | 220,000 |
| Trade receivables | 242,475 | — | 242,475 |
| Financial assets included in prepayments, deposits and other receivables | 1,051,554 | — | 1,051,554 |
| Cash and cash equivalents | 3,629,771 | — | 3,629,771 |
| Pledged deposits | 122,000 | — | 122,000 |
| Amounts due from related companies | 916,572 | — | 916,572 |
| Amount due from holding company | 98,462 | — | 98,462 |
| | <u>6,280,834</u> | <u>298,110</u> | <u>6,578,944</u> |
| Financial liabilities | | Group Financial liabilities at amortised cost | |
| | | | <i>RMB'000</i> |
| Interest-bearing bank loans and other borrowings | | | 10,311,067 |
| Trade and bills payables | | | 1,491,922 |
| Financial liabilities included in other payables and accruals | | | 1,084,430 |
| Amounts due to related companies | | | 270,985 |
| Loans from related companies | | | 106,618 |
| | | | <u>13,265,022</u> |

2008

| Financial assets | Loans and receivables | Group Available for-sale financial assets | Total |
|---|----------------------------------|--|------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Available-for-sale investments | — | 77,018 | 77,018 |
| Loan receivables | 220,000 | — | 220,000 |
| Trade receivables | 185,189 | — | 185,189 |
| Financial assets included in prepayments, deposits and other receivables | 811,944 | — | 811,944 |
| Cash and cash equivalents | 1,213,089 | — | 1,213,089 |
| Pledged deposits | 19,449 | — | 19,449 |
| Amounts due from related companies | 454,759 | — | 454,759 |
| Amount due from holding company | 59,441 | — | 59,441 |
| | <u>2,963,871</u> | <u>77,018</u> | <u>3,040,889</u> |

| Financial liabilities | Group Financial liabilities at amortised cost |
|---|--|
| | <i>RMB'000</i> |
| Interest-bearing bank loans and other borrowings | 8,445,968 |
| Trade and bills payables | 1,275,421 |
| Financial liabilities included in other payables and accruals | 398,243 |
| Amounts due to related companies | 227,368 |
| Loans from related companies | <u>152,193</u> |
| | <u>10,499,193</u> |

2009

| Financial assets | Loans and receivables | Company Available for-sale financial assets | Total |
|---|----------------------------------|--|--|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Available-for-sale investments | — | 10,510 | 10,510 |
| Financial assets included in prepayments, deposits and other receivables | 612,959 | — | 612,959 |
| Cash and cash equivalents | 396,485 | — | 396,485 |
| Amounts due from related companies | 8,773,653 | — | 8,773,653 |
| Amount due from holding company | <u>98,462</u> | <u>—</u> | <u>98,462</u> |
| | <u>9,881,559</u> | <u>10,510</u> | <u>9,892,069</u> |
| Financial liabilities | | | Company Financial liabilities at amortised cost |
| | | | <i>RMB'000</i> |
| Interest-bearing bank loans and other borrowings | | | 3,879,304 |
| Trade payables | | | 19,350 |
| Financial liabilities included in other payables and accruals | | | 88,454 |
| Amounts due to related companies | | | 3,363,993 |
| Loans from related companies | | | <u>81,324</u> |
| | | | <u>7,432,424</u> |

2008

| Financial assets | Loans and receivables | Company Available for-sale financial assets | Total |
|---|----------------------------------|--|--|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Available-for-sale investments | — | 250 | 250 |
| Trade receivables | 221 | — | 221 |
| Financial assets included in prepayments, deposits and other receivables | 12,736 | — | 12,736 |
| Cash and cash equivalents | 26,834 | — | 26,834 |
| Amounts due from related companies | 7,166,736 | — | 7,166,736 |
| Amount due from holding company | <u>59,441</u> | <u>—</u> | <u>59,441</u> |
| | <u>7,265,968</u> | <u>250</u> | <u>7,266,218</u> |
| Financial liabilities | | | Company Financial liabilities at amortised cost |
| | | | <i>RMB'000</i> |
| Trade payables | | | 20,145 |
| Financial liabilities included in other payables and accruals | | | 19,046 |
| Interest-bearing bank loans and other borrowings | | | 2,750,000 |
| Amounts due to related companies | | | 2,014,892 |
| Loans from related companies | | | <u>76,118</u> |
| | | | <u>4,880,201</u> |

46. FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

As at 31 December 2009, the Group held the following financial assets measured at fair value while no financial liabilities were measured at fair value:

Assets measured at fair value as at 31 December 2009:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------|----------------|----------------|----------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Available-for-sale investments: | | | | |
| Equity investment | <u>240,690</u> | <u>—</u> | <u>—</u> | <u>240,690</u> |

During the year ended 31 December 2009, there was no transfer of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank loans and other borrowings, accrued liabilities and other payables, amounts due to related companies, deposits and other receivables, amounts due from related companies, and cash and pledged deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk, liquidity risk and equity price risk. The Group's accounting policies in relation to derivatives are set out in note 2.3 to the financial statements.

Foreign currency risk

The Group operates in the PRC and its principal activities are transacted in RMB. The Group's financial assets and liabilities are not subject to foreign currency risk, except for loans denominated in United States dollars ("USD") and Hong Kong dollars ("HKD") as set out below. Therefore, the fluctuations in the exchange rates of RMB against foreign currencies could affect the Group's results of operations. The Group does not enter into any hedging transactions to manage the potential fluctuation in foreign currency as the directors consider the Group has no significant foreign currency risk.

The original contract amounts of the Group's foreign currency denominated monetary liabilities without discounting at the end of the reporting period are as follows:

| | <i>Notes</i> | Group | | Company | |
|-----------------------|-------------------|----------------|----------------|----------------|-------------|
| | | 2009 | 2008 | 2009 | 2008 |
| | | <i>'000</i> | <i>'000</i> | <i>'000</i> | <i>'000</i> |
| United States dollars | 44(I) (e) & (j) | 29,198 | 12,798 | — | — |
| Hong Kong dollars | 44(I) (j), 44(II) | <u>626,850</u> | <u>343,200</u> | <u>—</u> | <u>—</u> |

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in United States dollar and Hong Kong dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary liabilities) and the Group's equity.

| | Increase/ (decrease) in foreign currency rate | Increase/ (decrease) in profit before tax | Increase/ (decrease) in equity* |
|-------------------------------------|--|--|--|
| | <i>%</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| 2009 | | | |
| If Renminbi weakens against USD | 5 | (9,968) | — |
| If Renminbi strengthens against USD | 5 | 9,968 | — |
| If Renminbi weakens against HKD | 5 | (27,596) | — |
| If Renminbi strengthens against HKD | 5 | 27,596 | — |
| 2008 | | | |
| If Renminbi weakens against USD | 5 | (4,373) | — |
| If Renminbi strengthens against USD | 5 | 4,373 | — |
| If Renminbi weakens against HKD | 5 | (15,133) | — |
| If Renminbi strengthens against HKD | 5 | 15,133 | — |

* Excluding retained earnings

The effect of foreign currency risk on the other borrowing of USD12,798,000, directly attributable to property development, would be recorded in the consolidated income statement when the corresponding property was completed and sales as well as cost of sales were recognized. For the effect of borrowings of USD16,400,000 and HKD626,850,000, not directly attributable to property development, would be recorded in the consolidated income statement directly.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on the floating rate borrowings) and the Group's equity.

| | Increase/ (decrease) in basis points | Increase/ (decrease) in profit before tax RMB'000 | Increase/ (decrease) in equity* RMB'000 |
|------|---|--|--|
| 2009 | | | |
| RMB | 25 | (14,260) | — |
| | (25) | 14,260 | — |
| 2008 | | | |
| RMB | 25 | (6,844) | — |
| | (25) | 6,844 | — |

* Excluding retained earnings

The effect on the Group's profit before tax would be recorded in the consolidated income statement when the corresponding properties were completed, sales as well as the cost of sales were recognized.

Credit risk

The Group's credit risk is primarily attributable to trade receivables and other receivables. Management has a credit policy in place and the exposures to credit risks are monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group would not release the property ownership certificates to the buyers before the buyers finally settle the selling price.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged deposits, loan receivables, available-for-sale investments, amounts due from related companies, other receivables and deposits, arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in note 43 to the financial statement.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 29 to the financial statements.

Concentrations of credit risk exist when changes in economic, industrial or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group sells its properties to a diversity of buyers, thereby mitigating any significant concentrations of credit risk.

Liquidity risk

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contracted undiscounted payments, was as follows:

| Group | As at 31 December 2009 | | | | | Total |
|--|------------------------|-----------------------|-------------------|------------------|----------------|-------------------|
| | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | >5 years | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Interest-bearing bank loans and other borrowings | — | 171,034 | 2,795,863 | 6,492,728 | 882,138 | 10,341,763 |
| Trade and bills payables | 1,491,922 | — | — | — | — | 1,491,922 |
| Accrued liabilities and other payables | 1,045,902 | — | 38,528 | — | — | 1,084,430 |
| Amounts due to related companies | 270,985 | — | — | — | — | 270,985 |
| Loans from related companies | — | — | — | 121,000 | — | 121,000 |
| | <u>2,808,809</u> | <u>171,034</u> | <u>2,834,391</u> | <u>6,613,728</u> | <u>882,138</u> | <u>13,310,100</u> |

APPENDIX II
FINANCIAL INFORMATION ON FORTE

| | As at 31 December 2008 | | | | | Total RMB'000 |
|--|------------------------|----------------------------------|------------------------------|----------------------------|---------------------|-------------------|
| | On demand RMB'000 | Less than 3 months RMB'000 | 3 to 12 months RMB'000 | 1 to 5 years RMB'000 | >5 years RMB'000 | |
| Interest-bearing bank loans and other borrowings | — | 690,432 | 1,817,304 | 5,922,232 | 16,000 | 8,445,968 |
| Trade payables | 1,275,421 | — | — | — | — | 1,275,421 |
| Accrued liabilities and other payables | 398,243 | — | — | — | — | 398,243 |
| Amounts due to related companies | 227,368 | — | — | — | — | 227,368 |
| Loans from related companies | — | — | — | 180,467 | — | 180,467 |
| | <u>1,901,032</u> | <u>690,432</u> | <u>1,817,304</u> | <u>6,102,699</u> | <u>16,000</u> | <u>10,527,467</u> |

The maturity profile of the Company's financial liabilities as at the end of the reporting period, based on contracted undiscounted payments, was as follows:

| Company | As at 31 December 2009 | | | | | Total RMB'000 |
|--|------------------------|----------------------------------|------------------------------|----------------------------|---------------------|------------------|
| | On demand RMB'000 | Less than 3 months RMB'000 | 3 to 12 months RMB'000 | 1 to 5 years RMB'000 | >5 years RMB'000 | |
| Interest-bearing bank loans and other borrowings | — | — | 560,000 | 3,350,000 | — | 3,910,000 |
| Trade payables | 19,350 | — | — | — | — | 19,350 |
| Accrued liabilities and other payables | 49,926 | — | 38,528 | — | — | 88,454 |
| Amounts due to related companies | 3,363,993 | — | — | — | — | 3,363,993 |
| Loans from related companies | — | — | — | 93,000 | — | 93,000 |
| | <u>3,433,268</u> | <u>—</u> | <u>598,528</u> | <u>3,443,000</u> | <u>—</u> | <u>7,474,797</u> |

| | As at 31 December 2008 | | | | | Total RMB'000 |
|--|------------------------|----------------------------------|------------------------------|----------------------------|---------------------|------------------|
| | On demand RMB'000 | Less than 3 months RMB'000 | 3 to 12 months RMB'000 | 1 to 5 years RMB'000 | >5 years RMB'000 | |
| Interest-bearing bank loans and other borrowings | — | 72,000 | 740,000 | 1,938,000 | — | 2,750,000 |
| Trade payables | 20,145 | — | — | — | — | 20,145 |
| Accrued liabilities and other payables | 19,046 | — | — | — | — | 19,046 |
| Amounts due to related companies | 2,014,892 | — | — | — | — | 2,014,892 |
| Loans from related companies | — | — | — | 93,000 | — | 93,000 |
| | <u>2,054,083</u> | <u>72,000</u> | <u>740,000</u> | <u>2,031,000</u> | <u>—</u> | <u>4,897,083</u> |

In addition, the guarantees provided by the Group/Company will be called in case of default in payments by the guarantees as set out in note 43.

Equity price risk

Equity price risk of the Group is the risk that the fair values of equity securities decrease as a result of changes in the value of individual securities. The Group is exposed to equity price risk arising from an individual equity investment classified as available-for-sale investments (note 24) as at 31 December 2009 and 2008. The Group's listed investment is listed on the Main Board of the Hong Kong Exchange Stock and is valued at the quoted market price at the end of the reporting period.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

| | 31 December 2009 | High/low 2009 | 31 December 2008 | High/low 2008 |
|--------------------------------|---------------------|------------------|---------------------|------------------|
| Hong Kong - Hang Seng Index | 21,873 | 22,944/11,345 | 14,387 | 27,616/11,016 |

The following table demonstrates the sensitivity to every 5% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

| | Increase/ (decrease) in fair values % | Carrying amount of equity investments RMB'000 | Increase/ (decrease) in profit before tax RMB'000 | Increase/ (decrease) in equity* RMB'000 |
|-----------------------|--|---|---|--|
| 2009 | | | | |
| Investment listed in: | | | | |
| Hong Kong — | | | | |
| Available-for-sale | 5 | 240,690 | — | 12,035 |
| | (5) | 240,690 | — | (12,035) |
| 2008 | | | | |
| Investment listed in: | | | | |
| Hong Kong — | | | | |
| Available-for-sale | 5 | 73,489 | — | 3,674 |
| | (5) | 73,489 | (3,674) | — |

* Excluding retained earnings

Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue bonds or issue new shares. No changes were made in the Group's objectives, policies or processes for managing capital during the years ended 31 December 2009 and 31 December 2008.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes interest-bearing bank loans and other borrowings and loans from related companies, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and minority interests. The gearing ratio as at the end of the reporting period was as follows:

| | 31 December 2009 | 31 December 2008 |
|--|-----------------------------|-----------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Interest-bearing bank loans and other borrowings | 10,311,067 | 8,445,968 |
| Loans from related companies | 106,618 | 152,193 |
| Less: Cash and cash equivalents | <u>(3,629,771)</u> | <u>(1,213,089)</u> |
| Net debt | 6,787,914 | 7,385,072 |
| Total equity | <u>6,505,715</u> | <u>5,850,199</u> |
| Capital and net debt | <u>13,293,629</u> | <u>13,235,271</u> |
| Gearing ratio | 51% | 56% |

48. EVENTS AFTER THE REPORTING PERIOD

- (a) On 7 January 2010, China Alliance Properties Limited (“China Alliance”), a wholly-owned subsidiary of the Company, entered into a subscription agreement with Shanghai Zendai Property Limited (“Zendai Property”), pursuant to which China Alliance agreed to subscribe for and Zendai Property has agreed to allot and issue China Alliance, the subscription shares (being 1,550,000,000 new shares) for a consideration of HK\$480,500,000 at the subscription price (being HK\$0.31) per subscription share. Immediately after the completion of subscription on 26 January 2010, China Alliance held 2,431,815,000 shares of Zendai Property, representing approximately 19.68% of the issued share capital of Zendai Property as enlarged by the allotment and issue of the subscription shares.
- (b) On 5 February 2010, the extraordinary general meeting of the Company approved the disposal of 67.1% equity interest in Shanghai Resource Property Consultancy Co., Ltd. to Shanghai Fosun Venture Capital Investment Management Co., Ltd., a subsidiary of FIL at a total consideration of RMB91,440,000.

- (c) On 10 February 2010, Skysail Investment Limited, a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Garden Plaza 2005 (Delaware) LLC, Garden Plaza 2007 (Delaware) LLC, Garden Plaza DM 2007 (Delaware) LLC and Baekdu Investments Limited to acquire the entire issued share capital of Garden Plaza Capital SRL., a company with restricted liability organized and existing under the laws of Barbados at a total consideration of USD328,000,000.

49. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 15 March 2010.

3. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

The following financial information is extracted from the interim report of the Forte Group for the six months ended 30 June 2010:

Interim Consolidated Income Statement

For the six months ended 30 June 2010

| | | 2010 | 2009 |
|--|--------------|--------------------|--------------------|
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>Notes</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| REVENUE | 4 | 3,430,863 | 2,003,574 |
| Cost of sales | | <u>(2,035,521)</u> | <u>(1,302,308)</u> |
| Gross profit | | 1,395,342 | 701,266 |
| Other income and gains | 4 | 1,211,624 | 114,295 |
| Selling and distribution costs | | (137,193) | (101,935) |
| Administrative expenses | | (153,013) | (116,581) |
| Other expenses | 5 | (38,068) | (9,671) |
| Finance costs | 6 | (133,119) | (29,477) |
| Share of profits and losses of: | | | |
| Jointly-controlled entities | | (13,205) | 6,407 |
| Associates | | <u>133,179</u> | <u>(4,768)</u> |
| PROFIT BEFORE TAX | 7 | 2,265,547 | 559,536 |
| Tax | 8 | <u>(887,246)</u> | <u>(257,569)</u> |
| PROFIT FOR THE PERIOD | | <u>1,378,301</u> | <u>301,967</u> |
| Attributable to: | | | |
| Owners of the parent | | 1,387,304 | 286,700 |
| Non-controlling interests | | <u>(9,003)</u> | <u>15,267</u> |
| | | <u>1,378,301</u> | <u>301,967</u> |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY | | | |
| - BASIC (RMB) | 9 | <u>0.548</u> | <u>0.113</u> |

Interim Consolidated Statement of Comprehensive Income*For the six months ended 30 June 2010*

| | | 2010 | 2009 |
|---|-------------|--------------------|--------------------|
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>Note</i> | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| PROFIT FOR THE PERIOD | | <u>1,378,301</u> | <u>301,967</u> |
| OTHER COMPREHENSIVE INCOME | | | |
| Available-for-sale assets: | | | |
| Changes in fair value | | 7,161 | 99,994 |
| Reversal of changes in fair value included in other comprehensive income | 13 | (152,931) | — |
| Income tax effect | | <u>—</u> | <u>—</u> |
| | | (145,770) | 99,994 |
| Share of other comprehensive income of jointly-controlled entities | | — | 2,515 |
| Share of other comprehensive income of an associate | | (3,685) | — |
| Exchange differences on translation of foreign operations | | <u>17,841</u> | <u>230</u> |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX | | <u>(131,614)</u> | <u>102,739</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | <u>1,246,687</u> | <u>404,706</u> |
| Attributable to: | | | |
| Owners of the parent | | 1,255,690 | 389,439 |
| Non-controlling interests | | <u>(9,003)</u> | <u>15,267</u> |
| | | <u>1,246,687</u> | <u>404,706</u> |

Interim Consolidated Statement of Financial Position

30 June 2010

| | | 2010 | 2009 |
|---|--------------|--------------------|-------------------|
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>Notes</i> | <i>(Unaudited)</i> | <i>(Audited)</i> |
| NON-CURRENT ASSETS | | | |
| Property and equipment | | 341,798 | 291,533 |
| Investment properties | 11 | 4,779,000 | 2,057,400 |
| Properties under development | 12 | 6,320,998 | 5,167,352 |
| Goodwill | | 102,182 | 65,867 |
| Intangible assets | | 4,906 | 5,198 |
| Investments in jointly-controlled entities | | 1,030,736 | 689,737 |
| Investments in associates | | 1,605,109 | 598,892 |
| Available-for-sale investments | 13 | 100,633 | 298,110 |
| Amount due from related companies | | 371,051 | 191,905 |
| Loan receivables | | 290,000 | 220,000 |
| Prepayment | | 616,313 | 616,313 |
| Deferred tax assets | | <u>537,605</u> | <u>427,359</u> |
| | | | |
| Total non-current assets | | <u>16,100,331</u> | <u>10,629,666</u> |
| | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 3,903,746 | 3,629,771 |
| Pledged deposits | | 57,105 | 122,000 |
| Income tax recoverable | | 189,049 | 141,028 |
| Trade receivables | 14 | 123,431 | 242,475 |
| Prepayments, deposits and other receivables | | 993,477 | 1,531,989 |
| Equity investments at fair value through profit or loss | | 4,056 | — |
| Amounts due from related companies | | 1,963,076 | 724,667 |
| Amount due from the holding company | | 234,375 | 98,462 |
| Completed properties held for sale | | 2,229,279 | 1,698,292 |
| Properties under development | 12 | <u>7,217,411</u> | <u>7,089,469</u> |
| | | 16,915,005 | 15,278,153 |
| Assets of disposal group classified as held for sale | 15 | <u>163,187</u> | <u>1,548,894</u> |
| | | | |
| Total current assets | | <u>17,078,192</u> | <u>16,827,047</u> |

Interim Consolidated Statement of Financial Position

30 June 2010

| | | 2010 | 2009 |
|---|--------------|--------------------------------------|------------------------------------|
| | <i>Notes</i> | <i>RMB'000</i> <i>(Unaudited)</i> | <i>RMB'000</i> <i>(Audited)</i> |
| CURRENT LIABILITIES | | | |
| Interest-bearing bank loans and other borrowings | 16 | 3,155,248 | 2,966,897 |
| Trade and bills payables | 17 | 2,046,665 | 1,491,922 |
| Advances from customers | | 5,194,211 | 4,696,858 |
| Accrued liabilities and other payables | | 1,961,138 | 1,541,972 |
| Dividends payable | 10 | 145,821 | — |
| Tax payable | | 1,978,301 | 1,316,669 |
| Amounts due to related companies | | 833,001 | 270,985 |
| Amount due to holding company | | <u>216,422</u> | <u>—</u> |
| | | 15,530,807 | 12,285,303 |
| Liabilities directly associated with the asset of disposal group classified as held for sale | 15 | <u>—</u> | <u>997,393</u> |
| Total current liabilities | | <u>15,530,807</u> | <u>13,282,696</u> |
| NET CURRENT ASSETS | | <u>1,547,385</u> | <u>3,544,351</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>17,647,716</u> | <u>14,174,017</u> |
| NON-CURRENT LIABILITIES | | | |
| Interest-bearing bank loans and other borrowings | 16 | 9,289,502 | 7,344,170 |
| Loans from related companies | | 110,054 | 106,618 |
| Deferred tax liabilities | | <u>547,907</u> | <u>217,514</u> |
| Total non-current liabilities | | <u>9,947,463</u> | <u>7,668,302</u> |
| Net assets | | <u>7,700,253</u> | <u>6,505,715</u> |
| EQUITY | | | |
| Equity attributable to owners of the parent | | | |
| Issued capital | | 505,861 | 505,861 |
| Reserves | | 6,673,728 | 5,254,927 |
| Proposed final dividends | | <u>—</u> | <u>151,758</u> |
| Non-controlling interests | | <u>7,179,589</u> | <u>5,912,546</u> |
| | | 520,664 | 593,169 |
| Total equity | | <u>7,700,253</u> | <u>6,505,715</u> |

Interim Consolidated Statement of Changes in Equity
For the six months ended 30 June 2010

| | Attributable to owners of the parent | | | | | | | | | |
|---|--------------------------------------|----------------------------------|--|----------------------------|--------------------------------------|---|--|------------------------------------|--------------------------------------|-------------------------|
| | Issued capital RMB'000 | Share premium account RMB'000 | Available-for-sale investment revaluation reserve RMB'000 | Capital reserve RMB'000 | Statutory surplus reserve RMB'000 | Exchange fluctuation reserve RMB'000 | Retained profits RMB'000 (Note 10) | Proposed final dividend RMB'000 | Non-controlling interests RMB'000 | Total equity RMB'000 |
| At 1 January 2010 | 505,861 | 2,628,392 | 145,770 | 266,946 | 625,909 | 9,546 | 1,578,364 | 151,758 | 593,169 | 6,505,715 |
| As previously reported | | | | | | | | | | |
| Opening adjustment - reversal of impairment loss arising from the available-for-sale investment became an associate | — | — | — | — | — | — | 190,226 | — | — | 190,226 |
| As stated | 505,861 | 2,628,392 | 145,770 | 266,946 | 625,909 | 9,546 | 1,768,590 | 151,758 | 593,169 | 6,695,941 |
| Total comprehensive income for the period | — | — | (145,770) | — | — | 14,156 | 1,387,304 | — | (9,003) | 1,246,687 |
| Acquisition of non-controlling interests | — | — | — | (129,050) | — | — | — | — | (24,834) | (153,884) |
| Closure of a subsidiary | — | — | — | — | — | — | — | — | (11,444) | (11,444) |

| Attributable to owners of the parent | | | | | | | | | | | |
|--|----------------|-----------------------|---|-----------------|---------------------------|------------------------------|------------------|-------------------------|-----------|---------------------------|--------------|
| | Issued capital | Share premium account | Available-for-sale investment revaluation reserve | Capital reserve | Statutory surplus reserve | Exchange fluctuation reserve | Retained profits | Proposed final dividend | Total | Non-controlling interests | Total equity |
| Notes | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Capital contribution from minority shareholder of subsidiaries | — | — | — | — | — | — | — | — | — | 86,480 | 86,480 |
| Disposal of subsidiaries | — | — | — | — | — | — | — | — | — | (113,704) | (113,704) |
| Indemnity receivable of land appreciation tax ("LAT") from the holding company | — | — | — | 135,913 | — | — | — | — | 135,913 | — | 135,913 |
| Tax effect of LAT indemnity | — | — | — | (33,978) | — | — | — | — | (33,978) | — | (33,978) |
| Final 2009 dividend declared | — | — | — | — | — | — | — | (151,758) | (151,758) | — | (151,758) |
| At 30 June 2010 (unaudited) | 505,861 | 2,628,392 | — | 239,831 | 625,909 | 23,702 | 3,155,894 | — | 7,179,589 | 520,664 | 7,700,253 |

The comparative figures for the six months ended 30 June 2009 are set out as follows:

For the six months ended 30 June 2010

| | Attributable to owners of the parent | | | | | | | | | | |
|---|--------------------------------------|----------------------------------|--|----------------------------|--------------------------------------|---|-----------------------------|------------------------------------|------------------|--------------------------------------|-------------------------|
| | Issued capital RMB'000 | Share premium account RMB'000 | Available-for-sale investment revaluation reserve RMB'000 | Capital reserve RMB'000 | Statutory surplus reserve RMB'000 | Exchange fluctuation reserve RMB'000 | Retained profits RMB'000 | Proposed final dividend RMB'000 | Total RMB'000 | Non-controlling interests RMB'000 | Total equity RMB'000 |
| At 1 January 2009 | 505,861 | 2,624,510 | — | 237,680 | 592,172 | 6,567 | 1,267,211 | 50,586 | 5,284,587 | 565,612 | 5,850,199 |
| Total comprehensive income for the period | — | — | 99,994 | — | — | 2,745 | 286,700 | — | 389,439 | 15,267 | 404,706 |
| Capital contribution from minority shareholders of subsidiaries | — | — | — | — | — | — | — | — | — | 25,850 | 25,850 |
| LAT from the holding company | — | — | — | 11,027 | — | — | — | — | 11,027 | — | 11,027 |
| Tax effect of LAT indemnity | — | — | — | (2,757) | — | — | — | — | (2,757) | — | (2,757) |
| At 30 June 2009 (unaudited) | 505,861 | 2,624,510 | 99,994 | 245,950 | 592,172 | 9,312 | 1,553,911 | 50,586 | 5,682,296 | 606,729 | 6,289,025 |

Interim Condensed Consolidated Statement of Cash Flows*For the six months ended 30 June 2010*

| | For the six months ended 30 June | |
|--|---|-------------------------|
| | 2010 | 2009 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES | (54,762) | 866,415 |
| NET CASH OUTFLOW FROM INVESTING ACTIVITIES | (2,113,763) | (182,175) |
| NET CASH INFLOW FROM FINANCING ACTIVITIES | <u>2,442,500</u> | <u>999,436</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 273,975 | 1,683,676 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | <u>3,629,771</u> | <u>1,213,089</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u><u>3,903,746</u></u> | <u><u>2,896,765</u></u> |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances (excluding pledged deposits) | <u><u>3,903,746</u></u> | <u><u>2,896,765</u></u> |

Notes of Interim Financial Statements**1. CORPORATE INFORMATION**

Shanghai Forte Land Co., Ltd. (the “Company”) was established in the People’s Republic of China (the “PRC”) on 13 August 1998 as a limited company. Pursuant to an approval document numbered “Hu Fu Ti Gai Shen [2001] No. 026” dated 12 September 2001 issued by the Shanghai Municipal Government, the Company was reorganised as a joint stock limited company on 27 September 2001. The registered office of the Company is located at 9th Floor, 510 Caoyang Road, Shanghai, the PRC. The principal place of business of the Company is located at 5th-7th Floor, Fuxing Business Building, No.2 East Fuxing Road, Shanghai, the PRC.

The principal activities of the Company and its subsidiaries (the “Group”) are property development and property investment, as well as the development and operation of ancillary property related services.

In the opinion of the directors, the holding company of the Group is Shanghai Fosun High Technology (Group) Co., Ltd. (“Fosun High Technology”), which is incorporated in the PRC; the intermediate holding company of the Group is Fosun International Limited (“FIL”), which is incorporated in Hong Kong; the ultimate holding company of the Group is Fosun International Holdings Ltd., which is incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2010 (the “Period”) have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2009.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2009, except for the adoption of certain new and revised International Financial Reporting Standards (“IFRSs”, which also include IASs and Interpretations), as set out in note 2.3.

2.3 ADOPTION OF NEW AND REVISED IFRSs

During the six months ended 30 June 2010, the following new and revised IFRSs came into effect.

| | |
|--|--|
| IFRS 1 (Revised) | <i>First-time Adoption of IFRS</i> |
| IFRS 1 Amendments | Amendments to IFRS 1 <i>First-time Adoption of IFRS — Additional Exemptions for First-time Adopters</i> |
| IFRS 2 Amendments | Amendments to IFRS 2 <i>Share-based Payment — Group Cash-settled Share-based Payment Transactions</i> |
| IFRS 3 (Revised) | <i>Business Combinations</i> |
| IAS 27 (Revised) | <i>Consolidated and Separate Financial Statements</i> |
| IAS 39 Amendment | Amendment to IAS 39 <i>Financial Instruments: Recognition and Measurement — Eligible Hedged Items</i> |
| IFRIC 17 | <i>Distribution of Non-cash Assets to Owners</i> |
| Amendments to IFRS 5 included in Improvements to IFRS issued in October 2008 | Amendments to IFRS 5 <i>Non-current assets held for sale and discontinued operations — plan to sell the controlling interest in a subsidiary</i> |
| Improvements to IFRSs (April 2009) | Amendments to a number of IFRSs |

The principal effects of adopting these new and revised IFRSs are as follows:

IFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

IAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 *Statement of Cash Flows*, IAS 12 *Income Taxes*, IAS 21 *The Effects of Changes in Foreign Exchange Rates*, IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures*.

The amendments to IFRS 5 clarify that all assets and liabilities of a subsidiary shall be classified as held for sale if an entity has a sale plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest.

Other than as explained above regarding the impact of IFRS 3 (Revised), IAS 27 (Revised) and the amendment to IFRS 5, the adoption of these new and revised IFRSs has had no significant financial effect on these financial statements.

2.4 IMPACT OF ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective in the interim condensed consolidated financial statements.

| | |
|---------------------|--|
| IFRS 1 Amendments | Amendments to IFRS 1 <i>Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters</i> ² |
| IFRS 9 | <i>Financial Instruments</i> ⁴ |
| IAS 24 (Revised) | <i>Related Party Disclosures</i> ³ |
| IFRIC 14 Amendments | Amendments to IFRIC 14 <i>Prepayments of a Minimum Funding Requirement</i> ³ |
| IFRIC 19 | <i>Extinguishing Financial Liabilities with Equity Instruments</i> ² |
| IAS 32 Amendment | Amendment to IAS 32 <i>Financial Instruments: Presentation - Classification of Rights Issues</i> ¹ |

Apart from the above, the International Accounting Standards Board has issued *Improvements to IFRSs 2010* which sets out amendments to a number of IFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to IFRS 3 and IAS 27 are effective for annual periods beginning on or after 1 July 2010 while the amendments to IFRS 1, IFRS 7, IAS 1, IAS 34 and IFRIC 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard or interpretation.

¹ Effective for financial years beginning on or after 1 February 2010

² Effective for financial years beginning on or after 1 July 2010

³ Effective for financial years beginning on or after 1 January 2011

⁴ Effective for financial years beginning on or after 1 January 2013

IFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace IAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of IAS 39.

Other than as explained above regarding the impact of IFRS 9, the Group anticipates the adoption of these new and revised IFRSs is unlikely to have a significant impact on the Group's results of operation and financial position upon initial application.

3. OPERATION SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their products and geographies and has twelve reportable segments as follows:

- (a) Shanghai, Beijing, Tianjin, Hubei, Chongqing, Zhejiang, Sichuan, Jiangsu, Jilin, Shaanxi and Shanxi segments principally engaged in development as well as sales of residential and commercial properties;
- (b) The “others” segment comprises, principally the Group’s ancillary services relating to real estate industry, which provides property agency, property management, property consulting and advertising services.

Shanxi segment is newly identified as a reportable segment by management based on the Group’s products and geographies during the Period.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit/(loss) before tax after deducting LAT.

Segment assets exclude goodwill and deferred tax assets.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

| Six months ended | Property development | | | | | | | | | | | Total | |
|--|----------------------|------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|-------------------|
| | Shanghai | Beijing | Tianjin | Hubei | Chongqing | Zhejiang | Sichuan | Jiangsu | Jilin | Shaanxi | Shanxi | | Others |
| 30 June 2010 (Unaudited) | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Segment revenue: | | | | | | | | | | | | | |
| Sales to external customers | 1,404,704 | 1,482,808 | 3,276 | 223,903 | 10,565 | 441,228 | — | — | 2,285 | — | — | 69,048 | 3,637,817 |
| Intersegment sales | — | — | — | — | — | — | — | — | — | — | — | 51,086 | 51,086 |
| Reconciliation: | | | | | | | | | | | | | |
| Elimination of intersegment sales | 1,404,704 | 1,482,808 | 3,276 | 223,903 | 10,565 | 441,228 | — | — | 2,285 | — | — | 120,134 | 3,688,903 |
| Offsetting sales tax | | | | | | | | | | | | | (51,086) |
| | | | | | | | | | | | | | (206,954) |
| Revenue | | | | | | | | | | | | | <u>3,430,863</u> |
| Segment results | 1,303,823 | 365,958 | (40,691) | (25,803) | (12,623) | 69,525 | (2,588) | (4,467) | (5,605) | (6,462) | — | (17,729) | 1,623,338 |
| Reconciliation: | | | | | | | | | | | | | |
| Elimination and adjustment | | | | | | | | | | | | | <u>642,209</u> |
| Profit before tax | | | | | | | | | | | | | <u>2,265,547</u> |
| Segment assets | 22,056,702 | 11,367,057 | 229,948 | 3,007,598 | 1,016,527 | 2,708,711 | 1,366,816 | 2,870,900 | 1,310,062 | 1,056,144 | 382,800 | 3,937,328 | 51,310,593 |
| Reconciliation: | | | | | | | | | | | | | |
| Elimination and adjustment | | | | | | | | | | | | | (18,295,257) |
| Assets of disposal group classified as held for sale | | | | | | | | | | | | | <u>163,187</u> |
| Total assets | | | | | | | | | | | | | <u>33,178,523</u> |

| Six months ended | Property development | | | | | | | | | | Total RMB'000 |
|------------------------------------|----------------------|--------------------|--------------------|----------------------------|---------------------|--------------------|--------------------|------------------|--------------------|-------------------|------------------|
| | Shanghai RMB'000 | Beijing RMB'000 | Tianjin RMB'000 | Hubei Chongqing RMB'000 | Zhejiang RMB'000 | Sichuan RMB'000 | Jiangsu RMB'000 | Jilin RMB'000 | Shaanxi RMB'000 | Others RMB'000 | |
| 30 June 2009 (Unaudited) | 589,282 | 1,053,536 | 322,449 | 7,011 | 64,490 | — | 22,080 | — | — | 46,512 | 2,105,360 |
| Segment revenue: | — | — | — | — | — | — | — | — | — | 35,857 | 35,857 |
| Sales to external customers | 589,282 | 1,053,536 | 322,449 | 7,011 | 64,490 | — | 22,080 | — | — | 82,369 | 2,141,217 |
| Intersegment sales | — | — | — | — | — | — | — | — | — | — | — |
| Reconciliation: | | | | | | | | | | | |
| Elimination of intersegment sales | | | | | | | | | | | (35,857) |
| Offsetting sales tax | | | | | | | | | | | (101,786) |
| Revenue | | | | | | | | | | | <u>2,003,574</u> |
| Segment results | 208,373 | 280,435 | 75,269 | (18,937) | (6,435) | (10) | 5,216 | (440) | (5,402) | (45,027) | 476,988 |
| Reconciliation: | | | | | | | | | | | |
| Elimination and adjustment | | | | | | | | | | | <u>82,548</u> |
| Profit before tax | | | | | | | | | | | <u>559,536</u> |

| | Property development | | | | | | | | | | Total RMB'000 | |
|---|----------------------|--------------------|--------------------|----------------------------|---------------------|--------------------|--------------------|------------------|--------------------|-------------------|------------------|-------------------|
| | Shanghai RMB'000 | Beijing RMB'000 | Tianjin RMB'000 | Hubei Chongqing RMB'000 | Zhejiang RMB'000 | Sichuan RMB'000 | Jiangsu RMB'000 | Jilin RMB'000 | Shaanxi RMB'000 | Others RMB'000 | | |
| 31 December 2009 (Audited) | 18,558,850 | 9,292,736 | 269,816 | 2,705,297 | 721,636 | 3,143,367 | 439,613 | 3,015,019 | 1,084,853 | 692,621 | 2,147,405 | 42,071,213 |
| Segment assets | | | | | | | | | | | | |
| Reconciliation: | | | | | | | | | | | | |
| Elimination and adjustment | | | | | | | | | | | | (16,163,394) |
| Assets of disposal group classified as held for sale | | | | | | | | | | | | 1,548,894 |
| Total assets | | | | | | | | | | | | <u>27,456,713</u> |

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

| | For the six months ended 30 June | |
|--|---|-------------------------|
| | 2010 | 2009 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| Revenue | | |
| Sale of properties | 3,536,808 | 2,050,895 |
| Rental income | 38,145 | 7,801 |
| Property agency income | 28,805 | 21,825 |
| Property sales planning and advertising income | 1,140 | 2,559 |
| Property management income | 22,546 | 16,402 |
| Construction supervisory and consulting income | 5,811 | 3,239 |
| Decoration and provision of construction materials | <u>4,562</u> | <u>2,639</u> |
| | 3,637,817 | 2,105,360 |
| Less: Business tax and government surcharges | <u>(206,954)</u> | <u>(101,786)</u> |
| Total revenue | <u><u>3,430,863</u></u> | <u><u>2,003,574</u></u> |
| Other income | | |
| Government grants | 1,081 | 13,104 |
| Reversal of impairment of inventories | — | 26,813 |
| Bank interest income | 6,112 | 3,832 |
| Interest income for receivables | 7,531 | 3,566 |
| Miscellaneous rental income | 8,211 | 7,608 |
| Others | <u>945</u> | <u>3,702</u> |
| | <u>23,880</u> | <u>58,625</u> |
| Gains | | |
| Fair value gain on investment properties | 169,504 | 55,670 |
| Gain on disposal of subsidiaries | 1,017,986 | — |
| Others | <u>254</u> | <u>—</u> |
| | <u>1,187,744</u> | <u>55,670</u> |
| Other income and gains | <u><u>1,211,624</u></u> | <u><u>114,295</u></u> |

5. OTHER EXPENSES

| | For the six months ended 30 June | |
|--|-------------------------------------|--------------------------------|
| | 2010 RMB'000 (Unaudited) | 2009 RMB'000 (Unaudited) |
| Rental cost | — | 4,830 |
| Impairment of goodwill | 33,327 | — |
| Donation | 3,150 | 1,411 |
| Loss on fair value changes of equity investments at fair value through profit or loss | 890 | — |
| Loss on disposal of an investment property | — | 1,820 |
| Loss on disposal of fixed assets | 285 | 46 |
| Others | 416 | 1,564 |
| | <u>38,068</u> | <u>9,671</u> |

6. FINANCE COSTS

| | For the six months ended 30 June | |
|---|-------------------------------------|--------------------------------|
| | 2010 RMB'000 (Unaudited) | 2009 RMB'000 (Unaudited) |
| Interest on bank loans, other borrowings and bonds: | | |
| - wholly repayable within five years | 348,327 | 315,232 |
| - not wholly repayable within five years | 28,719 | 2,932 |
| Notional interest | 8,988 | 5,443 |
| | <u>386,034</u> | <u>323,607</u> |
| Total interest | | |
| Less: Interest capitalised, in respect of: | | |
| - bank loans, other borrowings and bonds | 253,915 | 293,216 |
| - notional interest | — | 2,861 |
| | <u>253,915</u> | <u>296,077</u> |
| Total interest capitalised | | |
| | 132,119 | 27,530 |
| Other finance costs: | | |
| - exchange loss | 46 | — |
| - bank charges and others | 954 | 1,947 |
| | <u>133,119</u> | <u>29,477</u> |
| Total finance costs | | |

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

| | <i>Notes</i> | For the six months ended 30 June | |
|--|--------------|---|--------------------|
| | | 2010 | 2009 |
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| | | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| Cost of sales | | 2,035,521 | 1,302,308 |
| Staff costs | | 81,755 | 83,225 |
| Depreciation | | 11,705 | 9,331 |
| Amortisation of intangible assets | | 291 | 291 |
| Reversal of impairment of inventories | | — | (26,813) |
| Impairment of goodwill | 5 | 33,327 | — |
| Fair value gain on investment properties | 4 | (169,504) | (55,670) |
| Gain on disposal of subsidiaries | 4 | (1,017,986) | — |
| Finance costs | 6 | 133,119 | 29,477 |
| Auditors' remuneration | | 1,100 | 1,730 |
| Direct operating expense arising on rental- earning investment properties | | 7,328 | — |
| Loss on disposal of items of property and equipment | 5 | <u>285</u> | <u>46</u> |

8. TAX

A subsidiary incorporated in the British Virgin Islands is not subject to any income tax. A subsidiary incorporated in Barbados had no assessable profits arising in Barbados during the Period. Therefore no provision for Barbados profits tax has been made. Certain subsidiaries incorporated in Hong Kong are subject to income tax at the rate of 16.5% (six months ended 30 June 2009: 16.5%). The Company and all the other subsidiaries of the Group are subject to PRC income tax.

Provision for PRC income tax has been provided at the applicable income tax rate of 25% (six months ended 30 June 2009: 25%) on the assessable profits of the Group in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in the PRC, which are taxed at preferential rates of 22%.

PRC land appreciation tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation values, being the proceeds from sales of properties less deductible expenditures including amortization of land use rights, borrowing costs, business taxes and all property development expenditures. The tax is incurred upon transfer of property ownership.

