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**五礦建設有限公司**  
**MINMETALS LAND LIMITED**

*(Incorporated in the Bermuda with limited liability)*

**(Stock Code: 230)**

**DISCLOSEABLE TRANSACTION**

**MASTER COOPERATION AGREEMENT**

The Board is pleased to announce that on 30 September 2010, the Company entered into the Master Cooperation Agreement with the Vendor and the Target Company, pursuant to which 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).

Regardless of the Actual Land Acquisition Cost, the maximum exposure of the Company in this Transaction shall be limited to the Agreed Land Acquisition Cost. In case the Actual Land Acquisition Cost exceeds the Agreed Land Acquisition Cost, such difference shall be borne by the Vendor.

Completion will take place in stages, including the First Acquisition, the First Capital Expansion, the Second Capital Expansion and the Second Acquisition. Subsequent to the signing of the Master Cooperation Agreement, the Vendor and the Company shall enter into a formal agreement in respect of each stage of the Transaction. In addition, the Vendor and the Company shall enter into a joint venture agreement and set out in the articles of association of the Target Company details of the management and operation of the Target Company and the rights and obligations of the shareholders of the Target Company.

Upon Completion, the Target Company will be owned as to 80% by the Company and as to the remaining 20% by the Vendor. As a result, the Target Company will become a non wholly-owned subsidiary of the Company.

The Land is situated at 惠州市博羅縣麥田嶺 (Mai Tian Ling, Boluo County, Huizhou City, the PRC), which includes Land Phase 1, Land Phase 2 and Water-surfaced Land Number 2 with a total area of approximately 1,875 mu. According to the relevant State-owned Construction Land Use Right Transfer Agreements, the Land Phase 1 Section 1 and Land Phase 1 Section 2 shall be used for residential purpose for a period of 70 years. Pending the issue of the relevant Certificates of State-owned Construction Land Use Right, the Target Company is in the process of acquiring Land Phase 1 Section 1 and Land Phase 1 Section 2 (approximately 867 mu) and intends to bid for Land Phase 1 Section 3 (approximately 99

mu), Land Phase 2 Section 1 (approximately 500 mu) and obtain independent land use right for Water-surfaced Land Number 2 (approximately 255 mu).

As the applicable percentage ratios of the Transaction exceed 5% but are less than 25%, the entering into of the Master Cooperation Agreement constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements as set out in the Listing Rules.

Pursuant to the Master Cooperation Agreement, Completion is conditional on the fulfillment of a number of material obligations by the Vendor, inter alia, the Target Company and a subsidiary of the Vendor shall enter into a tenancy agreement in respect of the independent land use right of Water-surfaced Land Number 2 (the “**Tenancy Agreement**”) which may constitute a continuing connected transaction for the Company. The Company will comply with the applicable requirement under the Listing Rules where required as and upon the signing of the Tenancy Agreement.

Pursuant to the Master Cooperation Agreement, the Company may exercise its right and acquire Land Phase 2 Section 2 (approximately 154 mu) in the future. The Company will comply with applicable requirement under the Listing Rules where required as and upon the signing of an agreement in respect of such acquisition.

## **I. THE MASTER COOPERATION AGREEMENT**

On 30 September 2010, the Vendor, the Company and the Target Company entered into the Master Cooperation Agreement pursuant to which the Company has conditionally agreed to acquire 80% of the Equity Interests in stages.

The major terms and conditions of the Master Cooperation Agreement are set out as follows:

### **A. Date**

30 September 2010

### **B. Parties**

- (i) the Vendor;
- (ii) the Company ; and
- (iii) the Target Company.

As far as the Company’s Board is aware after making reasonable enquiries, the Target Company is a wholly-owned subsidiary of the Vendor as at the date of the Master Cooperation Agreement. The Company confirms that to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Target Company, the Vendor and its ultimate beneficial owners are independent third parties of the Company and are not connected persons of the Company as at the date of the Master Cooperation Agreement.

## C. The Transaction

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).

