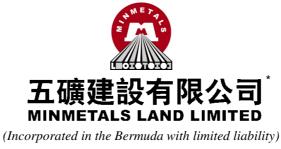
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(Stock Code: 230)

# FURTHER ANNOUNCEMENT

## MASTER COOPERATION AGREEMENT INVOLVING A DISCLOSEABLE TRANSACTION

Reference is made to the announcement of the Company dated 30 September 2010 in relation to the Master Cooperation Agreement entered into between the Company, the Vendor and the Target Company. Pursuant to the Master Cooperation Agreement, the Company has conditionally agreed to acquire, in stages, 80% of the Equity Interests at the Total Consideration of not more than RMB749 million (equivalent to approximately HK\$867 million).

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules for the purpose of providing information to the Shareholders and the potential investors in respect of the progress of the proposed acquisition under the Master Cooperation Agreement.

The Board is pleased to announce that on 9 November 2010, the Group entered into the following agreements with the Vendor:

- 1. The Supplemental Agreement; and
- 2. The Joint Venture Agreement.

Reference is made to the announcement of the Company dated 30 September 2010 (the "Announcement") in relation to the Master Cooperation Agreement entered into between the Company, the Vendor and the Target Company. Pursuant to the Master Cooperation Agreement, the Company has conditionally agreed to acquire, in stages, 80% of the Equity Interests at the Total Consideration of not more than RMB749 million (equivalent to approximately HK\$867 million). Unless otherwise stated, terms used herein shall have the same meaning as those defined in the Announcement.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules for the purpose of providing information to the Shareholders and the potential investors in respect of the progress of the proposed acquisition under the Master Cooperation Agreement.

The Board is pleased to announce that on 9 November 2010, the Group has entered into the following agreements with the Vendor:

- 1. A supplemental agreement to the Master Cooperation Agreement (the "Supplemental Agreement"); and
- 2. A joint venture agreement (the "Joint Venture Agreement").

Details of the Supplemental Agreement and Joint Venture Agreement are set out below.

## I. THE SUPPLEMENTAL AGREEMENT

#### A. Date

9 November 2010

#### **B.** Parties

- (i) the Vendor;
- (ii) the Company;
- (iii) the Target Company; and
- (iv) Menson Development Limited, a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company ("**Menson**").

## C. Major terms

- (i) In order to expedite the process of obtaining approval from the regulatory authorities in the PRC, the parties to the Supplemental Agreement agreed to proceed with the First Acquisition and the First Capital Expansion simultaneously.
- (ii) The First Acquisition Price shall be approximately RMB120 million (equivalent to approximately HK\$139 million), RMB50 million (equivalent to approximately HK\$58 million) of which shall be payable by the Company or its designated party(ies) on or before 14 November 2010. Within 90 days from the date obtaining the Sino-foreign joint venture enterprise business licence of the Target Company (the "Business Licence"), the Company shall pay the Vendor a sum in foreign currency equivalent to approximately RMB120 million (equivalent to approximately HK\$139 million). The Vendor shall settle the outstanding First Acquisition Price and refund the surplus to the Company or its designated party(ies) within 5 days after completion of the foreign exchange settlement.
- (iii) The Vendor shall contribute not less than 71.74% of its portion in the First Capital Expansion, which amounts to approximately RMB96 million (equivalent to approximately HK\$111 million), immediately after the filing of the application for the Business Licence by the Target Company; while the remaining 28.26% shall be contributed within two years after obtaining the Business Licence.

(iv) Menson shall contribute not less than 71.74% of its portion in the First Capital Expansion, which amounts to approximately RMB178 million (equivalent to approximately HK\$206 million), prior to the filing of the application for the Business Licence by the Target Company; while the remaining 28.26% shall be contributed when the existing substation and the high voltage cables stretching across Land Phase 1 have been relocated to an area outside the Land.

## **II. THE JOINT VENTURE AGREEMENT**

## A. Date

9 November 2010

## **B.** Parties

- (i) the Vendor; and
- (ii) Menson.

## C. Major terms

#### *(i)* Business scope and terms of operation

The scope of business of the Target Company includes real estate development, sale of residential properties, leasing, property management, ancillary supports and basic facilities construction. The Target Company shall have a term of operation of 20 years commencing from the completion of the First Acquisition.

## (ii) Registered capital and contribution

As at the date of the Joint Venture Agreement, the registered capital of the Target Company was RMB1 million (equivalent to approximately HK\$1.2 million) which had been fully paid up by the Vendor. Menson shall acquire from the Vendor 65% of the existing equity interests of the Target Company, as a result of which the Target Company will be held as to 35% by the Vendor and 65% by Menson. The Vendor and Menson shall contribute in cash approximately RMB133 million (equivalent to approximately HK\$154 million) and RMB248 million (equivalent to approximately HK\$287 million) respectively to the First Capital Expansion. Menson shall contribute its part of the First Capital Expansion in foreign currency equivalent to the said RMB248 million (equivalent to approximately HK\$287 million). As a result, the registered capital and total contribution of the Target Company will be expanded to approximately RMB382 million (equivalent to approximately HK\$442 million).

#### *(iii)* Board composition

The board of directors of the Target Company shall comprise 5 directors, 2 of which shall be nominated by the Vendor and the remaining 3 shall be nominated by Menson. The board composition will be changed in proportion to the then respective shareholding of the Vendor and Menson in the future.

#### (iv) Profit sharing

The Vendor and Menson will share the profits of the Target Company in accordance with their respective shareholding in the Target Company.

## **III. CERTIFICATE OF STATE-OWNED CONSTRUCTION LAND USE RIGHT**

As at the date of this announcement, the Target Company has obtained the Certificate of State-owned Construction Land Use Right in respect of Land Phase 1 Section 1 and Land Phase 1 Section 2.

## **IV. SOURCE OF FUNDS**

The Total Consideration is payable in cash and will be funded by internal resources of the Group and/or bank borrowing.

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\$1.1575. 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, 9 November 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