The major components of tax expense for the six months ended 30 June 2010 and 2009 are as follows:

| | For the six months ended 30 June | |
|--|---|--------------------|
| | 2010 | 2009 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| Current tax | | |
| - Income tax in the PRC for the Period | 531,391 | 195,066 |
| - LAT in the PRC for the Period | 427,597 | 129,912 |
| Deferred tax | <u>(71,742)</u> | <u>(67,409)</u> |
| Total tax charge | <u>887,246</u> | <u>257,569</u> |

According to tax notice issued by the relevant local tax authorities, the Group commenced to pay LAT at rates ranging from 0.5% to 3% on proceeds of the sale and pre-sale of properties from 2004. Prior to the year end of 2006, except for this amount paid to the local tax authorities, no further provision for LAT had been made. The directors considered that the relevant tax authorities would unlikely impose additional LAT levies other than the amount already paid based on the relevant percentages of the proceeds from the sale and pre-sale of the Group's properties.

From year 2006 onward, the Group provided additional LAT in respect of the properties sold in accordance with the requirements as set forth in the relevant PRC tax laws and regulation. For six months ended 30 June 2010, based on the latest understanding of LAT regulations from tax authorities, an additional LAT in the amount of RMB384,684,000 (six months ended 30 June 2009: RMB112,659,000) was provided by the Group in respect of properties sold during the Period.

In 2004, upon the reorganisation and the listing of the Company, the Company and Fosun High Technology entered into a deed of tax indemnity whereby Fosun High Technology has undertaken to indemnify the Company in respect of the LAT payable attributable to the Group in excess of the prepaid LAT based on 0.5% to 3% of sales proceeds, after netting off potential income tax savings, in consequence of the disposal of the properties owned by the Group as at 30 November 2003. As at 30 June 2010, the indemnity of LAT receivable from the holding company after netting off potential income tax saving amounted to RMB234,375,000 (31 December 2009: RMB98,462,000), and the deferred tax liability arising thereon amounted to RMB106,295,000 (31 December 2009: RMB72,317,000). This LAT indemnity after netting off the corresponding tax liability was credited to capital reserve directly.

The share of tax attributable to jointly-controlled entities and associates amounting to RMB2,569,000 (six months ended 30 June 2009: RMB999,200) and RMB72,731,000 (six months ended 30 June 2009: RMB1,352,000), respectively, is included in "Share of profits and losses of jointly-controlled entities and associates" on the face of the interim consolidated income statement.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the Period attributable to ordinary equity holders of the parent of approximately RMB1,387,304,000 (six months ended 30 June 2009: RMB286,700,000) and the weighted average number of ordinary shares of 2,529,306,000 (six months ended 30 June 2009: 2,529,306,000) in issue during the Period.

Diluted earnings per share amounts for the six months ended 30 June 2010 and 2009 have not been disclosed as no diluting events existed during these periods.

10. DIVIDENDS

Pursuant to the Annual General Meeting's resolution of the Company dated 8 June 2010, the Company declared final 2009 dividend of RMB0.06 per share, aggregately amounting to RMB145,821,000, after netting off withholding tax.

11. INVESTMENT PROPERTY

| | | 30 June 2010 | 31 December 2009 |
|--|-------------|-------------------------|-----------------------------|
| | <i>Note</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Carrying amount at beginning of period | | 2,057,400 | 429,000 |
| Addition from acquisition | 18 | 2,400,000 | — |
| Additional development cost | | 152,096 | — |
| Transfer from properties under development | | — | 1,981,996 |
| Gain from a fair value adjustment | | 169,504 | 75,404 |
| Disposal | | — | <u>(429,000)</u> |
| Carrying amount at end of period | | <u>4,779,000</u> | <u>2,057,400</u> |

The Group's investment properties are situated in Beijing, Hangzhou and Shanghai, the PRC.

The Group's investment properties were revalued on 30 June 2010 at RMB4,779,000,000 by DTZ International Property Advisers(Shanghai) Co., Ltd. and Jones Lang LaSalle Sallmanns Limited, independent professionally qualified valuers, on an open market. The valuation was made on the estimated market value 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. The investment properties are leased to third parties under operating leases.

12. PROPERTIES UNDER DEVELOPMENT

| | 30 June 2010 | 31 December 2009 |
|--------------------------------------|-------------------------|-----------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Land costs | 10,047,171 | 8,869,790 |
| Construction costs | 2,743,233 | 2,605,321 |
| Financial costs | <u>748,005</u> | <u>781,710</u> |
| | 13,538,409 | 12,256,821 |
| Portion classified as current assets | <u>(7,217,411)</u> | <u>(7,089,469)</u> |
| | <u><u>6,320,998</u></u> | <u><u>5,167,352</u></u> |

The Group's properties under development are situated in Shanghai, Hangzhou, Wuhan, Nanjing, Beijing, Chongqing, Xi'an, Tianjin, Changchun, Chengdu and Taiyuan, the PRC.

13. AVAILABLE-FOR-SALE INVESTMENTS

| | 30 June 2010 | 31 December 2009 |
|---|-------------------------|-----------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Unlisted equity investments, at cost | 100,633 | 57,420 |
| Listed equity investment, at fair value | <u>—</u> | <u>240,690</u> |
| | <u><u>100,633</u></u> | <u><u>298,110</u></u> |

On 7 January 2010, the Group entered into a subscription agreement with Shanghai Zendai Property Limited ("Shanghai Zendai") to subscribe for 1,550,000,000 new shares issued by Shanghai Zendai at the subscription price of HK\$0.31 per share with a total cash consideration of HK\$480,500,000. Immediately after the completion of the subscription on 26 January 2010, the Group increased its equity interest in Shanghai Zendai from 8.47% to 19.47% and Shanghai Zendai was accounted for as an associate instead of available-for-sale investment of the Group. Therefore, the changes in fair value of RMB152,931,000 in respect of the previously held equity interest in Shanghai Zendai were reversed against other comprehensive income in current period and the impairment loss of RMB190,226,000 provided in prior year was reversed against retained earnings as opening adjustment.

As at 30 June 2010, certain unlisted equity investment with a carrying amount of RMB100,633,000 (31 December 2009: RMB57,420,000) were stated at cost because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably. The Group does not intend to dispose of these investments in the near future.

14. TRADE RECEIVABLES

An aged analysis of the trade receivables as at 30 June 2010, based on the payment due date, is as follows:

| | 30 June 2010 | 31 December 2009 |
|----------------------------|-------------------------|-----------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Undue | 109,634 | 230,606 |
| Overdue, within six months | <u>13,797</u> | <u>11,869</u> |
| | <u>123,431</u> | <u>242,475</u> |

Credit terms granted to the Group's customers range from 30 to 360 days.

Receivables that were neither past due nor impaired related to a number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to certain independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

15. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 18 May 2010, the disposal of 75% equity interest in Tianjin Forte Puhe Development Co., Ltd. which was classified as held for sale in 2009 was completed upon the completion of the business re-registration and the settlement of most of the consideration.

On 17 March 2010, Shanghai Forte Investment Management Co., Ltd. ("Forte Investment"), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement to dispose of its 21% equity interest in an associate, Chengdu Boland Real Estate Development Co., Ltd. ("Chengdu Boland"), at a consideration of RMB182,494,000 (the "Disposal").

As at 30 June 2010, the Disposal is still subject to the settlement of the consideration as well as the approval of business administrative authorities which are expected to be completed before the end of 2010. Therefore, investment in Chengdu Boland was reclassified as held for sale.

16. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

| | <i>Notes</i> | 30 June 2010 <i>RMB'000</i> <i>(Unaudited)</i> | 31 December 2009 <i>RMB'000</i> <i>(Audited)</i> |
|---|--------------|---|---|
| Bank loans, secured | (1) | 6,212,464 | 4,710,043 |
| Bank loans, unsecured | | <u>1,751,500</u> | <u>1,509,750</u> |
| | | 7,963,964 | 6,219,793 |
| Other borrowings, unsecured | (2) | 2,609,029 | 2,221,970 |
| Corporate bonds, unsecured | (3) | <u>1,871,757</u> | <u>1,869,304</u> |
| Total bank loans and other borrowings | | 12,444,750 | 10,311,067 |
| Portion classified as current liabilities | | <u>(3,155,248)</u> | <u>(2,966,897)</u> |
| Non-current portion | | <u><u>9,289,502</u></u> | <u><u>7,344,170</u></u> |

Notes:

- (1) The Group's bank loans are secured by the pledge of the following:

| | 30 June 2010 <i>RMB'000</i> <i>(Unaudited)</i> | 31 December 2009 <i>RMB'000</i> <i>(Audited)</i> |
|------------------------------------|---|---|
| Pledged deposits | 40,065 | 91,158 |
| Investment in a subsidiary | 9 | — |
| Investment in an associate | 835,196 | — |
| Available-for-sale investment | — | 163,769 |
| Investment properties | 4,779,000 | 2,057,400 |
| Property and equipment | 72,405 | 94,718 |
| Properties under development | 3,325,969 | 4,639,332 |
| Completed properties held for sale | <u>870,702</u> | <u>309,490</u> |
| | <u><u>9,923,346</u></u> | <u><u>7,355,867</u></u> |

The bank loans bear interest at rates per annum in the range of

| | |
|-----------|-----------|
| 2.179% | 2.179% |
| to 6.750% | to 6.750% |

| | 30 June 2010 | 31 December 2009 |
|---|-------------------------|-----------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| (2) Other borrowings | | |
| The other borrowings bear interest at rates per annum in the range of | 2.945% | 3.179% |
| | to 12.180% | to 12.180% |
| (3) On 25 September 2009, the Company issued five-year domestic corporate bonds at an aggregate principal amount of RMB1,900,000,000. The bonds that are guaranteed by Fosun High Technology, bear a fixed coupon rate of 7.3% per annum payable annually in arrears on 22 September, and the maturity date is 22 September 2014. | | |

17. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at 30 June 2010 is as follows:

| | 30 June 2010 | 31 December 2009 |
|---|-------------------------|-----------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Within six months | 1,358,517 | 1,029,176 |
| More than six months, but within one year | 449,792 | 137,250 |
| Over one year | <u>238,356</u> | <u>325,496</u> |
| | <u>2,046,665</u> | <u>1,491,922</u> |

18. BUSINESS COMBINATION

On 31 May 2010, the Group acquired 100% interest in Garden Plaza SRL (“SRL”), a society with restricted liability organized and existing under the laws of Barbados. SRL is engaged in property investments in Shanghai. The Group acquired SRL in order to increase the Group’s competitive strength in the property market in Shanghai. The acquisition has been accounted for using the acquisition method. The interim condensed consolidated financial statements include the results of SRL for the one month period from the acquisition date. The purchase consideration for the acquisition was in the form of cash and amounted to RMB731,051,000, of which RMB13,138,000 remained unpaid as at 30 June 2010.

The fair value of the identifiable assets and liabilities of SRL as at the date of acquisition was as follows:

| | Fair value recognised on acquisition <i>RMB'000</i> |
|---|---|
| Property and equipment | 19,584 |
| Investment property | 2,400,000 |
| Cash and bank balances | 90,728 |
| Trade receivables | 135 |
| Prepayments, deposits and other receivables | 52,015 |
| Trade payables | (266) |
| Advances from customers | (6,816) |
| Tax payables | (2,553) |
| Accrued liabilities and other payables | (32,815) |
| Amount due to shareholders | (867,514) |
| Interest-bearing bank loans | (742,500) |
| Deferred tax liabilities | <u>(248,589)</u> |
| | 661,409 |
| Goodwill on acquisition | <u>69,642</u> |
| | <u>731,051</u> |
| Satisfied by cash | <u>731,051</u> |

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

| | <i>RMB'000</i> |
|--|------------------|
| Cash consideration paid | (717,913) |
| Cash and bank balance acquired | <u>90,728</u> |
| Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary | <u>(627,185)</u> |

The carrying amounts of trade receivables and other receivables approximate to their fair values. None of the receivables have been impaired and it is expected that the full amount can be collected.

From the date of acquisition, SRL's results have no significant impact on the Group's consolidated turnover or net profit for the six months ended 30 June 2010. If the combination had taken place at the beginning of the Period, the loss for the Period would have been RMB26,966,000 and the revenue would have been RMB61,519,000.

The goodwill recognised above is attributed to the substantial potential in value increase in the acquired property. None of the recognized goodwill is expected to be deductible for income tax purposes.

19. DISPOSAL OF SUBSIDIARIES

19.1 Disposal of Shanghai Yizhou Investment Management Co., Ltd. ("Shanghai Yizhou")

On 3 March 2010, the Group entered into an equity transfer agreement to dispose of its 100% equity interest in Shanghai Yizhou and its subsidiary at a total consideration of RMB906,687,000. The disposal was completed on 18 May 2010.

| | 18 May 2010 |
|--|--------------------|
| | <i>RMB'000</i> |
| Net assests disposed of: | |
| Property and equipment | 4,986 |
| Deferred tax assets | 7,081 |
| Cash and bank balances | 29,666 |
| Trade receivables | 741 |
| Prepayments, deposits and other receivables | 92,288 |
| Completed properties held for sale | 1,437,174 |
| Trade payables | (135,635) |
| Advances from customers | (486) |
| Tax payables | (53,427) |
| Accruals and other payables | <u>(1,277,092)</u> |
| | 105,296 |
| Non-controlling interests | (75,006) |
| Professional fee directly attributable to the disposal | 40,036 |
| Gain on disposal of subsidiaries | <u>836,361</u> |
| | <u>906,687</u> |
| Satisfied by cash | <u>906,687</u> |

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

| | <i>RMB'000</i> |
|--|-----------------|
| Cash consideration received | 831,687 |
| Cash and bank balances disposed of | <u>(29,666)</u> |
| Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries | <u>802,021</u> |

19.2 Disposal of Shanghai Resource Property Consultancy Co., Ltd. (“Shanghai Resource”)

On 1 December 2009, the Group entered into an equity transfer agreement to dispose of its 67.1% equity interest in Shanghai Resource and its subsidiaries at a total consideration of RMB91,440,000. Subsequent to the completion of the equity transfer on 28 February 2010, the remaining 9.9% equity investments in Shanghai Resource were accounted for as financial assets under the caption of available-for-sale investments.

| | 28 February 2010 |
|--|-------------------------|
| | <i>RMB'000</i> |
| Net assets disposed of: | |
| Property plant and equipment | 6,189 |
| Deferred tax assets | 9,324 |
| Cash and bank balances | 51,423 |
| Trade receivables | 31,438 |
| Prepayments, deposits and other receivables | 562,569 |
| Completed properties held for sale | 80,012 |
| Interest-bearing bank loans | (210,000) |
| Trade payables | (1,586) |
| Tax payables | (3,061) |
| Accruals and other payables | <u>(429,169)</u> |
| | 97,139 |
| Non-controlling interests | (38,698) |
| Retained interests in subsidiaries disposed of | (12,592) |
| Gain on disposal of subsidiaries | <u>45,591</u> |
| | <u>91,440</u> |
| Satisfied by cash | <u>91,440</u> |

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

| | <i>RMB'000</i> |
|--|-----------------|
| Cash consideration received | 91,440 |
| Cash and bank balances disposed of | <u>(51,423)</u> |
| Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries | <u>40,017</u> |

19.3 Disposal of Shiner Way Limited (“Shiner Way”)

On 8 June 2010, the Group entered into an equity transfer agreement to dispose of its 50% equity interest in Shiner Way and its subsidiary at a total consideration of RMB64,117,000. Subsequent to the completion of the equity transfer on 30 June 2010, the remaining 50% equity investments in Shiner Way were accounted for investments in jointly-controlled entities.

| | 30 June 2010 <i>RMB'000</i> |
|--|---------------------------------------|
| Net assets disposed of: | |
| Property and equipment | 1,697 |
| Cash and bank balances | 192,623 |
| Prepayments, deposits and other receivables | 76,287 |
| Properties under development | 434,966 |
| Interest-bearing bank loans | (150,000) |
| Trade payables | (43,564) |
| Advances from customers | (148,376) |
| Tax payables | (11,567) |
| Accruals and other payables | <u>(355,241)</u> |
| | (3,175) |
| Retained interests in subsidiaries disposed of | (68,742) |
| Gain on disposal of subsidiaries | <u>136,034</u> |
| | <u>64,117</u> |
| Satisfied by cash | <u>64,117</u> |

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

| | |
|---|------------------|
| | <i>RMB'000</i> |
| Cash consideration received | 26,683 |
| Cash and bank balances disposed of | <u>(192,623)</u> |
| Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries | <u>(165,940)</u> |

20. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to seventeen years.

At 30 June 2010, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

| | 30 June 2010 | 31 December 2009 |
|---|-------------------------|-----------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Within one year | 112,054 | 32,333 |
| In the second to fifth years, inclusive | 92,696 | 71,463 |
| After five years | <u>24,941</u> | <u>25,244</u> |
| | <u>229,691</u> | <u>129,040</u> |

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for office properties are negotiated for terms ranging from one to twenty years.

At 30 June 2010, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

| | 30 June 2010 | 31 December 2009 |
|---|-------------------------|-----------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Within one year | 40,012 | 37,340 |
| In the second to fifth years, inclusive | 152,459 | 150,103 |
| After five years | <u>349,245</u> | <u>368,141</u> |
| | <u>541,716</u> | <u>555,584</u> |

21. COMMITMENTS

In addition to the operating lease commitments detailed in note 20(b), the Group had the following capital commitments at 30 June 2010:

| | 30 June 2010 | 31 December 2009 |
|-----------------------------------|-------------------------|-----------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Contracted, but not provided for: | | |
| Investment | 445,266 | 460,013 |
| Property and equipment | 44,234 | 44,253 |
| Properties under development | <u>4,716,152</u> | <u>4,531,525</u> |
| | <u>5,205,652</u> | <u>5,035,791</u> |

22. CONTINGENT LIABILITIES

The Group had the following contingent liabilities:

| | | 30 June | 31 December |
|--|--------------|--------------------|--------------------|
| | | 2010 | 2009 |
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>Notes</i> | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Guarantees given to banks in connection with banking facilities granted to: | | | |
| - associates | | 541,000 | 541,000 |
| - an entity controlled by the ultimate holding company of the Group | (1) | 100,000 | — |
| Guarantees given to banks in connection with banking facilities granted to its customers | (2) | <u>3,044,081</u> | <u>2,762,666</u> |
| | | <u>3,685,081</u> | <u>3,303,666</u> |

- (1) On 24 September 2009, Shanghai Resource Property Brokage Co., Ltd. (“Resource Brokage”) entered into a bank loan agreement (“Loan Agreement”) with Agriculture Bank of China to obtain a short-term bank loan amounting to RMB100,000,000 (“Loan”). Pursuant to the Loan Agreement: (i) this Loan bears an interest rate of 5.31% per annum and is repayable on 23 September 2010; and (ii) the maximum guarantees provided by the Company is RMB100,000,000.

On 28 February 2010, Resource Brokage became an entity controlled by the ultimate holding company of the Group upon the completion of the disposal of 67.1% equity interest in Resource Brokage to an entity controlled by FIL.

- (2) As at 30 June 2010, the Group provided guarantees of approximately RMB3,044,081,000 (31 December 2009: RMB2,762,666,000), for their customers in favour of the banks in respect of mortgage loans provided by banks to such customers for their purchases of the Group’s developed properties.

These guarantees provided by the Group will be released when the customers pledge their real estate certificates as securities to the banks for the mortgage loans granted by the banks. The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principal together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

23. RELATED PARTY TRANSACTIONS

(a) During the Period, the Group had the following material transactions with related parties:

| | Six months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2010 | 2009 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| <i>Recurring transactions</i> | | |
| Holding company: | | |
| LAT indemnity | 135,913 | 11,027 |
| Interest expenses on entrusted bank loans | 35,472 | 32,822 |
| Property management income | <u>895</u> | <u>—</u> |
| Associates: | | |
| Property management fee | 4,529 | 6,108 |
| Interest income | 5,310 | — |
| Notional interest expense | <u>677</u> | <u>—</u> |
| Jointly-controlled entities: | | |
| Interest income of entrusted bank loans | 8,797 | 7,132 |
| Entrusted bank loans provided | 70,000 | 220,000 |
| Shareholder loans provided | 225,446 | — |
| Notional interest expense | 2,758 | 2,582 |
| Project consulting service income | 994 | — |
| Sales agency service income | — | 33 |
| Property management service income | <u>164</u> | <u>297</u> |
| Other related parties: | | |
| Entrusted bank loans received | 1,373,271 | — |
| Interest expenses of entrusted bank loans | 24,334 | 32,966 |
| Operating lease fee | 2,509 | 2,509 |
| Property management fee | 2,728 | 1,890 |
| Decoration fee | 489 | — |
| Advertising fee | 10,217 | — |
| Sales commission fee | 7,516 | — |
| Consulting fee | 550 | — |
| Notional interest expense | <u>5,553</u> | <u>2,861</u> |
| <i>Non-recurring transactions</i> | | |
| Other related parties: | | |
| Disposal of subsidiaries | <u>91,440</u> | <u>—</u> |

(b) Guarantees provided by related parties of the Group

On 13 April 2010, the Group and FIL entered into a financial assistance supplemental agreement, pursuant to which, Fosun High Technology and FIL agreed to increase its bank guarantees provided to the Group from RMB1,300,000,000 to the aggregate amount not exceeding RMB5,300,000,000, free of charges.

According to the financial assistance agreement and its supplemental agreements, as at 30 June 2010, (i) the Group's short-term bank loans amounting to HK\$206,850,000 (equivalent to RMB180,454,000), long-term bank loans amounting to HK\$700,000,000 (equivalent to RMB610,673,000) and US\$150,000,000 (equivalent to RMB1,018,635,000) were guaranteed by FIL; (ii) the Group's short-term bank loans amounting to RMB340,000,000 and short-term other borrowings amounting to RMB270,000,000 were guaranteed by Fosun High Technology; and (iii) the Group's corporate bonds amounting to RMB1,900,000,000 were guaranteed by Fosun High Technology.

(c) Compensation of key management personnel of the Group:

| | Six months ended 30 June | |
|---|---------------------------------|---------------------|
| | 2010 | 2009 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| Short-term employee benefits | 9,488 | 6,674 |
| Pension scheme contributions | <u>134</u> | <u>122</u> |
| Total compensation paid to key management personnel | <u><u>9,622</u></u> | <u><u>6,796</u></u> |

24. EVENTS AFTER THE REPORTING PERIOD

On 19 August 2010, Forte Investment, a wholly-owned subsidiary of the Company, entered into a cooperation agreement with Chongqing Yukaifa Company Limited ("Chongqing Yukaifa") and Chongqing LangFu Property Company Limited ("Chongqing Langfu"), pursuant to which, Chongqing Yukaifa will transfer its 50% equity interest in Chongqing Langfu and the shareholder loan of RMB200,000,000 to Forte Investment at a total consideration of RMB663,000,000.

25. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 21 August 2010.

4. INDEBTEDNESS

Borrowings

As at the close of business on 31 December 2010, being the latest practicable date for inclusion of information in this paragraph headed “Indebtedness” prior to the publication of this circular, Forte Group had outstanding interest-bearing bank and other borrowings of approximately RMB10,988,828,000 as follows:

| | 31 December 2010 |
|-----------------------------|--------------------------|
| | <i>RMB'000</i> |
| Bank loans: | |
| Secured | 6,226,686 |
| Unsecured | <u>1,246,875</u> |
| Subtotal | 7,473,561 |
| Other borrowings, unsecured | 1,640,287 |
| Corporate bond, unsecured | <u>1,874,980</u> |
| Total | <u><u>10,988,828</u></u> |
| Current portion | 2,006,159 |
| Non-current portion | <u>8,982,669</u> |
| Total | <u><u>10,988,828</u></u> |

As at 31 December 2010, Forte Group had total available bank credit facilities of approximately RMB11,141,450,000, of which approximately RMB7,473,561,000 had been utilised.

Collateral

As at 31 December 2010, Forte Group's bank loans are secured by the pledge of the following:

| | 31 December 2010 |
|--------------------------------------|-------------------------|
| | <i>RMB'000</i> |
| Pledge deposits | 59,091 |
| Equity investment in Shanghai Zendai | 835,196 |
| Investment properties | 2,510,000 |
| Property and equipment | 45,092 |
| Properties under development | 5,778,577 |
| Long-term investment | 677,869 |
| Completed properties held for sale | 315,519 |
| | 10,221,344 |

Contingent liabilities

As at 31 December 2010, Forte Group had guarantees given to banks in connection with banking facilities granted to associates of approximately RMB541,000,000. As at 31 December 2010, the Group provided guarantees of approximately RMB3,013,599,000 in favour of their customers in respect of mortgage loans provided by banks to such customers for their purchases of the Group's developed properties.

Save as disclosed above, Forte Group had no other bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities.

5. MATERIAL CHANGES

The directors of Forte confirm that, save as disclosed in the interim report of Forte for the six months ended 30 June 2010 (the "Interim Report"), in particular, the increase in revenue, other income and profit before and after tax, and the reclassification of Forte Group's interests in Shanghai Zendai Property Limited from "available-for-sale investment" account to "interests in associates" account as reported in the Interim Report, there is no material change in the financial or trading position or outlook of the Forte Group since 31 December 2009 (the date to which the latest audited consolidated financial statements of the Forte Group were published) to and including the Latest Practicable Date.

The following is the text of a letter, summary of values and valuation certificates, 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 31 December 2010 of the property interests of the Group.



Jones Lang LaSalle Sallmanns Limited
6/F, Three Pacific Place
1 Queen's Road East Hong Kong
tel +852 2169 6000 fax +852 2169 6001
Licence No: C-030171

25 February 2011

Dear Sirs,

On 17 January 2011, Fosun International Limited (the "Offeror") informed the board of Shanghai Forte Land Co., Ltd. that Standard Chartered Bank, on behalf of the Offeror will make a voluntary conditional offer to acquire all of the issued H Shares of Shanghai Forte Land Co., Ltd. (other than those already held by the Offeror and parties acting in concert with it) and subject the H Share Offer becoming unconditional in all respects, the Offeror will make a voluntary conditional offer to acquire all of the issued Domestic Shares (other than those already held by the Offeror and parties acting in concert with it but including the Domestic Shares held by Dahua (Group) Company Limited).

In accordance with your instructions to value the properties in which Shanghai Forte Land Co., Ltd. ("the Company") and its subsidiaries and selected associate companies (hereinafter together referred to as the "Group") have interests in the People's Republic of China (the "PRC"), 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 values of the property interests as at 31 December 2010 (the "date of valuation"). For the purpose of the report and in accordance with Rule 11.1(f) of the Hong Kong Code on Takeovers and Merger, the selected associate companies refer to those associate companies in which the Company has direct or indirect interests of 30% or more of the voting rights.

Our valuation of the property interests 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".

We have valued the property interests in Groups I to III and V by direct comparison approach assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

In valuing the property interests in Group IV which are currently under development, we have assumed that they will be developed and completed in accordance with the latest development proposal provided to us by the Group. 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 be incurred for completing the development.

For the purpose of our valuation, real estate developments under development are those the Construction Work Commencement Permits have been issued while the Construction Work Certified Reports or Certificates of Completion of the buildings thereof are not issued.

We have attributed no commercial value to the property interests in Group VI, which have not been assigned to the Group as at the date of valuation, thus the titles of the properties are not vested in the Group.

We have attributed no commercial value to the property interests in Group VII which are leased by the Group, due either to the short-term nature of the lease or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rent.

Our valuations have been made on the assumption that the seller sells the property interests 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 values of the property interests.

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 properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their value.

In valuing the property interests, 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; Rule 11 of Hong Kong Code on Takeovers and Merger issued by Securities and Futures Commission; the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors; and the HKIS Valuation Standards on Properties published by the Hong Kong Institute of Surveyors; the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group 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 State-owned Land Use Rights Certificates, Building Ownership Certificates, Real Estate Title Certificates and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing titles to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers — Chen & Co. Law Firm, concerning the validity of the Group's titles of the property interests in the PRC.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site 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 properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services of the properties. Our valuations have been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. 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 the Group. We have also sought confirmation from the Group 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.

We have been advised by the Group that the potential tax liabilities for the disposal of property interests in the PRC would include, but not limited to business tax (5% of transaction amount), stamp duty (0.05% of transaction amount), land appreciation tax (30% to 60% of appreciated amount) and income tax (25% of capital gain). For the property interests held by Group for sale, under development, for future development and contracted to be acquired in Groups I, IV, V and VI, as advised by the Group, the property interests are intended to be sold after completion of development. Therefore, the likelihood of the relevant tax liability being crystallized is high. For the property interests held by the Group for investment and for self-occupation in Groups II and III, the likelihood of the potential tax liability being crystallized is considered remote as we are advised that the Group has no intention to dispose of such property interests.

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

Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Sallmanns Limited

Paul L. Brown
B.Sc. FRICS FHKIS
Chief Valuation Adviser

Sam B. Q. Zhu
MRICS
Director

Notes:

1. Paul L. Brown is a Chartered Surveyor who has 28 years' experience in the valuation of properties in the PRC and 31 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.
2. Sam B. Q. Zhu is a Chartered Surveyor who has 13 years' experience in the valuation of properties in the PRC.

SUMMARY OF VALUES

Group I — Property interests held for sale by the Group in the PRC

| No. | Property | Capital value in existing state as at 31 December 2010 <i>RMB</i> | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 <i>RMB</i> |
|-----|--|---|--|--|
| 1. | The remaining unsold portions of Jingyuedaduhui (淨月大都匯) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | 88,747,000 | 100% | 88,747,000 |
| 2. | The remaining unsold portions of Phase I of Gedebaosenlin (哥德堡森林一期) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | 508,637,000 | 100% | 508,637,000 |
| 3. | The remaining 3 unsold units of Zhaojidongcheng International Garden (兆基東城國際花園) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | 4,408,000 | 100% | 4,408,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|--|---|---|---|
| 4. | The remaining unsold portions of Fudishangcheng No. 81 Jin Yu Avenue North New Economic and Development Area Chongqing The PRC | 149,371,000 | 100% | 149,371,000 |
| 5. | The remaining unsold portions of Phases II and III of Forte Invaluable City No. 1636 Hanghai Road Qiaosi Town Yuhang District Hangzhou City Zhejiang Province The PRC | 249,530,000 | 75% | 187,148,000 |
| 6. | An office building No. 1165 Moganshan Road Gongshu District Hangzhou City Zhejiang Province The PRC | No commercial value | 100% | No commercial value |
| 7. | The remaining unsold portions of Phase I of Forte International Eastlake (復地東湖國際一期) No. 118 Zhongbei Road Wuchang District Wuhan City Hubei Province The PRC | 181,001,000 | 70% | 126,701,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|---|---|---|---|
| 8. | The remaining unsold portions Phase I of Forte Youshang International (復地優尚國際一期) No. 158 Yudou Road Yanta District Xi'an City Shanxi Province The PRC | 67,487,000 | 95% | 64,113,000 |
| 9. | The remaining unsold portions of No. 26 West Rongxian Hutong Xicheng District Beijing The PRC | 678,297,000 | 100% | 678,297,000 |
| 10. | The remaining 8 unsold villas of Valuestream located at Changxingzhuang Village Xiaotangshan Town Changping District Beijing The PRC | 48,817,000 | 100% | 48,817,000 |
| 11. | The remaining unsold portions of Peking House No. 20 West Dawang Road Chaoyang District Beijing The PRC | 557,499,000 | 100% | 557,499,000 |

| No. | Property | Capital value in existing state as at 31 December 2010 <i>RMB</i> | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 <i>RMB</i> |
|-----|--|---|--|--|
| 12. | The remaining unsold portions of No. 1629 Pu Wei Road Shan Yang Town Jinshan District Shanghai The PRC | 437,763,000 | 100% | 437,763,000 |
| 13. | The remaining unsold portions of Pa Ti Ou Xiang Yuan Lane 6666 Waiqingsong Road Shanghai The PRC | 381,581,000 | 55% | 209,870,000 |
| 14. | The remaining unsold portions of Yi He Hua Cheng Lane 479 Wu Wei East Road Putuo District Shanghai The PRC | 1,008,899,000 | 50% | 504,450,000 |
| 15. | The remaining unsold portions of Forte Bei Qiao Cheng Lane 388 Dushi Road Minhang District Shanghai, The PRC | 108,343,000 | 100% | 108,343,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|---|---|---|---|
| 16. The remaining unsold portions of 地杰國際城C街坊 No. 150 Lane Yushui Road Beicai Town Pudong New District Shanghai The PRC | 2,147,640,000 | 40% | 859,056,000 |
| 17. Hehua International Mansion No. 7 Jianguomen South Avenue Dongcheng District Beijing The PRC | 2,023,944,000 | 37% | 748,859,000 |
| 18. The remaining unsold portions of Liu Zhou Yuan, Liu Mei Song, Lin Jiang Yuan, Liu Mei Song, Xiang Xie Mei Song and Gui Mei Song of Jin Xiu Hua Cheng Linjiang Village Taishan Avenue Pukou District Nanjing City Jiangsu Province The PRC | 77,636,000 | 41% | 31,831,000 |
| 19. The remaining unsold portions Phase I of Forte Park City (復地公園城邦) No. 99 Zhenghe Avenue Huishan District Wuxi City Jiangsu Province The PRC | 45,499,000 | 50% | 22,750,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|--|---|---|---|
| 20. | The remaining 2 unsold units Nos. 551 and 553 Wuzhong Road Minhang District Shanghai The PRC | 8,124,000 | 50% | 4,062,000 |
| 21. | The remaining unsold portions of Lane 851 Jiuting Street Songjiang District Shanghai The PRC | 44,243,000 | 100% | 44,243,000 |
| 22. | The remaining unsold 2 villas Lane 599 Laiting South Road Songjiang District Shanghai The PRC | 11,358,000 | 100% | 11,358,000 |
| | Sub-total: | <u>8,828,824,000</u> | | <u>5,396,323,000</u> |

Group II — Property interests held for investment by the Group in the PRC

| No. | Property | Capital value in existing state as at 31 December 2010 <i>RMB</i> | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 <i>RMB</i> |
|-----|---|---|--|--|
| 23. | Fuxing International Center and Levels 1 to 2 of Forte International Apartment Building (excluding Unit 201 on Level 2) No. 237 and No. 235 Chaoyang Bei Road Chaoyang District Beijing The PRC | 1,511,788,000 | 100% | 1,511,788,000 |
| 24. | 8 apartment buildings, 53 villas and ancillary buildings known as Shanghai Garden Plaza No. 200 Lane 2489 Hongqiao Road Changning District Shanghai The PRC | 2,410,000,000 | 100% | 2,410,000,000 |
| 25. | A commercial building No. 1165 Moganshan Road Gongshu District Hangzhou City Zhejiang Province The PRC | No commercial value | 100% | No commercial value |
| 26. | A unit of a building No. 4578 Dushi Road Shanghai The PRC | 1,161,000 | 100% | 1,161,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|---|---|---|---|
| 27. | A clubhouse No. 31 Lane 4580 Dushi Road Shanghai The PRC | 11,442,000 | 100% | 11,442,000 |
| 28. | A clubhouse No. 9 Lane 1398 Gubei Road Shanghai The PRC | 28,072,000 | 100% | 28,072,000 |
| 29. | A unit of a building Nos. 73 and 77, Tengchong Road Shanghai The PRC | 1,534,000 | 100% | 1,534,000 |
| 30. | Unit 101 and Levels 2 to 5 of a building No. 1751 Sanxin North Road Shanghai The PRC | 11,345,000 | 100% | 11,345,000 |
| 31. | A clubhouse No. 88 Gulang Road Shanghai The PRC | 11,482,000 | 100% | 11,482,000 |
| 32. | A clubhouse Nos. 460, 466 and 488 Jinhui Road Shanghai The PRC | 43,244,000 | 100% | 43,244,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|--|---|---|---|
| 33. | A clubhouse No. 3 Lane 3355 Chunshen Road Shanghai The PRC | 14,462,000 | 100% | 14,462,000 |
| 34. | A clubhouse No. 162 Lane 599 Laiting South Road Shanghai The PRC | 34,300,000 | 100% | 34,300,000 |
| 35. | A clubhouse Nos. 815 to 827 Boshan East Road Shanghai The PRC | 16,610,000 | 100% | 16,610,000 |
| 36. | A clubhouse No. 18 Lane 169 Qingshan Road Shanghai The PRC | 27,464,000 | 100% | 27,464,000 |
| 37. | An underground car parking space Nos. 815 to 827 Lane 811 Boshan East Road Pudong New District Shanghai The PRC | 100,000 | 100% | 100,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|--|---|---|---|
| 38. An underground car parking space Lane 460 Jinhui Road Minhang District Shanghai The PRC | 100,000 | 100% | 100,000 |
| 39. 163 underground car parking spaces Lane 169 Qingshan Road Minhang District Shanghai The PRC | 13,040,000 | 100% | 13,040,000 |
| Sub-total: | <u>4,136,144,000</u> | | <u>4,136,144,000</u> |

Group III — Property interests held and occupied by the Group in the PRC

| No. Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|---|---|---|---|
| 40. 5 office units of Maoyedongfang Age Plaza No. 16 Jianxin Bei Road Jiangbei District Chongqing The PRC | 7,017,000 | 100% | 7,017,000 |
| 41. A building of Fudishangcheng No. 81 Jin Yu Avenue North New Economic and Development Area Chongqing The PRC | 35,342,000 | 100% | 35,342,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|---|---|---|---|
| 42. A composite building of Forte Invaluable City No. 1636 Hanghai Road Qiaosi Town Yuhang District Hangzhou City Zhejiang Province PRC | No commercial value | 75% | No commercial value |
| 43. A clubhouse No. 300 Lane 599 Laiting South Road Shanghai The PRC | 18,617,000 | 100% | 18,617,000 |
| 44. A retail unit of a building No. 173 Qingshan Road Shanghai The PRC | 3,399,000 | 100% | 3,399,000 |
| 45. A retail unit of a building No. 181 Qingshan Road Shanghai The PRC | 2,725,000 | 100% | 2,725,000 |
| Sub-total: | <u>67,100,000</u> | | <u>67,100,000</u> |

Group IV — Property interests held under development by the Group in the PRC

| No. Property | Capital value in existing state as at 31 December 2010 <i>RMB</i> | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 <i>RMB</i> |
|---|---|--|--|
| 46. Fudijianianhua Square (復地嘉年華廣場) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | No commercial value | 100% | No commercial value |
| 47. Phase II of Gedebaosenlin (哥德堡森林二期) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | 251,261,000 | 100% | 251,261,000 |
| 48. A parcel of land and 11 buildings under construction No. 81 Jin Yu Avenue North New Economic and Development Area Chongqing The PRC | 507,473,000 | 100% | 507,473,000 |
| 49. A parcel of land and 5 buildings under construction No. 81 Jin Yu Avenue North New Economic and Development Area Chongqing The PRC | 164,490,000 | 100% | 164,490,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|---|---|---|---|
| 50. | A parcel of land and a building under construction No. 81 Jin Yu Avenue North New Economic and Development Area Chongqing The PRC | 118,820,000 | 100% | 118,820,000 |
| 51. | Phase 4.1 of Forte Invaluable City No. 1636 Hanghai Road Qiaosi Town Yuhang District Hangzhou City Zhejiang Province The PRC | 191,982,000 | 75% | 143,987,000 |
| 52. | Phase 4.2 of Forte Invaluable City No. 1636 Hanghai Road Qiaosi Town Yuhang District Hangzhou City Zhejiang Province The PRC | 149,229,000 | 75% | 111,922,000 |
| 53. | Phases II and III of Forte International Eastlake (復地東湖國際二、三期) No. 118 Zhongbei Road Wuchang District Wuhan City Hubei Province The PRC | 1,296,009,000 | 70% | 907,206,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|--|---|---|---|
| 54. | Phase II of Forte Youshang International (復地優尚國際二期) located at Yuhuazhai Village Yanta District Xi'an City Shanxi Province The PRC | 131,544,000 | 95% | 124,967,000 |
| 55. | Phase I and II of Yong Lake Bay (雍湖灣) No. 80 Shenghua South Road Hi-tech Area Chengdu City Sichun Province The PRC | 1,224,805,000 | 80% | 979,844,000 |
| 56. | Forte International City (復城國際) located at the west of Yizhou Road, south of Desai Er Street and east of Shenghua South Road Hi-tech Area Chengdu City Sichun Province The PRC | 252,267,000 | 100% | 252,267,000 |
| 57. | Phase I and II of Windsor Villa located at the western side of Center Road and the northern side of Xiqi Road Airport Economic Zone Tianjin The PRC | 509,108,000 | 70% | 356,376,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|--|---|---|---|
| 58. | Lot 25 No. 33 Jiefang the western side of Baoshan Road and the eastern side of Gongxing Road (known as Glorious Times) Zhabei District Shanghai The PRC | 2,854,354,000 | 100% | 2,854,354,000 |
| 59. | Phase II of Jinshiwan Qiu 172/2 Jiefang 18 Shanyang Town Jinshan District Shanghai The PRC | 69,220,000 | 100% | 69,220,000 |
| 60. | 3 parcels of land and various buildings No. 100 Dongjing Village Xiaguan District Nanjing City Jiangsu Province The PRC | 2,545,264,000 | 90% | 2,290,738,000 |
| 61. | A parcel of land and various buildings under construction No. 88 Focheng West Road Jiangning District Nanjing City Jiangsu Province The PRC | 520,971,000 | 100% | 520,971,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|--|---|---|---|
| 62. | Fu Cheng International (復城國際) located at the Composite Market Fuchun Jiedao Fuyang City Zhejiang Province The PRC | 636,693,000 | 50% | 318,347,000 |
| 63. | Shanghai International Steel Service Center Phase II (上海國際鋼鐵服務業中心二期) No. 1538 Youyi Road Baoshan District Shanghai The PRC | 47,100,000 | 50% | 23,550,000 |
| 64. | Phase I of Jinxiu Tianxia located at the junction of Beichen Avenue and North Third Ring Road Weiyang District Xi'an City Shanxi Province The PRC | 218,027,000 | 50% | 109,014,000 |
| 65. | Forte Park City (復地公園城邦) No. 99 Zhenghe Avenue Huishan District Wuxi City Jiangsu Province The PRC | 530,955,000 | 50% | 265,478,000 |

APPENDIX III
PROPERTY VALUATION OF FORTE

| No. Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|---|---|---|---|
| 66. 13 parcels of land and various buildings under construction of Jin Xiu Hua Cheng Linjiang Village Taishan Avenue Pukou District Nanjing City Jiangsu Province The PRC | 1,134,152,000 | 41% | 465,002,000 |
| Sub-total: | <u>13,353,724,000</u> | | <u>10,835,287,000</u> |