Completion will take place in the following stages:

### *(i) First Acquisition*

The Company will initially acquire from the Vendor 65% of the existing equity interests in the Target Company upon the execution of the First Acquisition Agreement which shall take place within 20 days after the execution of the Master Cooperation Agreement

### *(ii) First Capital Expansion*

Within 10 days after the completion of the First Acquisition, the Vendor, the Company and the Target Company shall enter into the First Capital Expansion Agreement whereby the Vendor and the Company shall contribute 35% and 65% respectively to the First Capital Expansion in accordance with the terms and conditions of the First Capital Expansion Agreement.

### *(iii) Second Capital Expansion*

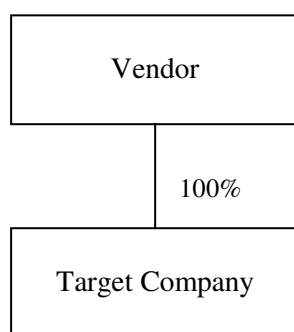
Subject to both of the Land Phase 1 Section 3 and Land Phase 2 Section 1 have become eligible for bidding, the Vendor, the Company and the Target Company shall enter into the Second Capital Expansion Agreement and contribute 35% and 65% respectively to the Second Capital Expansion in accordance with the terms and conditions of the Second Capital Expansion Agreement.

### *(iv) Second Acquisition*

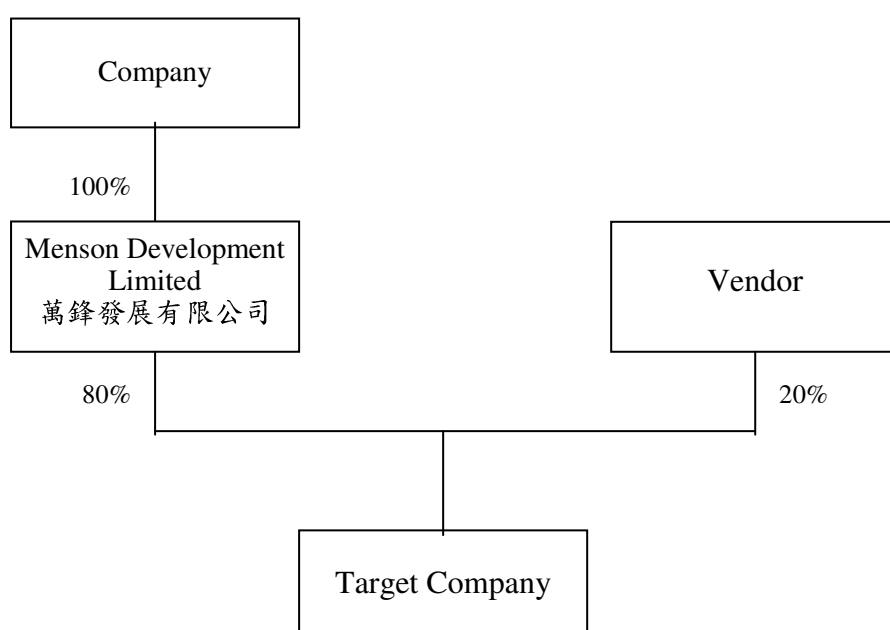
Subject to the acquisition of Land Phase 1 Section 3 and Land Phase 2 Section 1 by the Target Company (which shall, for this purpose, be the date of obtaining the relevant confirmation of the sale of State-owned land (土地成交確認書)), the Vendor and the Company shall execute the Second Acquisition Agreement within 15 days after obtaining the aforesaid confirmation. The Company will acquire from the Vendor 15% of the Equity Interests upon the receipt of all relevant regulatory approvals and fulfillment of the registration requirements as well as the payment of the Second Acquisition Price.

The diagrams below are the simplified corporate structures of the relevant companies before and upon Completion.

