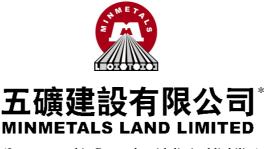
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(Incorporated in Bermuda with limited liability) (Stock Code: 230)

# ANNOUNCEMENT

# MAJOR ACQUISITION AND CONNECTED TRANSACTION COMPLETION OF ACQUISITION

# POST COMPLETION CONTINUING CONNECTED TRANSACTIONS

The Board is pleased to announce that the Acquisition was completed on 20 December 2010 and that pursuant to the Acquisition Agreement, 601,293,059 Consideration Shares were allotted and issued to June Glory at the direction of the Vendor on 20 December 2010.

Reference is made to the announcements of the Company dated 13 November 2009 and 29 September 2010 and the circular of the Company dated 30 November 2009 relating to a major acquisition and connected transaction (the "**Circular**"). Terms used in this announcement shall, unless otherwise defined, have the same meaning as used in the Circular.

The Board is pleased to announce that the Acquisition was completed on 20 December 2010, upon which the Project Companies (i.e. Jiahe Risheng, Tianjin Binhaixinqu and Zhongrun Chengzhen) became wholly-owned subsidiaries of the Company indirectly held through the Targets and the HK HoldCos. The consideration for the Acquisition of HK\$1,419,051,619 was satisfied in full by the allotment and issue of a total of 601,293,059 Consideration Shares to June Glory at the direction of the Vendor at HK\$2.36 per Consideration Share on the same date. As at the date of this announcement immediately after such allotment and issue of the Consideration Shares, June Glory holds approximately 61.97% of the entire issued share capital of the Company.

#### **POST-COMPLETION CONTINUING CONNECTED TRANSACTIONS**

In respect of the various on-going transactions between the China Minmetals Group and Tianjin Binhaixinqu or Zhongrun Chengzhen disclosed in the section headed "Relationship Between the Project Companies and China Minmetals Group and Possible Continuing Connected Transactions" in the "Letter from the Board" contained in the Circular, the Board announces that the arrangements of such transactions following Completion are as follows:-

## **Transactions involving Tianjin Binhaixinqu**

## Loans from Minmetals Real Estate

Tianjin Binhaixinqu had repaid all shareholder's loans (including those accruing as at 31 October 2009) due to Minmetals Real Estate prior to Completion with its own internal resources generated from the pre-sale of Property 2.

## **Transactions involving Zhongrun Chengzhen**

#### Loans from Hunan Jiasheng

Zhongrun Chengzhen had repaid all shareholder's loans (including those accruing as at 31 October 2009) due to Hunan Jiasheng prior to Completion with its own internal resources and the new loan from Minmetals Real Estate as described below.

#### Loans from Minmetals Real Estate

Minmetals Real Estate has provided an unsecured loan in the amount of RMB152 million (equivalent to approximately HK\$177 million) to Zhongrun Chengzhen on 16 December 2010. Such loan is for a term of six months at the interest rate of 5.61% (being 10% above the benchmark interest rate for a 6-month short term loan quoted by The People's Bank of China on the date of the loan).

Given that the interest rate for a 6-month loan is lower than the interest rate for a three-year loan, the Directors (including the independent non-executive Directors) believe that such restructuring of the loans (i.e. using the new loan from Minmetals Real Estate for the repayment of the loan from Hunan Jiasheng) is in the interests of the Company and the Shareholders as a whole.

The Directors consider that the loan from Minmetals Real Estate to Zhongrun Chengzhen is on normal commercial terms and therefore, it is exempt from the announcement, reporting and independent Shareholders' approval requirements under rule 14A.65(4) of the Listing Rules.

#### Provision of construction and installation services by Ershisanye Group

Following Completion, Ershisanye Group will continue to provide construction and installation services in relation to Property 3 under the Construction Master Agreement within the annual cap for the year ending 31 December 2010 previously approved by the Shareholders on 17 October 2008.

The payments of labour remuneration security deposits and other utility costs made by Zhongrun Chengzhen on behalf of Ershisanye Group as part and parcel of Ershisanye Group's provision of contruction and installation services under the Construction Master Agreement that have not yet been settled as at Completion amounted to RMB3.80 million (equivalent to approximately HK\$4.44 million) and are expected to be settled by setting off against the services fee payable by Zhongrun Chengzhen.

# Provision of staff by Hunan Jiasheng

Zhongrun Chengzhen has now employed all of its own staff and therefore it is no longer necessary for Zhongrun Chengzhen to request for staff to be provided by Hunan Jiasheng. The agreement entered into between Zhongrun Chengzhen and Hunan Jiasheng in November 2009 has therefore been terminated before Completion.

#### Provision of management services by Jiasheng Properties

Jiasheng Properties will continue to provide property management services to Zhongrun Chengzhen in respect of Property 3 following Completion. All the applicable percentage ratios with reference to the transaction amount on an annual basis under this arrangement are below 0.1%. Accordingly, this arrangement is exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## Use of office premises from Hunan Jiasheng

Zhongrun Chengzhen has moved out from the office premises from Hunan Jiasheng prior to Completion.

## Deposit with the internal bank of Ershisanye

As contemplated in the Circular, the deposit by Zhongrun Chengzhen with the internal bank of Ershisanye has been terminated before Completion.

For the purpose of illustration only, conversion of RMB into Hong Kong dollars in this announcement is based on the exchange rate of RMB1.00 to HK\$1.1676. Such conversion should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.

By order of the Board He Jianbo Managing Director

#### Hong Kong, 20 December 2010

As at the date of this announcement, the Board comprises twelve Directors, namely Mr. Sun Xiaomin as the Chairman and a non-executive Director, Mr. Qian Wenchao, Mr. He Jianbo, Mr. Yin Liang, Ms. He Xiaoli and Mr. Yang Lu as executive Directors, Mr. Pan Zhongyi, Mr. Tian Jingqi and Mr. Liu Zeping as non-executive Directors and Mr. Lam Chun, Daniel, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria as independent non-executive Directors.

\* For identification purpose only