Group V — Property interests held for future development by the Group in the PRC

| No. Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|--|---|---|---|
| 67. 2 parcels of land No. 81 Jin Yu Avenue North New Economic and Development Area Chongqing The PRC | 345,400,000 | 100% | 345,400,000 |
| 68. Reserved land (Lot. Nos. 9-106-5-56 and 9-106-5-57) of Forte Invaluable City No. 1636 Hanghai Road Qiaosi Town Yuhang District Hangzhou City Zhejiang Province The PRC | 319,846,000 | 75% | 239,885,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|--|---|---|---|
| 69. | A parcel of land located at the eastern side of Zhenbei Road the western side of Zhenjin Road the northern side of Hengang River Putuo District Shanghai The PRC | 576,539,000 | 50% | 288,270,000 |
| 70. | A parcel of land Qiu 1 / 4 Jiefang 540 Yuyuan Neighbourhood Huangpu District Shanghai The PRC | 627,496,000 | 88% | 552,196,000 |
| 71. | A parcel of land Qiu 6/1 Jiefang 559 Yuyuan Neighbourhood Huangpu District Shanghai The PRC | 1,055,598,000 | 100% | 1,055,598,000 |
| 72. | A parcel of land Qiu 47/1 and 47/2 JieFang 9 JiuTing Town Songjiang District Shanghai The PRC | 1,902,348,000 | 100% | 1,902,348,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|--|---|---|---|
| 73. | 12 parcels of land located at Muma Town Pengshan County Sichuan Province The PRC | 208,432,000 | 50% | 104,216,000 |
| 74. | 3 parcels of land No. 99 Zhenghe Avenue Huishan District Wuxi City Jiangsu Province The PRC | 402,288,000 | 50% | 201,144,000 |
| 75. | The reserved land of Shanghai International Steel Service Center Phase III (上海國際鋼鐵服務業中心三期) No. 1538 Youyi Road Baoshan District Shanghai The PRC | 17,428,000 | 50% | 8,714,000 |
| 76. | The reserved land of Phase II of Jin Xiu Tian Xia located at the junction of Beichen Avenue and North Third Ring Road Weiyang District Shanxi Province The PRC | 1,292,985,000 | 50% | 646,493,000 |
| 77. | 4 parcels of land located at the east of Huangjin Road Huangjiaoya Town Nan'an District Chongqing The PRC | 953,348,000 | 50% | 476,674,000 |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. | Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|------------|---|---|---|---|
| 78. | The reserved land of Gedebaosenlin (哥德堡森林) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | 422,873,000 | 100% | 422,873,000 |
| 79. | 2 parcels of land located at the western side of Gubei South Road and the southern side of Wuzhong Road Hongqiao Town Minhang District Shanghai The PRC | 226,328,000 | 50% | 113,164,000 |
| | Sub-total: | <u>8,350,909,000</u> | | <u>6,356,975,000</u> |

Group VI — Property interests contracted to be acquired by the Group in the PRC

| No. Property | Capital value in existing state as at 31 December 2010 <i>RMB</i> | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 <i>RMB</i> |
|---|---|--|--|
| 80. The reserved land of Forte International Eastlake (復地東湖國際) No. 118 Zhongbei Road Wuchang District Wuhan City Hubei Province The PRC | No commercial value | 70% | No commercial value |
| 81. A parcel of land located at Mazhuang Village Yingze District Taiyuan City Shanxi Province The PRC | No commercial value | 80% | No commercial value |
| 82. 3 parcels of land located at the east Dianpo Village and south Mazhuang Village Yingze District Taiyuan City Shanxi Province The PRC | No commercial value | 80% | No commercial value |
| 83. A parcel of land of Windsor Villa Phase III located at the western side of Center Road and the northern side of Xiqi Road Airport Economic Zone Tianjin The PRC | No commercial value | 70% | No commercial value |

APPENDIX III**PROPERTY VALUATION OF FORTE**

| No. Property | Capital value in existing state as at 31 December 2010 RMB | Interest attributable to the Group | Capital value attributable to the Group as at 31 December 2010 RMB |
|---|---|---|---|
| 84. A parcel of land located at the south side of Dongshan Road Huayang Neighbourhood Shuangliu County Chengdu City Sichuan Province The PRC | No commercial value | 100% | No commercial value |
| 85. A parcel of land located at Fang 567 (north part) Putuo District Shanghai The PRC | No commercial value | 100% | No commercial value |
| 86. A parcel of land located at the southern side of the conjunction Xinguang Road and Nanchang Street Nanchang District Wuxi City Jiangsu Province The PRC | No commercial value | 40% | No commercial value |
| 87. A parcel of land located at the northern side of Chengguang Road and eastern side of Nanchang Street Nanchang District Wuxi City Jiangsu Province The PRC | No commercial value | 50% | No commercial value |
| | | Sub-total: | <u>Nil</u> |

Group VII — Property interests rented and occupied by the Group in the PRC

| No. Property | Capital value in existing state as at 31 December 2010 RMB |
|---|---|
| 88. Units 2702 to 2704 on Level 27 of Block B Wangzuo Modern City (旺座現代城) No. 35 Tangyan Road Gaoxin District Xi'an City Shaanxi Province The PRC | No commercial value |
| 89. A unit on Level 4 of a building No. 219 Jianshe South Road Xiaodian District Taiyuan City Shanxi Province The PRC | No commercial value |
| 90. A building No. 147 Yangshupu Road Hongkou District Shanghai The PRC | No commercial value |
| 91. A building No. 713 Dongdaming Road Hongkou District Shanghai The PRC | No commercial value |
| 92. A building No. 668 Huaian Road Jingan District Shanghai The PRC | No commercial value |

| No. Property | Capital value in existing state as at 31 December 2010 RMB |
|---|---|
| 93. Office portion on Level 5 of Chongqing International Conference and Exhibition Centre No. 2 Jiangnan Road Jingkai District Chongqing The PRC | No commercial value |
| | Sub-total: _____ Nil |
| Grand total: | <u>34,736,701,000</u> <u>26,791,829,000</u> |

VALUATION CERTIFICATE

Group I — Property interests held for sale by the Group in the PRC

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|---|--|
| 1. | The remaining unsold portions of Jingyuedaduhui (淨月大都匯) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | The property comprises various residential and retail units of Jingyuedaduhui which were completed in September 2010. The property has a gross floor area of approximately 19,905.04. The details are set out as following: Usage Residential Apartment Total: | The property is currently vacant. Gross floor area (sq.m.) 16,297.05 <u>3,607.99</u> <u>19,905.04</u> | 88,747,000 100% interest attributable to the Group: 88,747,000 |
| | | The land use rights of the property have been allocated Changchun Zhaoji for commercial and residential uses. | | |

Notes:

- Changchun Zhaoji Real Estate Development Company (“Changchun Zhaoji”) is a wholly-owned subsidiary of the Company.
- Pursuant to 2 State-owned Land Use Rights Certificates — Chang Guo Yong (2009) Di Nos. 091003557 and 091003558, the land use rights of 2 parcels of land with a total site area of approximately 8,281 sq.m., on which the property is situated, have been allocated to Changchun Zhaoji for commercial and residential uses.
- Pursuant to 2 Pre-sales Permits — Chang Fang Shou Zheng (2009) Nos. 132 and 153 in favour of Changchun Zhaoji, Changchun Zhaoji is freely entitled to sell the development.
- 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:

Changchun Zhaoji is entitled to sell the property.
- A summary of major certificates/approvals is shown as follows:
 - State-owned Land Use Rights Certificate Yes
 - Pre-sales Permit Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|-----------------------------------|--|
| 2. | The remaining unsold portions of Phase I of Gedebaosenlin (哥德堡森林一期) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | <p>The property comprises various residential, retail units of Phase I of Gedebaosenlin which were completed in November 2010.</p> <p>The property has a gross floor area of approximately 91,193.86.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 18 December 2058 for commercial and residential uses.</p> | The property is currently vacant. | <p>508,637,000</p> <p>100% interest attributable to the Group: 508,637,000</p> |

Notes:

1. Changchun Zhaoji Real Estate Development Company (“Changchun Zhaoji”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 19 December 2008 entered into between Changchun Zhaoji and Changchun State-owned Land Resources Administrative Bureau, the land use rights of the property were contracted to be granted to Changchun Zhaoji for a term expiring on 18 December 2058 for commercial and residential uses. The land premium was RMB413,000,000.
3. Pursuant to 4 State-owned Land Use Rights Certificates — Chang Guo Yong (2009) Di Nos. 091003757, 091003758, 091003759, and 091003760, the land use rights of 4 parcels of land with a total site area of approximately 339,097 sq.m., on which the property is situated, were granted to Changchun Zhaoji for a term of 50 years expiring on 18 December 2058 for commercial and residential uses.
4. Pursuant to 2 Pre-sales Permits — Chang Fang Shou Zheng (2009) Nos. 186 and 209 in favour of Changchun Zhaoji, Changchun Zhaoji is freely entitled to sell the development.
5. 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:

Changchun Zhaoji is entitled to sell the property.
6. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Pre-sales Permit | Yes |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|--|-----------------------------------|--|
| 3. | The remaining 3 unsold units of Zhaojidongcheng International Garden (兆基東城國際花園) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | The property comprises 3 units of Zhaojidongcheng International Garden completed in September 2008. The property has a gross floor area of 1,061.54 sq.m. The land use rights of the property have been allocated to Changchun Zhaoji. | The property is currently vacant. | 4,408,000 100% interest attributable to the Group: 4,408,000 |

Notes:

1. Changchun Zhaoji Real Estate Development Company ("Changchun Zhaoji") is a wholly-owned subsidiary of the Company.
2. Pursuant to 2 State-owned Land Use Rights Certificates — Chang Guo Yong (2008) Di Nos. 081003124 and 081003125, the land use rights of the property have been allocated to Changchun Zhaoji.
3. Pursuant to a Pre-sales Permit — Chang Fang Shou Zheng (2008) No. 051 in favour of Changchun Zhaoji, Changchun Zhaoji is freely entitled to sell the development.
4. 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:

Changchun Zhaoji is entitled to sell the property.
5. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Pre-sales Permit | Yes |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | |
|--------------------|--|---|--------------------------|---|--------|----------|-----------|--------|--------------------|------------------|---------------|-------------------------|-----------------------------------|--|
| 4. | The remaining unsold portions of Fudishangcheng No. 81 Jin Yu Avenue North New Economic and Development Area Chongqing The PRC | <p>The property comprises various retail units and car parking spaces of Fudishangcheng which were completed in various stages between 2007 and 2010.</p> <p>The property is the remaining unsold portion of Fudishangcheng with a total gross floor area of 42,987.97 sq.m. The details are set out as following:</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>Retail</td> <td style="text-align: right;">6,792.84</td> </tr> <tr> <td>Apartment</td> <td style="text-align: right;">279.27</td> </tr> <tr> <td>Car parking spaces</td> <td style="text-align: right;"><u>35,915.86</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>42,987.97</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for various terms with the expiry dates between 20 May 2054 and 20 May 2044 for residential and commercial uses.</p> | Usage | Gross floor area (sq.m.) | Retail | 6,792.84 | Apartment | 279.27 | Car parking spaces | <u>35,915.86</u> | Total: | <u>42,987.97</u> | The property is currently vacant. | <p>149,371,000</p> <p>100% interest attributable to the Group: 149,371,000</p> |
| Usage | Gross floor area (sq.m.) | | | | | | | | | | | | | |
| Retail | 6,792.84 | | | | | | | | | | | | | |
| Apartment | 279.27 | | | | | | | | | | | | | |
| Car parking spaces | <u>35,915.86</u> | | | | | | | | | | | | | |
| Total: | <u>42,987.97</u> | | | | | | | | | | | | | |

Notes:

1. Chongqing Runjiang Property Company Limited (“Chongqing Runjiang”) is a wholly-owned subsidiary of the Company.
2. Pursuant to 11 Real Estate Title Certificates — 113 Fang Di Zheng 2007 Zi Di Nos. 02225, 02226, 113 Fang Di Zheng 2009 Zi Di Nos. 03261, 03830, 03831, 03833, 03834, 03835, 05110, 05111 and 113 Fang Di Zheng 2010 Zi Di No. 09899, portions of the property with a total gross floor area of approximately 42,708.7 sq.m. are owned by Chongqing Runjiang. The relevant land use rights of the of the property have been granted to Chongqing Runjiang for various terms with the expiry dates between 20 May 2054 and 20 May 2044 for residential and commercial uses.
3. Pursuant to 2 Construction Work Completion and Inspection Certificates, the remaining portions of the property with a total gross floor area of approximately 279.27 sq.m. have passed the completion and acceptance inspection.
4. As advised by the Group, as at the date of valuation, portions of the property with a total gross floor area of 279.27 sq.m. were contracted to be sold at a consideration of RMB1,502,000 but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions. As advised by the Group, these portions of property are in the process of being handed over to the purchasers.
5. 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. Chongqing Runjiang is entitled to sell the property; and
 - b. Chongqing Runjiang is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of portions of the property mentioned in note 2
6. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|---------|
| a. | Construction Work Completion and Inspection Certificate | Yes |
| b. | Real Estate Title Certificate | Portion |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|--|---|--|
| 5. | The remaining unsold portions of Phases 1.1, II and III of Forte Invaluable City No. 1636 Hanghai Road Qiaosi Town Yuhang District Hangzhou City Zhejiang Province The PRC | The property comprises 120 residential units and 46 retail units of Phases 1.1, II and III of Forte Invaluable City completed in 2010. The property has a gross floor area of 23,094.83 sq.m. The details are set out as following: Usage Residential Retail Total: | The property is currently vacant. Gross floor area (sq.m.) 17,723.17 <u>5,371.66</u> <u>23,094.83</u> | 249,530,000 75% interest attributable to the Group: RMB187,148,000 |
| | | The land use rights of the property have been granted for a term of 70 years commencing from 24 September 2007 and expiring on 17 May 2077 for residential use. | | |

Notes:

1. Zhejiang Forte Real Estate Development Co., Ltd. ("Zhejiang Forte") is a 75% interest owned subsidiary of the Company.
2. Pursuant to 2 State-owned Land Use Rights Certificates — Hang Yu Chu Guo Yong (2007) Zi Di No. 106-1119, 106-738, the land use rights of a parcel of land, on which the property, property nos. 42 and 51 are situated, with a total site area of approximately 116,900.3 sq.m. have been granted to Zhejiang for a term of 70 years expiring on 17 May 2077 for residential use.
3. Pursuant to a Pre-sales Permit — Yu Shou Xu Zi (2009) Di No. 0037, Zhejiang Forte is freely entitled to sell the residential portions of Forte Invaluable City (Blocks 14 to 20) with a total gross floor area of approximately 66,751.08 sq.m.
4. Pursuant to 71 Building Ownership Certificates — Yu Fang Quan Zheng Qiao Zi Di Nos. 10068600, 10068611, 10068622, 10068623, 10068597, 10068599, 10068609, 10068616, 10068687, 10068656, 10069136, 10083178 to 10083181, 10083183 to 10083185, 10083187, 10083189 to 10083192, 10083194 to 10083209, 10083317, 10083479, 10083705, 10083706, 10083708 to 10083717, 10083719 to 10083734, 10083755 and 10083771, issued by the Housing Administrative Bureau of Hangzhou, portions of the property with a total gross floor area of approximately 11,565.5 sq.m. are owned by Zhejiang Forte.
5. Pursuant to 4 Construction Work Completion and Inspection Certificates, the construction of the property has passed the completion and acceptance inspection.
6. As advised by the Group, as at the date of valuation, portions of the property with a total gross floor area of 5,381.82 sq.m. were contracted to be sold at a consideration of RMB58,454,000 but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions. As advised by the Group, these portions of property are in the process of being handed over to the purchasers.

7. 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. Zhejiang Forte is entitled to sell the property; and
 - b. Zhejiang Forte is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of portions of the property mentioned in note 4.
8. A summary of major certificates/approvals is shown as follows:
- a. State-owned Land Use Rights Certificate Yes
 - b. Pre-sales Permit Yes
 - c. Construction Work Completion and Inspection Certificate Yes
 - d. Building Ownership Certificate Portion

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|-----------------------------------|---|
| 6. | An office building No. 1165 Moganshan Road Gongshu District Hangzhou City Zhejiang Province The PRC | <p>The property comprises a 26-storey office building with a single-level basement which was completed in about 2010.</p> <p>The property has a gross floor area of approximately 40,694.31 sq.m.</p> <p>The land use rights of the property have been granted for terms of 50 years expiring on 28 September 2053 for composite use.</p> | The property is currently vacant. | No commercial value |

Notes:

1. Hangzhou Garden Commercial & Trade Co., Ltd. ("Hangzhou Garden") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Certificate — Hang Gong Guo Yong (2003) Zi Di No. 000249, the land use rights of a parcel of land, on which the property is situated, with a site area of approximately 10,918 sq.m. have been granted to Hangzhou Garden for a term of 50 years expiring on 28 September 2053 for composite use.
3. Pursuant to a Mortgage Contract dated 4 August 2009, the property together with the property in No. 25 were subject to a mortgage in favor of China Bank Co., Ltd. Zhejiang Branch (the "Mortgagee"), as security to guarantee the principal obligation under a Loan Contract entered into between China Bank Co., Ltd. Zhejiang Branch as the lender, and Hangzhou Garden as the borrower, for an amount of RMB230,000,000. The loan term under the aforesaid Loan Contract is 60 months commencing from the practical withdrawal date.
4. As advised by the Group, as at the date of valuation, the building use rights of portions of the property with a total gross floor area of 3,848.04 sq.m. were contracted to be sold at a consideration of RMB33,040,000 but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions. As advised by the Group, these portions of property are in the process of being handed over to the purchasers.
5. In the valuation of this property, we have attributed no commercial value to the property which has not obtained proper title certificate. However, for reference purpose, we are of the opinion that the capital value of the property as at the date of valuation would be RMB375,637,000 assuming all relevant title certificates have been obtained and the property could be freely transferred.
6. 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. Hangzhou Garden has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights of the property; and
 - b. Hangzhou Garden has not fulfilled the construction work completion and inspection procedures. Thus, Hangzhou Garden has not obtained the Construction Work Completion and Inspection Certificate for the property. Hangzhou Garden can transfer the building use rights of the property to third party after completion of the construction work completion and inspection procedures; and

- c. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.

- 7. A summary of major certificates/approvals is shown as follows:
 - a. State-owned Land Use Rights Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | | | |
|-------------------------------|--|--|-----------------------------------|--|-------------|----------|--------|----------|--------|----------|-------------------------------|-----------|---------------|------------------|--|--|
| 7. | The remaining unsold portions of Phase I of Forte International Eastlake (復地東湖國際一期) No. 118 Zhongbei Road Wuchang District Wuhan City Hubei Province The PRC | The property comprises various residential, retail units and car parking spaces of Phase I of Forte International Eastlake which were completed in 2010. The property has a gross floor area of 22,901.55 sq.m. The details are set out as following: | The property is currently vacant. | 181,001,000 70% interest attributable to the Group: RMB126,701,000 | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>6,953.64</td> </tr> <tr> <td>Office</td> <td>4,007.53</td> </tr> <tr> <td>Retail</td> <td>1,215.15</td> </tr> <tr> <td>Car parking spaces (224 lots)</td> <td>10,725.23</td> </tr> <tr> <td>Total:</td> <td>22,901.55</td> </tr> </tbody> </table> | Usage | Gross floor area (sq.m.) | Residential | 6,953.64 | Office | 4,007.53 | Retail | 1,215.15 | Car parking spaces (224 lots) | 10,725.23 | Total: | 22,901.55 | | |
| Usage | Gross floor area (sq.m.) | | | | | | | | | | | | | | | |
| Residential | 6,953.64 | | | | | | | | | | | | | | | |
| Office | 4,007.53 | | | | | | | | | | | | | | | |
| Retail | 1,215.15 | | | | | | | | | | | | | | | |
| Car parking spaces (224 lots) | 10,725.23 | | | | | | | | | | | | | | | |
| Total: | 22,901.55 | | | | | | | | | | | | | | | |
| | | The land use rights of the property have been granted for terms expiring on 18 December 2047 and 18 December 2077 for commercial and residential uses. | | | | | | | | | | | | | | |

Notes:

1. Wuhan Zhongbei Real Estate Development Co., Ltd. ("Wuhan Zhongbei") is a 70% interest owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Certificate — Wu Guo Yong (2007) Di No. 1003 (武國用(2007)第1003號), the land use rights of a parcel of land with a site area of approximately 106,042.75 sq.m., on which the property and portions of property no. 53 are situated, have been granted to Wuhan Zhongbei for terms expiring on 18 December 2047 and 18 December 2077 for commercial and residential uses.
3. Pursuant to 2 Construction Work Planning Permits — Wu Gui Jian (2008) Nos. 096 and 133 (武規建(2008)096及133號), Phase I of Forte International Eastlake with a total gross floor area of approximately 147,686.42 sq.m. (comprising this property) has been approved for construction.
4. Pursuant to 2 Construction Work Commencement Permits — Nos. 4201062008012500114014001 and 4201062007120601314014001 in favour of Wuhan Zhongbei, permission by the relevant local authority has been given to commence the construction work of Phase I of Forte International Eastlake (comprising this property).
5. Pursuant to 3 Pre-sales Permits in favour of Wuhan Zhongbei, Wuhan Zhongbei is freely entitled to sell Phase I of Forte International Eastlake with a total gross floor area of approximately 135,540.8 sq.m. (comprising this property).
6. Pursuant to 2 Construction Work Completion and Inspection Certificates — Wu Fang Kai Bei (2010) Nos. 30 and 79 (武房開備(2010)30及79號) in favour of Wuhan Zhongbei, Phase I of Forte International Eastlake with a total gross floor area of approximately 145,488 sq.m. (comprising this property) has passed the completion and acceptance inspection.

7. Pursuant to 7 Building Ownership Certificates — Wu Fang Shang Zheng Chang Zi Di Nos. 2010006103, 2010006107, 2010006108, 2010006110, 2010006137, 2010006149 and 2010006161, portions of the property with a total gross floor area of approximately 1,528.11 sq.m. are owned by Wuhan Zhongbei.
8. 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. Wuhan Zhongbei is entitled to sell the property; and
 - b. Wuhan Zhongbei is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of portions of the property mentioned in note 7
9. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Work Planning Permit | Yes |
| c. | Construction Work Commencement Permit | Yes |
| d. | Pre-sales Permit | Yes |
| e. | Construction Work Completion and Inspection Certificate/Table | Yes |
| f. | Building Ownership Certificate | Portion |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | |
|----------------------------------|---|---|--------------------------|---|-------------|----------|--------|----------|----------------------------------|-----------------|---------------|-------------------------|-----------------------------------|--|
| 8. | The remaining unsold portions of Phase I of Forte Youshang International (復地優尚國際一期) No. 158 Yudou Road Yanta District Xi'an City Shanxi Province The PRC | The property comprises various residential, retail units and car parking spaces of Phase I of Forte Youshang International which were completed in December 2010. The property has a total gross floor area of 13,428.42 sq.m. The details are set out as following: <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;">1,265.98</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">3,286.61</td> </tr> <tr> <td>Car parking spaces (423 lots)</td> <td style="text-align: right;"><u>8,903.30</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>13,428.42</u></td> </tr> </tbody> </table> | Usage | Gross floor area (sq.m.) | Residential | 1,265.98 | Retail | 3,286.61 | Car parking spaces (423 lots) | <u>8,903.30</u> | Total: | <u>13,428.42</u> | The property is currently vacant. | 67,487,000 95% interest attributable to the Group: RMB64,113,000 |
| Usage | Gross floor area (sq.m.) | | | | | | | | | | | | | |
| Residential | 1,265.98 | | | | | | | | | | | | | |
| Retail | 3,286.61 | | | | | | | | | | | | | |
| Car parking spaces (423 lots) | <u>8,903.30</u> | | | | | | | | | | | | | |
| Total: | <u>13,428.42</u> | | | | | | | | | | | | | |
| | | The land use rights of the property have been granted for a term expiring on 29 April 2075 for residential use. | | | | | | | | | | | | |

Notes:

- Xi'an Sanxin Real Estate Development Co., Ltd. ("Xi'an Sanxin") is a 95% interest owned subsidiary of the Company.
- Pursuant to a State-owned Land Use Rights Grant Contract — No. GF-2000-2601 dated 30 April 2005 entered into between Xi'an Sanxin and Xi'an State-owned Land and Resources Administrative Bureau, the land use rights of Forte Youshang International with a site area of approximately 62,802 sq.m. were contracted to be granted to Xi'an Sanxin, for a term of 70 years expiring on 29 April 2075 for residential use. The land premium was RMB4,239,135.00. As advised by Xi'an Sanxin, the land premium had been fully paid up to the date of valuation.
- Pursuant to a State-owned Land Use Rights Certificate — Xi Yan Guo Yong (2005 Chu) Di No. 568 (西雁國用(2005出)第568號), the land use rights of Phase I of Forte Youshang International with a site area of approximately 35,284.60 sq.m. have been granted to Xi'an Sanxin for a term of 70 years expiring on 29 April 2075 for residential use.
- Pursuant to a Construction Work Planning Permit — Gao Xin Gui Jian Zi Di No. 2008-130 (高新規建字第2008-130號) in favour of Xi'an Sanxin, Phase I of Forte Youshang International (comprising the property) with a total gross floor area of approximately 138,273.60 sq.m. has been approved for construction.
- Pursuant to 4 Construction Work Commencement Permits — Gao Xin Nos. 2008-114, 115, 121 and 122 (高新2008-114, 115, 121和122) in favour of Xi'an Sanxin, permissions by the relevant local authority were given to commence the construction works of 6 buildings with a total gross floor area of approximately 138,232.00 sq.m. (comprising the property).

6. Pursuant to 2 Pre-sales Permits, Xi'an Sanxin is freely entitled to sell 7 buildings (comprising portions of the property) with a total gross floor area of approximately 119,368.00 sq.m.
7. Pursuant to 2 Construction Work Completion and Inspection Tables, 7 buildings (comprising portions of the property) with a total gross floor area of approximately 136,895.80 sq.m. have been passed the completion and acceptance inspection.
8. As advised by the Group, as at the date of valuation, portions of the property with a total gross floor area of 1,207.31 sq.m. were contracted to be sold at a consideration of RMB12,818,000 but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions. As advised by the Group, these portions of property are in the process of being handed over to the purchasers.
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:

Xi'an Sanxin is entitled to sell the property.

10. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Yes |
| f. | Construction Work Completion and Inspection Certificate/Table | Yes |
| g. | Building Ownership Certificate | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | |
|-------------------------------|--|---|--------------------------|---|-------------|----------|--------|----------|-------------------------------|-----------|---------------|------------------|-----------------------------------|---|
| 9. | The remaining portions of No. 26 West Rongxian Hutong Xicheng District Beijing The PRC | The property comprises 13 residential units, 11 retail units and 300 car-parking spaces completed in 2009. The property has a total gross floor area of 28,625.11 sq.m. The details are set out as following: <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>7,253.04</td> </tr> <tr> <td>Retail</td> <td>3,630.48</td> </tr> <tr> <td>Car parking spaces (300 lots)</td> <td>17,741.59</td> </tr> <tr> <td>Total:</td> <td>28,625.11</td> </tr> </tbody> </table> | Usage | Gross floor area (sq.m.) | Residential | 7,253.04 | Retail | 3,630.48 | Car parking spaces (300 lots) | 17,741.59 | Total: | 28,625.11 | The property is currently vacant. | 678,297,000 100% interest attributable to the Group: RMB678,297,000 |
| Usage | Gross floor area (sq.m.) | | | | | | | | | | | | | |
| Residential | 7,253.04 | | | | | | | | | | | | | |
| Retail | 3,630.48 | | | | | | | | | | | | | |
| Car parking spaces (300 lots) | 17,741.59 | | | | | | | | | | | | | |
| Total: | 28,625.11 | | | | | | | | | | | | | |
| | | The land use rights of the property have been granted for terms expiring on 26 August 2074 for residential use, 26 August 2044 for commercial use and 26 August 2054 for car parking spaces use. | | | | | | | | | | | | |

Notes:

1. Beijing Xidan Jiahui Property Development Co., Ltd. ("Beijing Jiahui") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Certificate — Jing Xi Guo Yong 2008 Geng Di No. 20464, the land use rights of a parcel of land with a site area of approximately 10,698 sq.m., on which the property is situated, have been granted to Beijing Jiahui for terms expiring on 26 August 2074 for residential use, 26 August 2044 for commercial use and 26 August 2054 for car parking spaces use.
3. Pursuant to a Construction Work Planning Permit — 2008 Gui Xi Jian Zi No. 0017 in favour of Beijing Jiahui, a building with a gross floor area of approximately 16,710 sq.m. has been approved for construction.
4. Pursuant to a Construction Work Commencement Permit — 2008 Shi Jian Zi No. 1057 in favour of Beijing Jiahui, permission by the relevant local authority has been given to commence the construction.
5. Pursuant to a Pre-sales Permit — Jing Fang Shou Zheng Zi No. 2009215 in favour of Beijing Jiahui, Beijing Jiahui is freely entitled to sell the development.
6. Pursuant to 3 Building Ownership Certificates — X Jing Fang Quan Zheng Xi Zi Di Nos. 045355, 045358 and 045360, the property is owned by Beijing Jiahui.

7. As advised by the Group, as at the date of valuation, portions of the property with a total gross floor area of 5,072.55 sq.m. were contracted to be sold at a consideration of RMB256,533,000 but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions. As advised by the Group, these portions of property are in the process of being handed over to the purchasers.

8. 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:

Beijing Jiahui is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property.

9. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| c. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Yes |
| f. | Construction Work Completion and Inspection Certificate/Table | Yes |
| g. | Building Ownership Certificate | Yes |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|-----------------------------------|---|
| 10. | The remaining 8 unsold villas of Valuestream located at Changxingzhuang Village Xiaotangshan Town Changping District Beijing The PRC | <p>The property comprises 8 villas completed in 2009.</p> <p>The property has a total gross floor area of 2,982.95 sq.m.</p> <p>The land use rights of the property have been granted for terms expiring on 4 June 2074 for residential use and 4 June 2044 for commercial service use.</p> | The property is currently vacant. | 48,817,000 100% interest attributable to the Group: RMB48,817,000 |

Notes:

1. Beijing Kangbao Property Development Co., Ltd. ("Beijing Kangbao") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Certificate — Jing Chang Guo Yong 2006 Chu Bian Di No. 228, the land use rights of a parcel of land with a site area of approximately 187,754.8 sq.m., on which the property is situated, have been granted to Beijing Kangbao for terms expiring on 4 June 2074 for residential use and 4 June 2044 for commercial service use.
3. Pursuant to a Construction Work Planning Permit — 2006 Gui Chang Jian Zi No. 0064 in favour of Beijing Kangbao, various buildings with a total gross floor area of approximately 49,121.3 sq.m. (comprising the property) has been approved for construction.
4. Pursuant to a Construction Work Commencement Permit — 2007 Shi Jian Zi No. 0807 in favour of Beijing Kangbao, permission by the relevant local authority has been given to commence the construction.
5. Pursuant to a Pre-sales Permit — Jing Fang Shou Zheng Zi No. 2007327 in favour of Beijing Kangbao Property, Beijing Kangbao is freely entitled to sell the development.
6. Pursuant to 2 Building Ownership Certificates — X Jing Fang Quan Zheng Chang Zi Di Nos. 448977 and 448979, portions of the property with a total gross floor area of approximately 781.49 sq.m. are owned by Beijing Kangbao.
7. As advised by the Group, as at the date of valuation, portions of the property with a total gross floor area of 2,201.46 sq.m. were contracted to be sold at a consideration of RMB35,922,000 but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions. As advised by the Group, these portions of property are in the process of being handed over to the purchasers.
8. 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. Beijing Kangbao is entitled to sell the property; and

- b. Beijing Kangbao is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of portions of the property mentioned in note 6
9. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Yes |
| f. | Construction Work Completion and Inspection Certificate/Table | Yes |
| g. | Building Ownership Certificate | Portion |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|-----------------------------------|---|
| 11. | The remaining unsold portions of Peking House No. 20 West Dawang Road Chaoyang District Beijing The PRC | The property comprises various residential units, retail units and car parking spaces completed in various stages between 2007 and 2009. The property has a total gross floor area of 23,663.89 sq.m. The details are set out as following: Usage | The property is currently vacant. | 557,499,000 100% interest attributable to the Group: RMB557,499,000 |
| | | Gross floor area (sq.m.) | | |
| | | Residential | | 7,695.43 |
| | | Retail | | 9,164.46 |
| | | Car parking spaces (189 lots) | | <u>6,804.00</u> |
| | | Total: | | <u>23,663.89</u> |
| | | The land use rights of the property have been granted for terms expiring on 6 March 2074 for residential use and 6 March 2044 for commercial use. | | |

Notes:

1. Beijing Baihong Property Development Co., Ltd. ("Beijing Baihong") is a wholly-owned subsidiary of the Company.
2. Pursuant to 3 State-owned Land Use Rights Certificates — Jing Chao Guo Yong 2004 Chu Di Nos. 0579, 0580 and 0581, the land use rights of 3 parcel of land with a total site area of approximately 83,359.35 sq.m., on which the property is situated, have been granted to Beijing Baihong for various terms expiring on 6 March 2074 for residential use, 6 March 2044 for commercial use, 6 March 2054 for storage use and 6 March 2054 for car parking spaces uses respectively.
3. Pursuant to 3 Construction Work Planning Permits — 2004 Gui Chao Jian Zi Nos. 0456, 0530 and 0424 in favour of Beijing Baihong, various buildings with a total gross floor area of approximately 68,861.17 sq.m. have been approved for construction.
4. Pursuant to 2 Construction Work Commencement Permits — 00 Jian Nos. 20043066 and 20052774 in favour of Beijing Baihong, permission by the relevant local authority has been given to commence the construction.
5. Pursuant to 2 Pre-sales Permits — Jing Fang Shou Zheng Zi Nos. 200518 and 200678 in favour of Beijing Baihong, Beijing Baihong is freely entitled to sell the development.
6. Pursuant to 10 Building Ownership Certificates — Jing Fang Quan Zheng Chao Qi Zi Di Nos. 553415, 533662, 533650, 538507, 549772, 616115, 666447, 670029 and 894236 and Jing Fang Quan Zheng Chao Zi Di No. 848451, the property is owned by Beijing Baihong.

7. As advised by the Group, as at the date of valuation, portions of the property with a total gross floor area of 9,848.43 sq.m. were contracted to be sold at a consideration of RMB289,492,000 but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions. As advised by the Group, these portions of property are in the process of being handed over to the purchasers.

8. 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:

Beijing Baihong is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property.

9. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Yes |
| f. | Construction Work Completion and Inspection Certificate/Table | Yes |
| g. | Building Ownership Certificate | Yes |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|-----------------------------------|---|
| 12. | The remaining unsold portions of No. 1629 Pu Wei Road Shan Yang Town Jinshan District Shanghai The PRC | <p>The property comprises 40 units of an industrial project completed in 2010.</p> <p>The property has a gross floor area of 73,561.17 sq.m.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 26 November 2057 for industrial use.</p> | The property is currently vacant. | <p>437,763,000</p> <p>100% interest attributable to the Group: RMB437,763,000</p> |

Notes:

1. Shanghai Pu Hui Investment Service Company Limited (“Shanghai Pu Hui”) is a wholly-owned subsidiary of the Company.
2. Pursuant to 40 Real Estate Title Certificates — Hu Fang Di Jin Zi (2010) Nos. 002759, 002760, 002762 to 002764, 002766, 002767, 013532, 013533, 013535 to 013537, 013539, 013542 to 013554, 013648, 013650, 013651, 013653, 013655, 013657 to 013665, the property with a gross floor area of approximately 73,561.17 sq.m. is owned by Shanghai Pu Hui and the land rights of the property have been granted for a term of 50 years expiring on 26 November 2057 for industrial use.
3. 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:

Shanghai Pu Hui is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property.
4. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | |
|-------------------------------|--|--|-----------------------------------|--|-------------|-----------|--------|--------|-------------------------------|----------|---------------|-------------------------|--|--|
| 13. | The remaining unsold portions of Pa Ti Ou Xiang Yuan Lane 6666 Waiqingsong Road Shanghai The PRC | The property comprises 59 residential units, 5 retail units and 239 car park units of Pa Ti Ou Xiang Yuan, which were completed in various stages between 2006 and 2010. The property has a total gross floor area of 33,305.04 sq.m. The details are set out as following: | The property is currently vacant. | 381,581,000 55% interest attributable to the Group: RMB209,870,000 | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>22,276.92</td> </tr> <tr> <td>Retail</td> <td>995.18</td> </tr> <tr> <td>Car parking spaces (239 lots)</td> <td>9,732.94</td> </tr> <tr> <td>Total:</td> <td><u>33,305.04</u></td> </tr> </tbody> </table> | Usage | Gross floor area (sq.m.) | Residential | 22,276.92 | Retail | 995.18 | Car parking spaces (239 lots) | 9,732.94 | Total: | <u>33,305.04</u> | | |
| Usage | Gross floor area (sq.m.) | | | | | | | | | | | | | |
| Residential | 22,276.92 | | | | | | | | | | | | | |
| Retail | 995.18 | | | | | | | | | | | | | |
| Car parking spaces (239 lots) | 9,732.94 | | | | | | | | | | | | | |
| Total: | <u>33,305.04</u> | | | | | | | | | | | | | |
| | | The land use rights of the property have been granted for a term of 70 years expiring on various expiry date between 30 December 2073 for residential use. | | | | | | | | | | | | |

Notes:

1. Shanghai Dong Hang Forte Real Estate Development Co., Ltd. ("Dong Hang Forte") is a 55% interest owned subsidiary of the Company.
2. Pursuant to 2 Real Estate Title Certificates — Hu Fang Di Qing Zi (2007) Nos. 009787 and 009788, portions of the property is owned by Dong Hang Forte for a term of 70 years with the expiring date on 30 December 2073.
3. 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:

Dong Hang Forte is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property.
4. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|-----------------------------------|--|
| 14. | The remaining unsold portions of Yi He Hua Cheng Lane 479 Wu Wei East Road Putuo District Shanghai The PRC | The property comprises 192 residential units of the Yi He Hua Cheng completed in various stages between 2006 and 2010. The property has a gross floor area of 45,566.54 sq.m. The land use rights of the property have been granted for a term of 70 years expiring on 4 February 2073 for residential use. | The property is currently vacant. | 1,008,899,000 50% interest attributable to the Group: RMB504,450,000 |

Notes:

1. Shanghai Yi Hua Real Estate Development Co., Ltd. ("Shanghai Yihua") is a 50% interest owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Pu Zi (2003) No. 016417, the land use rights of a parcel of land with a site area of approximately 185,224.83 sq.m., on which the property is situated, have been granted to Shanghai Yihua for a term of 70 years expiring on 4 February 2073 for residential use.
3. Pursuant to 6 Real Estate Title Certificates — Hu Fang Di Pu Zi (2005) No. 034064, Hu Fang Di Pu Zi (2006) No. 002050, Hu Fang Di Pu Zi (2008) Di Nos. 024854 and 021912 and Hu Fang Di Pu Zi (2010) Di Nos. 008784 and 030607, the property is owned by Shanghai Yihua and the relevant land use rights have been granted for a for a term of 70 years expiring on 4 February 2073.
4. As advised by the Group, as at the date of valuation, portions of the property with a total gross floor area of 22,305.55 sq.m. were contracted to be sold at a consideration of RMB498,078,000 but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions. As advised by the Group, these portions of property are in the process of being handed over to the purchasers.
5. 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:

Shanghai Yihua is entitled to occupy, use, benefit from, transfer, lease and mortgage or otherwise dispose of the property.
6. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Portion

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | |
|------------------------------|--|--|--------------------------|---|-------------|----------|--------|----------|------------------------------|-----------------|---------------|------------------------|-----------------------------------|---|
| 15. | The remaining unsold portions of Forte Bei Qiao Cheng Lane 388 Dushi Road Minhang District Shanghai, The PRC | <p>The property comprises 14 residential units, 2 retail units and 75 underground car parking spaces of Forte Bei Qiao Cheng which were completed in various stages between 2007 and 2010.</p> <p>The property has a gross floor area of 9,072.28 sq.m. The details are set out as following:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>3,716.84</td> </tr> <tr> <td>Retail</td> <td>2,364.84</td> </tr> <tr> <td>Car parking places (75 lots)</td> <td><u>2,990.60</u></td> </tr> <tr> <td>Total:</td> <td><u>9,072.28</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms with the expiry dates on 2 August 2045 for commercial use and 2 February 2075 for residential use.</p> | Usage | Gross floor area (sq.m.) | Residential | 3,716.84 | Retail | 2,364.84 | Car parking places (75 lots) | <u>2,990.60</u> | Total: | <u>9,072.28</u> | The property is currently vacant. | 108,343,000 100% interest attributable to the Group: RMB108,343,000 |
| Usage | Gross floor area (sq.m.) | | | | | | | | | | | | | |
| Residential | 3,716.84 | | | | | | | | | | | | | |
| Retail | 2,364.84 | | | | | | | | | | | | | |
| Car parking places (75 lots) | <u>2,990.60</u> | | | | | | | | | | | | | |
| Total: | <u>9,072.28</u> | | | | | | | | | | | | | |

Notes:

- Shanghai Bo Si Real Estate Development Co., Ltd. ("Bo Si") is a wholly-owned subsidiary of the Company.
- Pursuant to a Real Estate Title Certificate — Hu Fang Di Min Zi (2005) No. 063760, the land use rights of portions of the property have been granted to Bo Si for a term with the expiry date on 2 February 2075 for residential use.
- Pursuant to 5 Construction Work Completion and Inspection Certificates, the construction of the property has passed the completion and acceptance inspection.
- Pursuant to 3 Real Estate Title Certificates — Hu Fang Di Min Zi (2007) Nos. 034430, 043764 and 041081, portions of the property with a gross floor area of approximately 5,420.62 sq.m. are owned by Bo Si and the land rights of the property have been granted for terms with the expiry dates on 2 August 2045 and 2 February 2075 for commercial use and residential use.
- As advised by the Group, as at the date of valuation, portions of the property with a total gross floor area of 3,481.44 sq.m. were contracted to be sold at a consideration of RMB64,554,000 but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions. As advised by the Group, these portions of property are in the process of being handed over to the purchasers.