*Current shareholding structure of the Target Company*



*Upon Completion*



*Note: Menson Development Limited is an indirect wholly-owned subsidiary of the Company and incorporated in Hong Kong with limited liabilities.*

**D. Consideration**

*(i) First Acquisition*

In consideration of the acquisition of 65% of the existing equity interest in the Target Company, the Company shall pay to the Vendor the First Acquisition Price which shall be 65% of the sum of (a) the Land Premium for Land Phase 1 Section 1 and Land Phase 1 Section 2; and (b) the existing registered capital of the Target Company. The estimated First Acquisition Price shall be no more than RMB120 million (equivalent to approximately HK\$139 million).

*(ii) First Capital Expansion*

The amount of the First Capital Expansion payable by both the Vendor and the Company shall be the Actual Land Acquisition Cost and the relevant tax of Land Phase 1 Section 1 and Land Phase 1 Section 2 and the Lump Sum Payment. The amount of the First Capital Expansion to be contributed by the Company shall be no more than RMB248 million (equivalent to approximately HK\$287 million).

*(iii) Second Capital Expansion*

The amount of the Second Capital Expansion payable by both the Vendor and the Company shall be the Actual Land Acquisition Cost and the relevant tax of Land Phase 1 Section 3 and Land Phase 2 Section 1. The amount of the Second Capital Expansion to be contributed by the Company shall be no more than RMB241 million (equivalent to approximately HK\$279 million).

*(iv) Second Acquisition*

In consideration of the acquisition of 15% of the Equity Interests, the Company shall pay to the Vendor the Second Acquisition Price which shall be the sum of (a) 15% of the registered capital of the Target Company at the time of the Second Acquisition; (b) 80% of the Land Premium for Land Phase 1 Section 3 and Land Phase 2 Section 1; and (c) 15% of the Land Premium for Land Phase 1 Section 1 and Land Phase 1 Section 2. The estimated Second Acquisition Price shall be approximately RMB140 million (equivalent to approximately HK\$162 million).

Regardless of the Actual Land Acquisition Cost, the maximum exposure of the Company in the Transaction shall be limited to the Agreed Land Acquisition Cost. In case the Actual Land Acquisition Cost exceeds the Agreed Land Acquisition Cost, the Vendor shall bear the difference or set off such difference against the Land Premium payable by the Company to the Vendor (if any) and this shall not constitute a shareholder's loan from the Vendor to the Target Company as a result thereof. If the Vendor is unable to pay for such difference, the Company may request the Vendor to settle such difference by transferring its corresponding shareholding in the Target Company to the Company.

**E. Payment Terms**

*(i) First Acquisition*

The Company shall settle part of the First Acquisition Price, i.e. RMB50 million (equivalent to approximately HK\$58 million), within 5 days after the execution of the First Acquisition Agreement. The balance of the First Acquisition Price shall be paid when the existing substation and the high voltage cables stretching across Land Phase 1 have been relocated to an area outside the Land.

*(ii) First Capital Expansion*

The Vendor and the Company shall contribute to the First Capital Expansion in proportionate to their respective shareholding in the Target Company. In particular, the Vendor and the Company shall contribute 35% and 65% respectively to the First Capital Expansion.

Subject to the approval of the relevant government authority in the PRC, the Vendor shall contribute its part of First Capital Expansion by capitalizing part of its shareholder's loan to the Target Company while the Company shall contribute its part of the First Capital Expansion in cash within 65 days after the date of the First Capital Expansion Agreement. The Target Company shall use the Company's aforesaid contribution to repay its outstanding loans due to the Vendor within 7 days thereafter.

In the event that capital expansion by way of capitalization of shareholder's loan is not approved by the relevant government authority in the PRC, the Company shall first contribute its part of the First Capital Expansion in cash within 65 days after the date of the First Capital Expansion Agreement. The Vendor shall contribute its part of the First Capital Expansion in cash after the Target Company has repaid part of the shareholder's loan due to the Vendor. The Target Company shall repay the remaining balance of the loan outstanding to the Vendor within 7 days after the completion of Vendor's part of capital contribution.

*(iii) Second Capital Expansion*

The Vendor and the Company shall contribute to the Second Capital Expansion in proportionate to their respective shareholding in the Target Company. In particular, the Vendor and the Company shall contribute 35% and 65% respectively to the Second Capital Expansion.