6. 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. Bo Si is entitled to sell the property; and
 - b. Bo Si is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of portions of the property mentioned in note 4
7. A summary of major certificates/approvals is shown as follows:
- a. Real Estate Title Certificate (for land only) Yes
 - b. Construction Work Completion and Inspection Certificate Yes
 - b. Real Estate Title Certificate Portion

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | |
|-------------------------------|--|---|--------------------------|---|-------------|-----------|-------------------------------|------------------|---------------|-------------------------|-----------------------------------|---|
| 16. | The remaining unsold portions of Phase II of Di Jie International City C Jiefang (地杰國際城C街坊) No. 150 Lane Yushui Road Beicai Town Pudong New District Shanghai The PRC | The property comprises 732 residential units and 334 underground car parking spaces in the completed groups of Phase II of Di Jie International City C Jiefang which is a residential development completed in 2010. The property has a total gross floor area of approximately 83,694.81 sq.m. The details are set out as follows: <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>73,157.11</td> </tr> <tr> <td>Car parking spaces (334 lots)</td> <td><u>10,537.70</u></td> </tr> <tr> <td>Total:</td> <td><u>83,694.81</u></td> </tr> </tbody> </table> | Usage | Gross Floor Area (sq.m.) | Residential | 73,157.11 | Car parking spaces (334 lots) | <u>10,537.70</u> | Total: | <u>83,694.81</u> | The property is currently vacant. | 2,147,640,000 40% interest attributable to the Group: 859,056,000 |
| Usage | Gross Floor Area (sq.m.) | | | | | | | | | | | |
| Residential | 73,157.11 | | | | | | | | | | | |
| Car parking spaces (334 lots) | <u>10,537.70</u> | | | | | | | | | | | |
| Total: | <u>83,694.81</u> | | | | | | | | | | | |
| | | The land use rights of the property have been granted for a term expiring on 19 July 2077 for residential use. | | | | | | | | | | |

Notes:

- Shanghai Qiaobei Real Estate Co., Ltd. ("Shanghai Qiaobei") is a 40% interest owned associate company of the Company.
- Pursuant to a Real Estate Title Certificate — Hu Fang Di Pu Zi (2009) Di No. 092934, the land use rights of a parcel of land with a site area of approximately 89,984 sq.m., on which the property is situated, have been granted to Shanghai Di Jie Property Co., Ltd. ("Shanghai Di Jie", 上海地杰置業有限公司) for a term expiring on 19 July 2077 for residential use.
- Pursuant to a Construction Work Planning Permit — Hu Pu Gui Di San (2009) FA31011520099208 in favour of Shanghai Di Jie, Di Jie International City C Jiefang has been approved for construction.
- Pursuant to 2 Construction Work Commencement Permits — 0802PD0021D05/310115200802040319 and 0802PD0021D06/310115200802040319 in favour of Shanghai Di Jie, permissions by the relevant local authority have been given to commence the constructions of Di Jie International City C Jiefang.
- According to a Construction in Progress Transfer Contract dated 29 October 2009, the project of Phase II of Di Jie International City C Jiefang was contracted to be transferred to Shanghai Qiao Bei from at a consideration of RMB389,610,000 and Shanghai Di Jie agreed to change the registered names of the land title and other construction approvals to Shanghai Qiaobei.
- Pursuant to 4 Pre-sale Permits — Pu Dong Xin Qu Fang Guan (2009) Yu Zi No. 0001167, Pu Dong Xin Qu Fang Guan (2010) Yu Zi Nos. 0000080, 0000177 and 0000259 in favour of Shanghai Qiaobei, the Group is entitled to pre-sell the buildings of Di Jie International City C Jiefang.

7. Pursuant to a Construction Work Completion and Inspection Certificate, the construction of Di Jie International City C Jiefang has passed the completion and acceptance inspection.

8. 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:

Shanghai Qiaobei is entitled to sell the property.

9. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land only) | Yes |
| c. | Construction Work Commencement Permit | Yes |
| d. | Pre-sale Permit | Yes |
| e. | Construction Work Completion and Inspection Certificate/Table | Yes |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|--|--|
| 17. | Hehua International Mansion No. 7 Jianguomen South Avenue Dongcheng District Beijing The PRC | <p>The property consists of 2 14-storey buildings with underground car parking spaces (known as Blocks A and C) and 2 19-storey buildings with underground car parking spaces (known as Blocks B and D) together having a total gross floor area of approximately 130,919.19 sq.m. which occupy a parcel of land with a site area of approximately 12,855.66 sq.m. and were completed in 2008.</p> <p>The land use rights of the property have been granted for various terms expiring on 4 December 2036 for commercial use and 4 December 2046 for car parking use.</p> | <p>The property is currently occupied and operated as a hotel except for portions of the property which are in the process of being reformed to service apartment.</p> | <p>2,023,944,000</p> <p>37% interest attributable to the Group: RMB748,859,000</p> |

Notes:

1. Beijing Hehua Real Estate Development Company Limited ("Beijing Hehua") is a 37% interest owned associate company of the Company.
2. Pursuant to a State-owned Land Use Rights Certificate — Jing Dong Guo Yong (2008 Chu) Di Geng No. 00187, the land use rights of a parcel of land with a site area of approximately 12,855.66 sq.m., on which the property is situated, have been granted to Beijing Hehua for various term expiring on 4 December 2036 for commercial use and 4 December 2046 for car parking use.
3. Pursuant to a Construction Work Planning Permit — 2008 Gui Fu Han Zi No. 0270 in favour of Beijing Hehua, Hehua International Mansion with a total gross floor area of approximately 130,664.16 sq.m. has been approved for construction.
4. Pursuant to a Construction Work Commencement Permit — (2006) Shi Zhuang Zi No. 2432 in favour of Beijing Hehua, permission by the relevant local authority has been given to commence the construction of Hehua International Mansion.
5. Pursuant to a Construction Work Completion and Inspection Table — 2010 Nian (Dong Jun Bei) Di No. 16, Hehua International Mansion with a total gross floor area of approximately 130,664.16 sq.m. has passed the completion and acceptance inspection.
6. Pursuant to 2 Sales Permits and a Extension Approval from relevant administrative authorities in favour of Beijing Hehua, Beijing Hehua is freely entitled to sell portions of the property with a total gross floor area of 53,772.33 sq.m.
7. Pursuant to a Mortgage Agreement entered into between Beijing Hehua and Beijing Yayuncun Branch of Shanghai Pudong Development Bank (the "Mortgagee"), the property was mortgaged to the Bank as security to guarantee a loan in the amount of RMB900,000,000 with the security term of 10 years commencing from 23 October 2008 and expiring on 21 October 2018.

8. As advised by the Group, the property will be sold as service apartment in the near future, thus, we valued the property as service apartment.
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. The Group is entitled to sell the property;
 - b. According to the confirmation from the Group, the Group has rights to sell Block B of the property by way of whole sale or transferring the equity interest of Beijing Hehua; and
 - c. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.
10. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Work Planning Permit | Yes |
| c. | Construction Work Commencement Permit | Yes |
| d. | Pre-sales Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | Yes |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|-----------------------------------|---|
| 18. | The remaining unsold portions of Liu Zhou Yuan, Liu Mei Song, Lin Jiang Yuan, Liu Mei Song, Lin Jiang Yuan, Liu Mei Song, Xiang Xie Mei Song and Gui Mei Song of Jin Xiu Hua Cheng Linjiang Village Taishan Avenue Pukou District Nanjing City Jiangsu Province The PRC | <p>The property comprises 121 residential units of Liu Zhou Yuan, Liu Mei Song, Lin Jiang Yuan, Liu Mei Song, Xiang Xie Mei Song and Gui Mei Song of Jin Xiu Hua Cheng which were completed in 2010.</p> <p>The units have a total gross floor area of 9,704 sq.m.</p> <p>The land use rights of the property have been granted for terms with the expiry date between 1 January 2074 and 26 September 2076 for residential use.</p> | The property is currently vacant. | 77,636,000 41% interest attributable to the Group: 31,831,000 |

Notes:

1. Nanjing Dahua Investment and Development Company Limited (“Nanjing Dahua”) (南京大華投資發展有限公司) is a 41% interest owned associate company of the Company.
2. Pursuant to 5 State-owned Land Use Rights Certificates — Ning Pu Guo Yong 2004 Di No. 01489, Ning Pu Guo Yong 2005 Di Nos. 02618, 02619 and 03672 and Ning Pu Guo Yong 2006 Di No. 03552, the land use rights of the property have been granted to Nanjing Dahua for residential use.
3. Pursuant to 92 Building Ownership Certificates — Ning Fang Quan Zheng Pu Chu Zi Di Nos. 02051216, 02051225, 02054842, 02054844 to 02054849, 02055053, 02055054, 02055056, 02055060, 02055096, 02055100, 02055144 to 02055146, 02055150 to 02055154, 02055156, 02055157, 02055159, 02059275, 02060031, 02067389, 02072544, 02072550, 02074572, 241798, 241803, 241805, 241806, 241810, 241812, 242539, 242671, 242674, 242676, 242679, 242680, 242682, 242684, 242687, 242688, 242691, 242693, 242695, 242697, 242701, 242702, 242705, 242707, 242710, 242711, 242714, 243067, 243071 to 243073, 243078, 243079, 243086, 243089 and 301116 to 301140, portions of the property with a total gross floor area of approximately 7801.67 sq.m. are owned by Nanjing Dahua.
4. Pursuant to 2 Construction Work Completion and Inspection Tables, the property has passed the completion and acceptance inspection.
5. 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. Nanjing Dahua is entitled to sell the property; and
 - b. Nanjing Dahua is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of portions of the property mentioned in note 3

6. A summary of major certificates/approvals is shown as follows:

- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Pre-sales Permit | Yes |
| c. | Construction Work Completion and Inspection Certificate/Table | Yes |
| d. | Building Ownership Certificate | Portion |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | |
|--------------------|---|--|--------------------------|---|--------|----------|--------------------|-----------------|---------------|-------------------------|-----------------------------------|--|
| 19. | The remaining unsold portions Phase I of Forte Park City (復地公園城邦) No. 99 Zhenghe Avenue Huishan District Wuxi City Jiangsu Province The PRC | <p>The property comprises various retail units and 196 underground car parking spaces of a residential development completed in 2007.</p> <p>The property has a gross floor area of 14,503.31 sq.m. The details are set out as following:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>6,663.31</td> </tr> <tr> <td>Car parking spaces</td> <td><u>7,840.00</u></td> </tr> <tr> <td>Total:</td> <td><u>14,503.31</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms expiring on 11 May 2073 for residential use and 11 May 2043 for commercial use.</p> | Usage | Gross floor area (sq.m.) | Retail | 6,663.31 | Car parking spaces | <u>7,840.00</u> | Total: | <u>14,503.31</u> | The property is currently vacant. | 45,499,000 50% interest attributable to the Group: RMB22,750,000 |
| Usage | Gross floor area (sq.m.) | | | | | | | | | | | |
| Retail | 6,663.31 | | | | | | | | | | | |
| Car parking spaces | <u>7,840.00</u> | | | | | | | | | | | |
| Total: | <u>14,503.31</u> | | | | | | | | | | | |

Notes:

1. Wuxi Forte Real Estate Development Co., Ltd. ("Wuxi Forte") is a 50% interest jointly-owned enterprise of the Company.
2. Pursuant to 2 State-owned Land Use Rights Certificates — Xi Hui Guo Yong (2007) Di No. 1212 and 1213, the land use rights in related to the property have been granted to Wuxi Forte for a term expiring on 11 May 2073 for residential use and 11 May 2043 for commercial use.
3. Pursuant to 3 Construction Work Completion and Inspection Certificates, the construction of the property has passed the completion and acceptance inspection.
4. 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:

Wuxi Forte is entitled to sell the property.
5. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Work Completion and Inspection Certificate/Table | Yes |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|-----------------------------------|--|
| 20. | The remaining 2 unsold units Nos. 551 and 553 Wuzhong Road Minhang District Shanghai The PRC | <p>The property comprises 2 retail units on Level 1 of a 2-storey retail building which was completed in about 2003.</p> <p>The property has a total gross floor area of 406.18 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 17 November 2066 for residential use.</p> | The property is currently vacant. | <p>8,124,000</p> <p>50% interest attributable to the Group: RMB4,062,000</p> |

Notes:

1. Shanghai Fuxin Real Estate Development Limited ("Shanghai Fuxin") is a 50% interest owned associate company of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Min Zi (2004) No. 0067093, the property is owned by Shanghai Fuxin and the land rights of the property have been granted for a term expiring on 17 November 2066 for residential use.
3. 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:

Shanghai Fuxin is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property.
4. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | |
|---------------|--|---|-----------------------------------|---|-------|--------|-----------|--------|-----------|----------|---------------|------------------------|--|--|
| 21. | The remaining unsold portions of Lane 851 Jiuting Street Songjiang District Shanghai The PRC | The property comprises a villa, 2 apartments and a clubhouse completed in 2010. The property has a gross floor area of approximately 3,009.93 sq.m. The details are set out as following: | The property is currently vacant. | 44,243,000 100% interest attributable to the Group: RMB44,243,000 | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Villa</td> <td>245.66</td> </tr> <tr> <td>Apartment</td> <td>181.47</td> </tr> <tr> <td>Clubhouse</td> <td>2,582.80</td> </tr> <tr> <td>Total:</td> <td><u>3,009.93</u></td> </tr> </tbody> </table> | Usage | Gross floor area (sq.m.) | Villa | 245.66 | Apartment | 181.47 | Clubhouse | 2,582.80 | Total: | <u>3,009.93</u> | | |
| Usage | Gross floor area (sq.m.) | | | | | | | | | | | | | |
| Villa | 245.66 | | | | | | | | | | | | | |
| Apartment | 181.47 | | | | | | | | | | | | | |
| Clubhouse | 2,582.80 | | | | | | | | | | | | | |
| Total: | <u>3,009.93</u> | | | | | | | | | | | | | |
| | | The land use rights of the property have been granted for a term of 70 years expiring on 4 May 2074 for residential use. | | | | | | | | | | | | |

Notes:

- Shanghai Song Ting Forte Real Estate Development Company Limited ("Song Ting Forte") is a wholly-owned subsidiary of the Company.
- Pursuant to a Real Estate Title Certificate — Hu Fang Di Song Zi (2004) Nos. 010997 dated 9 June 2004, the land use rights of the property have been granted to the Song Ting Forte for a term of 70 years expiring on 4 May 2074 for residential use.
- Pursuant to a Pre-sales Permit — Song Jiang Fang Guan (2009) Yu Zi Nos. 0000552, in favour of Song Ting Forte, Song Ting Forte is freely entitled to sell the development.
- Pursuant to a Construction Work Completion and Inspection Certificate, the construction of the property has passed the completion and acceptance inspection.
- As advised by the Group, as at the date of valuation, portions of the property with a total gross floor area of 427.13 sq.m. were contracted to be sold at a consideration of RMB8,086,000 but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions. As advised by the Group, these portions of property are in the process of being handed over to the purchasers.
- 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:

Song Ting Forte is entitled to sell the property.

7. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|-----|
| a. | Real Estate Title Certificate (for land only) | Yes |
| b. | Pre-sale Permit | Yes |
| c. | Construction Work Completion and Inspection Certificate | Yes |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|-----------------------------------|---|
| 22. | The remaining unsold 2 villas Lane 599 Laiting South Road Songjiang District Shanghai The PRC | <p>The property comprises 2 villas completed in 2006 and 2009.</p> <p>The property has a gross floor area of approximately 651 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 23 November 2073 for residential use.</p> | The property is currently vacant. | <p>11,358,000</p> <p>100% interest attributable to the Group: RMB11,358,000</p> |

Notes:

1. Shanghai Yu Yuan Hao Ting Real Estate Development Company Limited (“Hao Ting”) is a wholly-owned subsidiary of the Company.
2. Pursuant to 2 Real Estate Title Certificates — Hu Fang Di Song Zi (2006) Nos. 012703 and Hu Fang Di Song Zi (2010) Di No. 012121, the property is owned by Hao Ting and the relevant land use rights of the property have been granted to Hao Ting for a term expiring on 23 November 2073 for residential use.
3. As advised by the Group, as at the date of valuation, the property was contracted to be sold at a consideration of RMB11,358,000 but has not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of the property. As advised by the Group, the property is in the process of being handed over to the purchasers.
4. 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:

Hao Ting is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property.
5. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

Group II — Property interests held for investment by the Group in the PRC

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 <i>RMB</i> | | | | | | | | | | |
|--------------|--|---|--------------------------|--|--------|-----------|--------|----------|-------------|------------------|--------------|-------------------------|---|--|
| 23. | Fuxing International Center and Levels 1 to 2 of Forte International Apartment Building (excluding Unit 201 on Level 2) No. 237 and No. 235 Chaoyang Bei Road Chaoyang District Beijing The PRC | <p>Fuxing International Center is a 27-storey office building with a 3-level basement completed in 2008. Forte International Apartment Building is a residential building with 23 stories above ground completed in 2008.</p> <p>The property comprises the whole of Fuxing International Center, Levels 1 and 2 of Forte International Apartment Building excluding Unit 201 on Level 2 which has been sold.</p> <p>The property has a total gross floor area of approximately 73,833.41 sq.m., the details of which are set out as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <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>Office</td> <td style="text-align: right;">52,817.01</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">8,024.66</td> </tr> <tr> <td>Car parking</td> <td style="text-align: right;"><u>12,991.74</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>73,833.41</u></td> </tr> </tbody> </table> <p>The office portion of the property includes Levels 4 to 27 of Fuxing International Center. The retail portion includes a portion of Basement 1 and Levels 1 to 3 of Fuxing International Center as well as Levels 1 to 2 of Forte International Apartment Building except for Unit 201. In addition, the car parking portion includes 292 underground car parking spaces in the basement of the site on which the 2 buildings are erected.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 30 August 2054 for composite use.</p> | Usage | Gross floor area (sq.m.) | Office | 52,817.01 | Retail | 8,024.66 | Car parking | <u>12,991.74</u> | Total | <u>73,833.41</u> | <p>As at the date of valuation, portions of the office and retail portions of the property with a total gross floor area of approximately 50,439.12 sq.m. were contracted to be leased to various parties, whilst the remaining portions of the office and retail portions of the property with a total gross floor area of 10,402.55 sq.m. are currently vacant. (Refer to note 5).</p> <p>The car parking spaces are partly leased and occupied by various tenants.</p> | <p>1,511,788,000</p> <p>100% interest attributable to the Group:</p> <p>RMB1,511,788,000</p> |
| Usage | Gross floor area (sq.m.) | | | | | | | | | | | | | |
| Office | 52,817.01 | | | | | | | | | | | | | |
| Retail | 8,024.66 | | | | | | | | | | | | | |
| Car parking | <u>12,991.74</u> | | | | | | | | | | | | | |
| Total | <u>73,833.41</u> | | | | | | | | | | | | | |

Notes:

- Shanghai Forte Investment Management Co., Ltd. ("Forte Investment") is a wholly-owned subsidiary of the Company.
- Pursuant to a State-owned Land Use Rights Certificate - Jing Chao Guo Yong (2005 Chu) No. 0096 dated 14 March 2005 issued by the Beijing State-owned Land Resources and Housing Administrative Bureau, the land use rights

of a parcel of land, on which the property is located, with a site area of approximately 13,508.90 sq.m. have been granted to Beijing Huihe Real Estate Development Company Limited (北京匯和房地產開發有限公司, the developer of the property) for a term of 50 years expiring on 30 August 2054 for composite use.

3. Pursuant to a Purchase Agreement dated 21 September 2007, Fuxing International Center and Forte International Apartment Building with a total gross floor area of approximately 103,204.73 sq.m. were purchased by Forte Investment at the total consideration of RMB1,450,000,000.
4. Pursuant to 262 Building Ownership Certificates, the property with a total gross floor area of 73,833.41 sq.m. is owned by Beijing Branch of Forte Investment.
5. Pursuant to 87 Tenancy Agreements, portions of the property with a total gross floor area of approximately 50,439.12 sq.m. were leased to various parties as at the date of valuation for various terms with the expiry dates between 30 June 2011 and 9 March 2020 at a total annual rent of RMB65,223,000 exclusive of management fees, water and electricity charges.
6. As advised by the Group, portions of Levels 5, 30 and 31 of Fuxing International Building with a total gross floor area of approximately 2,565.4 sq.m. are currently occupied by the Group for office use.
7. Pursuant to a Real Estate Mortgage Agreement dated 10 November 2009, the property as well as Unit 201 were subject to a mortgage in favor of Industrial and Commercial Bank of China Limited Shanghai Luwan Sub-branch (the "Mortgagee"), as security to guarantee the principal obligation under a Loan Contract for an amount of RMB1,000,000,000 with the security term of 10 years from the withdrawal date under the aforesaid loan contract.
8. 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. Beijing Branch of Forte Investment has not registered with the relevant land authorities for the land use rights of the property after obtaining the building ownership rights of the property;
 - b. According to the confirmation from the relevant authorities, the absence of property purchaser's Land Use Rights Certificates of the property will not affect the building ownership rights' owner to own the corresponding land use rights which the property is situated and the property owner is entitled to transfer and mortgage the property;
 - c. The property is subject to mortgages, the transfer or lease of a mortgaged property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring or leasing proceeds to prior pay off the obligations of the mortgages, and informing the purchaser or tenant about the mortgaging circumstances of the property; and
 - d. The Tenancy Agreements mentioned in note 5 are valid and legally binding on the parties thereto.
9. A summary of major certificates/approvals is shown as follows:

| | |
|--|-----|
| a. State-owned Land Use Rights Certificate | Yes |
| b. Building Ownership Certificate | Yes |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | |
|---------------|---|---|--------------------------|---|-----------|-----------|-------|----------|-----------|----------|---------------|------------------|--|---|
| 24. | 8 apartment buildings, 53 villas and ancillary buildings known as Shanghai Garden Plaza No. 200 Lane 2489 Hongqiao Road Changning District Shanghai The PRC | <p>The property comprises eight 7-storey residential buildings with 511 apartment units, 53 villas and various ancillary buildings which were completed in various stages between 1998 and 2003.</p> <p>Shanghai Garden Plaza is divided into the northern and the southern sections which occupies 2 parcels of land with a total site area of approximately 116,822 sq.m.</p> <p>The details of the property in respect of its usage are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Apartment</td> <td>78,020.85</td> </tr> <tr> <td>Villa</td> <td>9,364.84</td> </tr> <tr> <td>Ancillary</td> <td>9,841.75</td> </tr> <tr> <td>Total:</td> <td>97,227.44</td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term of 70 years expiring on 11 August 2065 for residential use.</p> | Usage | Gross floor area (sq.m.) | Apartment | 78,020.85 | Villa | 9,364.84 | Ancillary | 9,841.75 | Total: | 97,227.44 | <p>Portions of the property with a total gross floor area of approximately 64,437.18 sq.m. were leased to various third parties whilst the remaining portions were vacant as at the date of valuation.</p> | <p>2,410,000,000</p> <p>100% interest attributable to the Group: RMB2,410,000,000</p> |
| Usage | Gross floor area (sq.m.) | | | | | | | | | | | | | |
| Apartment | 78,020.85 | | | | | | | | | | | | | |
| Villa | 9,364.84 | | | | | | | | | | | | | |
| Ancillary | 9,841.75 | | | | | | | | | | | | | |
| Total: | 97,227.44 | | | | | | | | | | | | | |

Notes:

- Garden Plaza Capital Co., Ltd. ("Garden Plaza") is a wholly-owned subsidiary of the Company.
- Pursuant to a Real Estate Title Certificate — Hu Fang Di Chang Ning (2007) Di No. 020980 dated 5 December 2007, the northern section of the property with a total gross floor area of approximately 87,753.88 sq.m. is owned by Garden Plaza. The relevant land use rights of the northern section with a site area of approximately 71,169 sq.m. have been granted to Garden Plaza for a term of 70 years expiring on 11 August 2065 for residential use.
- Pursuant to a Real Estate Title Certificate — Hu Fang Di Chang Ning (2007) Di No. 020978 dated 5 December 2007, the southern section of the property with a total gross floor area of approximately 9,473.56 sq.m. is owned by Garden Plaza. The relevant land use rights of the southern section with a site area of approximately 45,653 sq.m. have been granted to Garden Plaza for a term of 70 years expiring on 11 August 2065 for residential use.
- According to various Tenancy Agreements entered between Garden Plaza (the "Lessor") and various third parties (the "Lessees"), portions of the apartments, villas and ancillary buildings of the property with a total gross floor area of approximately 64,437.18 sq.m. are leased to the Lessees for various terms with the expiry dates between 3 January 2011 and 3 February 2012 at the total annual rent of RMB118,398,314 inclusive of management fees and exclusive of water and electricity charges.

5. Pursuant to a Mortgage Contract dated 28 April 2010 entered into between Heng Sheng Bank of China, Shanghai Branch (referred to as the “Mortgagee”) and Garden Plaza (the “Mortgagor”), the apartment and villa portions and the land use rights of the property (the “Pledged Portions”) are subject to mortgages in favour of the Mortgagees as security for a loan with an amount of RMB769,800,000 for a term of commencing from 28 April 2010 and expiring on 27 October 2014.

6. 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. Garden Plaza is entitled to occupy, use, benefit from, transfer, lease, mortgage the property except for those restricted rights mentioned below in notes b and c;

 - b. The property is subject to mortgages, the transfer or lease of a mortgaged property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring or leasing proceeds to prior pay off the obligations of the mortgages, and informing the purchaser or tenant about the mortgaging circumstances of the property;

 - c. The ancillary portion of the property is restricted from being transferred. It is not allowed by the relevant government authorities to change the title ownership; and

 - d. The Tenancy Agreements mentioned in note 4 is valid and legally binding on the parties thereto.

7. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 <i>RMB</i> | | | | | | | | | | | | | | | | | | |
|-------------------------|--|--|--------------------------|--|--------------|----------------|----|-----------|----|-----------|----|-----------|----|-----------|----|-----------|----|------------------|---------------|--------------------------|--|---------------------|
| 25. | A commercial building No. 1165 Moganshan Road Gongshu District Hangzhou City Zhejiang Province The PRC | <p>The property comprises a 5-storey commercial building with a single-level basement erected on a parcel of land which was completed in about 2010.</p> <p>The property has a gross floor area of approximately 126,036 sq.m. and the details of which are set out as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;">Gross floor area</th> </tr> <tr> <th style="text-align: left;">Floor</th> <th style="text-align: right;">(sq.m.)</th> </tr> </thead> <tbody> <tr> <td>B1</td> <td style="text-align: right;">17,325.00</td> </tr> <tr> <td>1F</td> <td style="text-align: right;">21,995.95</td> </tr> <tr> <td>2F</td> <td style="text-align: right;">21,691.25</td> </tr> <tr> <td>3F</td> <td style="text-align: right;">21,881.17</td> </tr> <tr> <td>4F</td> <td style="text-align: right;">22,067.01</td> </tr> <tr> <td>5F</td> <td style="text-align: right;"><u>21,075.62</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>126,036.00</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms of 40 years expiring on 28 September 2043 for commercial use.</p> | Gross floor area | | Floor | (sq.m.) | B1 | 17,325.00 | 1F | 21,995.95 | 2F | 21,691.25 | 3F | 21,881.17 | 4F | 22,067.01 | 5F | <u>21,075.62</u> | Total: | <u>126,036.00</u> | The property is currently leased to various tenants. | No commercial value |
| Gross floor area | | | | | | | | | | | | | | | | | | | | | | |
| Floor | (sq.m.) | | | | | | | | | | | | | | | | | | | | | |
| B1 | 17,325.00 | | | | | | | | | | | | | | | | | | | | | |
| 1F | 21,995.95 | | | | | | | | | | | | | | | | | | | | | |
| 2F | 21,691.25 | | | | | | | | | | | | | | | | | | | | | |
| 3F | 21,881.17 | | | | | | | | | | | | | | | | | | | | | |
| 4F | 22,067.01 | | | | | | | | | | | | | | | | | | | | | |
| 5F | <u>21,075.62</u> | | | | | | | | | | | | | | | | | | | | | |
| Total: | <u>126,036.00</u> | | | | | | | | | | | | | | | | | | | | | |

Notes:

1. Hangzhou Garden Commercial & Trade Co., Ltd. ("Hangzhou Garden") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Certificate — Hang Gong Guo Yong (2003) Zi Di No. 000248, the land use rights of a parcel of land, on which the property is situated, with a total site area of approximately 31,194 sq.m. have been granted to Hangzhou Garden for terms of 40 years expiring on 28 September 2043 for commercial use.
3. Pursuant to 281 Tenancy Agreements, the property with a total lettable area of approximately 82,107.5 sq.m. are leased to 281 persons respectively (various third parties of the Company) for a term of 2 years commencing from 1 October 2010 and expiring on 31 December 2011 for commercial use at a total rent of RMB68,225,160.
4. Pursuant to a Construction Work Planning Permit — (2004) Nian Zhe Jiang Gui Jian Zheng No. 01000803 in favour of Hangzhou Garden, the property with a gross floor area of approximately 160,418 sq.m. has been approved for construction.
5. Pursuant to a Construction Work Commencement Permit — No. 330100200510110301 in favour of Hangzhou Garden, permission by the relevant local authority was given to commence the construction work of the property.

6. Pursuant to a Mortgage Contract dated 4 August 2009, the property together with the property No. 6 were subject to a mortgage in favor of China Bank Co., Ltd. Zhejiang Branch (the “Mortgagee”), as security to guarantee the principal obligation under a Loan Contract entered into between China Bank Co., Ltd. Zhejiang Branch as the lender, and Hangzhou Garden as the borrower, for an amount of RMB230,000,000. The loan term under the aforesaid Loan Contract is 60 months commencing from the practical withdrawal date.
7. In the valuation of this property, we have attributed no commercial value to the property which has not obtained any proper title certificate. However, for reference purpose, we are of the opinion that the market value of the property as at the date of valuation would be RMB1,039,379,000 assuming all relevant title certificates have been obtained and the property could be freely transferred.
8. 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. Hangzhou Garden has not obtained the Building Ownership Certificates of the property and can lease the property after obtaining the Building Ownership Certificate; and
 - b. The property is subject to mortgages, the transfer or lease of a mortgaged property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring or leasing proceeds to prior pay off the obligations of the mortgages, and informing the purchaser or tenant about the mortgaging circumstances of the property.
9. A summary of major certificates/approvals is shown as follows:
 - a. State-owned Land Use Rights Certificate Yes
 - b. Building Ownership Certificate No

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|--|---|
| 26. | A unit of a building No. 4578 Dushi Road Shanghai The PRC | The property comprises a unit on Level 1 of a 5 -storey commercial building completed in 2005. The property has a gross floor area of approximately 82.94 sq.m. The land use rights of the property have been granted for a term for residential use. | The property is currently rented to a tenant for commercial use. | 1,161,000 100% interest attributable to the Group: RMB1,161,000 |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Min Zi (2007) No. 012875, the property with a gross floor area of approximately 82.94 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property for a term for residential use.
3. According to a Tenancy Agreement, the property is rented to Lin Ting (the “Lessee”), for a term of approximately 2 years expiring on 24 April 2012 at a monthly rent of RMB5,000, all exclusive of management fees, water and electricity charges.
4. Pursuant to a Mortgage Contract entered into between Shanghai Rural Commercial Bank, Longhua Sub-branch (referred to as the “Mortgagee”) and Gao Di Property (the “Mortgagor”), the property is subject to mortgages in favour of the Mortgagee as security for a loan for a term commencing from 28 March 2008 and expiring on 25 March 2011.
5. 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. Gao Di Property is entitled to occupy, use, benefit, transfer and lease the property;
 - b. The property is subject to mortgages, the transfer or lease of a mortgaged property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring or leasing proceeds to prior pay off the obligations of the mortgages, and informing the purchaser or tenant about the mortgaging circumstances of the property; and
 - c. The Tenancy Agreement is valid and legally binding on the parties thereto.
6. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|--|---|
| 27. | A clubhouse No. 31 Lane 4580 Dushi Road Shanghai The PRC | The property comprises a single-storey clubhouse completed in 2005. The property has a gross floor area of approximately 817.32 sq.m. The land use rights of the property have been granted for a term for residential use. | The property is currently rented to a tenant for commercial use. | 11,442,000 100% interest attributable to the Group: RMB11,442,000 |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Min Zi (2006) No. 059742, the property with a gross floor area of approximately 817.32 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property for a term for residential use.
3. According to a Tenancy Agreement, the property is rented to Han He Yu Jin Xiang Foreign Language Training School (the “Lessee”) for a term of 3 years expiring on 31 December 2012, at a monthly rent of RMB10,000 for the first year, RMB11,000 for the second year and RMB12,000 for the third year, exclusive of management fees, water and electricity charges.
4. Pursuant to a Mortgage Contract entered into between China Construction Bank, Shanghai Changning Sub-branch (referred to as the “Mortgagee”) and Gao Di Property (the “Mortgagor”), the property is subject to mortgages in favour of the Mortgagee as security for a loan for a term commencing from 18 June 2010 and expiring on 17 June 2011.
5. 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. Gao Di Property is entitled to occupy, use, benefit from, transfer and lease the property;
 - b. The property is subject to mortgages, the transfer or lease of a mortgaged property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring or leasing proceeds to prior pay off the obligations of the mortgages, and informing the purchaser or tenant about the mortgaging circumstances of the property; and
 - c. The Tenancy Agreement is valid and legally binding on the parties thereto.
6. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|--|--|---|
| 28. | A clubhouse No. 9 Lane 1398 Gubei Road Shanghai The PRC | The property comprises a 2-storey clubhouse completed in about 2004. The property has a gross floor area of approximately 1,678.23 sq.m. The land use rights of the property have been granted for a term expiring on 22 March 2071 for residential use. | The property is currently rented to a tenant for commercial use. | 28,072,000 100% interest attributable to the Group: RMB28,072,000 |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Chang Zi (2007) No. 001411, the property with a gross floor area of approximately 1,678.23 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property for a term expiring on 22 March 2071 for residential use.
3. According to a Tenancy Agreement, the property is rented to Shanghai Xingzhi Bodybuilding Club Company Limited (the “Lessee”) for a term of 6 years expiring on 31 March 2014, at the daily rent of RMB839.1 for first 2 years, RMB1,006.9 for the second 2 years and RMB1,174.8 for the last 2 years, exclusive of management fees, water and electricity charges.
4. Pursuant to a Mortgage Contract entered into between China Construction Bank, Shanghai Changning Sub-branch (referred to as the “Mortgagee”) and Gao Di Property (the “Mortgagor”), the property is subject to mortgages in favour of the Mortgagee as security for a loan for a term commencing from 18 June 2010 and expiring on 17 June 2011.
5. 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. Gao Di Property is entitled to occupy, use, benefit from, transfer and lease the property; and
 - b. The property is subject to mortgages, the transfer or lease of a mortgaged property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring or leasing proceeds to prior pay off the obligations of the mortgages, and informing the purchaser or tenant about the mortgaging circumstances of the property; and
 - c. The Tenancy Agreement is valid and legally binding on the parties thereto.
6. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|-----------------------------------|---|
| 29. | A unit of a building Nos. 73 and 77 Tengchong Road Shanghai The PRC | The property comprises a unit on Level 1 of a 8-storey commercial building completed in 2005. The property has a gross floor area of approximately 109.58 sq.m. The land use rights of the property have been granted for a term for residential use. | The property is currently vacant. | 1,534,000 100% interest attributable to the Group: RMB1,534,000 |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Min Zi (2006) No. 060630, the property with a gross floor area of approximately 109.58 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property for a term for residential use.
3. Pursuant to a Mortgage Contract entered into between Shanghai Rural Commercial Bank, Longhua Sub-branch (refereed to as the “Mortgagee”) and Gao Di Property (the “Mortgagor”), the property is subject to mortgages in favour of the Mortgagee as security for a loan for a term commencing from 28 March 2008 and expiring on 25 March 2011.
4. 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. Gao Di Property is entitled to occupy, use, benefit from, transfer and lease the property; and
 - b. The property is subject to mortgages, the transfer or lease of a mortgaged property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring or leasing proceeds to prior pay off the obligations of the mortgages, and informing the purchaser or tenant about the mortgaging circumstances of the property.
5. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|---|---|
| 30. | Unit 101 and Levels 2 to 5 of a building No. 1751 Sanxin North Road Shanghai The PRC | <p>The property comprises a unit and Levels 2 to 5 of a 5-storey commercial building completed in 2005.</p> <p>The property has a gross floor area of approximately 1,347.98 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 27 May 2073 for residential use.</p> | <p>The property is currently vacant except for a portion of the property with a gross floor area of approximately 110 sq.m. which is currently rented to tenant for commercial use.</p> | <p>11,345,000</p> <p>100% interest attributable to the Group: RMB11,345,000</p> |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Song Zi (2007) No. 008773, the property with a gross floor area of approximately 1,347.98 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property for a term expiring on 27 May 2073 for residential use.
3. According to a Tenancy Agreement, a portion of the property with a gross floor area of approximately 110 sq.m. is rented to Wang Chao Jiang (the “Lessee”), for a term of a 3 years expiring on 30 November 2013, at a monthly rent of RMB2,200 for the first year, RMB2,400 for the second year and RMB2,600 for the third year, exclusive of management fees, water and electricity charges.
4. 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. Gao Di Property is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property; and
 - b. The Tenancy Agreement is valid and legally binding on the parties thereto.
5. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|--|---|
| 31. | A clubhouse No. 88 Gulang Road Shanghai The PRC | The property comprises a 3-storey clubhouse completed in 2002. The property has a gross floor area of approximately 1,364.32 sq.m. The land use rights of the property have been granted for a term expiring on 27 May 2071 for residential use. | The property is currently rented to a tenant for commercial use. | 11,482,000 100% interest attributable to the Group: RMB11,482,000 |

Notes:

1. Shanghai Fu Xin Real Estate Development Company Limited (“Fu Xin Real Estate”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Shi Zi (2003) No. 004251, the property is owned by Fu Xin Real Estate. The relevant land use rights of the property have been granted to Fu Xin Real Estate for a term expiring on 27 May 2071 for residential use.
3. According to a Tenancy Agreement, the property is rented to Shanghai XingZhi Bodybuilding Club Company Limited (the “Lessee”) for a term of 6 years expiring on 31 March 2014, at the nil rent for the first 2 years and the rent for the remaining 4 years will be determined later, exclusive of management fees, water and electricity charges.
4. 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. Fu Xin Real Estate is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property; and
 - b. The Tenancy Agreement is valid and legally binding on the parties thereto.
5. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|--|--|---|
| 32. | A clubhouse Nos. 460, 466 and 488 Jinhui Road Shanghai The PRC | The property comprises a 3-storey clubhouse completed in 2002. The property has a gross floor area of approximately 2,734.02 sq.m. The land use rights of the property have been granted for a term expiring on 30 May 2071 for residential use. | The property is currently rented to a tenant for commercial use. | 43,244,000 100% interest attributable to the Group: RMB43,244,000 |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Min Zi (2006) No. 059988, the property with a gross floor area of approximately 2,734.02 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property for a term expiring on 30 May 2071 for residential use.
3. According to a Tenancy Agreement, the property is rented to Shanghai XingZhi Bodybuilding Club Company Limited (the “Lessee”) for a term of 6 years expiring on 31 March 2014 at daily rent of RMB1,367.01 for the first 2 years, RMB1,640.4 for the second 2 years and RMB1,913.8 for the last 2 year, all exclusive of management fees, water and electricity charges.
4. 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. Gao Di Property is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property; and
 - b. The Tenancy Agreement is valid and legally binding on the parties thereto.
5. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|--|---|
| 33. | A clubhouse No. 3 Lane 3355 Chunshen Road Shanghai The PRC | <p>The property comprises a 3-storey clubhouse completed in 2003.</p> <p>The property has a gross floor area of approximately 723.12 sq.m.</p> <p>The land use rights of the property have been granted for a term for residential use.</p> | <p>The property is currently vacant except for a portion of the property with a gross floor area of approximately 564.27 sq.m. is currently rented to tenant for commercial use.</p> | <p>14,462,000</p> <p>100% interest attributable to the Group: RMB14,462,000</p> |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to 3 Real Estate Title Certificates — Hu Fang Di Min Zi (2006) Nos. 059730, 059721 and 059723, the property with a gross floor area of approximately 723.12 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property for a term for residential use.
3. According to a Tenancy Agreement, a portion of the property with a gross floor area of approximately 564.27 sq.m. is rented to Shanghai Lie Ying Security Service Company Limited (the “Lessee”) for a term of 5 year expiring on 31 October 2015 at daily rent of RMB677.1 for the first year, RMB733.6 for the second year, RMB790 for the third year, RMB846.4 for the fourth year and RMB902.8 for the fifth year, exclusive of management fees, water and electricity charges.
4. Pursuant to a Mortgage Contract entered into between Bank of Shanghai (refereed to as the “Mortgagee”) and Gao Di Property (the “Mortgagor”), the property is subject to mortgages in favour of the Mortgagee as security for a loan for a term commencing from 18 August 2009 and expiring on 17 August 2012.
5. 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. Gao Di Property is entitled to occupy, use, benefit from, transfer and lease the property;
 - b. The property is subject to mortgages, the transfer or lease of a mortgaged property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring or leasing proceeds to prior pay off the obligations of the mortgages, and informing the purchaser or tenant about the mortgaging circumstances of the property; and
 - c. The Tenancy Agreement is valid and legally binding on the parties thereto.
6. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|--|---|
| 34. | A clubhouse No. 162 Lane 599 Laiting South Road Shanghai The PRC | The property comprises a 2-storey clubhouse completed in 2004. The property has a gross floor area of approximately 2,815.13 sq.m. The land use rights of the property have been granted for a term expiring on 7 October 2071 for residential use. | The property is currently rented to a tenant for commercial use. | 34,300,000 100% interest attributable to the Group: RMB34,300,000 |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to 3 Real Estate Title Certificate — Hu Fang Di Song Zi (2007) No. 016822, Hu Fang Di Song Zi (2007) No. 016823 and Hu Fang Di Song Zi (2007) No. 016826, the property with a gross floor area of approximately 2,815.13 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property for a term expiring on 7 October 2071 for residential use.
3. According to a Tenancy Agreement, the property is rented to Shanghai XingZhi Bodybuilding Club Company Limited (the “Lessee”) for a term of 6 years expiring on 31 March 2014, at the nil rent for the first 2 years and the rent for the remaining 4 years will be determined later, exclusive of management fees, water and electricity charges.
4. 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. Gao Di Property is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property; and
 - b. The Tenancy Agreement is valid and legally binding on the parties thereto.
5. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|---|---|
| 35. | A clubhouse Nos. 815 to 827 Boshan East Road Shanghai The PRC | <p>The property comprises a 2-storey clubhouse completed in 2002.</p> <p>The property has a gross floor area of approximately 1,704.81 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 10 January 2072 for residential use.</p> | <p>The property is currently rented to a tenant for commercial use.</p> | <p>16,610,000</p> <p>100% interest attributable to the Group: RMB16,610,000</p> |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Pu Zi (2007) No. 007042, the property with a gross floor area of approximately 1,704.81 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property for a term expiring on 10 January 2072 for residential use.
3. According to a Tenancy Agreement, the property is rented to Shanghai XingZhi Bodybuilding Club Company Limited (the “Lessee”) for a term of 6 years expiring on 31 March 2014, at a daily rent of RMB852.4 for the first 2 years, RMB1,022.9 for the second 2 years and RMB1,193.4 for the last 2 years, exclusive of management fees, water and electricity charges.
4. 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. Gao Di Property is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property; and
 - b. The Tenancy Agreement is valid and legally binding on the parties thereto.
5. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|--|---|
| 36. | A clubhouse No. 18 Lane 169 Qingshan Road Shanghai The PRC | The property comprises a 3-storey clubhouse completed in 2002. The property has a gross floor area of approximately 1,842.23 sq.m. The land use rights of the property have been granted to for a term for residential use. | The property is currently rented to a tenant for commercial use. | 27,464,000 100% interest attributable to the Group: RMB27,464,000 |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Min Zi (2006) No. 059752, the property with a gross floor area of approximately 1,842.23 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property for a term for residential use.
3. According to a Tenancy Agreement, the property is rented to Shanghai XingZhi Bodybuilding Club Company Limited (the “Lessee”) for a term of 6 years expiring on 31 March 2014, at daily rent of RMB921.1 for the first 2 years, RMB1,105.3 for the second 2 years and RMB1,289.6 for the last 2 years, exclusive of management fees, water and electricity charges.
4. 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. Gao Di Property is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property; and
 - b. The Tenancy Agreement is valid and legally binding on the parties thereto.
5. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|--|---|---|
| 37. | An underground car parking space Nos. 815 to 827 Lane 811 Boshan East Road Pudong New District Shanghai, The PRC | <p>The property comprises an underground car parking place which was completed in 2002.</p> <p>The property has a gross floor area of approximately 35.62 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 10 January 2072 for residential use.</p> | The property is currently rented to a tenant. | <p>100,000</p> <p>100% interest attributable to the Group: RMB100,000</p> |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of Forte Group.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Pu Zi (2007) No. 007042, the property with a gross floor area of approximately 35.62 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted for a term expiring on 10 January 2072 for residential use.
3. 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:

Gao Di Property is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property; and
4. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|---|---|
| 38. | An underground car parking space Lane 460 Jinhui Road Minhang District Shanghai, The PRC | <p>The property comprises an underground car parking space which was completed in 2002.</p> <p>The property has a gross floor area of approximately 29.91 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 30 May 2071 for residential use.</p> | The property is currently rented to a tenant. | 100,000 100% interest attributable to the Group: RMB100,000 |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of Forte Group.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Min Zi (2007) No. 028377, the property with a gross floor area of approximately 29.91 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted for a term expiring on 30 May 2071 for residential use.
3. 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:

Gao Di Property is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property.
4. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|---|---|
| 39. | 163 underground car parking spaces Lane 169 Qingshan Road Minhang District Shanghai The PRC | <p>The property comprises 163 underground car parking spaces which was completed in 2002.</p> <p>The property has a gross floor area of approximately 4,384.9 sq.m.</p> <p>The land use rights of the property have been granted for a term of 70 years.</p> | <p>The property is currently rented to various tenants.</p> | <p>13,040,000</p> <p>100% interest attributable to the Group: RMB13,040,000</p> |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of Forte Group.
2. Pursuant to 163 Real Estate Title Certificates — Hu Fang Di Min Zi (2007) Nos. 040786, 041088 to 041149, 041151 to 041186, 041188 to 041195, 041197 to 041239, 041339,044468,044469, No. 045309, 045327, 045329, 046269, 046272, 046275, 048198, 048211, 048214, 048218, the property with a gross floor area of approximately 4,384.9 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property.
3. 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:

Gao Di Property is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property.
4. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

Group III — Property interests held and occupied by the Group in the PRC

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|---|--|
| 40. | 5 office units of Maoyedongfang Age Plaza No. 16 Jianxin Bei Road Jiangbei District Chongqing The PRC | <p>The property comprises 5 office units of Maoyedongfang Age Plaza which were completed in 2006.</p> <p>The property has a gross floor area of 606.69 sq.m.</p> <p>The land use rights of the property have been granted for a term of 40 years expiring on 16 April 2044 commercial use.</p> | The property is currently occupied by the Group for office purpose. | 7,017,000 100% interest attributable to the Group: 7,017,000 |

Notes:

1. Chongqing Runjiang Property Company Limited (“Chongqing Runjiang”) is a wholly-owned subsidiary of the Company.
2. Pursuant to 5 Real Estate Title Certificates — 103 Fang Di Zheng 2006 Zi Di Nos. 08617, 08618, 08619, 08620, 08621, the property with a gross floor area of approximately 606.59 sq.m. is owned by Chongqing Runjiang. The relevant land use rights of the property have been granted to Chongqing Runjiang.
3. 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:

Chongqing Runjiang is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property.
4. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|--|--|
| 41. | A building of Fudishangcheng No. 81 Jin Yu Avenue North New Economic and Development Area Chongqing The PRC | <p>The property comprises a commercial building which was completed in 2007.</p> <p>The property has a gross floor area of 2,765.42 sq.m.</p> <p>The land use rights of the property have been granted for a term of 40 years expiring on 20 May 2044 commercial use.</p> | <p>The property is currently occupied by the Group for commercial purpose.</p> | <p>35,342,000</p> <p>100% interest attributable to the Group: 35,342,000</p> |

Notes:

1. Chongqing Runjiang Property Company Limited (“Chongqing Runjiang”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — 113 Fang Di Zheng 2009 Zi Di 06935, the property with a gross floor area of approximately 2,765.42 sq.m. is owned by Chongqing Runjiang. The relevant land use rights of the property have been granted to Chongqing Runjiang.
3. 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:

Chongqing Runjiang is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property.
4. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|---|---|
| 42. | A composite building of Forte Invaluable City No. 1636 Hanghai Road Qiaosi Town Yuhang District Hangzhou City Zhejiang Province PRC | <p>The property comprises a 2-storey composite building with a single-storey basement which was completed in 2009.</p> <p>The property has a gross floor area of approximately 8,528.7 sq.m.</p> <p>The land use rights of the property have been granted for a term of 70 years expiring on 17 May 2077 for residential use.</p> | The property is currently occupied by the Group for office use. | No commercial value |

Notes:

1. Zhejiang Forte Real Estate Development Co., Ltd. ("Zhejiang Forte") is a 75% interest owned subsidiary of the Company
2. Pursuant to a State-owned Land Use Rights Grant Contract — Yu Tu He (Mao) Zi [2006] No. 67 entered into between the State-owned Land Resources Administrative Bureau of Hangzhou City, Yuhang Branch and the Company, the land use rights of a parcel of land with a site area of approximately 116,900 sq.m. were contracted to be granted to Forte for a term of 70 years expiring on 17 May 2077 for residential use and a term of 40 years expiring on 17 May 2047 for commercial use. The land premium was RMB149,200,000.
3. Pursuant to a State-owned Land Use Rights Certificate — Hang Yu Chu Guo Yong (2007) Zi Di No. 106-738, the land use rights of a parcel of land, on which the property, property Nos. 5 and 51 are situated, with a total site area of approximately 55,747.6 sq.m. have been granted to Zhejiang Forte for a term of 70 years expiring on 17 May 2077 for residential use.
4. Pursuant to a Construction Work Completion and Inspection Table, the property has been passed the completion and acceptance inspection.
5. In the valuation of this property, we have attributed no commercial value to the property which has not obtained proper title certificate. However, for reference purpose, we are of the opinion that the market value of the property as at the date of valuation would be RMB68,683,000 assuming relevant title certificates have been obtained and the property could be freely transferred.
6. 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. Zhejiang Forte has not obtained the Building Ownership Certificate for the property. There is no legal impediment for Zhejiang Forte in obtaining the Building Ownership Certificate; and
 - b. Zhejiang Forte is entitled to occupy, use, benefit from, transfer, mortgage or otherwise dispose of the property. The property can be leased after obtaining the Building Ownership Certificate.
7. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Building Ownership Certificate | No |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|-----------------------------------|---|
| 43. | A clubhouse No. 300 Lane 599 Laiting South Road Shanghai The PRC | The property comprises a 3-storey clubhouse completed in 2006. The property has a gross floor area of approximately 1,527.95 sq.m. The land use rights of the property have been granted for a term of 70 years expiring on 23 November 2073 for residential use. | The property is currently vacant. | 18,617,000 100% interest attributable to the Group: RMB18,617,000 |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Song Zi (2007) No. 016824, the property with a gross floor area of approximately 1,527.95 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property for a term of 70 years expiring on 23 November 2073 for residential use.
3. 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:

Gao Di Property is entitled to occupy, use, benefit from, transfer, lease, mortgage or otherwise dispose of the property.
4. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|--|-----------------------------------|---|
| 44. | A retail unit of a building No. 173 Qingshan Road Shanghai The PRC | <p>The property comprises a retail unit on Level 1 of a 13-storey residential building completed in 2001.</p> <p>The property has a gross floor area of approximately 242.81 sq.m.</p> <p>The land use rights of the property have been granted.</p> | The property is currently vacant. | <p>3,399,000</p> <p>100% interest attributable to the Group: RMB3,399,000</p> |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Min Zi (2007) No. 012876, the property with a gross floor area of approximately 242.81 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property.
3. Pursuant to a Mortgage Contract entered into between Shanghai Rural Commercial Bank, Longhua Sub-branch (refereed to as the “Mortgagee”) and Gao Di Property (the “Mortgagor”), the property is subject to mortgages in favour of the Mortgagee as security for a loan for a term commencing from 28 March 2008 and expiring on 25 March 2011.
4. 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. Gao Di Property is entitled to occupy, use, benefit from, transfer and lease the property; and
 - b. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.
5. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|--|-----------------------------------|---|
| 45. | A retail unit of a building No. 181 Qingshan Road Shanghai The PRC | <p>The property comprises a retail unit on Level 1 of a 12-storey residential building completed in 2001.</p> <p>The property has a gross floor area of approximately 194.69 sq.m.</p> <p>The land use rights of the property have been granted.</p> | The property is currently vacant. | <p>2,725,000</p> <p>100% interest attributable to the Group: RMB2,725,000</p> |

Notes:

1. Shanghai Gao Di Property Management Company Limited (“Gao Di Property”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Min Zi (2007) No. 013729, the property with a gross floor area of approximately 194.69 sq.m. is owned by Gao Di Property. The relevant land use rights of the property have been granted to Gao Di Property.
3. Pursuant to a Mortgage Contract entered into between Shanghai Rural Commercial Bank, Longhua Sub-branch (refereed to as the “Mortgagee”) and Gao Di Property (the “Mortgagor”), the property is subject to mortgages in favour of the Mortgagee as security for a loan for a term commencing from 28 March 2008 and expiring on 25 March 2011.
4. 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. Gao Di Property is entitled to occupy, use, benefit from, transfer and lease the property; and
 - b. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.
5. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

VALUATION CERTIFICATE

Group IV — Property interests held under development by the Group in the PRC

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | |
|----------------------------|--|--|--------------------------|---|----------------------------|-----------|-------------------|------------------|---------------|--------------------------|---|---------------------|
| 46. | Fudijianianhua Square (復地嘉年華廣場) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | <p>The property consists of Fudijianianhua Square which occupies 2 parcels of land with a total site area of approximately 48,626 sq.m.</p> <p>Upon completion, the development will have 3 residential and commercial buildings and car parking spaces with a total gross floor area of approximately 103,010.63 sq.m.</p> <p>As advised by the Group, Fudijianianhua Square is scheduled to be completed in December 2011. The details are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential and commercial</td> <td>86,198.63</td> </tr> <tr> <td>Car parking space</td> <td><u>16,812.00</u></td> </tr> <tr> <td>Total:</td> <td><u>103,010.63</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been allocated to Changchun Zhaoji for commercial and residential uses.</p> | Usage | Planned Gross floor area (sq.m.) | Residential and commercial | 86,198.63 | Car parking space | <u>16,812.00</u> | Total: | <u>103,010.63</u> | The property is currently under construction. | No commercial value |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | |
| Residential and commercial | 86,198.63 | | | | | | | | | | | |
| Car parking space | <u>16,812.00</u> | | | | | | | | | | | |
| Total: | <u>103,010.63</u> | | | | | | | | | | | |

Notes:

1. Changchun Zhaoji Real Estate Development Company (“Changchun Zhaoji”) is a wholly-owned subsidiary of the Company.
2. Pursuant to 2 State-owned Land Use Rights Certificates — Chang Guo Yong (2009) Di Nos. 091003555 and 091003556, the land use rights of 2 parcels of land with a total site area of approximately 48,626 sq.m., on which the property is situated, have been allocated to Changchun Zhaoji for commercial and residential uses.
3. Pursuant to a Construction Land Planning Permit — Di Zi Di 220000200900045 in favour of Changchun Zhaoji, permission towards the planning of the subject land has been granted to Changchun Zhaoji.
4. Pursuant to a Construction Work Planning Permit — Jian Zi Di 220000201000220 in favour of Changchun Zhaoji, 4 buildings with a total gross floor area of approximately 103,010.63 sq.m. have been approved for construction.
5. Pursuant to a Construction Work Commencement Permit — 220102201005170201 in favour of Changchun Zhaoji, permission by the relevant local authority was given to commence the construction work.

6. Pursuant to a Pre-sales Permit in favour of Changchun Zhaoji, the Group is freely entitled to sell the development.
7. As advised by the Group, portions of the property comprising a total gross floor area of 32,700.51 sq.m. have been pre-sold to various third parties at a total consideration of RMB212,676,330 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions.
8. As advised by the Changchun Zhaoji, the total construction cost is estimated to be approximately RMB262,461,000, of which RMB28,149,000 had been paid as at the date of valuation.
9. At the time of our inspection, the construction of the property appeared to be on the developer's schedule. As at the date of valuation, the superstructures work was under construction.
10. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB549,086,000.
11. In the valuation of this property, we have attributed no commercial value to the property which has not obtained proper title certificate. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the construction of the property (excluding the land) as at the date of valuation would be RMB28,149,000 assuming all relevant title certificates have been obtained and the property could be freely transferred.
12. 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) Changchun Zhaoji is entitled to pre-sale the construction of the property upon obtaining the Pre-sales Permits;
 - b) Changchun Zhaoji has not obtained the granted Land Use Rights Certificate; and
 - c) Changchun Zhaoji can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities. Changchun Zhaoji needs to pay land premium if changing the land status from allocated land to granted land.
13. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | |
|--------------------|--|--|--------------------------|---|-------------|------------|--------------------|-----------|---------------|-------------------|---|--|
| 47. | Phase II of Gedebaosenlin (哥德堡森林二期) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | <p>The property consists of Phase II of Gedebaosenlin which occupies a parcel of land with a site area of approximately 69,712.49 sq.m.</p> <p>Upon completion, the development will have 16 residential buildings and car parking spaces with a total gross floor area of approximately 124,605.58 sq.m.</p> <p>As advised by the Group, Phase II of Gedebaosenlin is scheduled to be completed in October 2011. The details are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>104,207.30</td> </tr> <tr> <td>Car parking spaces</td> <td>20,398.28</td> </tr> <tr> <td>Total:</td> <td>124,605.58</td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term of 50 years expiring on 18 December 2058 for commercial and residential uses.</p> | Usage | Planned Gross floor area (sq.m.) | Residential | 104,207.30 | Car parking spaces | 20,398.28 | Total: | 124,605.58 | The property is currently under construction. | 251,261,000 100% interest attributable to the Group: 251,261,000 |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | |
| Residential | 104,207.30 | | | | | | | | | | | |
| Car parking spaces | 20,398.28 | | | | | | | | | | | |
| Total: | 124,605.58 | | | | | | | | | | | |

Notes:

1. Changchun Zhaoji Real Estate Development Company ("Changchun Zhaoji") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 19 December 2008 entered into between Changchun Zhaoji and Changchun State-owned Land Resources Administrative Bureau, the land use rights of a parcel of land with a site area of 339,097 sq.m. were contracted to be granted to Changchun Zhaoji for a term expiring on 18 December 2058 for commercial and residential uses. The land premium was RMB413,000,000.
3. Pursuant to 4 State-owned Land Use Rights Certificates — Chang Guo Yong (2009) Di Nos. 091003757, 091003758, 091003759 and 091003760, the land use rights of 4 parcels of land with a total site area of approximately 339,097 sq.m. (comprising the land of the property and property no. 78), on which the property is situated, were granted to Changchun Zhaoji for a term of 50 years expiring on 18 December 2058 for commercial and residential uses.
4. Pursuant to a Construction Land Planning Permit — Di Zi Di No. 220000200900173 in favour of Changchun Zhaoji, permission towards the planning of the subject land has been granted to Changchun Zhaoji.

5. Pursuant to a Construction Work Planning Permit — Jian Zi Di 220000201000171 in favour of Changchun Zhaoji, 16 building with a total gross floor area of approximately 124,605.58 sq.m. have been approved for construction.
6. Pursuant to a Construction Work Commencement Permit — 220102201005120301 in favour of Changchun Zhaoji, permission by the relevant local authority was given to commence the construction work.
7. Pursuant to 2 Pre-sales Permits in favour of Changchun Zhaoji, the Changchun Zhaoji is freely entitled to sell the development.
8. As advised by the Group, portions of the property comprising a total gross floor area of 44,159.57 sq.m. have been pre-sold to various third parties at a total consideration of RMB278,257,644 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions.
9. As advised by Changchun Zhaoji, the total construction cost is estimated to be approximately RMB222,821,000, of which RMB90,922,000 had been paid as at the date of valuation.
10. At the time of our inspection, the construction of the property appeared to be on the developer's schedule. As at the date of valuation, the superstructures work was under construction.
11. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB663,801,000.
12. 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) Changchun Zhaoji has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b) Changchun Zhaoji is entitled to mortgage the property or pre-sale the construction of the property upon obtaining the Pre-sales Permits; and
 - c) Changchun Zhaoji can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
13. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | |
|---------------|---|--|---|--|-------------|------------|--------|------------------|---------------|--------------------------|--|--|
| 48. | A parcel of land and 11 buildings under construction No. 81 Jin Yu Avenue North New Economic and Development Area Chongqing The PRC | The property consists of 11 buildings which occupies a parcel of land with a site area of approximately 46,755 sq.m. Upon completion, the development will have 11 residential and retail buildings with a total gross floor area of approximately 181,671.08 sq.m. As advised by the Group, the development is scheduled to be completed in December 2011. The details are set out as follows: | The property is currently under construction. | 507,473,000 100% interest attributable to the Group: 507,473,000 | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Usage</th> <th>Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>163,576.68</td> </tr> <tr> <td>Others</td> <td><u>18,094.40</u></td> </tr> <tr> <td>Total:</td> <td><u>181,671.08</u></td> </tr> </tbody> </table> | Usage | Planned Gross floor area (sq.m.) | Residential | 163,576.68 | Others | <u>18,094.40</u> | Total: | <u>181,671.08</u> | | |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | |
| Residential | 163,576.68 | | | | | | | | | | | |
| Others | <u>18,094.40</u> | | | | | | | | | | | |
| Total: | <u>181,671.08</u> | | | | | | | | | | | |
| | | The land use rights of the property have been granted for various terms with the expiry dates between 20 May 2054 and 20 May 2044 for residential and commercial uses. | | | | | | | | | | |

Notes:

1. Chongqing Runjiang Property Company Limited ("Chongqing Runjiang") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 21 May 2004 entered into between Chongqing Runjiang and Chongqing Building and State-owned Land Resources Administrative Bureau, the land use rights of the property were contracted to be granted to Chongqing Runjiang for various terms with the expiry dates between 20 May 2054 and 20 May 2044 for residential and commercial uses. The land premium was RMB292,156,200.
3. Pursuant to a Real Estate Title Certificate — 113 Fang Di Zheng 2010 Zi Di No. 09781, the land use rights of a parcel of land with a site area of approximately 46,755 sq.m. were granted to Chongqing Runjiang for various terms with the expiry date between 20 May 2054 and 20 May 2044 for residential and commercial uses.
4. Pursuant to a Construction Land Planning Permit — Yu Gui Di Zheng (2005) Jing Kai Bei Zi Di No. 0043 in favour of Chongqing Runjiang, permission towards the planning of the subject land has been granted to Chongqing Runjiang.
5. Pursuant to a Construction Work Planning Permit — Jian Zi Di Jian No. 500139200900045 in favour of Chongqing Runjiang, 11 buildings with a total gross floor area of approximately 181,671.08 sq.m. have been approved for construction.

6. Pursuant to 2 Construction Work Commencement Permits — Bei Bu Xin Qu 2009149 and 2009154 in favour of Chongqing Runjiang, permission by the relevant local authority was given to commence the construction work.
7. Pursuant to 4 Pre-sales Permits in favour of Chongqing Runjiang, Chongqing Runjiang is freely entitled to sell the development.
8. As advised by the Group, portions of the property comprising a total gross floor area of 104,908.26 sq.m. have been pre-sold to various third parties at a total consideration of RMB564,072,838 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions.
9. As advised by Chongqing Runjiang, the total construction cost is estimated to be approximately RMB214,295,000, of which RMB107,797,000 had been paid as at the date of valuation.
10. At the time of our inspection, the construction of the property appeared to be on the developer's schedule. As at the date of valuation, the foundation construction works of 11 buildings were undergoing.
11. Pursuant to a Mortgage Contract entered into between Agricultural Bank of China, Chongqing Jiangbei Sub-branch (referred to as the "Mortgagee") and Chongqing Runjiang (the "Mortgagor"), the construction of the property is subject to mortgages in favour of the Mortgagee as security for a loan of RMB30,000,000 for a term commencing from 20 October 2010 and expiring on 10 April 2013.
12. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB1,041,983,000.
13. 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. Chongqing Runjiang has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Chongqing Runjiang is entitled to pre-sale the construction of the property upon obtaining the Pre-sales Permits;
 - c. Chongqing Runjiang can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities; and
 - d. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.
14. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | Real Estate Title Certificate (for land only) | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Yes |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | |
|---------------|--|--|---|--|-------------|-----------|--------|----------|---------------|------------------|--|--|
| 49. | A parcel of land and 5 buildings under construction No. 81 Jin Yu Avenue North New Economic and Development Area Chongqing The PRC | The property consists of 5 buildings which occupies a parcel of land with a site area of approximately 17,748 sq.m. Upon completion, the development will have 5 residential and retail buildings with a total gross floor area of approximately 74,767.9 sq.m. As advised by the Group, the development is scheduled to be completed in December 2012. The details are set out as follows: | The property is currently under construction. | 164,490,000 100% interest attributable to the Group: 164,490,000 | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Usage</th> <th>Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>66,140.30</td> </tr> <tr> <td>Others</td> <td>8,627.60</td> </tr> <tr> <td>Total:</td> <td>74,767.90</td> </tr> </tbody> </table> | Usage | Planned Gross floor area (sq.m.) | Residential | 66,140.30 | Others | 8,627.60 | Total: | 74,767.90 | | |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | |
| Residential | 66,140.30 | | | | | | | | | | | |
| Others | 8,627.60 | | | | | | | | | | | |
| Total: | 74,767.90 | | | | | | | | | | | |
| | | The land use rights of the property have been granted for various terms with the expiry date between 20 May 2054 and 20 May 2044 for residential and commercial uses. | | | | | | | | | | |

Notes:

1. Chongqing Runjiang Property Company Limited ("Chongqing Runjiang") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 21 May 2004 entered into between Chongqing Runjiang and Chongqing Building and State-owned Land Resources Administrative Bureau, the land use rights of the property were contracted to be granted to Chongqing Runjiang for various terms with the expiry date between 20 May 2054 and 20 May 2044 for residential and commercial uses. The total land premium was RMB292,156,200.
3. Pursuant to a Real Estate Title Certificate — 113Fang Di Zheng 2009 Zi Di No. 00804, the land use rights of a parcel of land with a site area of approximately 39,302.8 sq.m. (comprising the land of the property) were granted to Chongqing Runjiang for various terms with the expiry date between 20 May 2054 and 20 May 2044 for residential and commercial uses.
4. Pursuant to a Construction Work Planning Permit — Jian Zi Di Jian No. 500139201000037 in favour of Chongqing Runjiang, 5 buildings with a total gross floor area of approximately 74,767.90 sq.m. have been approved for construction.
5. Pursuant to a Construction Work Commencement Permit — No. 500123201012300301 in favour of Chongqing Runjiang, permission by the relevant local authority was given to commence the construction work.

6. As advised by Chongqing Runjiang, the total construction cost is estimated to be approximately RMB94,934,000, of which no fee had been paid as at the date of valuation.
7. At the time of our inspection, the construction of the property appeared to be on the developer's schedule. As at the date of valuation, the foundation constructions of 5 buildings were undergoing.
8. The capital value of the property as if completed as at the date of valuation would be approximately RMB421,314,000.
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. Chongqing Runjiang has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Chongqing Rujiang is entitled to mortgage the property; and
 - c. Chongqing Runjiang can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
10. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|-----|
| a. | Real Estate Title Certificate (for land only) | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | N/A |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|---|--|
| 50. | A parcel of land and a building under construction No. 81 Jin Yu Avenue North New Economic and Development Chongqing The PRC | The property consists of a building which occupies a parcel of land with a site area of approximately 9,915 sq.m. Upon completion, the development will have an office building with a gross floor area of approximately 54,009.13 sq.m. As advised by the Group, the development is scheduled to be completed in March 2013. The land use rights of the property have been granted for a term expiring on 27 January 2054 for commercial use. | The property is currently under construction. | 118,820,000 100% interest attributable to the Group: 118,820,000 |

Notes:

1. Chongqing Runjiang Property Company Limited (“Chongqing Runjiang”) is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 16 November 2006 entered into between Chongqing Runjiang and Chongqing Building and State-owned Land Resources Administrative Bureau, the land use rights of the property were contracted to be granted to Chongqing Runjiang for a term expiring on 27 January 2054 for commercial use. The land premium was RMB13,419,191.
3. Pursuant to a Real Estate Title Certificate — 100 Fang Di Zheng 2007 Zi Di 30, the land use rights of a parcel of land with a site area of approximately 9,915 sq.m. were granted to Chongqing Runjiang for a term expiring on 27 January 2054 for commercial use.
4. Pursuant to a Construction Land Planning Permit — Di Zi Di No. 500139201000004 in favour of Chongqing Runjiang, permission towards the planning of the subject land with a site area of approximately 9,915 sq.m. has been granted to Chongqing Runjiang.
5. Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 500139201000036 in favour of Chongqing Runjiang, a building with a gross floor area of approximately 54,009.13 sq.m. has been approved for construction.
6. Pursuant to a Construction Work Commencement Permit — No. 500123201012300101 in favour of Chongqing Runjiang, permission by the relevant local authority was given to commence the construction work.
7. As advised by Chongqing Runjiang, the total construction cost is estimated to be approximately RMB110,558,000, no fee had been paid as at the date of valuation.
8. Pursuant to a Mortgage Contract entered into between Agricultural Bank of China, Chongqing Jiangbei Sub-branch (refereed to as the “Mortgagee”) and Chongqing Runjiang (the “Mortgagor”), the land use rights of the property is subject to mortgages in favour of the Mortgagee as security for a loan of RMB40,000,000 for a term commencing from 10 April 2010 and expiring on 10 April 2013.

9. The capital value of the property as if completed as at the date of valuation would be approximately RMB339,462,000.

10. 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. Chongqing Runjiang has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;

 - b. Chongqing Runjiang can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities; and

 - c. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.

11. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | Real Estate Title Certificate (for land only) | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | N/A |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | | | |
|----------------------|--|---|--------------------------|---|-------------|-----------|--------|----------|--------------------|----------|----------------------|--------|---------------|-------------------------|---|--|
| 51. | Phase 4.1 of Forte Invaluable City No. 1636 Hanghai Road Qiaosi Town Yuhang District Hangzhou City Zhejiang Province The PRC | <p>The property consists of Phase 4.1 of Forte Invaluable City which occupies a parcel of land with an apportioned site area of approximately 6,817 sq.m.</p> <p>Upon completion, the development will have a 16-storey residential building with a gross floor area of approximately 30,179.41 sq.m.</p> <p>As advised by the Group, Phase 4.1 of Forte Invaluable City is scheduled to be completed in June 2011. The details are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>17,431.42</td> </tr> <tr> <td>Retail</td> <td>6,225.87</td> </tr> <tr> <td>Car parking spaces</td> <td>5,862.90</td> </tr> <tr> <td>Ancillary facilities</td> <td>659.22</td> </tr> <tr> <td>Total:</td> <td><u>30,179.41</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term of 70 years expiring on 17 May 2077 for residential use.</p> | Usage | Planned Gross floor area (sq.m.) | Residential | 17,431.42 | Retail | 6,225.87 | Car parking spaces | 5,862.90 | Ancillary facilities | 659.22 | Total: | <u>30,179.41</u> | The property is currently under construction. | 191,982,000 75% interest attributable to the Group: RMB143,987,000 |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | | | | | |
| Residential | 17,431.42 | | | | | | | | | | | | | | | |
| Retail | 6,225.87 | | | | | | | | | | | | | | | |
| Car parking spaces | 5,862.90 | | | | | | | | | | | | | | | |
| Ancillary facilities | 659.22 | | | | | | | | | | | | | | | |
| Total: | <u>30,179.41</u> | | | | | | | | | | | | | | | |

Notes:

1. Zhejiang Forte Real Estate Development Co., Ltd. ("Zhejiang Forte") is a 75% interest owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract — Yu Tu He (Mao) Zi [2006] No. 67 entered into between the State-owned Land Resources Administrative Bureau of Hangzhou City, Yuhang Branch and the Company, the land use rights of a parcel of land with a site area of approximately 116,900 sq.m. were contracted to be granted to Forte for a term of 70 years expiring on 17 May 2077 for residential use and a term of 40 years expiring on 17 May 2047 for commercial use. The land premium was RMB149,200,000.
3. Pursuant to a State-owned Land Use Rights Certificate — Hang Yu Chu Guo Yong (2007) Zi Di No. 106-738, the land use rights of a parcel of land, on which the property, property Nos. 5 and 42 are situated, with a site area of approximately 55,747.6 sq.m. have been granted to Zhejiang Forte for terms of 70 years expiring on 17 May 2077 for residential use.
4. Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 200901508004 in favour of Zhejiang Forte, the property with a gross floor area of approximately 30,179.4 sq.m. has been approved for construction.

5. Pursuant to a Construction Work Commencement Permit — No. 330125200906100201 in favour of Zhejiang Forte, permission by the relevant local authority was given to commence the construction work of the property.
6. Pursuant to a Pre-sales Permit — Yu Shou Xu Zi (2009) Di No.0162, Zhejiang Forte is freely entitled to sell residential portions of Forte Invaluable City Block 3-1 with a total gross floor area of approximately 16,707.29 sq.m.
7. As advised by the Group, portions of the property with a total gross floor area of 16,350 sq.m. were contracted to be sold at a consideration of RMB144,465,795 as the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions.
8. As advised by the Zhejiang Forte, the total construction cost of the property is estimated to be approximately RMB155,000,000, of which RMB108,778,000 had been paid up to the date of valuation.
9. At the time of our inspection, the construction of the property appeared to be on the developer's schedule. As at the date of valuation, the cosmetic work to external finishes had been just finished.
10. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB211,708,000.
11. 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. Zhejiang Forte has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Zhejiang Forte is entitled to mortgage the property or pre-sale the construction of the property upon obtaining the Pre-sales Permits; and
 - c. Zhejiang Forte can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
12. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | | | | | | | |
|-------------------------------|--|---|--------------------------|---|-------------|-----------|--------|--------|-------------------------------|----------|----------|----------|--------------|----------|----------------------|---------------|---------------|-------------------------|---|--|
| 52. | Phase 4.2 of Forte Invaluable City No. 1636 Hanghai Road Qiaosi Town Yuhang District Hangzhou City Zhejiang Province The PRC | <p>The property consists of Phase 4.2 of Forte Invaluable City which occupies a parcel of land with a site area of approximately 14,150.3 sq.m.</p> <p>Upon completion, the development will have two 15-storey residential buildings, a 3-storey kindergarten building, underground car parking spaces and a basement with a total gross floor area of approximately 38,178.50 sq.m.</p> <p>As advised by the Group, Phase 4.2 of Forte Invaluable City is scheduled to be completed in December 2011. The details are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>23,660.50</td> </tr> <tr> <td>Retail</td> <td>850.50</td> </tr> <tr> <td>Car parking spaces (134 lots)</td> <td>5,309.74</td> </tr> <tr> <td>Basement</td> <td>4,002.16</td> </tr> <tr> <td>Kindergarten</td> <td>3,508.40</td> </tr> <tr> <td>Ancillary facilities</td> <td><u>847.20</u></td> </tr> <tr> <td>Total:</td> <td><u>38,178.50</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term of 70 years expiring on 17 May 2077 for residential use.</p> | Usage | Planned Gross floor area (sq.m.) | Residential | 23,660.50 | Retail | 850.50 | Car parking spaces (134 lots) | 5,309.74 | Basement | 4,002.16 | Kindergarten | 3,508.40 | Ancillary facilities | <u>847.20</u> | Total: | <u>38,178.50</u> | The property is currently under construction. | 149,229,000 75% interest attributable to the Group: RMB111,922,000 |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | | | | | | | | | |
| Residential | 23,660.50 | | | | | | | | | | | | | | | | | | | |
| Retail | 850.50 | | | | | | | | | | | | | | | | | | | |
| Car parking spaces (134 lots) | 5,309.74 | | | | | | | | | | | | | | | | | | | |
| Basement | 4,002.16 | | | | | | | | | | | | | | | | | | | |
| Kindergarten | 3,508.40 | | | | | | | | | | | | | | | | | | | |
| Ancillary facilities | <u>847.20</u> | | | | | | | | | | | | | | | | | | | |
| Total: | <u>38,178.50</u> | | | | | | | | | | | | | | | | | | | |

Notes:

1. Zhejiang Forte Real Estate Development Co., Ltd. ("Zhejiang Forte") is a 75% interest owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract — Yu Tu He (Mao) Zi [2006] No. 68 entered into between the State-owned Land Resources Administrative Bureau of Hangzhou City, Yuhang Branch and the Company, the land use rights of a parcel of land with a site area of approximately 14,150 sq.m. were contracted to be granted to Forte for a term of 70 years expiring on 17 May 2077 for residential use. The land premium was RMB18,060,000.

3. Pursuant to a State-owned Land Use Rights Certificate — Hang Yu Chu Guo Yong (2007) Zi Di No. 106-1157, the land use rights of a parcel of land, on which the property is situated, with a site area of approximately 14,150.3 sq.m. have been granted to Zhejiang Forte for terms of 70 years expiring on 17 May 2077 for residential use.
4. Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 200901508010 in favour of Zhejiang Forte, the property with a gross floor area of approximately 38,384 sq.m. has been approved for construction.
5. Pursuant to a Construction Work Commencement Permit — No. 330125200912240301 in favour of Zhejiang Forte, permission by the relevant local authority was given to commence the construction work of the property.
6. As advised by the Zhejiang Forte, the total construction cost of the property is estimated to be approximately RMB197,754,000, of which RMB43,971,000, had been paid up to the date of valuation.
7. At the time of our inspection, the construction of the property appeared to be on the developer's schedule. As at the date of valuation, the cosmetic work to external finishes were being under construction.
8. The capital value of the property as if completed as at the date of valuation would be approximately RMB217,021,000.
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. Zhejiang Forte has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Zhejiang Forte is entitled to mortgage the property; and
 - c. Zhejiang Forte can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
10. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | N/A |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|---|--|
| 53. | Phases II and III of Forte International Eastlake (復地東湖國際二、三期) No. 118 Zhongbei Road Wuchang District Wuhan City Hubei Province The PRC | The property consists of Phases II and III of Forte International Eastlake which occupy 2 parcels of land with a total site area of approximately 104,356.62 sq.m. Upon completion, the development will have various residential buildings, commercial buildings and underground car parking spaces with a total gross floor area of approximately 288,949.42 sq.m. | The property is currently under construction. | 1,296,009,000 70% interest attributable to the Group: RMB907,206,000 |

As advised by the Group, Phases II and III of Forte International Eastlake are scheduled to be completed in June 2012 and June 2013 respectively. The details are set out as follows:

| Usage | Planned Gross floor area (sq.m.) |
|----------------------------------|----------------------------------|
| Phase II | |
| Residential | 124,375.44 |
| Retail | 290.40 |
| Car parking spaces (357 lots) | 8,518.80 |
| Ancillary facilities | 18,984.59 |
| Sub-total: | <u>152,169.23</u> |
| Phase III | |
| Residential | 136,780.19 |
| Sub-total: | <u>136,780.19</u> |
| Total: | <u>288,949.42</u> |

The land use rights of the property have been granted for terms with the expiry dates between 18 December 2047 and 30 December 2079 for commercial and residential uses.

Notes:

1. Wuhan Zhongbei Real Estate Development Co., Ltd. ("Wuhan Zhongbei") is a 70% interest owned subsidiary of the Company.
2. Pursuant to 2 State-owned Land Use Rights Grant Contracts dated 19 December 2007 and 31 December 2009 respectively, the land use rights of 2 parcels of land were contracted to be granted to Wuhan Zhongbei for terms of 40 years for commercial use and 70 years for residential use. The total land premium was RMB1,161,062,200.

3. Pursuant to 2 State-owned Land Use Rights Certificates — Wu Guo Yong (2007) Di No. 1003 and Wu Guo Yong, the land use rights of the 2 parcels of land with a total site area of approximately 160,608.77 sq.m., on which the property is situated, have been granted to Wuhan Zhongbei for terms with the expiry dates between 18 December 2047 and 30 December 2079 for commercial and residential uses. As advised by the Wuhan Zhongbei, the property occupies a portion of the aforesaid land with a site area of approximately 104,356.62 sq.m.
4. Pursuant to 2 Construction Work Planning Permits — Wu Gui Jian (2008) No. 394 and Wu Gui Jian (2009) No.310 in favour of Wuhan Zhongbei, Forte International Eastlake Phase II with a total gross floor area of approximately 124,778.66 sq.m. has been approved for construction.
5. Pursuant to a Construction Work Planning Permit — Wu Gui Jian (2011) No. 009 in favour of Wuhan Zhongbei, Forte International Eastlake Phase III with a total gross floor area of approximately 137,334.41 sq.m. has been approved for construction.
6. Pursuant to 2 Construction Work Commencement Permits — Nos. 4201062008101601114014001 and 4201062009031000514014001 in favour of Wuhan Zhongbei, permission by the relevant local authority was given to commence the construction work of Phase II of Forte International Eastlake.
7. Pursuant to 3 Pre-sales Permits in favour of Wuhan Zhongbei, Wuhan Zhongbei is freely entitled to sell Phase II of Forte International Eastlake with a total gross floor area of approximately 124,666.04 sq.m.
8. The Group has not obtained Construction Work Commencement Permit for Phase III of Forte International Eastlake.
9. As advised by the Group, portions of Phase II of Forte International Eastlake comprising a total gross floor area of 78,034.32 sq.m. have been pre-sold to various third parties at a total consideration of RMB910,280,924 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions.
10. As advised by Wuhan Zhongbei, the total construction cost is estimated to be approximately RMB513,593,304.12, of which RMB247,838,989.74 had been paid up to the date of valuation.
11. As at the time of our inspection, the construction of the property appeared to be on the developer's schedule. As at the date of valuation, the main structure of all the buildings of Phase II had been completed and foundation construction of Phase III was being undergoing.
12. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB2,818,673,000.
13. In the valuation of this property, we have attributed no commercial value to the development of Phase III of Forte International Eastlake (excluding the land) which has not obtained Construction Work Commencement Permit. However, for reference purpose, we are of the opinion that the depreciated replacement cost of the construction of Phase III of Forte International Eastlake (excluding the land) as at the date of valuation would be RMB12,256,000 assuming all relevant title certificates have been obtained and the property could be freely transferred.
14. 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. Wuhan Zhongbei has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of Phase II of Forte International Eastlake of the property and legally owns the land use rights and the construction in progress of Phase II of Forte International Eastlake of the property;

- b. Wuhan Zhongbei is entitled to mortgage the property or pre-sale the construction of the property upon obtaining the Pre-sales Permits;
 - c. Wuhan Zhongbei has obtained the Land Use Rights Certificate of Phase III of Forte International Eastlake and will legally own the construction in progress of Phase III of Forte International Eastlake after obtaining the Construction Work Commencement Permit; and
 - d. Wuhan Zhongbei can transfer the property after obtaining the Construction Work Commencement Permit of the construction of Phase III of Forte International Eastlake, the investment has been completed over 25% and upon the approval from the relevant authorities.
15. A summary of major certificates/approvals is shown as follows:
- a. State-owned Land Use Rights Certificate Yes
 - b. Construction Land Planning Permit Yes
 - c. Construction Work Planning Permit Portion
 - d. Construction Work Commencement Permit Portion
 - e. Pre-sales Permit Portion
 - f. Construction Work Completion and Inspection Certificate/Table N/A

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | | | |
|----------------------------------|---|--|--------------------------|---|-------------|-----------|--------|----------|----------------------------------|---------|----------------------|-----------------|---------------|-------------------------|---|--|
| 54. | Phase II of Forte Youshang International (復地優尚國際二期) located at Yuhua Town Yanta District Xi'an City Shanxi Province The PRC | <p>The property consists of Phase II of Forte Youshang International which occupies a parcel of land with a site area of approximately 27,382.4 sq.m.</p> <p>Upon completion, the property will comprise 4 residential buildings, a kindergarten, a commercial building, 464 underground car parking spaces and ancillary facilities with a total gross floor area of approximately 94,124.06 sq.m.</p> <p>As advised by the Group, the property is scheduled to be completed in December 2011. The details of the property are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>77,516.00</td> </tr> <tr> <td>Retail</td> <td>1,513.57</td> </tr> <tr> <td>Car parking spaces (464 lots)</td> <td>8,903.3</td> </tr> <tr> <td>Ancillary facilities</td> <td><u>6,191.19</u></td> </tr> <tr> <td>Total:</td> <td><u>94,124.06</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term expiring on 29 April 2075 for residential use.</p> | Usage | Planned Gross floor area (sq.m.) | Residential | 77,516.00 | Retail | 1,513.57 | Car parking spaces (464 lots) | 8,903.3 | Ancillary facilities | <u>6,191.19</u> | Total: | <u>94,124.06</u> | The property is currently under construction. | 131,544,000 95% interest attributable to the Group: RMB124,967,000 |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | | | | | |
| Residential | 77,516.00 | | | | | | | | | | | | | | | |
| Retail | 1,513.57 | | | | | | | | | | | | | | | |
| Car parking spaces (464 lots) | 8,903.3 | | | | | | | | | | | | | | | |
| Ancillary facilities | <u>6,191.19</u> | | | | | | | | | | | | | | | |
| Total: | <u>94,124.06</u> | | | | | | | | | | | | | | | |

Notes:

1. Xi'an Sanxin Real Estate Development Co., Ltd. ("Xi'an Sanxin") is a 95% interest owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract — No. GF-2000-2601 dated 30 April 2005 entered into between Xi'an Sanxin and Xi'an State-owned Land Resources Administrative Bureau, the land use rights of Forte Youshang International with a site area of approximately 62,802 sq.m. were contracted to be granted to Xi'an Sanxin, for a term of 70 years expiring on 29 April 2075 for residential use. The land premium was RMB4,239,135.00. As advised by Xi'an Sanxin, the land premium had been fully paid up to the date of valuation.
3. Pursuant to a State-owned Land Use Rights Certificate — Xi Yan Guo Yong (2005 Chu) Di No. 567, the land use rights of Phase II of Forte Youshang International with a site area of approximately 27,382.4 sq.m. have been granted to Xi'an Sanxin for a term of 70 years expiring on 29 April 2075 for residential use.