In case there is difficulty in time and progress control or obstacle at legislative policy level, the Vendor and the Company might consider raising funds in the PRC for the settlement of the total bidding price for Land Phase 1 Section 3 and Land Phase 2 Section 1 by providing loan (including loan from related companies or by way of entrusted loan) to the Target Company in the proportion of 20% and 80% respectively.

*(iv) Second Acquisition*

The Company shall settle the Second Acquisition Price within 5 days after the completion of relevant registration for the Second Acquisition. The Company may choose to deduct the Deposit from the Second Acquisition Price.

**F. Material obligations of the Vendor**

Pursuant to the Master Cooperation Agreement, Completion is conditional on the fulfillment of a number of material obligations by the Vendor:

- (i) the Vendor shall obtain the Certificate of State-owned Construction Land Use Right in respect of Land Phase 1 Section 1 and Land Phase 1 Section 2, and pay the entire purchase price thereof on behalf of the Target Company on or before 31 October 2010;
- (ii) the Vendor shall complete the relocation of the substation and the high voltage cables stretching across Land Phase 1 to a new location outside the Land on or before 30 June 2011 ;
- (iii) the Vendor shall procure the Target Company to bid for Land Phase 1 Section 3 and Land Phase 2 Section 1 through public auction and listing process on or before 31 July 2011;
- (iv) the Vendor shall complete the construction of the sports avenue to the northern part of the Land and shall procure the entrance to the Land is in place on or before 31 July 2011;
- (v) in respect of (ii) above, the Vendor shall guarantee that the substation and the high voltage cables shall be relocated to a new location which will not cause any adverse effect on the development of the Project. The Vendor and the People's Government of Boluo County shall bear the cost for such relocation. The Vendor shall otherwise compensate the actual loss suffered by the Company and the Target Company caused by any delay in relocation;
- (vi) the Vendor shall procure the Target Company to enter into a tenancy agreement with 博羅縣水車坑水產養殖有限公司 (Boluo County Shui Che Keng Aquaculture Company\*), a subsidiary of the Vendor, in respect of the independent land use right of Water-surfaced Land Number 2 and the Target Company shall settle the Lump Sum Payment within 10 days of the execution of such tenancy agreement; and
- (vii) the Vendor shall complete the relevant filing to change the classification of the water-surfaced land covered in the Project from reservoir to pond at the expense of the Target Company such that the water-surfaced land covered in the Project shall not serve for any irrigation, flood prevention, drainage, canalling or transportation purposes and shall not be governed by navigation or harbour authorities. In this regard, the Vendor represents and warrants that the water-surfaced land covered in the Project, i.e. 水車坑水庫 (Shui Che Keng Reservoir), which was initially graded as type 2 reservoir, has already been downgraded as pond by Boluo County Bureau of Water Resources.

In the event that the Vendor fails to perform any of the above obligations beyond 90 days after the respective deadlines or the actual performance of any of the above obligations has become impossible, the Company may terminate the Master Cooperation Agreement by giving termination notice to the Vendor. Subject to the approval of the relevant government authority in the PRC, the Company shall transfer all its equity interest in the Target Company back to the Vendor and the Vendor shall

reimburse all funds contributed and expenses incurred by the Company in respect of the Project to the Company in addition to a compensation for all funds and expenses incurred by the Company at 120% of the benchmark interest rate as quoted by The People's Bank of China. If the aforesaid government approval could not be obtained, the Vendor shall forthwith compensate all losses suffered by the Company. The Company may set off all its losses suffered against the Land Premium for Land Phase 1 Section 3 and Land Phase 2 Section 1 payable to the Vendor. Furthermore, the Company may assign its entire interest in the Target Company to a third party, provided that such third party agrees to assume all obligations of the Company under the Master Cooperation Agreement and give a written guarantee to the Vendor in respect thereof.

Notwithstanding the above, the Company might elect to continue the cooperation with the Vendor by giving a written notice communicating the same. The Vendor shall compensate the Company for a sum equivalent to the interest (based on 120% of the benchmark interest rate as quoted by the People's Bank of China in the relevant period) of the fund used in the entire fund contributed by the Company into the Project during the delayed period. Save and except for the above compensation, the Master Cooperation Agreement shall remain in full force.

In any event, the Vendor shall not terminate this Master Cooperation Agreement or alter its mode of cooperation with the Company due to the non-fulfillment of any of its material obligations.

#### **G. Land Phase 2 Section 2**

When the board of directors of the Target Company considers appropriate after taking into account the land price and the availability of Land Phase 2 Section 2 and the future development needs of the Project, upon the request of the Company, the Vendor undertakes that it shall assist the Target Company in the land planning and collection of rural collective land and the conversion of which into State-owned construction land. In addition, the Vendor shall assist the Target Company to acquire Land Phase 2 Section 2 when such land becomes eligible for auction and listing.

#### **H. Deposit**

The Company shall pay to the Vendor the Deposit within 5 days after the execution of the Master Cooperation Agreement. The Deposit shall be refunded to the Company without interest within 5 days of the full payment of the Second Acquisition Price. Alternatively, the Company might elect to set off the Deposit against the Second Acquisition Price.

#### **I. Board of directors of the Target Company**

Upon the First Acquisition, the board of directors of the Target Company shall comprise 5 directors, 2 of which shall be appointed by the Vendor while the remaining 3 shall be appointed by the Company. Such ratio shall be changed to 1 to 4 upon the completion of the Second Acquisition.



One of the directors appointed by the Company shall become chairman and the legal representative of the Target Company. In addition, the general manager and the financial controller of the Target Company shall also be appointed by the Company.

For detailed regulations regarding the operation, management and profit sharing of the Target Company, the Vendor and the Company will enter into a joint venture agreement and set out in the articles of association of the Target Company.

## **II. INFORMATION OF THE LAND**

The Land is situated at 惠州市博羅縣麥田嶺 (Mai Tian Ling, Boluo County, Huizhou City, the PRC), which includes Land Phase 1, Land Phase 2 and Water-surfaced Land Number 2 with a total area of approximately 1,875 mu. According to the relevant State-owned Construction Land Use Right Transfer Agreements (國有建設用地使用權出讓合同), the Land Phase 1 Section 1 and Land Phase 1 Section 2 shall be used for residential purpose for a period of 70 years. The Target Company intends to bid for Land Phase 1 Section 3 and Land Phase 2 Section 1 and acquire the independent land use right of Water-surfaced Land Number 2.

## **III. ASSETS OF THE TARGET COMPANY**

As at the date of the Master Cooperation Agreement, the Target Company is a wholly-owned subsidiary of the Vendor with a registered capital of RMB1 million (equivalent to approximately HK\$1.2 million). As at 20 September 2010, the Target Company is indebted to the Vendor for a sum of RMB337 million (equivalent to approximately HK\$390 million) (including the total land price for Land Phase 1 Section 1 and Land Phase 1 Section 2 of RMB337 million (equivalent to approximately HK\$390 million) and the expenses in respect thereof of RMB0.3 million (equivalent to approximately HK\$0.4 million).

Pending the issue of the relevant Certificates of State-owned Construction Land Use Right, the Target Company is in the process of acquiring the following:

(i) Land Phase 1 Section 1

Pursuant to the State-owned Construction Land Use Right Transfer Agreements dated 16 April 2010 entered into between Boluo County Bureau of Land and Resources and the Target Company, the Target Company has made a prepayment of RMB150 million (equivalent to approximately HK\$174 million) for Land Phase 1 Section 1.

(ii) Land Phase 1 Section 2

Pursuant to the State-owned Construction Land Use Right Transfer Agreements dated 29 June 2010, 30 June 2010 and 2 July 2010 entered into between Boluo County Bureau of Land and Resources and the Target Company, the Target Company has made a prepayment of RMB187 million (equivalent to approximately HK\$216 million) for Land Phase 1 Section 2.