4. Pursuant to a Construction Work Planning Permit — Gao Xin Gui Jian Zi Di No. 2009-137 in favour of Xi'an Sanxin, 6 buildings and ancillary facilities with a total gross floor area of approximately 94,125.23 sq.m. have been approved for construction.
5. Pursuant to 2 Construction Work Commencement Permits — Gao Xin 2009-105 and 106 in favour of Xi'an Sanxin, permissions by the relevant local authority was given to commence the construction work of the 6 buildings and ancillary facilities stated in note 4.
6. Pursuant to a Pre-sales Permit, Xi'an Sanxin is freely entitled to sell 5 buildings (8#, 9#, 10#, 11# and 13#) with a total gross floor area of approximately 81,926 sq.m.
7. Pursuant to a Mortgage Agreement entered into between Xi'an Sanxin and Xi'an Chengbei Sub-branch of China Merchants Bank (the "Bank"), the property is subject to a mortgage as security to guarantee the principal obligation under a financing agreement entered into between the Bank and Xi'an Sanxin for an amount of RMB160,000,000 with the loan term of 2 years expiring on 22 March 2012.
8. As advised by Xi'an Sanxin, the total construction cost is estimated to be approximately RMB218,598,700, of which RMB87,732,045 had been paid up to the date of valuation.
9. As the time of our inspection, the construction of the property appeared to be on scheduled with the developer's schedule. As at the date of valuation, the main structure of 4 residential buildings and the kindergarten had been completed while the structure construction of the commercial building had not been commenced.
10. The capital value of the property as if completed as at the date of valuation would be approximately RMB511,577,000.
11. 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. Xi'an Sanxin has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Xi'an Sanxin is entitled to pre-sale the construction of the property upon obtaining the Pre-sales Permits;
 - c. Xi'an Sanxin can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities; and
 - d. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.
12. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Yes |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|---|--|
| 55. | Phases I and II of Yong Lake Bay (雍湖灣) No. 80 Shenghua South Road Hi-tech Area Chengdu City Sichun Province The PRC | <p>The property consists of Phases I and II of Yong Lake Bay which occupy a parcel of land with a site area of approximately 63,880.17 sq.m.</p> <p>Upon completion, the property will have a total gross floor area of approximately 309,544.46 sq.m., in which, Phase I of Yong Lake Bay will comprise 4 high-rise residential buildings, an apartment building and 64 duplex houses with retail units, underground car parking spaces and ancillary facilities, and Phase II of Yong Lake Bay will comprise 3 high-rise residential buildings, 24 semi-detached houses and 96 duplex houses with retail units, underground car parking spaces and ancillary facilities.</p> <p>As advised by the Group, Phases I and II of Yong Lake Bay are scheduled to be completed in May 2012 and June 2013 respectively. The details are set out as follows:</p> | The property is currently under construction. | <p>1,224,805,000</p> <p>80% interest attributable to the Group: RMB979,844,000</p> |
| | | <p>Usage</p> <p style="text-align: right;">Planned Gross floor area (sq.m.)</p> <p>Phase I</p> <p>High-rise residential 71,084.73</p> <p>Apartment 31,174.78</p> <p>Duplex house 13,210.68</p> <p>Retail 4,217.54</p> <p>Car parking spaces (1112 lots) 24,160.66</p> <p>Ancillary facilities 2,337.28</p> <p>Sub-total: 146,185.67</p> <p>Phase II</p> <p>High-rise residential 80,323.86</p> <p>Semi-detached house 6,571.2</p> <p>Duplex house 20,154.24</p> <p>Retail 1,804.0</p> <p>Car parking spaces 33,598.59</p> <p>Car parking spaces (bomb shelter) 19,404</p> <p>Ancillary facilities 1,502.9</p> <p>Sub-total: 163,358.79</p> <p>Total: 309,544.46</p> | | |
| | | <p>The land use rights of the property have been granted for terms expiring on 2 September 2049 and 2 September 2079 respectively for commercial and residential uses.</p> | | |

Notes:

1. Chengdu Shangjin Property Co., Ltd. (“Chengdu Shangjin”) is an 80% interest owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 1 September 2009 entered into between Chengdu Shangjin and Chengdu State-owned Land Resources Administrative Bureau, the land use rights of a parcel of land of Yong Lake Bay with a site area of approximately 63,880.17 sq.m. were contracted to be granted to Chengdu Shangjin for terms of 70 for residential use and 40 years for commercial use. The consideration was RMB383,281.
3. Pursuant to a State-owned Land Use Rights Certificate — Cheng Gao Guo Yong (2010) Di No. 2058, the land use rights of a parcel of land have been granted to Chengdu Shangjin for terms with the expiry dates between 2 September 2049 and 2 September 2079 for commercial and residential uses.
4. Pursuant to 2 Construction Work Planning Permits — Jian Zi Di Nos. 510122201039047 and 510107201039166 in favor of Chengdu Shangjin, Phases I and II of Yong Lake Bay with a total gross floor area of approximately 309,730.4 sq.m. have been approved for construction.
5. Pursuant to 4 Construction Work Commencement Permits — CGGJ(2010)-J055, CGGJ(2010)-J079, CGGJ(2010)-J080 and CGGJ(2010)-J084 in favor of Chengdu Shangjin, permissions have been given to commence the construction work of Phase I of Yong Lake Bay and basement work of Phase II of Yong Lake Bay.
6. Pursuant to 4 Pre-sales Permits, Chengdu Shangjin is freely entitled to sell residential and retail portions of Phase I of Yong Lake Bay with a total gross floor area of approximately 119,687.73 sq.m.
7. As advised by the Group, portions of the property with a total gross floor area of 88,711.76 sq.m. were contracted to be sold at a consideration of RMB808,529,203 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions.
8. Pursuant to a Mortgage Contract, the land use rights of the property are subject to a mortgage in favor of Chengdu Guanghua Branch of Agriculture Bank of China (the “Bank”) as security to guarantee the principal obligation under a financing agreement entered into between the Bank and Chengdu Shangjin for an amount of RMB500,000,000 with the loan term of 3 years from 2 June 2010.
9. As advised by Chengdu Shangjin, the total construction cost of the property is estimated to be approximately RMB1,416,579,000, of which RMB245,735,000 had been paid up to the date of valuation.
10. As at the time of our inspection, the construction of Phase I of the property appeared to be on the developer’s schedule. As at the date of valuation, the main structure of the 4 residential buildings and the apartment building of Phase I was almost completed, the main structure of 64 duplex houses of Phase I had been completed, and the foundation construction of Phase II was being undergoing.
11. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB2,409,571,000.
12. 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. Chengdu Shangjin has obtained the State-owned Land Use Rights Certificate and the relevant requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Chengdu Shangjin is entitled to pre-sale the construction of the property upon obtaining the Pre-sales Permits;
 - c. Chengdu Shangjin can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities; and

- d. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.

13. A summary of major certificates/approvals is shown as follows:

- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sale Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | | | |
|----------------------|--|---|--------------------------|---|--------|------------|--------|-----------|--------------------|-----------|----------------------|-----------------|---------------|--------------------------|---|---|
| 56. | Forte International City (復城國際) located at the west of Yizhou Road, south of Desai Er Street and east of Shenghua South Road Hi-tech Area Chengdu City Sichun Province The PRC | <p>The property consists of Forte International City which occupies a parcel of land with a site area of approximately 39,250.87 sq.m.</p> <p>As advised by the Group, Forte International City is scheduled to be completed in December 2013. Upon completion, the property will have various office and retail buildings with a total gross floor area of approximately 326,726.84 sq.m. The details are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>161,200.00</td> </tr> <tr> <td>Retail</td> <td>72,000.00</td> </tr> <tr> <td>Underground spaces</td> <td>92,376.84</td> </tr> <tr> <td>Ancillary facilities</td> <td><u>1,150.00</u></td> </tr> <tr> <td>Total:</td> <td><u>326,726.84</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term expiring on 2 July 2048 for commercial use.</p> | Usage | Planned Gross floor area (sq.m.) | Office | 161,200.00 | Retail | 72,000.00 | Underground spaces | 92,376.84 | Ancillary facilities | <u>1,150.00</u> | Total: | <u>326,726.84</u> | The property is currently under construction. | 252,267,000 100% interest attributable to the Group: RMB252,267,000 |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | | | | | |
| Office | 161,200.00 | | | | | | | | | | | | | | | |
| Retail | 72,000.00 | | | | | | | | | | | | | | | |
| Underground spaces | 92,376.84 | | | | | | | | | | | | | | | |
| Ancillary facilities | <u>1,150.00</u> | | | | | | | | | | | | | | | |
| Total: | <u>326,726.84</u> | | | | | | | | | | | | | | | |

Notes:

1. Chengdu Forte Property Co., Ltd. ("Chengdu Forte") is a wholly owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 2 July 2008 entered into between Chengdu Forte and Chengdu State-owned Land Resources Administrative Bureau, the land use rights of a parcel of land of Forte International City with a site area of approximately 39,250.87 sq.m. were contracted to be granted to Chengdu Forte for a term of 40 years for commercial use. The consideration was RMB153,078,380 and advised by Chengdu Forte, the consideration had been fully paid up to the date of valuation and a late fee of RMB279,980 had also been asked.
3. Pursuant to a State-owned Land Use Rights Certificate — Cheng Gao Guo Yong (2009) Di No. 6957, the land use rights of the parcel of land have been granted to Chengdu Forte for a term expiring on 2 July 2048 for commercial use.
4. Pursuant to 3 Construction Work Planning Permits — Jian Zi Di Jian Nos. 510122201039179, 510122201039182 and 510122201039183 in favor of Chengdu Forte, Forte International City with a total gross floor area of approximately 326,726.84 sq.m. has been approved for construction.

5. Pursuant to 2 Construction Work Commencement Permits — CGGJ(2010)-J220 and CGGJ(2010)- J247 in favor of Chengdu Forte, permissions have been given to commence the construction work of Forte International City.
6. As advised by Chengdu Forte, the total construction cost of the property is estimated to be approximately RMB1,454,283,188, of which RMB27,436,745 had been paid up to the date of valuation.
7. At the time of our inspection, the construction of the property appeared to be on the developer's schedule. As at the date of valuation, the foundation construction of the property was being undergoing.
8. The capital value of the property as if completed as at the date of valuation would be approximately RMB2,068,937,000.
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. Chengdu Forte has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Chengdu Forte is entitled to mortgage the property or pre-sale the construction of the property upon obtaining the Pre-sales Permits; and
 - c. Chengdu Forte can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
10. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | N/A |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | | | | | | | | | |
|----------------------|---|--|--------------------------|---|-------------|-----------|----------------------|----------|----------|------------------|---------------|--------------------------|----------|----------------------------------|-------------|------------|----------|------------------|---------------|--------------------------|---|--|
| 57. | Phase I and II of Windsor Villa located at the western side of Center Road and the northern side of Xiqi Road Airport Economic Zone Tianjin The PRC | <p>The property consists of Phase I and II of Windsor Villa which occupy 2 parcels of land with a total site area of approximately 242,233.97 sq.m.</p> <p>As advised by the Group, Phases I and II of Windsor Villa are scheduled to be completed in November 2012. Upon completion, the property will have various residential and ancillary buildings with a total gross floor area of approximately 345,251.26 sq.m. The details are set out as follows:</p> <table border="1"> <thead> <tr> <th>Phase I</th> <th>Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>86,075.30</td> </tr> <tr> <td>Ancillary facilities</td> <td>4,399.50</td> </tr> <tr> <td>Basement</td> <td><u>62,707.90</u></td> </tr> <tr> <td>Total:</td> <td><u>153,182.70</u></td> </tr> <tr> <th>Phase II</th> <th>Planned Gross floor area (sq.m.)</th> </tr> <tr> <td>Residential</td> <td>110,412.98</td> </tr> <tr> <td>Basement</td> <td><u>81,655.58</u></td> </tr> <tr> <td>Total:</td> <td><u>192,068.56</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term of 70 years expiring on July 2079 for residential use.</p> | Phase I | Planned Gross floor area (sq.m.) | Residential | 86,075.30 | Ancillary facilities | 4,399.50 | Basement | <u>62,707.90</u> | Total: | <u>153,182.70</u> | Phase II | Planned Gross floor area (sq.m.) | Residential | 110,412.98 | Basement | <u>81,655.58</u> | Total: | <u>192,068.56</u> | The property is currently under construction. | 509,108,000 70% interest attributable to the Group: RMB356,376,000 |
| Phase I | Planned Gross floor area (sq.m.) | | | | | | | | | | | | | | | | | | | | | |
| Residential | 86,075.30 | | | | | | | | | | | | | | | | | | | | | |
| Ancillary facilities | 4,399.50 | | | | | | | | | | | | | | | | | | | | | |
| Basement | <u>62,707.90</u> | | | | | | | | | | | | | | | | | | | | | |
| Total: | <u>153,182.70</u> | | | | | | | | | | | | | | | | | | | | | |
| Phase II | Planned Gross floor area (sq.m.) | | | | | | | | | | | | | | | | | | | | | |
| Residential | 110,412.98 | | | | | | | | | | | | | | | | | | | | | |
| Basement | <u>81,655.58</u> | | | | | | | | | | | | | | | | | | | | | |
| Total: | <u>192,068.56</u> | | | | | | | | | | | | | | | | | | | | | |

Notes:

1. Tianjin Shengang Property Development Co., Ltd. ("Tianjin Shengang") is a 70% interest owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 22 July 2009, the land use rights of a parcel of land with a site area of approximately 265,532.50 sq.m. were contracted to be granted to Tianjin Shengang for a term expiring on 21 July 2079 for residential use. The land premium was RMB292,100,000. It includes the land of the property and property no. 83.
3. Pursuant to 2 Real Estate Title Certificates — Fang Di Zheng Jin Zi Di Nos. 115051000055 and 115051000136, the land use rights of 2 parcels of land with a total site area of approximately 242,233.97 sq.m. have been granted to Tianjin Shengang for a term of 70 years expiring on 21 July 2079 for residential use.

4. Pursuant to 2 Construction Work Planning Permits — 2010 Bao Shui Jian Zheng Nos. 0043 and 0094 in favour of Tianjin Shengang, the development proposal with a total planned gross floor area of approximately 347,090 sq.m. has been approved.
5. Pursuant to 2 Construction Work Commencement Permits — Nos. 12120021201006047 and 2010-L007 in favour of Tianjin Shengang, permission by the relevant local authority was given to commence the construction of Windsor Villa Phase I.
6. Pursuant to 6 Pre-sale Permits in favour of Tianjin Shengang, Tianjin Shengang is freely entitled to sell portions of Windsor Villa Phase I with a total gross floor area of approximately 93,018.19 sq.m.
7. As advised by Tianjin Shengang, the total construction cost is estimated to be approximately RMB1,489,577,000, of which RMB517,639,000 had been paid as at the date of valuation.
8. At the time of our inspection, the construction of the property appeared to be on the developer's schedule. As at the date of valuation, the superstructure of Phase I was being under construction, and the foundation construction of Phase II was undergoing.
9. Pursuant to a Mortgage Contract entered into between Agricultural Bank of China, Tianjin Hedong Sub-branch (referred to as the "Mortgagee") and Tianjin Shengang (the "Mortgagor"), the property is subject to mortgages in favour of the Mortgagee as security for a loan for a term commencing from 28 July 2010 and expiring on 27 July 2013.
10. The capital value of the property as if completed as at the date of valuation would be approximately RMB2,396,687,000.
11. 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. Tianjin Shengang has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Tianjin Shengang is entitled to pre-sale the construction of the property upon obtaining the Pre-sales Permits;
 - c. Tianjin Shengang can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities; and
 - c. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.
12. A summary of major certificates/approvals is shown as follows:

| | |
|--|---------|
| a. Real Estate Title Certificate (For land only) | Yes |
| b. Construction Land Planning Permit | Yes |
| c. Construction Work Planning Permit | Yes |
| d. Construction Work Commencement Permit | Portion |
| e. Pre-sales Permit | Portion |
| f. Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | | | | | |
|--|---|---|---|---|-------------|--------|------------|--------|-----------|-----|------------------|-------|--|--------|---------------|----------------|--|--|
| 58. | Lot 25 No. 33 Jiefang the western side of Baoshan Road and the eastern side of Gongxing Road (known as Glorious Times) Zhabei District Shanghai The PRC | The property consists of Glorious Times which occupies a parcel of land with a site area of approximately 23,754 sq.m. As advised by the Group, Glorious Times is scheduled to be completed in May 2012. Upon completion, the development will have a total gross floor area of approximately 120,195 sq.m. The details are set out as follows: | The property is currently under construction. | 2,854,354,000 100% interest attributable to the Group: RMB2,854,354,000 | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>75,723</td> </tr> <tr> <td>Commercial</td> <td>13,063</td> </tr> <tr> <td>Ancillary</td> <td>292</td> </tr> <tr> <td>Insulating layer</td> <td>1,398</td> </tr> <tr> <td>Underground car parking spaces (563 lots)</td> <td>29,719</td> </tr> <tr> <td>Total:</td> <td>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 | | |
| 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 | | | | | | | | | | | | | | | | | |
| | | The land use rights of the property have been granted for a term of 70 years expiring on 13 May 2073 for residential use. | | | | | | | | | | | | | | | | |

Notes:

1. Shanghai Dingfen Property Development and Operation Company Limited ("Dingfen Property Company") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract — Hu Fang Di Zha (2003) Chu Rang He Tong Di No. 056 entered into between Shanghai Zhabei District Housing and Land Resources Administrative Bureau dated 14 May 2003, 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, as advised by the Group, was exempted by local governmental authority in accordance with a relevant local urban development regulation.
3. 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.
4. Pursuant to a Construction Work Planning Permit — Hu Zha Jian (2008) No. 08080313F00565 in favour of Dingfen Property Company, 11 buildings and underground car park spaces with a total gross floor area of approximately 120,195 sq.m. have been approved for construction.

5. 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 gross floor area of approximately 120,195 sq.m. from the relevant local authority.
6. Pursuant to 2 Pre-sales Permits — Zha Bei Fang Guan (2010) Yu Zi Nos. 000110 and 0000467, in favour of Dingfen Property Company, Dingfen Property Company is freely entitled to sell a portion of the property with a total gross floor area of approximately 89,846.52 sq.m. to local and overseas purchasers.
7. As advised by Dingfen Property Company, the total construction cost excluding financial cost of Glorious Times is estimated to be approximately RMB1,294,460,000, of which RMB546,490,000 had been paid up to the date of valuation.
8. As advised by the Group, portions of commercial and residential units of the property comprising a total gross floor area of 55,713.64 sq.m. and 241 underground car parking lots have been pre-sold to various third parties at a total consideration of RMB2,156,461,056 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions.
9. At the time of our inspection, the construction of the property appeared to be on the developer's schedule.
10. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB3,280,787,000.
11. 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. Dingfeng Property Company has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Dingfeng Property Company is entitled to mortgage the property or pre-sale the construction of the property upon obtaining the Pre-sales Permits; and
 - c. Dingfeng Property Company can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
12. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|---------|
| a. | Real Estate Title Certificate (for land only) | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | |
|---------------|---|--|---|---|--------|--------|-------------|--------------|---------------|----------------------|--|--|
| 59. | Phase II of Jinshiwang Qiu 172/2 Jiefang 18 Shanyang Town Jinshan District Shanghai The PRC | The property consists of various buildings which occupy a parcel of land with a site area of approximately 34,492 sq.m. As advised by the Group, the development is scheduled to be completed in August 2012. Upon completion, the development will have a total gross floor area of approximately 33,917 sq.m. The details are set out as follows: | The property is currently under construction. | 69,220,000 100% interest attributable to the Group: RMB69,220,000 | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>27,249</td> </tr> <tr> <td>Underground</td> <td><u>6,668</u></td> </tr> <tr> <td>Total:</td> <td><u>33,917</u></td> </tr> </tbody> </table> | Usage | Gross Floor Area (sq.m.) | Office | 27,249 | Underground | <u>6,668</u> | Total: | <u>33,917</u> | | |
| Usage | Gross Floor Area (sq.m.) | | | | | | | | | | | |
| Office | 27,249 | | | | | | | | | | | |
| Underground | <u>6,668</u> | | | | | | | | | | | |
| Total: | <u>33,917</u> | | | | | | | | | | | |
| | | The land use rights of the property have been granted for terms of 40 years expiring on 22 October 2049 for commercial use and 50 years expiring on 22 October 2059 for office use. | | | | | | | | | | |

Notes:

- Shanghai Pu Hui Investment Service Company Limited ("Shanghai Pu Hui") is a wholly-owned subsidiary of the Company.
- Pursuant to a Real Estate Title Certificate — Hu Fang Di Jin Zi (2010) No. 002668 dated 22 February 2010, the land use rights of with a site area of approximately 34,492 sq.m. have been granted to Shanghai Pu Hui for terms of 40 years expiring on 22 October 2049 for retail use and 50 years expiring on 22 October 2059 for office use.
- Pursuant to a Construction Land Planning Permit — Hu Jin Di (2010) No. EA31011620100975 in favour of Shanghai Pu Hui, permission towards the planning of the subject land with a site area of approximately 34492 sq.m. has be granted to Shanghai Pu Hui Investment Service Company Limited.
- Pursuant to a Construction Work Planning Permit — Hu Jin Jian (2010) No. FA31011620102325 in favour of Shanghai Pu Hui, the property with a total gross floor area of approximately 35,543.24 sq.m. has been approved for construction.
- Pursuant to a Construction Work Commencement Permit — 1002JS0070D01 310116201004010501 in favour of Shanghai Pu Hui, permission by the relevant local authority was given to commence the construction work.
- As advised by the Group, the total construction cost excluding financial cost of the development is estimated to be approximately RMB202,420,000, of which RMB20,390,000 has been paid up to the date of valuation.
- At the time of our inspection, the construction of the property appeared to be on the developer's schedule.

8. The capital value of the property as if completed as at the date of valuation would be approximately RMB240,336,000.
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. Shanghai Pu Hui has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Shanghai Pu Hui is entitled to mortgage the property; and
 - c. Shanghai Pu Hui can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
10. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | Real Estate Title Certificate (for land only) | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | N/A |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 <i>RMB</i> | | | | | | | | | | | | | | | | | | | | | | |
|---------------|---|---|--------------------------|--|-------------|-----------|------------|-----------------|---------------|-------------------------|----------|----------------------------------|-------------|-------------------|---------------|--------------------------|-----------|----------------------------------|-------------|-----------|------------|------------------|---------------|--------------------------|---|--|
| 60. | 3 parcels of land and various buildings under construction No. 100 Dongjing Village Xiaguan District Nanjing City Jiangsu Province The PRC | <p>The property consists of 8 buildings and various structures which occupies 3 parcels of land with a total site area of approximately 176,754.80 sq.m.</p> <p>As advised by the Group, the total development is divided into three Phases. The 8 buildings and various structures being constructed belong to Phase I and are scheduled to be completed in 2011 while Phases II and III are yet to be planned. Upon completion, the development (Phase I) will have a gross floor area of approximately 71,645.95 sq.m.. The details are set out as follows:</p> <table style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Phase I</th> <th style="text-align: right;">Planned Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">67,226.58</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;"><u>4,419.37</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>71,645.95</u></td> </tr> </tbody> </table> <p>Currently, only Phase I is under progress. The planned gross floor areas for respective uses of Phases II and III are as follows:</p> <table style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Phase II</th> <th style="text-align: right;">Planned Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;"><u>106,898.72</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>106,898.72</u></td> </tr> </tbody> </table> <table style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Phase III</th> <th style="text-align: right;">Planned Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">90,765.50</td> </tr> <tr> <td>Commercial</td> <td style="text-align: right;"><u>31,087.59</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>121,853.09</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term of 40 and 70 years respectively with the expiry dates between 25 August 2059 and 25 August 2079 for commercial and residential uses.</p> | Phase I | Planned Gross Floor Area (sq.m.) | Residential | 67,226.58 | Commercial | <u>4,419.37</u> | Total: | <u>71,645.95</u> | Phase II | Planned Gross Floor Area (sq.m.) | Residential | <u>106,898.72</u> | Total: | <u>106,898.72</u> | Phase III | Planned Gross Floor Area (sq.m.) | Residential | 90,765.50 | Commercial | <u>31,087.59</u> | Total: | <u>121,853.09</u> | The property is currently under construction. | 2,545,264,000 90% interest attributable to the Group: RMB2,290,738,000 |
| Phase I | Planned Gross Floor Area (sq.m.) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential | 67,226.58 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Commercial | <u>4,419.37</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total: | <u>71,645.95</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
| Phase II | Planned Gross Floor Area (sq.m.) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential | <u>106,898.72</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total: | <u>106,898.72</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
| Phase III | Planned Gross Floor Area (sq.m.) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential | 90,765.50 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Commercial | <u>31,087.59</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total: | <u>121,853.09</u> | | | | | | | | | | | | | | | | | | | | | | | | | |

Notes:

1. Nanjing Runchang Real Estate Development Co., Ltd. (“Nanjing Runchang”) is a 90% interest owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 4 August 2008, the land use rights of the property were contracted to be granted to Jiangyin Lichang Real Estate Development Co., Ltd. (江陰利昌房地產開發有限公司) for terms expiring on 25 August 2059 and 25 August 2079 for commercial and residential uses respectively. The total land premium was RMB1,750,000,000.
3. Pursuant to an official approval document issued by Nanjing State-owned Land Resources Bureau dated 27 August 2009, Nanjing government has approved the grantee of the said land use rights from, Jiangyin Lichang Real Estate Development Co., Ltd. to Nanjing Runchang.
4. Pursuant to 3 State-owned Land Use Rights Certificates - Ning Xia Guo Yong (2010) Nos. 03034, 03036 and 04810, the land use rights of the 3 parcels of land with a total site area of approximately 176,754.8 sq.m. have been granted to Nanjing Runchang for a term of 40 and 70 years respectively with the expiry dates between 25 August 2049 and 25 August 2079 for commercial and residential uses.
5. Pursuant to 3 Construction Work Planning Permits — Jian Zi Di Nos. 320107201011210, 320107201018121 and 320107201011223 in favour of Nanjing Runchang, portion of the property with a total gross floor area of approximately 92,812.9 sq.m. have been approved for construction.
6. Pursuant to 3 Construction Work Commencement Permits — Ning Jian Ji Xu (2010) Nos. 250, 273 and 307 Hao in favour of Nanjing Runchang, permission by the relevant local authority was given to commence the construction work.
7. Pursuant to 2 Pre-sales Permits in favour of Nanjing Runchang, Nanjing Runchang is freely entitled to sell portions of the development (the residential and car parking spaces).
8. As advised by the Group, portions of the property comprising a total gross floor area of 31,502.4 sq.m. have been pre-sold to various third parties at a total consideration of RMB520,638,193 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions.
9. As advised by the Group, the total investment cost of Phase I is estimated to be approximately RMB879,539,989.4, of which RMB574,635,425.1 had been paid as at the date of valuation.
10. At the time of our inspection, the construction of the property appeared to be on the developer’s schedule. As at the date of valuation, the superstructure of Phase I was undergoing, Phase II was a cleared site ready for foundation work and Phase III was a bare site.
11. Pursuant to 3 Mortgage Contracts entered into between Agricultural Bank of China, Nanjing Xinjiekou Sub-branch (refereed to as the “Mortgagee”) and Nanjing Runchang (the “Mortgagor”), portion of the property is subject to mortgages in favour of the Mortgagee as security for a loan for a term expiring on 15 August 2013.
12. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB4,849,424,000.

13. 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. Nanjing Runchang has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Nanjing Runchang is entitled pre-sale the construction of the property upon obtaining the Pre-sales Permits;
 - c. Nanjing Runchang can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities; and
 - d. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.
14. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Portion |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sales Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | |
|---------------|---|--|--------------------------|---|-------------|-----------|--------|------------------|---------------|-------------------------|---|---|
| 61. | A parcel of land and various buildings under construction No. 88 Focheng West Road Jiangning District Nanjing City Jiangsu Province The PRC | <p>The property consists of 121 villas and various retail spaces and ancillary facilities which occupy a parcel of land with a site area of approximately 153,828.2 sq.m.</p> <p>Upon completion, the property will have a total gross floor area of approximately 82,476.87 sq.m.</p> <p>As advised by the Group, the development is scheduled to be completed in 2011. The details are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>72,070.75</td> </tr> <tr> <td>Retail</td> <td><u>10,406.12</u></td> </tr> <tr> <td>Total:</td> <td><u>82,476.87</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms of 40 and 70 years respectively with the expiry dates between 11 November 2051 and 11 November 2071 for residential and cultural facilities uses.</p> | Usage | Planned Gross floor area (sq.m.) | Residential | 72,070.75 | Retail | <u>10,406.12</u> | Total: | <u>82,476.87</u> | The property is currently under construction. | 520,971,000 100% interest attributable to the Group: RMB520,971,000 |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | |
| Residential | 72,070.75 | | | | | | | | | | | |
| Retail | <u>10,406.12</u> | | | | | | | | | | | |
| Total: | <u>82,476.87</u> | | | | | | | | | | | |

Notes:

- Jiangsu Shengtang Artist Investment Co., Ltd. ("Jiangsu Shengtang") is a wholly-owned subsidiary of the Company.
- Pursuant to a State-owned Land Use Rights Grant Contract dated 20 November 2002, the land use rights of the property with a site area of approximately 153,828.20 sq.m. were contracted to be granted to Jiangsu Shengtang for residential and cultural facilities uses.
- Pursuant to a State-owned Land Use Rights Certificate — Jiang Ning Guo Yong (2010) No. 14830, the land use rights of a parcel of land with a site area of approximately 153,828.20 sq.m. have been granted to Jiangsu Shengtang for terms of 40 and 70 years with the expiry dates on 11 November 2051 and 11 November 2071 for residential and cultural uses.
- Pursuant to 5 Construction Work Planning Permits — Jian Zi Di Nos. 1389, 1056, 1143, 1347 and 1129 in favour of Jiangsu Shengtang, 121 villas with a total gross floor area of approximately 67,349.65 sq.m. have been approved for construction.
- Pursuant to 6 Construction Work Commencement Permits — Jian Shi Nos. 3201152009081700002A, 3201152010041900001A, 3201152010122400002A, 3201152009120400003A, 3201152010081300001A and 3201152010093000003A in favour of Jiangsu Shengtang, permission by the relevant local authority was given to commence the construction work.

6. Pursuant to 7 Pre-sales Permits in favour of Jiangsu Shengtang, Jiangsu Shengtang is freely entitled to sell 59 villas of the property.
7. As advised by the Group, 36 villas of the property with a total gross floor area of 33,716.74 sq.m. have been pre-sold to various third parties at a total consideration of RMB283,757,794 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions.
8. As advised by the Group, the total investment cost of the development is estimated to be approximately RMB658,690,000, of which RMB256,060,000 had been paid as at the date of valuation.
9. At the time of our inspection, the construction of the property appeared to be on the developer's schedule. As at the date of valuation, the superstructure of 59 villas and the retail spaces had been completed while the foundation work of the remaining buildings was undergoing.
10. Pursuant to 8 Mortgage Contracts entered into between Agricultural Bank of China, Nanjing Xinjiekou Sub-branch (referred to as the "Mortgagee") and Jiangsu Shengtang (the "Mortgagor"), portion of the property is subject to mortgages in favour of the Mortgagee as security for a loan for terms with the expiry date between 29 November 2011 and 30 June 2012.
11. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB732,545,000.
12. 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. Jiangsu Shengtang has obtained the State-owned Land Use Rights Certificate and the relevant requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Jiangsu Shengtang is entitled to pre-sale the construction of the property upon obtaining the Pre-sales Permits;
 - c. Jiangsu Shengtang can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities; and
 - d. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.
13. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | |
|--------------------|---|--|--------------------------|---|-------------|------------|--------------------|-------------------|---------------|--------------------------|---|---|
| 62. | Fu Cheng International (復城國際) located at the Composite Market Fuchun Jiedao Fuyang City Zhejiang Province The PRC | <p>The property comprises various buildings of Fu Cheng International which occupy 3 parcels of land with a total site area of approximately 93,674 sq.m.</p> <p>As advised by the Group, the property is scheduled to be completed in December 2013. Upon completion, the development will have a total gross floor area of approximately 304,139.22 sq.m. and the details are set out as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Planned Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>104,706.43</td> </tr> <tr> <td>Commercial & Hotel</td> <td><u>199,432.79</u></td> </tr> <tr> <td>Total:</td> <td><u>304,139.22</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms of 70 and 40 years with the expiry dates on 7 May 2079 and 9 July 2049 for residential and commercial uses.</p> | Usage | Planned Gross Floor Area (sq.m.) | Residential | 104,706.43 | Commercial & Hotel | <u>199,432.79</u> | Total: | <u>304,139.22</u> | The property is currently under construction. | <p>636,693,000</p> <p>50% interest attributable to the Group: 318,347,000</p> |
| Usage | Planned Gross Floor Area (sq.m.) | | | | | | | | | | | |
| Residential | 104,706.43 | | | | | | | | | | | |
| Commercial & Hotel | <u>199,432.79</u> | | | | | | | | | | | |
| Total: | <u>304,139.22</u> | | | | | | | | | | | |

Notes:

1. Fuyang Furun Real Estate Development Co., Ltd. ("Fuyang Furun") is a 50% interest jointly-owned enterprise of the Company.
2. Pursuant to 2 State-owned Land Use Rights Grant Contracts — Fu Tu Chu He (2007) Nos. 233 and 234, the land use rights of 2 parcels of land with a total site area of approximately 93,674 sq.m. were contracted to be granted to the Group for terms of 70 and 40 years for residential and commercial uses. The total land premium was RMB323,220,000.
3. Pursuant to 3 State-owned Land Use Rights Certificates — Fu Guo Yong (2009) Di Nos. 009426, 009427 and 005435, the land use rights of 3 parcels of land with a total site area of approximately 93,674 sq.m. have been granted to Fuyang Furun for terms of 70 and 40 years with the expiry dates on 7 May 2079 and 9 July 2049 for residential and commercial uses.
4. Pursuant to 2 Construction Work Planning Permits — Jian Zi Di Nos. 330183201000061 and 330183201000105, in favour of Fuyang Furun, the development with a total gross floor area of approximately 304,087.94 sq.m. have been approved for construction.
5. Pursuant to 5 Construction Work Commencement Permits in favour of Fuyang Furun, permission by the relevant local authority was given to commence the construction work.

6. Pursuant to 4 Pre-sales Permits in favour of Fuyang Furun, Fuyang Furun is freely entitled to sell the development with a total gross floor area of approximately 61,525.12 sq.m.
7. As advised by the Company, portions of the property with a total gross floor area of 59,550.3 sq.m. have been pre-sold to various third parties at a total consideration of RMB677,212,914 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the capital value of the property, we have taken into account the contracted prices of such portions.
8. As advised by the Group, the total construction cost is estimated to be approximately RMB1,977,612,500, of which RMB174,263,381.93 had been paid up to the date of valuation.
9. At the time of our inspection, the construction of the property appeared to be on the developer's schedule.
10. Pursuant to a Mortgage Contract entered into between Agricultural Bank of China, Fuyang Sub-branch (refereed to as the "Mortgagee") and Fuyang Furun (the "Mortgagor"), the land use rights of a parcel of land of the property with a site area of 33,718 sq.m. are subject to mortgages in favour of the Mortgagee as security for a loan of RMB150,000,000 for a term commencing from 21 December 2009 and expiring on 20 December 2012.
11. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB2,655,506,000.
12. 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. Fuyang Furun has obtained the State-owned Land Use Rights Certificate and the relevant requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Fuyang Furun is entitled to pre-sale the construction of the property upon obtaining the Pre-sales Permits;
 - c. Fuyang Furun can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities; and
 - d. The property is subject to mortgages and the transfer of the property shall be subject to the prior consent from the Mortgagee or notifying the Mortgagee and using the transferring proceeds to prior pay off the obligations of the mortgages.
13. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|--------------------------|---|----------------|--|--------|--------|-------------|-------|----------------|--|--------|--------|-------------|--------|----------------|--|--------|--------|-------------|--------|----------------|--|--------|--------|-------------|--------------|---------------|-----------------------|---|--|
| 63. | Shanghai International Steel Service Center Phase II (上海國際鋼鐵服務業中心二期) No. 1538 Youyi Road Baoshan District Shanghai The PRC | <p>Upon completion, Shanghai International Steel Service Center Phase II will comprise the following four parts occupying 4 parcels of land with a total site area of approximately 90,576 sq.m.</p> <p>Part A: Part A consists of two 8-storey buildings, two 6-storey buildings and two 5-storey buildings together having a total planned gross floor area of approximately 21,142 sq.m.</p> <p>Part B: Part B consists of an 8-storey building, two 6-storey buildings and twenty-four 3-storey buildings together having a total planned gross floor area of approximately 34,070 sq.m.</p> <p>Part C: Part C consists of eight 6-storey buildings and twenty 3-storey buildings together having a total planned gross floor area of approximately 47,834 sq.m.</p> <p>Part D: Part D consists of nine 3-storey buildings and a 15-storey building together having a total planned gross floor area of approximately 29,995 sq.m.</p> <p>The details of the property are set out as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Planned Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td colspan="2">Part A:</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">16,534</td> </tr> <tr> <td>Underground</td> <td style="text-align: right;">4,608</td> </tr> <tr> <td colspan="2">Part B:</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">23,091</td> </tr> <tr> <td>Underground</td> <td style="text-align: right;">10,979</td> </tr> <tr> <td colspan="2">Part C:</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">32,952</td> </tr> <tr> <td>Underground</td> <td style="text-align: right;">14,882</td> </tr> <tr> <td colspan="2">Part D:</td> </tr> <tr> <td>Office</td> <td style="text-align: right;">21,852</td> </tr> <tr> <td>Underground</td> <td style="text-align: right;"><u>7,133</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>132,031</u></td> </tr> </tbody> </table> | Usage | Planned Gross Floor Area (sq.m.) | Part A: | | Office | 16,534 | Underground | 4,608 | Part B: | | Office | 23,091 | Underground | 10,979 | Part C: | | Office | 32,952 | Underground | 14,882 | Part D: | | Office | 21,852 | Underground | <u>7,133</u> | Total: | <u>132,031</u> | The property is currently under construction. | 47,100,000 50% interest attributable to the Group: RMB23,550,000 |
| Usage | Planned Gross Floor Area (sq.m.) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part A: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office | 16,534 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underground | 4,608 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part B: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office | 23,091 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underground | 10,979 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part C: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office | 32,952 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underground | 14,882 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Part D: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office | 21,852 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underground | <u>7,133</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total: | <u>132,031</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>The infrastructure of the property is currently under construction and the property is to be fully completed in September 2012.</p> <p>The land use rights of the property have been granted for a term with the expiry date on 29 June 2056 for storage use.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Notes:

For Part A:

1. Pursuant to a State-owned Land Use Rights Certificate — Hu Fang Di Bao Zi (2006) Di No. 028093, the land use rights of a parcel of land with a site area of approximately 42,199 sq.m. have been granted to Shanghai Mushen Zhiye Development Co., Ltd. (“Mushen”), a 50% interest jointly-owned enterprise of the Company for a term expiring on 29 June 2056 for storage use.

As advised by the Group, a portion of the aforesaid land with a site area of approximately 8,684 sq.m. is being developed and occupied by Part A, whilst the remaining portion of this land is vacant and is set out in property no. 75.

2. Pursuant to a Construction Work Planning Permit — Hu Bao Jian (2010)FA31011320102146 in favour of Mushen, the underground portion of Part A with a gross floor area of approximately 4,608 sq.m. has been approved for construction.
3. As advised by Mushen, the total construction cost of Part A of the property is estimated to be approximately RMB57,125,700, of which RMB344,736.55 had been paid up to the date of valuation.
4. The capital value of the Part A of the property as if completed as at the date of valuation would be approximately RMB194,440,000.

For Part B:

5. Pursuant to a State-owned Land Use Rights Certificate — Hu Fang Di Bao Zi (2006) Di No. 028129, the land use rights of a parcel of land, on which Part B is located, with a site area of approximately 34,463 sq.m. have been granted to Shanghai Hugang Zhiye Development Co., Ltd. (“Hugang”), a 50% interest jointly-owned enterprise of the Company for a term expiring on 29 June 2056 for storage use.

6. Pursuant to a Construction Work Planning Permit — Hu Bao Jian (2010) FA31011320101995 in favour of Hugang, the underground portion of Part B with a gross floor area of approximately 10,979 sq.m. has been approved for construction.

Pursuant to a Construction Work Commencement Permit — 0802BS0188D01 310113200809251801 in favour of Hugang, permission by the relevant local authority was given to commence the construction work of the underground portion with a gross floor area of approximately 10,979 sq.m.

7. As advised by Hugang, the total construction cost of Part B of the property is estimated to be approximately RMB117,580,700, of which RMB1,086,998 had been paid up to the date of valuation.
8. The capital value of the Part B of the property as if completed as at the date of valuation would be approximately RMB271,550,000.

For Part C:

9. Pursuant to a State-owned Land Use Rights Certificate — Hu Fang Di Bao Zi (2006) Di No. 028094, the land use rights of a parcel of land, on which Part C is located, with a site area of approximately 31,629 sq.m. have been granted to Shanghai Gangrui Zhiye Development Co., Ltd. (“Gangrui”), a 50% interest jointly-owned enterprise of the Company for a term expiring on 29 June 2056 for storage use.

10. Pursuant to a Construction Work Planning Permit — Hu Bao Jian (2010) FA31011320102005 in favour of Gangrui, the underground portion of Part C with a gross floor area of approximately 14,882 sq.m. has been approved for construction.

Pursuant to a Construction Work Commencement Permit — 0802BS0186D01310113200809251801 in favour of Gangrui, permission by the relevant local authority was given to commence the construction work of the underground portion with a gross floor area of approximately 14,882 sq.m.

11. As advised by Gangrui, the total construction cost of Part C of the property is estimated to be approximately RMB156,936,700, of which RMB1,287,385 had been paid up to the date of valuation.
12. The capital value of the Part C of the property as if completed as at the date of valuation would be approximately RMB387,516,000.

For Part D:

13. Pursuant to a State-owned Land Use Rights Certificate — Hu Fang Di Bao Zi (2006) Di No. 028130, the land use rights of a parcel of land, on which Part D is located, with a site area of approximately 15,800 sq.m. have been granted to Shanghai Tengxing Zhiye Development Co., Ltd. (“Tengxing”), a 50% interest jointly-owned enterprise of the Company for a term expiring on 29 June 2056 for storage use.
14. Pursuant to a Construction Work Planning Permit — Hu Bao Jian (2010) FA31011320101994 in favour of Tengxing, the underground portion of Part D with a gross floor area of approximately 8,143 sq.m. has been approved for construction.

Pursuant to a Construction Work Commencement Permit — 0802BS0187D01310113200809251801 in favour of Tengxing, permission by the relevant local authority was given to commence the construction work of the underground portion with a gross floor area of approximately 7,133 sq.m.