#### **IV. INFORMATION OF THE PARTIES**

The Group is principally engaged in real estate development, specialised construction, property investment and securities investment.

The Vendor was incorporated on 26 August 1993 in the PRC as a limited company with a registered capital of RMB161 million (equivalent to approximately HK\$186 million). The Vendor is principally engaged in project design, project contracting, project construction, civic project construction and real estate development. The Vendor is amongst the first batch of enterprises in Shenzhen which were recognized as attaining first grade general contracting qualification, being the key contractor of the Shenzhen Municipal Government, the Vendor has participated in more than 350 construction projects.

As at the date of the Master Cooperation Agreement, the Target Company is wholly owned by the Vendor. It was established in April 2010 with a registered capital of RMB1 million (equivalent to approximately HK\$1.2 million). Since its establishment, the Target Company has not commenced business save and except for bidding land use right in respect of Land Phase 1 Section 1 and Land Phase 1 Section 2 from Boluo County Bureau of Land and Resources.

Upon Completion, the Target Company will be owned as to 80% by the Company and as to the remaining 20% by the Vendor. As a result, the Target Company will become an indirect non wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor, the Target Company and their respective ultimate beneficial owners are third parties independent of the Company and are not connected persons of the Company under the Listing Rules.

#### **V. REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Company is principally engaged in the business of real estate development, specialised construction, property investment and securities investment.

The Directors believe that the Transaction will bring various commercial benefits to the Company, including increasing and strengthening the Group's landbank in the PRC, and is in its conformity with the aligned interests of the Company and its Shareholders as a whole. The Directors (including the independent non-executive Directors) consider that the Master Cooperation Agreement has been entered into on normal commercial terms and after arm's length negotiations. The terms and conditions contained in the Master Cooperation Agreement are fair and reasonable so far as the Company and its Shareholders are concerned and the entering into of the Transaction is in the interest of the Company and its Shareholders as a whole.

## VI. IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios of the Transaction exceed 5% but are less than 25%, the entering into of the Master Cooperation Agreement constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements as set out in the Listing Rules.

Pursuant to the Master Cooperation Agreement, Completion is conditional on the fulfillment of a number of material obligations by the Vendor, inter alia, the Target Company and a subsidiary of the Vendor shall enter into a tenancy agreement in respect of the independent land use right of Water-surfaced Land Number 2 (the “**Tenancy Agreement**”) which may constitute a continuing connected transaction for the Company. The Company will comply with the applicable requirement under the Listing Rules where required as and upon the signing of the Tenancy Agreement.

Pursuant to the Master Cooperation Agreement, the Company may exercise its right and acquire Land Phase 2 Section 2 in the future. The Company will comply with applicable requirement under the Listing Rules where required as and upon the signing of agreement in respect of such acquisition.

## VII. DEFINITION

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

“Actual Land Acquisition Cost”	the final bidding price for Land Phase 1 and Land Phase 2 Section 1, exclusive of any tax and expenses payable in accordance with the relevant laws of the PRC
“Agreed Land Acquisition Cost”	RMB600,000 per mu, being the agreed cost for the acquisition of Land Phase 1 and Land Phase 2 Section 1 by the Target Company
“Board”	the board of Directors (including executive Directors, non-executive Directors and independent non-executive Directors)
“Company”	Minmetals Land Limited (五礦建設有限公司*), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the acquisition of 80% of the Equity Interests in the Target Company by the Company
“connected person”	has the meaning ascribed to it under the Listing Rules
“Deposit”	RMB10 million (equivalent to approximately HK\$11.6 million)