15. As advised by Tengxing, the total construction cost of Part D of the property is estimated to be approximately RMB113,648,700, of which RMB841,477 had been paid up to the date of valuation.
16. The capital value of the Part D of the property as if completed as at the date of valuation would be approximately RMB256,980,000.
17. Pursuant to 3 Mortgage Contracts of Maximum Amount, the land use rights of the land parcels under the 3 State-owned Land Use Rights Certificates — Hu Fang Di Bao Zi (2006) Di Nos. 028129, 028130 and 028094 with a total site area of approximately 81,892 sq.m. are subject to a mortgage in favor of Shanghai Huangpu Sub-branch of Industrial and Commercial Bank of China Limited (the “Mortgagees”) as security to guarantee the principal obligation under 3 financing agreements entered into between the Bank and Hugang, Gangrui, Tengxing for a total amount of RMB190,000,000 with the security term expiring on 17 December 2015.
18. 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. Hugang, Gangrui, Tengxing have obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the Parts B, C and D of the property;
 - b. Mushen has owns the land use rights of Part A of the property and has rights to transfer the land of Part A of the property after the investment has been completed over 25% and upon the approval from the relevant authorities. Mushen will obtain the ownership rights of the construction in progress of Part A of the property after obtaining the Construction Work Commencement Permit;
 - c. Hugang, Gangrui, Tengxing can transfer the Parts B, C and D of the property after the investment has been completed over 25% and upon the approval from the relevant authorities; and
 - d. The property is subject to mortgages and the transfer of Parts B, C and D of the property shall be subject to the prior consent from the Mortgagees or notifying the Mortgagees and using the transferring proceeds to prior pay off the obligations of the mortgages.
19. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Portion |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sales Permit | N/A |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | |
|---------------|---|---|--------------------------|---|-------------|---------|--------|--------------|---------------|-----------------------|---|--|
| 64. | Phase I of Jin Xiu Tian Xia located at the junction of Beichen Avenue and North Third Ring Road Weiyang District Xi'an City Shanxi Province The PRC | <p>The property consists of various buildings of Phase I of Jin Xiu Tian Xia which occupies a parcel of land with a total site area of approximately 144,917 sq.m.</p> <p>Upon completion, Phase I of Jin Xiu Tian Xia will comprise 41 residential buildings with retail units, car parking spaces with civil defense shelter and ancillary facilities.</p> <p>As advised by the Group, Phase I of Jin Xiu Tian Xia is to be completed in February and March 2012. Upon completion, the property will have a total gross floor area of approximately 196,634 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;">Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">194,634</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;"><u>2,000</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>196,634</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms expiring on 18 September 2072 and 19 April 2074 for residential use.</p> | Usage | Planned Gross floor area (sq.m.) | Residential | 194,634 | Retail | <u>2,000</u> | Total: | <u>196,634</u> | The property is currently under construction. | 218,027,000 50% interest attributable to the Group: RMB109,014,000 |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | |
| Residential | 194,634 | | | | | | | | | | | |
| Retail | <u>2,000</u> | | | | | | | | | | | |
| Total: | <u>196,634</u> | | | | | | | | | | | |

Notes:

1. Shanxi Jianqin Real Estate Development Co., Ltd. ("Shanxi Jianqin") is a 50% interest jointly-owned enterprise of the Company.
2. Pursuant to 2 State-owned Land Use Rights Certificates — Xi Wei Guo Yong (2004 Chu) Di Nos. 593 and 876, the land use rights of 2 parcels of land (comprising this property and property no. 76) with a total site area of approximately 1,437,902.1 sq.m. have been granted to Shanxi Jianqin for various terms expiring on 18 September 2072 and 19 April 2074 for residential use.
3. Pursuant to a Construction Work Planning Permit — Chan Ba Gui Jian Zi Di No. 012 in favor of Shanxi Jianqin, Phase I of Jinxiu Tianxia has been approved for construction.
4. Pursuant to 3 Construction Work Commencement Permits — Chan Ba (2010) Nos. 039, 042 and 043 in favor of Shanxi Jianqin, permissions have been given to commence the construction work of the developments mentioned in note 3.
5. Pursuant to a Pre-sales Permit in favour of Shanxi Jianqin, Shanxi Jianqin is freely entitled to sell 24 residential buildings.

6. As advised by the Group, portions of the property with a total gross floor area of 80,515.71 sq.m. were contracted to be sold at a consideration of RMB433,376,842.67 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the market value of the property, we have taken into account of the contracted prices of such portions.
7. As advised by Shanxi Jianqin, the total construction cost of the property is estimated to be approximately RMB480,070,000, of which RMB73,110,000 had been paid up to the date of valuation.
8. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB991,855,000.
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. Shanxi Jianqin has obtained the State-owned Land Use Rights Certificate and the relevant requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Shanxi Jianqin is entitled to mortgage the property or pre-sale the construction of the property upon obtaining the Pre-sales Permits; and
 - c. Shanxi Jianqin can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
10. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificates | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|--|--|
| 65. | Forte Park City (復地公園城邦) No. 99 Zhenghe Avenue Huishan District Wuxi City Jiangsu Province The PRC | The property consists of 18 buildings of Jin Xiu Hua Cheng which occupies 3 parcels of land with a total site area of approximately 117,062.1 sq.m. As advised by the Group, the property is scheduled to be completed in October 2012. Upon completion, the development will have a total gross floor area of approximately 171,917.82 sq.m. The details are set out as follows: | The property is currently under construction | 530,955,000 50% interest attributable to the Group: RMB265,478,000 |
| | | Planned Gross floor | | |
| | | Usage | area (sq.m.) | |
| | | Residential | 143,073.82 | |
| | | Underground car parking spaces | 26,085.00 | |
| | | Ancillary | <u>2,759.00</u> | |
| | | Total: | <u>171,917.82</u> | |
| | | The land use rights of the property have been granted for terms with the expiry date on 11 May 2043 and 11 May 2073 for commercial and residential uses. | | |

Notes:

1. Wuxi Forte Real Estate Development Co., Ltd. ("Wuxi Forte") is a 50% interest jointly-owned enterprise of the Company.
2. Pursuant to 2 State-owned Land Use Rights Certificates — Xi Hui Guo Yong (2004) Di No. 1921 and Xi Hui Guo Yong (2007) Di No. 1212, the land use rights of the property with a site area of approximately 117,062.1 sq.m. have been granted to Wuxi Forte for terms with the expiry date on 11 May 2043 and 11 May 2073 for commercial and residential uses.
3. Pursuant to 3 Construction Work Planning Permits — Jian Zi Di Nos. F-320206201000211, F-320206200800100 and F-320206201000073 in favour of Wuxi Forte, 18 buildings with a total gross floor area of approximately 171,918 sq.m. have been approved for construction.
4. Pursuant to 3 Construction Work Commencement Permits — 3202062010122900001A, 3202062008071000001A and 3202062010053100001A in favour of Wuxi Forte, permission by the relevant local authority was given to commence the construction work.
5. Pursuant to 3 Pre-sales Permits in favour of Wuxi Forte, the Group is freely entitled to sell the portions of development.

6. As advised by the Group, portions of the property with a total gross floor area of 53,965.29 sq.m. were contracted to be sold at a consideration of RMB361,252,875 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the market value of the property, we have taken into account of the contracted prices of such portions.
7. As advised by the Group, the total investment is estimated to be approximately RMB515,614,780, of which RMB128,667,180 had been paid as at the date of valuation.
8. At the time of our inspection, the construction of the property appeared to be on the developer's schedule.
9. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB1,051,593,000.
10. 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. Wuxi Forte has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Wuxi Forte is entitled to mortgage the property or pre-sale the construction of the property upon obtaining the Pre-sales Permits; and
 - c. Wuxi Forte can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
11. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|---|--|
| 66. | 13 parcels of land and various buildings under construction of Jin Xiu Hua Cheng Linjiang Village Taishan Avenue Pukou District Nanjing City Jiangsu Province The PRC | <p>The property consists of various buildings of Jin Xiu Hua Cheng which occupies 13 parcels of land with a total site area of approximately 581,761.1 sq.m.</p> <p>Upon completion, the development will have a total gross floor area of approximately 950,870 sq.m.</p> <p>As advised by the Group, the development is scheduled to be completed in December 2015.</p> <p>The details are set out as follows:</p> | The property is currently under construction. | <p>1,134,152,000</p> <p>41% interest attributable to the Group: RMB465,002,000</p> |
| | | Planned Gross | | |
| | | Usage | floor area (sq.m.) | |
| | | Residential | 832,215 | |
| | | Retail | 71,380 | |
| | | Facility buildings | <u>47,275</u> | |
| | | Total: | <u>950,870</u> | |
| | | <p>The land use rights of the property have been granted for terms with the expiry date between 2 January 2074 and 22 April 2076 for residential use.</p> | | |

Notes:

1. Nanjing Dahua Investment and Development Company Limited ("Nanjing Dahua") is a 41% interest owned associate company of the Company.
2. Pursuant to 13 State-owned Land Use Rights Certificates — Ning Pu Guo Yong 2004 Di Nos. 01484 to 01488, Ning Pu Guo Yong 2005 Di Nos. 00798, 02618, 02619, 03672 to 03674, Ning Pu Guo Yong 2006 Di No. 07447 and Ning Pu Guo Yong 2009 Di No. 18280P, the land use rights of 13 parcels of land, on which the property is situated, have been granted to Nanjing Dahua for terms with the expiry date between 2 January 2074 and 22 April 2076 for residential use.
3. Pursuant to 10 Construction Work Planning Permits in favour of Nanjing Dahua, the property with a gross floor area of approximately 465,621.04 sq.m. has been approved for construction.
4. Pursuant to 8 Construction Work Commencement Permits in favour of Nanjing Dahua, permission by the relevant local authority was given to commence the construction work of the property.
5. Pursuant to a Pre-sales Permit in favour of Nanjing Dahua, Nanjing Dahua is freely entitled to sell the portions of development with a total gross floor area of approximately 55,764 sq.m.

6. As advised by the Group, portions of the property with a total gross floor area of 130,498 sq.m. were contracted to be sold at a consideration of RMB907,560,000 as at the date of valuation but have not been handed over to the purchasers. In arriving at our opinion on the market value of the property, we have taken into account of the contracted prices of such portions.
7. As advised by the Nanjing Dahua, the total construction cost of the property is estimated to be approximately RMB3,328,045,735, of which RMB552,391,122, had been paid up to the date of valuation.
8. At the time of our inspection, the construction of the property appeared to be on the developer's schedule.
9. The capital value of the property as if completed as at the date of valuation, including the total consideration of pre-sold portions, would be approximately RMB6,116,780,000.
10. 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. Nanjing Dahua has obtained the State-owned Land Use Rights Certificate and the requisite construction approvals of the property and legally owns the land use rights and the construction in progress of the property;
 - b. Nanjing Dahua is entitled to mortgage the property or pre-sale the construction of the property upon obtaining the Pre-sales Permits; and
 - c. Nanjing Dahua can transfer the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
11. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|---------|
| a. | State-owned Land Use Rights Certificate | Yes |
| b. | Construction Land Planning Permit | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sales Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table | N/A |

VALUATION CERTIFICATE

GROUP V — PROPERTY INTERESTS HELD FOR FUTURE DEVELOPMENT BY THE GROUP IN THE PRC

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | |
|---------------|--|---|--------------------------|---|-------------|---------|------------|-------|--------|--------------|---------------|-----------------------|-----------------------------------|--|
| 67. | 2 parcels of land No. 81 Jin Yu Avenue North New Economic and Development Area Chongqing The PRC | <p>The property comprises 2 parcels of land with a total site area of approximately 64,917.38 sq.m.</p> <p>A commercial/residential development is planned to be constructed on the property.</p> <p>The development is scheduled to be commenced in February 2011 and completed in August 2013. Upon completion, the development will have a total gross floor area of approximately 157,000 sq.m. and the details are set out as following:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Usage</th> <th>Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>120,000</td> </tr> <tr> <td>Commercial</td> <td>4,800</td> </tr> <tr> <td>Others</td> <td><u>32200</u></td> </tr> <tr> <td>Total:</td> <td><u>157,000</u></td> </tr> </tbody> </table> <p>The total investment is estimated to be approximately RMB770,000,000.</p> <p>The land use rights of the property have been granted for terms with the expiry date between 20 May 2054 and 20 May 2044 for residential and commercial uses.</p> | Usage | Planned Gross floor area (sq.m.) | Residential | 120,000 | Commercial | 4,800 | Others | <u>32200</u> | Total: | <u>157,000</u> | The property is currently vacant. | <p>345,400,000</p> <p>100% interest attributable to the Group: 345,400,000</p> |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | | | |
| Residential | 120,000 | | | | | | | | | | | | | |
| Commercial | 4,800 | | | | | | | | | | | | | |
| Others | <u>32200</u> | | | | | | | | | | | | | |
| Total: | <u>157,000</u> | | | | | | | | | | | | | |

Notes:

- Chongqing Runjiang Property Company Limited (“Chongqing Runjiang”) is a wholly-owned subsidiary of the Company.
- Pursuant to a State-owned Land Use Rights Grant Contract dated 21 May 2004 entered into between Chongqing Runjiang and Chongqing Building and State-owned Land Resources Administrative Bureau, the land use rights of the property were contracted to be granted to Chongqing Runjiang for terms with the expiry dates on 20 May 2054 and 20 May 2044 for residential and commercial uses. The total land premium was RMB292,156,200.
- Pursuant to 2 Real Estate Title Certificates — 113 Fang Di Zheng 2010 Zi Di Nos. 09687 and 113 Fang Di Zheng 2010 Zi Di No. 03462, the land use rights of a 2 parcels of land with a total site area of approximately 64,917.38 sq.m. were granted to Chongqing Runjiang for terms with the expiry dates on 20 May 2054 and 20 May 2044 for residential and commercial uses.

4. 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. Chongqing Runjiang has obtained the State-owned Land Use Rights Certificate of the property; and
 - b. Chongqing Runjiang can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
5. A summary of major certificates/approvals is shown as follows:
- a. State-owned Land Use Rights Grant Contract Yes
 - b. Real Estate Title Certificate (for land only) Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|--|-----------------------------------|--|
| 68. | Reserved land (Lot. Nos. 9-106-5-56 and 9-106-5-57) of Forte Invaluable City No. 1636 Hanghai Road Qiaosi Town Yuhang District Hangzhou City Zhejiang Province The PRC | <p>The property comprises 2 parcels of land with a total site area of approximately 59,838.4 sq.m.</p> <p>A commercial/residential development is planned to be constructed on the property.</p> <p>The development is scheduled to be commenced in December 2011 and completed in September 2013. Upon completion, the development will have a total gross floor area of approximately 119,676.8 sq.m.</p> <p>The total investment is estimated to be approximately RMB732,949,950.</p> <p>The land use rights of the property have been granted for terms of 70 years expiring on 17 May 2077 for residential use and 40 years expiring on 17 May 2047 for commercial use.</p> | The property is currently vacant. | <p>319,846,000</p> <p>75% interest attributable to the Group: RMB239,885,000</p> |

Notes:

1. Zhejiang Forte Real Estate Development Co., Ltd. ("Zhejiang Forte") is a 75% interest owned subsidiary of the Company.
2. Pursuant to 2 State-owned Land Use Rights Grant Contracts — Yu Tu He (Mao) Zi [2006] Nos. 69 and 70 entered into between the State-owned Land Resources Administrative Bureau of Hangzhou City, Yuhang Branch and the Company, the land use rights of 2 parcels of land with a total site area of approximately 59,838.4 sq.m. were contracted to be granted to Zhejiang Forte for terms of 70 years expiring on 17 May 2077 for residential use and 40 years expiring on 17 May 2047 for retail use. The land premium was RMB75,760,000.
3. Pursuant to 2 State-owned Land Use Rights Certificates — Hang Yu Chu Guo Yong (2007) Zi Di Nos. 106-1156 and 106-1157, the land use rights of the property have been granted to Zhejiang Forte for terms of 70 years expiring on 17 May 2077 for residential use and 40 years expiring on 17 May 2047 for commercial use.
4. 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. Zhejiang Forte has obtained the State-owned Land Use Rights Certificate of the property; and
 - b. Zhejiang Forte can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
5. A summary of major certificates/approvals is shown as follows:

| | | |
|----|--|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | State-owned Land Use Rights Certificate | Yes |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | |
|---------------|---|--|--------------------------|---|-------------|-----------|----------|-----------------|---------------|-------------------------|-----------------------------------|--|
| 69. | A parcel of land located at the eastern side of Zhenbei Road the western side of Zhenjin Road the northern side of Hengang River Putuo District Shanghai The PRC | <p>The property comprises a parcel of land with a site area of approximately 26,345 sq.m.</p> <p>A residential development is planned to be constructed on the property.</p> <p>The development is scheduled to be commenced in February 2011 and completed in December 2013. Upon completion, the development will have a total gross floor area of approximately 45,858.75 sq.m. and the details are set out as following:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Planned Gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">43,012.19</td> </tr> <tr> <td>Basement</td> <td style="text-align: right;"><u>2,846.56</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>45,858.75</u></td> </tr> </tbody> </table> <p>The total investment is estimated to be approximately RMB600,000,000.</p> <p>The land use rights of the property have been granted for a term of 70 years expiring on 4 March 2073 for residential use.</p> | Usage | Planned Gross floor area (sq.m.) | Residential | 43,012.19 | Basement | <u>2,846.56</u> | Total: | <u>45,858.75</u> | The property is currently vacant. | <p>576,539,000</p> <p>50% interest attributable to the Group: RMB288,270,000</p> |
| Usage | Planned Gross floor area (sq.m.) | | | | | | | | | | | |
| Residential | 43,012.19 | | | | | | | | | | | |
| Basement | <u>2,846.56</u> | | | | | | | | | | | |
| Total: | <u>45,858.75</u> | | | | | | | | | | | |
| <i>Notes:</i> | | | | | | | | | | | | |
| 1. | Shanghai Yihua Real Estate Limited (“Shanghai Yihua”) is a 50% interest owned subsidiary of the Company. | | | | | | | | | | | |
| 2. | Pursuant to a Real Estate Title Certificate — Hu Fang Di Pu Zi (2003) Di No. 016417 dated 22 April 2003, the land use rights of a parcel of land with a site area of approximately 185,224.83 sq.m. were granted to Shanghai Yihua for a term of 70 years expiring on 4 March 2073 for residential use. | | | | | | | | | | | |
| 3. | We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, <i>inter alia</i> , the following: | | | | | | | | | | | |
| | a. Shanghai Yihua has obtained the State-owned Land Use Rights Certificate of the property; and | | | | | | | | | | | |
| | b. Shanghai Yihua can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities. | | | | | | | | | | | |
| 4. | A summary of major certificates/approvals is shown as follows: | | | | | | | | | | | |
| | a. Real Estate Title Certificate (for land only) | Yes | | | | | | | | | | |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|-----------------------------------|--|
| 70. | A parcel of land Qiu 1 / 4 Jiefang 540 Yuyuan Neighbourhood Huangpu District Shanghai The PRC | <p>The property comprises a parcel of land with a site area of approximately 8,518 sq.m.</p> <p>A residential development is planned to be constructed on the property.</p> <p>The development is scheduled to be commenced in January 2012 and completed in 2013. Upon completion, the development will have a total gross floor area of approximately 27,953.3 sq.m.</p> <p>The total investment is estimated to be approximately RMB400,000,000 including land cost.</p> <p>The land use rights of the property have been granted for a term expiring on 17 August 2073 for residential use.</p> | The property is currently vacant. | <p>627,496,000</p> <p>88% interest attributable to the Group: RMB552,196,000</p> |

Notes:

1. Shanghai Forte Xin He Real Estate Development Company Limited ("Forte Xin He") is an 88% interest owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Huang Zi (2003) No. 007584, the land use rights of a parcel of land with a site area of approximately 21,138 sq.m. (comprising the property) were granted to Shanghai Forte Xin He for a term of years expiring on 17 August 2073 for residential use.
3. 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. Forte Xinhe has obtained the State-owned Land Use Rights Certificate of the property; and
 - b. Forte Xinhe can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
4. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate (for land only) Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|---|---|
| 71. | A parcel of land Qiu 6/1 Jiefang 559 Yuyuan Neighbourhood Huangpu District Shanghai The PRC | <p>The property comprises a parcel of land with a site area of approximately 11,125 sq.m.</p> <p>A commercial/office development is planned to be constructed on the property.</p> <p>The development is scheduled to be commenced in May 2012 and completed in December 2015. Upon completion, the development will have a total gross floor area of approximately 40,050 sq.m.</p> <p>The total investment is estimated to be approximately RMB2,500,000,000.</p> <p>The land use rights of the property have been granted for a term of 50 years expiring on 7 December 2044 for retail and office uses.</p> | The property is occupied by certain old buildings which are planned to be demolished. | 1,055,598,000 100% interest attributable to the Group: RMB1,055,598,000 |

Notes:

1. Shanghai Que Chen Real Estate Company Limited ("Shanghai Que Chen") is a wholly-owned subsidiary of the Company.
2. Pursuant to a Real Estate Title Certificate — Hu Fang Di Huang Zi (2004) No. 005131, the land use rights of a parcel of land with a site area of approximately 11,125 sq.m. were granted to Shanghai Que Chen for a term of 50 years expiring on 7 December 2044 for retail and office uses.
3. Pursuant to a Construction Land Planning Permit — Hu Di Gui (2004) No. 0206 in favour of Shanghai Que Chen, permission towards the planning of the subject land with a site area of approximately 11,125 sq.m. has been granted to Shanghai Que Chen.
4. 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. Shanghai Que Chen has obtained the State-owned Land Use Rights Certificate of the property; and
 - b. Shanghai Que Chen can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
5. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate (for land only) Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|---|---|
| 72. | A parcel of land Qiu 47/1 and 47/2 JieFang 9 JiuTing Town Songjiang District Shanghai The PRC | <p>The property comprises 2 parcels of land with a total site area of approximately 105,029.04 sq.m.</p> <p>As advised by Forte Group, a residential and commercial development is planned to be constructed on the property.</p> <p>The development is scheduled to be commenced in 2012 and completed in 2014. Upon completion, the development will have a total gross floor area of approximately 188,725 sq.m.</p> <p>The total investment is estimated to be approximately RMB1,119,101,281.7.</p> <p>The land use rights of the property have been granted for a term of 70 years expiring on 4 May 2074 for residential use.</p> | The property is occupied by certain old buildings which are planned to be demolished. | 1,902,348,000 100% interest attributable to the Group: RMB1,902,348,000 |

Notes:

1. Song Ting Forte Property Development Company Limited (“Song Ting Forte”) is a wholly-owned subsidiary of the Company.
2. Pursuant to 2 State-owned Land Use Rights Grant Contracts — Hu Fang Di (2004) Jiu Cheng Zi Nos. 10 and 11 dated 27 February 2004, the land use rights of the property with a total site area of 128,033 sq.m. were contracted to be granted to Song Ting Forte for a term of 70 years for residential use. The total land premium was RMB35,490,000.
3. Pursuant to a Supplementary Contract of Hu Fang Di (2004) Jiu Cheng Zi No. 10 dated 25 May 2004, the total land premium was adjusted to RMB34,852,771.
4. Pursuant to 2 Real Estate Title Certificates — Hu Fang Di Song Zi (2004) Nos. 010997 and 010998 dated 9 June 2004, the land use rights of the property with a site area of 128,033 sq.m. (comprising the property) have been granted to Song Ting Forte for a term of 70 years expiring on 4 May 2074 for residential use.
5. Pursuant to 2 Construction Land Planning Permits — Hu Gui Di Song (2004) Nos. 0248 and 0249 in favour of Song Ting Forte, permission towards the planning of the subject land with a total site area of approximately 128,033 sq.m. has been granted to the Song Ting Forte.
6. 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. Song Ting Forte has obtained the State-owned Land Use Rights Certificate of the property; and

- b. Song Ting Forte can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities.

- 7. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate (for land only) Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|----------------------------------|---|
| 73. | 12 parcels of land located at Muma Town Pengshan County Sichuan Province The PRC | <p>The property comprises 12 parcels of land with a total site area of approximately 694,772.03 sq.m.</p> <p>A residential development is planned to be constructed on the property.</p> <p>The development is scheduled to be commenced in April 2011 and completed in March 2013.</p> <p>The total investment is estimated to be approximately RMB532,000,000.</p> <p>The land use rights of the property have been granted for terms with the expiry dates between 21 January 2080 and 16 August 2080 for residential use.</p> | The property is currently vacant | <p>208,432,000</p> <p>50% interest attributable to the Group: 104,216,000</p> |

Notes:

1. Sichuan Forte Huanglong Real Estate Development Co., Ltd. ("Huanglong Real Estate") is a 50% interest jointly-owned enterprise of the Company.
2. Pursuant to 10 State-owned Land Use Rights Grant Contracts entered into between Huanglong Real Estate and State-owned Land Resource Administrative Bureau of Pengshan County, the land use rights of the property were contracted to be granted to Huanglong Real Estate for a term of 70 years for residential use. The total land premium was RMB193,040,000.
3. Pursuant to 12 State-owned Land Use Rights Certificates — Peng Guo Yong (2010) Di Nos. 03550 to 03561, the land use rights of the property with a total site area of approximately 694,772.03 sq.m. have been granted to Huanglong Real Estate for terms with the expiry dates between 21 January 2080 and 16 August 2080 for residential use.
4. 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. Huanglong Real Estate has obtained the State-owned Land Use Rights Certificate of the property; and
 - b. Huanglong Real Estate can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
5. A summary of major certificates/approvals is shown as follows:

| | | |
|----|--|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | State-owned Land Use Rights Certificate | Yes |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|-----------------------------------|--|
| 74. | 3 parcels of land No. 99 Zhenghe Avenue Huishan District Wuxi City Jiangsu Province The PRC | <p>The property comprises 3 parcels of land with a total site area of approximately 107,242.2 sq.m.</p> <p>A residential development is planned to be constructed on the property.</p> <p>The development is scheduled to be commenced in November 2011 and completed in September 2015.</p> <p>The total investment is estimated to be approximately RMB920,873,600.</p> <p>The land use rights of the property have been granted for various terms with the expiry date between 11 May 2043 and 19 December 2075 for residential, commercial and other uses.</p> | The property is currently vacant. | <p>402,288,000</p> <p>50% interest attributable to the Group: RMB201,144,000</p> |

Notes:

1. Wuxi Forte Real Estate Development Co., Ltd. ("Wuxi Forte") is a 50% interest jointly-owned enterprise of the Company.
2. Pursuant to 3 State-owned Land Use Rights Certificates — Xi Hui Guo Yong (2005) Di No. 1822, Xi Hui Guo Yong (2006) Di No.2 and Xi Hui Guo Yong (2007) Di No. 1212, the land use rights of the property with a site area of approximately 107,242.20 sq.m. have been granted to Wuxi Forte for various terms with the expiry date between 11 May 2043 and 19 December 2075 for residential, commercial and other uses.
3. 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. Wuxi Forte has obtained the State-owned Land Use Rights Certificate of the property; and
 - b. Wuxi Forte can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
4. A summary of major certificates/approvals is shown as follows:
 - a. State-owned Land Use Rights Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|---|---|
| 75. | The reserved land of Shanghai International Steel Service Center Phase III (上海國際鋼鐵服務業中心三期) No. 1538 Youyi Road Baoshan District Shanghai The PRC | The property comprises the reserved land of Shanghai International Steel Service Center Phase III with a site area of approximately 33,515 sq.m. The development is scheduled to be commenced in October 2011 and completed in September 2013. As advised by the Group, the property is planned to be developed into a composite development with a total planned gross area of approximately 63,788 sq.m. | The property is currently vacant. | 17,428,000 50% interest attributable to the Group: RMB8,714,000 |
| | | Usage | Planned Gross Floor Area (sq.m.) | |
| | | Office | 39,388 | |
| | | Underground | <u>24,400</u> | |
| | | Total: | <u>63,788</u> | |
| | | The total investment is estimated to be approximately RMB410,609,100. | | |
| | | The land use rights of the property have been granted for a term expiring on 29 June 2056 for storage use. | | |

Notes:

1. Shanghai Mushen Zhiye Development Co., Ltd. ("Mushen"), a 50% interest jointly-owned enterprise of the Company.
2. Pursuant to a State-owned Land Use Rights Certificate — Hu Fang Di Bao Zi (2006) Di No. 028093, the land use rights of a parcel of land with a site area of approximately 42,199 sq.m. have been granted to Mushen for a term expiring on 29 June 2056 for storage use.

As advised by the Group, a portion of the aforesaid land with a site area of approximately 33,515 sq.m. is vacant and include in this property, whilst the remaining portion of this land is being developed and is set out in property no. 63.

3. 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. Mushen has obtained the State-owned Land Use Rights Certificate of the property; and
 - b. Mushen can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities.

4. A summary of major certificates/approvals is shown as follows:

a. State-owned Land Use Rights Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 <i>RMB</i> |
|-----|--|---|-------------------------------------|--|
| 76. | The reserved land of Phase II of Jin Xiu Tian Xia located at the junction of Beichen Avenue and North Third Ring Road Weiyang District Shanxi Province The PRC | The property comprises a parcel of land with a total site area of approximately 1,292,985 sq.m. The land use rights of the property have been granted for various terms expiring on 18 September 2072 and 19 April 2074 for residential use. | The property is occupied by forest. | 1,292,985,000 50% interest attributable to the Group: RMB646,493,000 |

Notes:

1. Shanxi Jianqin Real Estate Development Co., Ltd. ("Shanxi Jianqin") is a 50% interest jointly-owned enterprise of the Company.
2. Pursuant to 2 State-owned Land Use Rights Certificates — Xi Wei Guo Yong (2004 Chu) Di Nos. 593 and 876, the land use rights of Jinxiu Tianxia Phase I and Phase II (comprising this property and property no. 64) with a total site area of approximately 1,437,902.1 sq.m. have been granted to Shanxi Jianqin for various terms expiring on 18 September 2072 and 19 April 2074 for residential use.
3. 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. Shanxi Jianqian has obtained the State-owned Land Use Rights Certificate of the property; and
 - b. Shanxi Jianqiao can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
4. A summary of major certificates/approvals is shown as follows:
 - a. State-owned Land Use Rights Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB | | | | | | | | | | | | | | | | |
|---------------|---|---|--------------------------|---|-------------|---------|--------|-------|-------|-------|------|-------|-------------|---------|--------|---------------|---------------|-----------------------|-----------------------------------|--|
| 77. | 4 parcels of land located at the east of Huangjin Road Huangjiaoya Town Nan'an District Chongqing The PRC | <p>The property comprises 4 parcels of land with a total site area of approximately 529,638 sq.m., on which a residential development is planned to be constructed.</p> <p>The development is scheduled to be commenced in May 2011 and completed in December 2016. Upon completion, the development will have a total gross floor area of approximately 919,605 sq.m. and the details are set out as following:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Planned Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">712,105</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">9,000</td> </tr> <tr> <td>Hotel</td> <td style="text-align: right;">6,000</td> </tr> <tr> <td>Club</td> <td style="text-align: right;">6,000</td> </tr> <tr> <td>Underground</td> <td style="text-align: right;">174,300</td> </tr> <tr> <td>Others</td> <td style="text-align: right;"><u>12,200</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>919,605</u></td> </tr> </tbody> </table> <p>The total investment is estimated to be approximately RMB3,174,470,000.</p> <p>The land use rights of the property have been granted for terms with the expiry dates on 29 June 2060 and 29 June 2050 for residential and commercial uses.</p> | Usage | Planned Gross Floor Area (sq.m.) | Residential | 712,105 | Retail | 9,000 | Hotel | 6,000 | Club | 6,000 | Underground | 174,300 | Others | <u>12,200</u> | Total: | <u>919,605</u> | The property is currently vacant. | <p>953,348,000</p> <p>50% interest attributable to the Group: RMB476,674,000</p> |
| Usage | Planned Gross Floor Area (sq.m.) | | | | | | | | | | | | | | | | | | | |
| Residential | 712,105 | | | | | | | | | | | | | | | | | | | |
| Retail | 9,000 | | | | | | | | | | | | | | | | | | | |
| Hotel | 6,000 | | | | | | | | | | | | | | | | | | | |
| Club | 6,000 | | | | | | | | | | | | | | | | | | | |
| Underground | 174,300 | | | | | | | | | | | | | | | | | | | |
| Others | <u>12,200</u> | | | | | | | | | | | | | | | | | | | |
| Total: | <u>919,605</u> | | | | | | | | | | | | | | | | | | | |

Notes:

1. Chongqing Langfu Property Development Co., Ltd. ("Chongqing Langfu"), is a 50% interest owned associate company of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 29 March 2010, the land use rights of the property were contracted to be granted to Chongqing Langfu for a term of 40 years for commercial use and 50 years for residential use. The land premium was RMB661,030,000.
3. Pursuant to 4 State-owned Land Use Rights Certificates — 106D Fang Di Zheng 2010 Zi Di Nos. 00136 to 00139, the land use rights of 4 parcels of land with a total site area of approximately 529,638 sq.m. have been granted to Chongqing Langfu for terms with the expiry dates on 29 June 2060 and 29 June 2050 for residential and commercial uses.
4. 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. Chongqing Langfu has obtained the State-owned Land Use Rights Certificate of the property; and
 - b. Chongqing Langfu can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities.

5. A summary of major certificates/approvals is shown as follows:

a. State-owned Land Use Rights Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|----------------------------------|--|
| 78. | The reserved land of Gedebaosenlin (哥德堡森林) located at Boxue Road Jingyue Development Zone Changchun City Jilin Province The PRC | <p>The property comprises a parcel of land with a site area of approximately 183,858 sq.m. which is planned to be developed.</p> <p>A commercial/residential development is planned to be constructed.</p> <p>The development is scheduled to be commenced in June 2011 and completed in May 2015.</p> <p>The total investment is estimated to be approximately RMB1,912,316,000.</p> <p>The land use rights of the property have been granted for a term expiring on 18 December 2058 for commercial and residential uses.</p> | The property is currently vacant | <p>422,873,000</p> <p>100% interest attributable to the Group: 422,873,000</p> |

Notes:

1. Changchun Zhaoji Real Estate Development Company ("Changchun Zhaoji") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 19 December 2008 entered into between Changchun Zhaoji and Changchun State-owned Land Resources Administrative Bureau, the land use rights of a parcel of land with a site area of 339,097 sq.m. were contracted to be granted to Changchun Zhaoji for a term expiring on 18 December 2058 for commercial and residential uses. The land premium was RMB413,000,000.
3. Pursuant to 4 State-owned Land Use Rights Certificates — Chang Guo Yong (2009) Di Nos. 091003757, 091003758, 091003759 and 091003760, the land use rights of 4 parcels of land with a total site area of approximately 339,097 sq.m. (comprising the property and property no. 47) have been granted to Changchun Zhaoji for a term of 50 years expiring on 18 December 2058 for commercial and residential uses.
4. 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. Changchun Zhaoji has obtained the State-owned Land Use Rights Certificate of the property; and
 - b. Changchun Zhaoji can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities.
5. A summary of major certificates/approvals is shown as follows:
 - a. State-owned Land Use Rights Certificate Yes

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|---------------|--|---|----------------------------------|---|
| 79. | 2 parcels of land located at the western side of Gubei South Road and the southern side of Wuzhong Road Hongqiao Town Minhang District Shanghai The PRC | <p>The property comprises 2 parcels of land with a total site area of approximately 11,569 sq.m. which is planned to be developed.</p> <p>A residential development is planned to be constructed.</p> <p>The development is scheduled to be commenced in April 2011 and completed in August 2013. Upon completion, the development will have a total gross floor area of approximately 21,681.33 sq.m.</p> <p>The total investment is estimated to be approximately RMB330,000,000.</p> <p>The land use rights of the property have been granted for a terms with the expiry date on 17 November 2066 and 14 November 2078 for residential use.</p> | The property is currently vacant | <p>226,328,000</p> <p>50% interest attributable to the Group: 113,164,000</p> |
| <i>Notes:</i> | | | | |
| 1. | Shanghai Fuxin Real Estate Development Limited (“Shanghai Fuxin”) is a 50% interest owned associate company of the Company. | | | |
| 2. | Pursuant to 2 Real Estate Title Certificates — Hu Fang Di Min Zi (2004) Di No. 067093 and Hu Fang Di Min Zi (2009) Di No. 064436, the land use rights of the property have been granted to Shanghai Fuxin for terms with the expiry date on 17 November 2066 and 14 November 2078 for residential use. | | | |
| 3. | 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. | Shanghai Fuxin has obtained the State-owned Land Use Rights Certificate of the property; and | | |
| | b. | Shanghai Fuxin can transfer the land use rights of the property after the investment has been completed over 25% and upon the approval from the relevant authorities. | | |
| 4. | A summary of major certificates/approvals is shown as follows: | | | |
| | a. | State-owned Land Use Rights Certificate | Yes | |

VALUATION CERTIFICATE

Group VI — Property interests contracted to be acquired by the Group in the PRC

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|---|---|
| 80. | The reserved land of Forte International Eastlake (復地東湖國際) No. 118 Zhongbei Road Wuchang District Wuhan City Hubei Province The PRC | <p>The property comprises a parcel of land with a site area of approximately 305,190.18 sq.m.</p> <p>As advised by the Group, the property is planned to be developed into various residential developments (known as Forte International Eastlake Phases IV to VIII).</p> <p>The land use rights of the property have been granted for terms of 70 years for residential use and 40 years for commercial use.</p> | The property is occupied by certain old buildings which are planned to be demolished. | No commercial Value |

Notes:

1. Wuhan Zhongbei Real Estate Development Co., Ltd. (“Wuhan Zhongbei”) is a 70% interest owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Purchase Confirmation Letter (國有土地使用權成交確認書) dated 31 January 2007, the land use rights of a parcel of land with a site area of approximately 465,799.02 sq.m., on which the property, property nos. 7 and 53 are suited, was confirmed to be granted to Wuhan Zhongbei for terms of 70 years for residential use and 40 years for retail use. The total consideration was RMB3,500,200,000. As advised by the Wuhan Zhongbei, the property occupied a portion of the aforesaid land parcel of approximately 305,190.18 sq.m.
3. As at the date of valuation, the property has not been assigned to the Group and thus the title of the property has not been vested in the Group. Therefore we have attributed no commercial value to the property. However, for reference purpose, we are of the opinion that the capital value of the property as at the date of valuation would be RMB2,475,703,000 assuming all relevant title certificates have been obtained, the property could be freely transferred, the old buildings have been demolished and the Group has no liability to the relocation costs.
4. 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:

Wuhan Zhongbei needs to sign the State-owned Land Use Rights Grant Contract, pay the land premium fee and apply for the State-owned Land Use Rights Certificate to obtain the land use rights of the property.
5. A summary of major certificates/approvals is shown as follows:

| | | |
|----|--|----|
| a. | State-owned Land Use Rights Grant Contract | No |
| b. | State-owned Land Use Rights Certificate | No |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|--|-----------------------------------|---|
| 81. | A parcel of reserved land located at Mazhuang Village Yingze District Taiyuan City Shanxi Province The PRC | <p>The property comprises a parcel of land with a site area of approximately 32,853.5 sq.m.</p> <p>As advised by the Group, the property is planned to be developed into various residential developments.</p> <p>The land use rights of the property have been granted for terms of 50 years for residential use and 40 years for commercial use.</p> | The property is currently vacant. | No commercial value |

Notes:

1. Shanxi Fudi Deyi Real Estate Development Co., Ltd. ("Shanxi Fudi Deyi") is an 80% interest owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 19 July 2010 entered into between Shanxi Fudi Deyi, Shanxi Kaicheng Real Estate Development Co., Ltd. ("Shanxi Kaicheng", an independent third party) and Taiyuan State-owned Land Resources Administrative Bureau, the land use rights of a parcel of land with a site area of approximately 188,194.1 sq.m. (comprising the property) were contracted to be granted to Shanxi Fudi Deyi and Shanxi Kaicheng for terms of 50 years and 40 years for residential and commercial uses respectively. The land premium was RMB161,910,000.
3. Pursuant to a supplementary agreement of the aforesaid contract, the parcel of land stated in note 2 is plotted into 3 parts, of which 2 parts with a total site area of approximately 32,853.5 sq.m. are entitled to be developed by Shanxi Fudi Deyi and the remaining part with a site area of approximately 156,313.70 sq.m. is entitled to be developed by Shanxi Kaicheng. As confirmed by the Group, it has fully paid up the land premium of its part with a sum of approximately RMB27,427,554.
4. As at the date of valuation, the property has not been assigned to the Group and thus the title of the property has not been vested in the Group. Therefore we have attributed no commercial value to the property. However, for reference purpose, we are of the opinion that the capital value of the property as at the date of valuation would be RMB34,989,000 assuming all relevant title certificates have been obtained and the property could be freely transferred.
5. 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:

Shanxi Fudi Deyi needs to pay the land premium fee and apply for the State-owned Land Use Rights Certificate to obtain the land use rights of the property.
6. A summary of major certificates/approvals is shown as follows:

| | | |
|----|--|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | State-owned Land Use Rights Certificate | No |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|-----------------------------------|---|
| 82. | 3 parcels of land Located at the east Dianpo Village and south Mazhuang Village Yingze District Taiyuan City Shanxi Province The PRC | The property comprises 3 parcels of land with a gross floor area of approximately 385,449 sq.m. As advised by the Group, the property is planned to be developed into various residential developments. | The property is currently vacant. | No commercial value |

Notes:

1. Shanxi Fudi Deyi Real Estate Development Co., Ltd. ("Shanxi Fudi Deyi") is an 80% interest owned subsidiary of the Company.
2. Pursuant to 3 confirmation letters dated 2 March 2010 entered into between the Company, Shanxi Deyi Culture and Taiyuan State-owned Land and Resources Administrative Bureau, the land use rights of the property were confirmed to be contracted to Shanxi Fudi Deyi and Shanxi Deyi Culture Industry Group Co., Ltd, a shareholder of Shanxi Fudi Deyi, for terms of 50 years and 40 years for residential and commercial uses respectively. The total land premium was RMB445,570,000. As confirmed by the Group, a sum of approximately RMB186,214,300 had been paid by the Group up to the date of valuation.

As advised by Shanxi Fudi Deyi, the aforesaid 3 parcels of land will be obtained and developed on the name of Shanxi Fudi Deyi.

3. As at the date of valuation, the property has not been assigned to the Group and thus the title of the property has not been vested in the Group. Therefore we have attributed no commercial value to the property. However, for reference purpose, we are of the opinion that the capital value of the property as at the date of valuation would be RMB410,503,000, on condition that the relevant title certificates have been obtained by the Group and the Group is entitled to freely transfer, lease, mortgage or otherwise dispose of the property.
4. 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:

Shanxi Fudi Deyi needs to sign the State-owned Land Use Rights Grant Contract according to the confirmation letters, pay the land premium fee and apply for the State-owned Land Use Rights Certificate to obtain the land use rights of the property.