“Directors”	the directors (including independent non-executive directors) of the Company
“Equity Interests”	the entire equity interests in the registered capital of the Target Company (as enlarged by the First Capital Expansion and the Second Capital Expansion)
“First Acquisition”	the acquisition of 65% of the existing equity interests in the Target Company by the Company from the Vendor
“First Acquisition Agreement”	the acquisition agreement to be entered into between the Vendor and the Company in respect of the First Acquisition
“First Acquisition Price”	the purchase price for the First Acquisition
“First Capital Expansion”	additional capital to be injected into the Target Company, being the Actual Land Acquisition Cost and the relevant tax for the acquisition of Land Phase 1 Section 1 and Land Phase 1 Section 2 and the Lump Sum Payment
“First Capital Expansion Agreement”	the capital expansion agreement to be entered into between the Vendor, the Company and the Target Company in respect of the First Capital Expansion
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the piece of land situated at 惠州市博羅縣麥田嶺 (Mai Tian Ling, Boluo County, Huizhou City, the PRC), which includes Land Phase 1, Land Phase 2 and Water-surfaced Land Number 2 with a total area of approximately 1,875 mu
“Land Phase 1”	comprises Land Phase 1 Section 1, Land Phase 1 Section 2 and Land Phase 1 Section 3
“Land Phase 1 Section 1”	the 4 pieces of land situated at Mai Tian Ling, Boluo County, Huizhou City, the PRC with a total area of approximately 384 mu
“Land Phase 1 Section 2”	the 5 pieces of land situated at Mai Tian Ling, Boluo County, Huizhou City, the PRC with a total area of approximately 483 mu
“Land Phase 1 Section 3”	the piece of land situated at Mai Tian Ling, Boluo County, Huizhou City, the PRC with a total area of approximately 99 mu

“Land Phase 2”	comprises Land Phase 2 Section 1 and Land Phase 2 Section 2
“Land Phase 2 Section 1”	the piece of land situated at Mai Tian Ling, Boluo County, Huizhou City, the PRC with a total area of approximately 500 mu
“Land Phase 2 Section 2”	the piece of land situated at Mai Tian Ling, Boluo County, Huizhou City, the PRC with a total area of approximately 154 mu
“Land Premium”	the difference between the Agreed Land Acquisition Cost and the Actual Land Acquisition Cost
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lump Sum Payment”	RMB34 million (equivalent to approximately HK\$39 million) (subject to adjustment in accordance with the actual area of Water-surfaced Land Number 2), being the fee for acquiring independent land use right of Water-surfaced Land Number 2
“Master Cooperation Agreement”	the master cooperation agreement dated 30 September 2010 entered into between the Vendor, the Company and the Target Company
“PRC”	The People’s Republic of China, which for the purposes of this announcement, shall not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Project”	the real estate development project on the Land
“RMB”	Renminbi, the lawful currency of the PRC
“Second Acquisition”	the acquisition of 15% of the Equity Interests by the Company from the Vendor
“Second Acquisition Agreement”	the acquisition agreement to be entered into between the Vendor and the Company in respect of the Second Acquisition
“Second Acquisition Price”	the purchase price for the Second Acquisition
“Second Capital Expansion”	additional capital to be injected into the Target Company, being the Actual Land Acquisition Cost and the relevant tax for the acquisition of Land Phase 1 Section 3 and Land Phase 2 Section 1

“Second Capital Expansion Agreement”	the capital expansion agreement to be entered into between the Vendor, the Company and the Target Company in respect of the Second Capital Expansion
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Target Company”	博羅縣碧華房地產開發有限公司 (Boluo County Bihua Property Development Company Limited*), a limited liability company incorporated in the PRC and is a wholly-owned subsidiary of the Vendor as at the date of the Master Cooperation Agreement
“Total Consideration”	the aggregate of the First Acquisition Price, Second Acquisition Price and the portion of the First Capital Expansion and the Second Capital Expansion to be contributed by the Company, being no more than RMB749 million (equivalent to approximately HK\$867 million)
“Transaction”	the transactions contemplated under the Master Cooperation Agreement
“Vendor”	深圳泛華工程集團有限公司 (Shenzhen Pan-China Engineering Co., Ltd.*), a limited company incorporated in the PRC
“Water-surfaced Land Number 2”	the piece of land situated at Mai Tian Ling, Boluo County, Huizhou City, the PRC with a total area of approximately 255 mu
“%”	per cent

*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, 30 September 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*