5. A summary of major certificates/approvals is shown as follows:

| | | |
|----|--|----|
| a. | State-owned Land Use Rights Grant Contract | No |
| b. | State-owned Land Use Rights Certificate | No |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|-----------------------------------|---|
| 83. | A parcel of land of Windsor Villa Phase III located at the western side of Center Road and the northern side of Xiqi Road Airport Economic Zone Tianjin The PRC | <p>The property comprises a parcel of land with a site area of approximately 23,298.50 sq.m.</p> <p>As advised by the Group, the property is planned to be developed into various residential developments (known as Phases III of Windsor Villa).</p> <p>The land use rights of the property were contracted to be granted for a term of 70 years for residential use.</p> | The property is currently vacant. | No commercial value |

Notes:

1. Tianjin Shengang Property Development Co., Ltd. ("Tianjin Shengang") is a 70% interest owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 22 July 2009, the land use rights of a parcel of land with a site area of approximately 265,532.50 sq.m. were contracted to be granted to Tianjin Shengang for a term expiring on 21 July 2079 for residential use. The land premium was RMB292,100,000. It includes the land of the property and property no. 57.
3. As at the date of valuation, the property has not been assigned to the Group and thus the title of the property has not been vested in the Group. Therefore we have attributed no commercial value to the property. However, for reference purposes, we are of the opinion that the capital value of the property as at the date of valuation would be RMB56,774,000 assuming all relevant title certificates have been obtained.
4. 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:

Tianjin Shengang needs to pay the land premium fee and apply for the State-owned Land Use Rights Certificate to obtain the land use rights of the property.

5. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (For land only) | No |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|-----------------------------------|---|
| 84. | A parcel of land located at the south side of Dongshan Road, Huayang Neighbourhood Shuangliu County Chengdu City Sichuan Province The PRC | <p>The property comprises a parcel of land with a site area of approximately 227,851.28 sq.m.</p> <p>As advised by the Group, the property is planned to be developed into various residential developments.</p> <p>The land use rights of the property have been contracted to be granted for terms of 70 years for residential use and 40 years for commercial use.</p> | The property is currently vacant. | No commercial value |

Notes:

1. Chengdu Honghui Property Co., Ltd. ("Chengdu Honghui") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 25 January 2010 entered into between Chengdu Honghui and Shuangliu State-owned Land Resources Administrative Bureau, the land use rights of a parcel of land with a site area of approximately 227,851.28 sq.m. were contracted to be granted to Chengdu Honghui for terms of 70 years for residential use and 40 years for commercial use. The consideration was RMB613,147,758 and advised by the Chengdu Honghui, the consideration had been fully paid up to the date of valuation.
3. Pursuant to a Construction Land Planning Permit — Di Jian Di No. 510122201021079 in favour of Chengdu Honghui, permission towards the planning of the subject land with a site area of approximately 227,851.28 sq.m. has been granted to Chengdu Honghui.
4. As at the date of valuation, the property has not been assigned to the Group and thus the title of the property has not been vested in the Group. Therefore we have attributed no commercial value to the property. However, for reference purpose, we are of the opinion that the capital value of the property as at the date of valuation would be RMB956,975,000 assuming all relevant title certificates have been obtained, the property could be freely transferred.
5. 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:

Chengdu Honghui needs to pay the land premium fee and apply for the State-owned Land Use Rights Certificate to obtain the land use rights of the property.
6. A summary of major certificates/approvals is shown as follows:

| | | |
|----|--|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | State-owned Land Use Rights Certificate | No |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|-----------------------------------|---|
| 85. | A parcel of land located at Fang 567 (north part) Putuo District Shanghai The PRC | <p>The property comprises a parcel of land with a site area of approximately 38,145.9 sq.m.</p> <p>As advised by the Group, the property is planned to be developed into various residential developments, with a total gross floor area of 71,371.4 sq.m.</p> <p>The land use rights of the property were contracted to be granted for a term of 70 years for residential use.</p> | The property is currently vacant. | No commercial value |

Notes:

1. Shanghai Forte Investment Management Co., Ltd. ("Forte Investment") is a wholly-owned subsidiary of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 1 February 2009, the land use rights of a parcel of land with a site area of approximately 38,145.9 sq.m. were contracted to be granted to Forte Investment for a term expiring on 21 July 2079 for residential use. The land premium was RMB884,000,000.
3. As at the date of valuation, the property has not been assigned to the Group and thus the title of the property has not been vested in the Group. Therefore we have attributed no commercial value to the property. However, for reference purposes, we are of the opinion that the capital value of the property as at the date of valuation would be RMB882,579,000, assuming all relevant title certificates have been obtained.
4. 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:

Forte Investment needs to pay the land premium fee and apply for the State-owned Land Use Rights Certificate to obtain the land use rights of the property.
5. A summary of major certificates/approvals is shown as follows:

| | | |
|----|---|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land only) | No |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|----------------------------------|---|
| 86. | A parcel of land located at the southern side of the conjunction Xinguang Road and Nanchang Street Nanchang District Wuxi City Jiangsu Province The PRC | <p>The property comprises a parcel of land with a total site area of approximately 136,716.2 sq.m.</p> <p>A residential development is planned to be constructed on the property.</p> <p>The land use rights of the property have been granted for a term of 70 for residential use.</p> | The property is currently vacant | No commercial value |

Notes:

1. Wuxi Dijiu Zhiye Co., Ltd. ("Wuxi Dijiu") is a 40% interest owned associate company of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract and a supplementary Contract dated 3 August 2010 entered into between Wuxi City State-owned Land Resources Administrative Bureau, Jin Shang Co., Ltd. (晋尚有限公司) and Wuxi Dijiu, the land use rights of a parcel of land with a site area of approximately 136,716.2 sq.m. were contracted to be granted to Wuxi Dijiu for a term of 70 years for Residential use. The total land premium was RMB878,620,000.
3. As at the date of valuation, the property has not been assigned to the Group and thus the title of the property has not been vested in the Group. Therefore we have attributed no commercial value to the property. However, for reference purposes, we are of the opinion that the capital value of the property as at the date of valuation would be RMB738,267,000, assuming all relevant title certificates have been obtained.
4. 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:

Wuxi Dijiu needs to pay the land premium fee and apply for the State-owned Land Use Rights Certificate to obtain the land use rights of the property.
5. A summary of major certificates/approvals is shown as follows:

| | | |
|----|--|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | State-owned Land Use Rights Certificate | No |

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|---|---|
| 87. | A parcel of land located at the northern side of Chengguang Road and eastern side of Nanchang Street Nanchang District Wuxi City Jiangsu Province The PRC | <p>The property comprises a parcel of land with a total site area of approximately 194,647 sq.m.</p> <p>A residential development is planned to be constructed on the property.</p> <p>The land use rights of the property have been granted for terms of 70 years for residential use, 40 years for commercial use and 50 years for other use.</p> | The property is occupied by certain old buildings which are planned to be demolished. | No commercial value |

Notes:

1. Wuxi Duhui Zhiye Co., Ltd. ("Wuxi Duhui") is a 50% interest jointly-owned enterprise of the Company.
2. Pursuant to a State-owned Land Use Rights Grant Contract and a supplementary Contract dated respectively 25 January 2008 and 31 December 2010 entered into between Jin Quan Co., Ltd. (晋全有限公司) and Wuxi City State-owned Land Resources Administrative Bureau, the land use rights of a parcel of land with a site area of approximately 197,109 sq.m. were contracted to be granted to Wuxi Duhui for terms of 70 years for residential use, 40 years for commercial use and 50 years for other use. The total land premium was RMB933,310,000.
3. Pursuant to a Construction Land Planning Permit — 320201201000068 in favour of Wuxi Duhui, permission towards the planning of the subject land with a site area of approximately 194,647 sq.m. has been granted to Wuxi Duhui.
4. As at the date of valuation, the property has not been assigned to the Group and thus the title of the property has not been vested in the Group. Therefore we have attributed no commercial value to the property. However, for reference purposes, we are of the opinion that the capital value of the property as at the date of valuation would be RMB1,040,124,000, assuming all relevant title certificates have been obtained.
5. 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:

Wuxi Duhui needs to settle down the demolition works of the property or pay the land premium fee and apply for the State-owned Land Use Rights Certificate to obtain the land use rights of the property.
6. A summary of major certificates/approvals is shown as follows:

| | | |
|----|--|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | State-owned Land Use Rights Certificate | No |

VALUATION CERTIFICATE

Group VII — Property interests rented and occupied by the Group in the PRC

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|---|---|---|
| 88. | Units 2702 to 2704 on Level 27 of Block B Wangzuo Modern City (旺座現代城) No. 35 Tangyan Road Gaixin District Xi'an City Shan'anxi Province The PRC | <p>The property comprises 3 units on Level 27 of a 29-storey office building completed in 2007.</p> <p>The property has a total lettable area of approximately 430.17 sq.m.</p> <p>The property is leased to Xi'an Sanxin Real Estate Development Co., Ltd. ("Xi'an Sanxin") from an independent third party for a term of 2 years expiring on 20 May 2012.</p> | The property is currently occupied by the Group for office purpose. | No commercial value |

Notes:

1. Xi'an Sanxin Real Estate Development Co., Ltd. ("Xi'an Sanxin") is a 95% interest owned subsidiary of the Company.
2. Pursuant to a Tenancy Agreement, the property is leased to Xi'an Sanxin from Zhangfang for a term of 2 years expiring on 20 May 2012 at an annual rent of RMB154,861.2.
3. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:

The Tenancy Agreement is legally valid.

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 <i>RMB</i> |
|-----|---|---|---|--|
| 89. | A unit on Level 4 of a building No. 219 Jianshe South Road Xiaodian District Taiyuan City Shanxi Province The PRC | <p>The property comprises a unit on Level 4 of a 4-storey commercial building completed in about 1997.</p> <p>The property has a lettable area of approximately 216 sq.m.</p> <p>The property is leased to Shanxi Fudi Deyi Real Estate Development Co., Ltd. from an independent third party for a term of 2 years expiring on 28 February 2012.</p> | The property is currently occupied by the Group for office purpose. | No commercial value |

Notes:

1. Shanxi Fudi Deyi Real Estate Development Co., Ltd. (“Shanxi Fudi Deyi”) is an 80% interest owned subsidiary of the Company.
2. Pursuant to a Tenancy Agreement, the property is leased to Shanxi Fudi Deyi from Shanxi Deyi Culture Industry Group Co., Ltd (山西得一文化產業集團有限公司) for a term of 2 years expiring on 28 February 2012 at an annual rent of 78,840 inclusive of management fees, water and electricity charges.
3. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company’s PRC legal advisers, which contains, *inter alia*, the following:

The Tenancy Agreement is legally valid.

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|---|---|
| 90. | A building No. 147 Yangshupu Road Hongkou District Shanghai The PRC | <p>The property comprises a 6-storey industrial building completed in 1936.</p> <p>The property has a gross floor area of approximately 16,212 sq.m.</p> <p>The property is leased to Shanghai Fuhua Capital Management Co., Ltd. (上海富華資產管理有限公司) from an independent third party for a term of 8 years expiring on 31 December 2017.</p> | Portions of the property were occupied by various tenants as at the dates of valuation, whilst the remaining portion is currently vacant. (Refer to note 3) | No commercial value |

Notes:

1. Shanghai Fuhua Capital Management Co., Ltd. ("Shanghai Fuhua Capital") is a 48.501% interest owned subsidiary of the Company.
2. Pursuant to a Tenancy Agreement, the property is leased to Shanghai Fuhua Capital from Shanghai Commercial Storage and Transportation Co., Ltd. (the "Lessor", 上海商業儲運有限公司) for a term of 8 years expiring on 31 December 2017, at an annual rent of RMB8,000,000 exclusive of management fees, water and electricity charges.
3. As advised by the Group, portions of the property with a total lettable area of approximately 12,911 were sub-leased to various parties as at the date of valuation for various terms with the expiry dates between 14 May 2011 and 31 October 2014 at a total annual rent of approximately RMB12,266,808 exclusive of management fees, water and electricity charges.
4. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. The Lessor has not been provided with the property owner's consent to sub-lease the property or the registration procedures with relevant authorities have not been carried out; and
 - b. It may affect the Group leasing the property if the third party has argument to the ownership rights of the property or the Lessor's lease rights of the property.

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|---|---|
| 91. | A building No. 713 Dongdaming Road Hongkou District Shanghai The PRC | <p>The property comprises a 6-storey industrial building completed in 1948.</p> <p>The property has a gross floor area of approximately 8,012 sq.m.</p> <p>The property is leased to Shanghai Fuhua Commercial Investment Development Co., Ltd. (上海富華商業投資發展有限公司) from an independent third party for a term of 8 years expiring on 31 December 2017.</p> | <p>The property is currently occupied by various tenants. (Refer to note 3)</p> | No commercial value |

Notes:

1. Shanghai Fuhua Commercial Investment Development Co., Ltd. ("Shanghai Fuhua Commercial") is a 48.501 % interest owned subsidiary of the Company.
2. Pursuant to a Tenancy Agreement, the property is leased to Shanghai Fuhua Commercial from Shanghai Commercial Storage and Transportation Co., Ltd. (the "Lessor", 上海商業儲運有限公司) for a term of 8 years expiring on 31 December 2017, at an annual rent of RMB5,720,000 exclusive of management fees, water and electricity charges.
3. As advised by the Group, the property was sub-leased to various parties as at the date of valuation for various terms with the expiry dates on 9 April 2014 and 31 August 2017 at a total annual rental of approximately RMB6,467,910 exclusive of management fees, water and electricity charges.
4. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. The Lessor has not been provided with the property owner's consent to sub-lease the property or the registration procedures with relevant authorities have not been carried out; and
 - b. It may affect the Group leasing the property if the third party has argument to the ownership rights of the property or the Lessor's lease rights of the property.

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|---|--|---|---|
| 92. | A building No. 668 Huaian Road Jingan District Shanghai The PRC | <p>The property comprises a 6-storey industrial building completed in 1983.</p> <p>The property has a gross floor area of approximately 6,222 sq.m.</p> <p>The property is leased to Shanghai Fuhua Commercial Investment Development Co., Ltd. (上海富華商業投資發展有限公司) from an independent third party for a term of 8 years expiring on 31 December 2017.</p> | <p>The property is currently occupied by various tenants. (Refer to note 3)</p> | No commercial value |

Notes:

1. Shanghai Fuhua Commercial Investment Development Co., Ltd. ("Shanghai Fuhua Commercial") is a 48.501 % interest owned subsidiary of the Company.
2. Pursuant to a Lease Agreement, the property is leased to Shanghai Fuhua Commercial from Shanghai Commercial Storage and Transportation Co., Ltd. (the "Lessor"), 上海商業儲運有限公司) for a term of 8 years expiring on 31 December 2017, at an annual rent of RMB2,280,000 exclusive of management fees, water and electricity charges.
3. As advised by the Group, the property with a gross floor area of approximately 6,222 were sub-leased to various parties as at the date of valuation for various terms with the expiry date on 12 December 2017 at a total annual rental of approximately RMB4,080,000 exclusive of management fees, water and electricity charges.
4. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. The Lessor has not been provided with the property owner's consent to sub-lease the property or the registration procedures with relevant authorities have not been carried out; and
 - b. It may affect the Group leasing the property if the third party has argument to the ownership rights of the property or the Lessor's lease rights of the property..

VALUATION CERTIFICATE

| No. | Property | Description and tenure | Particulars of occupancy | Capital value in existing state as at 31 December 2010 RMB |
|-----|--|---|---|---|
| 93. | Office portion on Level 5 of Chongqing International Conference and Exhibition Centre No. 2 Jiangnan Road Jingkai District Chongqing The PRC | <p>The property comprises the office portion on Level 5 of a 5-storey exhibition centre completed in 2007.</p> <p>The property has a lettable of approximately 646 sq.m.</p> <p>The property is leased to Chongqing Langfu from an independent third party for a term of a year expiring on 4 November 2011 at an annual rent of RMB492,000, exclusive of management fees, water and electricity charges.</p> | The property is currently occupied by the Group for office purpose. | No commercial value |

Notes:

1. Chongqing Langfu Property Development Co., Ltd. ("Chongqing Langfu") is a 50 % interest owned associate company of the Company.
2. Pursuant to a Tenancy Agreement, the property is leased to Chongqing Langfu from Chongqing International Conference & Exhibition Center Management Co., Ltd. for a term of a year expiring on 4 November 2011 at an annual rent of RMB492,000, exclusive of management fees, water and electricity charges.
3. We have been provided with a legal opinion on the legality of the Tenancy Agreement to the property issued by the Company's PRC legal advisers, which contains, *inter alia*, the following:

The Tenancy Agreement is legally valid.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information with regard to the H Share Offer, Fosun and Forte.

The directors of Fosun jointly and severally accept full responsibility for the accuracy of the information contained in this document (other than that relating to Forte Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this document (other than those expressed by Forte, the Independent Financial Adviser and Jones Lang LaSalle Sallmanns Limited) have been arrived at after due and careful consideration and there are no facts not contained in this document, the omission of which would make any statement in this Composite Document misleading.

The directors of Forte jointly and severally accept full responsibility for the accuracy of the information contained in this document (other than that relating to the Fosun Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this document (other than those expressed by Fosun, the parties acting in concert with it or Standard Chartered Bank) have been arrived at after due and careful consideration and there are no facts not contained in this document, the omission of which would make any statement in this document misleading.

2. MARKET PRICES OF H SHARES

- (a) During the period beginning 21 July 2010, being six months prior to the commencement of the Offer Period, and ending on the Latest Practicable Date, the highest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was 3.42 per H Share on both 15 and 18 February 2011 and the Latest Practicable Date, and the lowest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$2.20 per H Share on 12 August 2010.
- (b) The table below sets out the closing prices of the H Shares as quoted on the Hong Kong Stock Exchange on the last trading day of each of the calendar months during the period beginning six months prior to the commencement of the Offer Period and ending on the Latest Practicable Date:

| Date | Closing price per H Share (HK\$) |
|---|---|
| 30 July 2010 | 2.36 |
| 31 August 2010 | 2.25 |
| 30 September 2010 | 2.32 |
| 29 October 2010 | 2.31 |
| 30 November 2010 | 2.38 |
| 31 December 2010 | 2.50 |
| 31 January 2011 | 3.38 |
| 22 February 2011, being the Latest Practicable Date | 3.42 |

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- (c) The closing price of the H Shares as quoted on the Hong Kong Stock Exchange on the Last Trading Date was HK\$2.79 per H Share.
- (d) The closing price of the H Shares as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date was HK\$3.42 per H Share.

3. DISCLOSURE OF INTERESTS**(a) Interests of the directors and the chief executives of Forte in the securities of Forte and the securities of Forte's associated corporations**

As at the Latest Practicable Date, the interests and short positions of the directors and chief executive of Forte in the Forte Shares, underlying shares and debentures of Forte and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to Forte and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “**Model Code**”), to be notified to Forte and the Hong Kong Stock Exchange; or (iv) to be disclosed in this Composite Document pursuant to the requirements of the Takeovers Code, were as follows:

(1) Long positions in the Forte Shares, underlying shares and debentures of Forte

| Name of director | Class of Forte Shares | Nature of Interest | Number of Forte 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% |

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(2) *Long positions in the shares, underlying shares and debentures of the associated corporations (within the meaning of Part XV of the SFO) of Forte*

| 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 associate corporation |
|--------------------------|---------------------------------------|---------------------------|--|---|
| Guo Guangchang | Fosun International Holdings Ltd. | Individual | 29,000 | 58% |
| | Fosun Holdings Limited | Corporate | 1 | 100% |
| | Fosun | Corporate | 5,024,555,500 | 78.24% |
| Fan Wei | Fosun International Holdings Ltd. | Individual | 5,000 | 10% |

Save as disclosed above, as at the Latest Practicable Date, none of the directors or chief executive of Forte had or was deemed to have any interests or short positions in the Forte Shares, underlying shares or debentures of Forte or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to Forte and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to Forte and the Hong Kong Stock Exchange; or (iv) to be disclosed in this Composite Document pursuant to the requirements of the Takeovers Code. None of the directors of Forte had dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of the Forte Shares during the period commencing six months before 20 January 2011 and ending on the Latest Practicable Date.

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(b) Interests of substantial shareholders in the securities of Forte

As at the Latest Practicable Date, so far as was known to any of the directors of Forte, the following persons had or were deemed to have interests or short positions in the Forte Shares or underlying shares of Forte which would fall to be disclosed to Forte and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

| Name of shareholders | Class of Forte Shares | Number of Forte Shares | Approximate percentage in the relevant class of share capital | Approximate percentage in total share capital |
|--|-----------------------|--|---|---|
| Shanghai Fosun High Technology (Group) Co., Ltd. | Domestic Shares | 1,458,963,765(L) <i>(Note 1)</i> | 99.00% | 57.68% |
| Fosun | Domestic Shares | 1,458,963,765(L) <i>(Note 1)</i> | 99.00% | 57.68% |
| | H Shares | 325,710,000(L) | 30.86% | 12.88% |
| Fosun Holdings Limited | Domestic Shares | 1,458,963,765(L) <i>(Note 2)</i> | 99.00% | 57.68% |
| | H Shares | 325,710,000(L) <i>(Note 2)</i> | 30.86% | 12.88% |
| Fosun International Holdings Ltd. | Domestic Shares | 1,458,963,765(L) <i>(Note 3)</i> | 99.00% | 57.68% |
| | H Shares | 325,710,000(L) <i>(Note 3)</i> | 30.86% | 12.88% |
| Deutsche Bank Aktiengesellschaft | H Shares | 101,838,100(L) 29,260,000(S) <i>(Note 4)</i> | 9.64% 2.77% | 4.03% 1.16% |
| Wong Sung Kau | H Shares | 73,914,000(L) <i>(Note 5)</i> | 7.00% | 2.92% |
| Davidson Kempner Capital Management LLC | H Shares | 70,983,050(L) <i>(Note 6)</i> | 6.72% | 2.81% |

Notes:

- 1 Shanghai Fosun High Technology (Group) Co., Ltd. ("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 Forte, namely Mr. Guo Guangchang and Mr. Fan Wei are the directors of Fosun.
- 2 Fosun Holdings Limited owns 78.24% share interest of Fosun. Mr. Guo Guangchang, a director of Forte, is a director of Fosun Holdings Limited.
- 3 Fosun Holdings Limited is wholly owned by Fosun International Holdings Ltd.. Mr. Guo Guangchang, a director of Forte, is a director of Fosun International Holdings Ltd..

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4. (L) represents long position. (S) represents short position.

5. This represents the interest of Mr. Wong in the H Shares as required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, and includes the interest of Mr. Wong's spouse in the H Shares. Subsequent to the disclosure of interest filing made by Mr. Wong on 22 February 2010, Mr. Wong acquired 300,000 H Shares, 368,000 H Shares, 712,000 H Shares, 216,000 H Shares, 300,000 H Shares, 656,000 H Shares, 300,000 H Shares, 338,000 H Shares, 1,000,000 H Shares and 3,000,000 Shares on 24 February 2010, 5 March 2010, 9 March 2010, 30 March 2010, 26 May 2010, 27 May 2010, 18 June 2010, 21 June 2010, 13 October 2010 and 14 October 2010 respectively and disposed of 30,000 H Shares and 848,000 H Shares on 10 September 2010 and 31 December 2010 respectively. These acquisitions and disposals of H Shares are not required to be disclosed by Mr. Wong under the provisions of Divisions 2 and 3 of Part XV of the SFO as the shareholding of Mr. Wong in Forte did not cross a percentage level. As at the Latest Practicable Date, Mr. Wong holds and beneficially owns 79,372,000 H Shares, excluding the interest of Mr. Wong's spouse.

6. Davidson Kempner Capital Management LLC holds 70,983,050 H Shares through Davidson Kempner Asia Limited, its direct wholly owned controlled corporation.

As at the Latest Practicable Date, save as disclosed in paragraphs (a) and (b) above and paragraph (c) below, neither Fosun nor any of the parties acting in concert with it owned or controlled any Forte Shares.

Save as disclosed in paragraph (b) above, as at the Latest Practicable Date, so far as was known to any of the directors of Forte, there was no person who had any interest or short position in the Forte Shares or underlying shares of Forte which would fall to be disclosed to Forte under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be disclosed herein pursuant to the Takeovers Code.

(c) **Interests and dealings in the Forte Shares**

- (i) As at the Latest Practicable Date, Fosun was interested in 1,458,963,765 Domestic Shares, and 325,710,000 H Shares, representing approximately 70.56% of the issued Forte Shares made up of approximately 99.00% of the Domestic Shares and approximately 30.86% of the H Shares. Save as aforesaid and as disclosed in the table below, none of Fosun or its directors were interested in any Forte Shares or any convertible securities, warrants, options or derivatives in respect of the Forte Shares.

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The interest of the director(s) of Fosun in any Forte Shares, convertible securities, warrants, options or derivatives of Forte is set out below:

| Name of director | Class of Forte Shares | Nature of Interest | Number of Forte Shares | Approximate percentage in the relevant class of share capital |
|-------------------------------|------------------------------|---------------------------|-------------------------------|--|
| Guo Guangchang ⁽¹⁾ | Domestic Shares | Corporate | 1,458,963,765 | 99% |
| | H Shares | Corporate | 325,710,000 | 30.86% |

Note (1): Guo Guangchang holds 58% of the equity interest of Fosun International Holdings Ltd., which wholly owns Fosun Holdings Limited. Fosun Holdings Limited in turn holds 78.24% equity interest in Fosun. Therefore, Guo Guangchang has a deemed interest through Fosun's shareholding in Forte.

- (ii) (a) As at the Latest Practicable Date, Standard Chartered Bank group, presumed to be acting in concert with Fosun, does not hold any Forte Shares.
- (b) Dahua (Group) Company Limited is presumed, for the purpose of the Takeovers Code, to be a party acting in concert with Fosun. As at the Latest Practicable Date, Dahua (Group) Company Limited was interested in 7,402,150 Domestic Shares, representing approximately 0.50% of the Domestic Shares.

Save as aforesaid, none of the persons acting in concert with Fosun owned or controlled any Forte Shares or any convertible securities, warrants, options or derivatives in respect of the Forte Shares.

- (iii) None of Fosun, its directors and the parties acting in concert with it had dealt for value in any Forte Shares or any convertible securities, warrants, options or derivatives in respect of the Forte Shares during the period commencing six months before 20 January 2011 and ending on the Latest Practicable Date.
- (iv) No subsidiary of Forte, pension fund of Forte Group or advisor of Forte as specified in class (2) of the definition of "associate" in the Takeovers Code (but excluding exempt principal traders) owned or controlled any Forte Shares or any convertible securities, warrants, options or derivatives in respect of the Forte Shares or had dealt for value in any Forte Shares or any convertible securities, warrants, options or derivatives in respect of the Forte Shares during the period commencing on 20 January 2011 and ending on the Latest Practicable Date.
- (v) No person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with Forte or with any person who is an associate of Forte by virtue of classes (1) to (4) of the definition of "associate" in the Takeovers Code and no such person owned or controlled any Forte Shares or any convertible securities, warrants, options or derivatives in respect of the Forte Shares or had dealt for value in any Forte Shares or any convertible securities, warrants, options or derivatives in respect of the Forte Shares during the period commencing on 20 January 2011 and ending on the Latest Practicable Date.

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- (vi) Save as disclosed in the section headed “Disclosure of Interests — Interests of the directors and the chief executives of Forte in the securities of Forte and the securities of Forte’s associated corporations” in this Appendix, no director of Forte was interested in, owned or controlled and no director of Forte had dealt for value in any Forte Shares or any convertible securities, warrants, options or derivatives in respect of the Forte Shares during the period commencing six months before 20 January 2011 and ending on the Latest Practicable Date.
- (vii) No Forte Shares or convertible securities, warrants, options or derivatives in respect of the Forte Shares was managed on a discretionary basis by fund managers (other than exempt fund managers) connected with Forte and no fund managers (other than exempt fund managers) connected with Forte had dealt for value in any Forte Shares or any convertible securities, warrants, options or derivatives in respect of the Forte Shares during the period commencing on 20 January 2011 and ending on the Latest Practicable Date.
- (viii) As at the Latest Practicable Date, none of Forte and the directors of Forte had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Forte.

(d) Interests and dealings in the shares of the Offeror

As at the Latest Practicable Date, save as disclosed in the table below, neither the directors of Forte nor Forte had any interest in the shares or any convertible securities, warrants, options or derivatives in respect of the shares in Fosun and neither the directors of Forte nor Forte had dealt for value in any such shares, convertible securities, warrants, options or derivatives during the period commencing six months before 20 January 2011 and ending on the Latest Practicable Date.

| Name of director/ chief executive | Class of Fosun shares | Number of Fosun shares | Type of interests | Approximate percentage of shares in issue |
|--|----------------------------------|-----------------------------------|------------------------------|--|
| Guo Guangchang | Ordinary | 5,024,555,500 | Corporate | 78.24% |

(e) Arrangements with Fosun and the parties acting in concert with it

As at the Latest Practicable Date:

- (i) apart from the Irrevocable Undertaking, none of Fosun and the parties acting in concert with it had any arrangement of the kind referred to in Note 8 to Rule 22 of Takeovers Code with any person;
- (ii) there was no agreement or arrangement to which Fosun is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offers;
- (iii) there was no agreement, arrangement or understanding between Fosun and any other person in relation to the transfer, charge or pledge of the Forte Shares to be purchased by Fosun (or any of its wholly-owned subsidiaries) upon completion of the Offers;

APPENDIX IV GENERAL INFORMATION RELATING TO FORTE AND FOSUN

- (iv) Fosun has no intention to transfer, charge or pledge any securities in Forte acquired pursuant to the Offers to any other person, or has no agreement, arrangement or understanding with any third party to do so;
- (v) save for the Irrevocable Undertaking, no person had irrevocably committed themselves to accept or reject the Offers; and
- (vi) none of Fosun and the parties acting in concert with it, Forte or the directors of Forte had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Forte.

(f) **Other interests**

As at the Latest Practicable Date:

- (i) no benefit (save for statutory compensation required under appropriate law) is or will be paid to any directors of Forte as compensation for loss of office or otherwise in connection with the Offers;
- (ii) there are no material contracts entered into by Fosun in which any director of Forte has a material personal interest;
- (iii) save for the Offers and the Irrevocable Undertaking, there was no agreement, arrangement or understanding (including any compensation arrangement) between Fosun or any of the parties acting in concert with it on the one hand and any of the directors of Forte, recent directors of Forte, Forte Shareholders or recent Forte Shareholders on the other hand having any connection with or dependence upon or being conditional upon the outcome of the Offers or otherwise connected with the Offers;
- (iv) save for the Offers, there was no agreement or arrangement between any of the directors of Forte and any other person which is conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers;
- (v) save as disclosed in the section headed “Disclosure of Interests — Interests of the directors and the chief executives of Forte in the securities of Forte and the securities of Forte’s associated corporations”, none of the directors of Forte has any direct beneficial interest in the Forte Shares.
- (vi) none of the directors of Forte had any existing or proposed service contract with Forte or any of its subsidiaries or associated companies which (i) has been entered into or amended within six months before the commencement of the Offer Period; or (ii) is a continuous contract with a notice period of 12 months or more; or (iii) is a fixed term contract with more than 12 months to run irrespective of the notice period.

4. INFORMATION REGARDING THE SHARE CAPITAL OF FORTE

- (i) As of the Latest Practicable Date, the authorised share capital and the issued share capital of Forte were as follows:

Authorised share capital

| Number of shares | Value of shares |
|-------------------------------|------------------------|
| 1,473,768,065 Domestic Shares | RMB294,753,613 |
| 1,055,538,122 H Shares | RMB211,107,624 |

Issued and fully paid-up share capital

| Number of shares | Value of shares |
|-------------------------------|------------------------|
| 1,473,768,065 Domestic Shares | RMB294,753,613 |
| 1,055,538,122 H Shares | RMB211,107,624 |

- (ii) All of the Forte Shares currently in issue rank pari passu in substantially all respects to each other, including with respect to dividends (except with respect to the currency in which the dividends are paid), voting rights and capital.
- (iii) No new Forte Shares were issued since 31 December 2010, being the end of the last financial year of Forte to the Latest Practicable Date.
- (iv) Other than the Forte Shares, there are no other options, derivatives, warrants or other securities convertible or exchangeable into Forte Shares which are issued by Forte as at the Latest Practicable Date.
- (v) On 15 March 2010 and 23 April 2010, it was announced that a final dividend for the year ended 31 December 2009 of RMB0.06 per ordinary share (pre-tax) to Forte Shareholders (both Forte H Shareholders and Forte Domestic Shareholders) whose names appear on the register of members of Forte as at 8 June 2010 was declared payable and approved by the shareholders at the annual general meeting on 8 June 2010. An aggregate amount of RMB145,521,000 after netting off withholding tax was paid on 28 July 2010 to such Forte Shareholders. On 21 August 2010 and 27 September 2010, it was announced that the board of Forte also did not declare an interim dividend for the six months ended 30 June 2010.

5. LITIGATION

As at the Latest Practicable Date, neither Forte nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the directors of Forte to be pending or threatened by or against Forte or any of its subsidiaries.

6. MATERIAL CONTRACTS

Save for the following contracts, no material contracts other than contracts entered into in the ordinary course of business carried on or intended to be carried on by Forte or any of its subsidiaries had been entered into by any member of Forte or any of its subsidiaries within two years preceding 20 January 2011 and up to the Latest Practicable Date:

- (a) An equity transfer agreement dated 1 December 2009 entered into between Shanghai Fosun Venture Capital Investment Management Co., Ltd. and Shanghai Forte Investment Management Co., Ltd. in relation to the transfer of 67.1% equity interest in Shanghai Resource Property Consultancy Co., Ltd. from Shanghai Forte Investment Management Co., Ltd. to Shanghai Fosun Venture Capital Investment Management Co., Ltd., for a consideration of RMB91,440,000;
- (b) A joint investment agreement dated 25 April 2010 entered into between Shanghai Zendai Property Limited and Forte for the establishment of Shanghai Haizhimen Property Investment Management Co., Ltd. with a registered capital of RMB1,000,000,000, of which RMB500,000,000 will be contributed by Shanghai Zendai Property Limited, RMB300,000,000 will be contributed by Forte and RMB100,000,000 will be contributed by each of Shanghai Panshi Investment Management Co., Ltd. and Hangzhou Greentown Real Estate Investment Co., Ltd., respectively;
- (c) An equity transfer agreement dated 28 June 2010 entered into between Shanghai Forte Investment Management Co., Ltd. and Zhejiang Fosun Commerce Development Limited in relation to the transfer of the equity interest of Shanghai Haizhimen Property Investment Management Co., Ltd. and the assignment of a shareholder loan of RMB1,300,000,000 advanced by Shanghai Forte Investment Management Co., Ltd., to Shanghai Haizhimen Property Investment Management Co., Ltd., from Shanghai Forte Investment Management Co., Ltd. to Zhejiang Fosun Commerce Development Limited, for a consideration of RMB1,600,000,000; and
- (d) A capital injection agreement dated 28 June 2010 entered into between Shanghai Fosun High Technology (Group) Co., Ltd. and Forte, pursuant to which, Shanghai Fosun High Technology (Group) Co., Ltd. has agreed to subscribed for 389,950,000 new Domestic Shares at the subscription price of RMB1.85 per Domestic Share ^(Note 1).

Note 1: Please refer to Forte's announcement dated 28 June 2010 headed "Joint Announcement — Domestic Share Issue — Connected Transaction" for details. As announced by Forte on 7 September 2010, the relevant special resolution for this Domestic Share issue was not duly passed at the extraordinary general meeting of the Forte Shareholders and the class meeting of the Forte H Shareholders held on 7 September 2010. Accordingly, the transaction contemplated by the capital injection agreement did not complete.

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7. EXPERTS

The following are the qualifications of each of the experts who have been named in this document or provided their report or advice which are contained in this Composite Document.

| Name | Qualification |
|---|--|
| Standard Chartered Bank | Licensed to conduct 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 |
| Somerley | 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 as defined under the SFO, the independent financial adviser appointed to advise the Independent Board Committee in respect of the H Share Offer and the withdrawal of listing of the H Shares |
| Jones Lang LaSalle Sallmanns Limited | Property valuer |

8. CONSENT

Standard Chartered Bank, Somerley and Jones Lang LaSalle Sallmanns Limited have given and have not withdrawn their respective written consents to the issue of this Composite Document with the inclusion in this Composite Document of the text of their respective letters, reports or opinions, as the case may be, and references to their names in the form and context in which they respectively appear.

9. GENERAL

- (a) The registered office of Forte is situated at 9th Floor, 510 Caoyang Road, Shanghai, PRC and its principal place of business in Hong Kong is Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong.
- (b) The registered office of Fosun is situated at Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong. The directors of Fosun are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Fan Wei, Mr. Ding Guoqi, Mr. Qin Xuetang, Mr. Wu Ping, Mr. Liu Benren, Dr. Chen Kaixian, Mr. Zhang Shengman and Mr. Andrew Y. Yan.
- (c) The registered office of Shanghai Fosun High Technology (Group) Co., Ltd. is situated at Room 206, 500 Caoyang Road, Shanghai, PRC. The directors of Shanghai Fosun High Technology (Group) Co., Ltd. are Mr. Guo Guangchang, Mr. Liang Xinjun, Mr. Wang Qunbin, Mr. Fan Wei, Mr. Ding Guoqi, Mr. Qin Xuetang and Mr. Wu Ping.
- (d) The registered office of Dahua (Group) Company Limited is situated at 698 Hualing Road, Shanghai, PRC.

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- (e) The registered office of Standard Chartered Bank is situated at 32/F, Standard Chartered Bank Building, 4-4A Des Voeux Road, Central, Hong Kong.
- (f) The registered office of Somerley is situated at 10th Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong.
- (g) The Registrar of Forte is Computershare Hong Kong Investor Services Limited which is situated at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (h) In case of inconsistency, the English language text of this document and the accompanying forms of proxy shall prevail over the Chinese language text.
- (i) All time and dates references contained in this Composite Document refer to Hong Kong time and dates.

10. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 9:30 a.m. to 5:30 p.m., Monday to Friday at (i) the principal place of business of Forte in Hong Kong at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong; (ii) the website of Forte at www.forte.com.cn; and (iii) the website of SFC at www.sfc.hk from the date of this Composite Document for so long as the H Share Offer remains open for acceptance.

- (a) the memorandum and articles of association of Forte;
- (b) the memorandum and articles of association of Fosun;
- (c) the annual report containing the audited consolidated financial statements of Forte for each of the two years ended 31 December 2008 and 2009;
- (d) the interim report containing the unaudited consolidated results of Forte for the six months ended 30 June 2010;
- (e) the annual report containing the audited consolidated financial statements of Fosun for each of the two years ended 31 December 2008 and 2009;
- (f) the interim report containing the unaudited consolidated results of Fosun for the six months ended 30 June 2010;
- (g) the letter from the board of directors of Fosun, the text of which is set out on pages 6 to 9 of this Composite Document;
- (h) the letter from Standard Chartered Bank, the text of which is set out on pages 10 to 17 of this Composite Document

APPENDIX IV GENERAL INFORMATION RELATING TO FORTE AND FOSUN

- (i) the letter from the board of directors of Forte, the text of which is set out on pages 18 to 24 of this Composite Document;
- (j) the letter from the Independent Board Committee, the text of which is set out on pages 25 to 26 of this Composite Document;
- (k) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 27 to 49 of this Composite Document;
- (l) the material contracts referred to in section 6 above in this Appendix entitled “Material Contracts” in this Appendix;
- (m) the written consents referred to in section 8 above in this Appendix entitled “Consent” in this Appendix;
- (n) the letter and full valuation report and certificate relating to certain property interests of the Forte Group, prepared by Jones Lang LaSalle Sallmanns Limited, the text of which is set out in Appendix III to this Composite Document; and
- (o) the Irrevocable Undertaking.

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)

NOTICE OF CLASS MEETING OF HOLDERS OF H SHARES

NOTICE IS HEREBY GIVEN that a class meeting of holders of H Shares (the “**H Share Class Meeting**”) of Shanghai Forte Land Co., Ltd. (the “**Company**”) will be held at 10:00 a.m. on Monday, 11 April 2011 at the conference room of the Company, Fuxing Business Building, 2 Fuxing Road East, Shanghai, 200010, the PRC to consider and, if thought fit, to pass the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the composite offer and response document of the Company dated 25 February 2011:

AS SPECIAL RESOLUTIONS

“**THAT:**

- (a) the voluntary withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange, be and is hereby approved; and
- (b) any director of the Company be and is hereby authorised to take such other action and execute such documents or deeds as he may consider necessary or desirable for the purpose of implementing the voluntary withdrawal.

By Order of the Board
Shanghai Forte Land Co., Ltd.
Zhang Hua
Chairman

25 February 2011, Shanghai, the PRC

As at the date hereof, the executive directors of the Company are Mr. Zhang Hua, Mr. Fan Wei and Mr. Wang Zhe, the non-executive directors are Mr. Guo Guangchang, Mr. Chen Qiyu and Mr. Feng Xiekun, and the independent non-executive directors are Mr. Charles Nicholas Brooke, Mr. Chen Yingjie, Mr. Zhang Hongming and Ms. Wang Meijuan.

Notes:

- (a) The holders of H Shares are reminded that pursuant to the articles of association of the Company, the register of shareholders of the Company will be closed from Saturday, 12 March 2011 to

** For identification purposes only*

Monday, 11 April 2011 (both days inclusive), during which period no transfer of shares will be registered. The holders of H Shares, who intends to attend the H Share Class Meeting, must deliver their instrument of transfers together with the relevant share certificates to the Company's Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30p.m. on Friday, 11 March 2011.

- (b) Any holders of H Shares entitled to attend and vote at the H Share Class Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
- (c) Pursuant to the Listing Rules and the articles of association of the Company, at any extraordinary general meeting, a resolution shall be decided on a one share one vote basis.
- (d) To be valid, the proxy forms for the use of holders of H Shares and, if such proxy is signed by a person on behalf of the appointor pursuant to a power of attorney or other authority, a notarised copy of that power of attorney or other authority must be delivered to the Company's Registrar (Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Center, 183 Queen's Road East, Hong Kong) not less than 24 hours before the time scheduled for holding the H Share Class Meeting.
- (e) The holders of H Shares intending to attend the H Share Class Meeting should return the accompanying reply slip to the Company's Registrar (Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) on or before Monday, 21 March 2011.
- (f) Completion and return of the proxy forms and notices of attendance will not preclude a holder of H Shares from attending and voting in the H Share Class Meeting if such holder has notified the Company not less than 24 hours in writing before the time scheduled for holding the H Share Class Meeting.
- (g) A holder of H Shares or his/her/its proxy shall produce proof of identity when attending the H Share Class Meeting. If a corporate shareholder appoints its legal representative to attend the meeting, such legal representative shall produce proof of identity and a copy of the resolution of the board of directors or other governing body of such shareholder appointing such legal representative to attend the meeting.
- (h) In accordance with the articles of association of the Company, where there are joint registered holders of any share, only the first named shareholder in the register of members has the right to receive this notice, attend the H Share Class Meeting and exercise the voting rights in relation to the relevant shares in the H Share Class Meeting.
- (i) The H Share Class Meeting is expected to last for about 30 minutes. Holders of H Shares of the Company and their respective proxies attending the H Share Class Meeting shall be responsible for their own transportation and accommodation expenses.