

SPG LAND (HOLDINGS) LIMITED

盛高置地(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0337)

PROPOSED ISSUE OF RMB DENOMINATED USD SETTLED ZERO COUPON CONVERTIBLE BONDS DUE 2012 CONVERTIBLE INTO ORDINARY SHARES OF SPG LAND (HOLDINGS) LIMITED AND RESUMPTION OF TRADING

The Board is pleased to announce that on 19 April 2007 the Company entered into the Subscription Agreement with the Joint Lead Managers, pursuant to which the Joint Lead Managers agreed to subscribe and pay for the Firm Bonds to be issued by the Company in an initial aggregate principal amount of RMB1,158 million. In addition, the Company has granted to the Joint Lead Managers an option to require the Company to issue the Optional Bonds up to a further aggregate principal amount of RMB232 million, exercisable on one or more occasions, in whole or in part, at any time up to and including the thirtieth day after the Closing Date.

Based on an initial Conversion Price of HK\$8.1165 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into 173,183,617 Shares (being the aggregate of 144,278,150 Shares to be converted from the Firm Bonds and 28,905,467 Shares from the Optional Bonds) (subject to adjustment), representing approximately 16.69% of the issued share capital of the Company as at the date of this announcement and approximately 14.30% of the enlarged issued share capital of the Company. The Shares to be issued upon conversion of the Bonds will rank pari passu in all respects with the Shares then in issue on the relevant conversion date.

Application has been made to the Singapore Stock Exchange for the listing of the Bonds. Such approval (if and when granted) shall, however, not be taken as an indication of the merits of the Company or the Bonds. The Shares are listed on the Hong Kong Stock Exchange and application has been made to list the Shares to be issued upon conversion of the Bonds on the Hong Kong Stock Exchange. Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the Section headed

"Subscription Agreement" below for further information. As the Subscription Agreement may or may not complete, potential investors are advised to exercise caution when dealing in the Shares.

The Bonds have not been offered or sold and may not be offered or sold in Hong Kong to the public within the meaning of the Companies Ordinance.

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

The net proceeds from the issue of the Firm Bonds and the Optional Bonds, estimated to be approximately USD176 million after deduction of expenses (including but not limited to legal fees and underwriting commission to be charged by the Joint Lead Managers) will, in majority if not all, be used by the Company to finance the acquisition of potential property development projects (either by means of acquisition of land or equity interest in companies which are engaging in property development) in Shanghai or other cities of PRC. The remaining portion of the net proceeds (if any) will be used by the Company for general working capital purposes.

Trading in the Shares has been suspended at the request of the Company with effect from 9:30 a.m. on 19 April 2007 pending the release of this announcement. An application has been made to the Hong Kong Stock Exchange for the resumption of trading in the Shares with effect 9:30 a.m. on 23 April 2007.

SUBSCRIPTION AGREEMENT

19 April 2007 Date

The Company Parties:

The Joint Lead Managers

Subject to the fulfillment of the conditions set out below under the section headed "Conditions Precedent of the Subscription Agreement", the Joint Lead Managers have agreed to subscribe and pay for the Firm Bonds with an initial aggregate principal amount of RMB1,158 million. In addition, the Company has granted to the Joint Lead Managers an option to require the Company to issue the Optional Bonds up to a further aggregate principal amount of RMB232 million, exercisable on one or more occasions, in whole or in part, at any time up to and including the thirtieth day after the Closing Date. Accordingly the maximum aggregate principal amount of Bonds to be issued will be RMB1,390 million.

Based on an initial Conversion Price of HK\$8.1165 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into 173,183,617 Shares (being the aggregate of 144,278,150 Shares to be converted from the Firm Bonds and 28,905,467 Shares from the Optional Bonds) (subject to adjustment), representing approximately 16.69% of the issued share capital of the Company as at the date of this announcement and approximately 14,30% of the enlarged issued share capital of the Company. The Shares to be issued upon conversion of the Bonds will rank pari passu in all respects with the Shares then in issue on the relevant conversion date.

The Bonds will be offered and sold outside the United States in reliance upon Regulation S of the US Securities Act. None of the Bonds will be offered to the public in Hong Kong nor will they be placed to any connected persons (as defined in the Listing Rules) of the Company

The Bonds will be offered and sold to not less than six persons whose ordinary siness involves buying, selling or investing in securities outside the United States in reliance upon Regulation S of the US Securities Act.

The subscribers are independent parties and are not connected persons (as defined in the Listing Rules) of the Company.

Lock-up Undertaking

The Company has, among other things, undertaken with the Joint Lead Managers that it will not, for a period from the date of the Subscription Agreement until the date 90 days after the Closing Date, without the prior written consent of the Joint Lead Managers issue, offer, sell, contract to sell, grant, pledge or otherwise transfer or dispose of any Shares or interests or securities convertible or exchangeable into or dispose of any shares of interests of securities convertible of exchangeance into of exercisable for Shares or any security, contract or financial product whose value is determined directly or indirectly by reference to the price of the Shares; except for (a) the Bonds and Shares issued pursuant to the conversion of the Bonds, (b) the issuance of any Shares under the Company's publicly disclosed share option schemes, (c) the issuance or repurchase of Shares by the Company pursuant to the Company's publicly disclosed general mandates given to the Directors to issue or repurchase Shares and where such transactions have been publicly disclosed as of the date of the Subscription Agreement.

SPG Investment Holdings Ltd. and Prestige Glory Enterprises Limited, each a substantial shareholder of the Company, will execute a lock-up agreement whereby each of them undertakes not to sell any Shares or enter into other transactions with a similar effect for a period from the date of the Subscription Agreement until 90 days after the Closing Date.

Conditions Precedent of the Subscription Agreement

Completion of the Subscription Agreement is conditional upon, among other things:

- the execution and delivery (on or before the Closing Date) of the trust deed and a paying and conversion agency agreement in connection with the Issue;
- application having been made to (i) the Singapore Stock Exchange to list the (ii) Bonds and (ii) the Hong Kong Stock Exchange to list the Shares to be issued upon conversion the Bonds and there is no indication by either Singapore Stock Exchange or the Hong Kong Stock Exchange that it will not approve such application;
- the delivery to the Joint Lead Managers on or before the Closing Date and Option Closing Date (if any) of legal opinions from Hong Kong, English, (iii) PRC. United States and Cayman Islands counsels, each in a form reasonably satisfactory to the Joint Lead Managers; and
- the delivery to the Joint Lead Managers upon Publication Date and on Closing Date and the Option Closing Date (if any) of auditors' comfort letters, each in the form reasonably satisfactory to the Joint Lead Managers.

The Joint Lead Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent (other than (i) and (ii) above).

If any of the conditions precedent is not satisfied or waived by the Joint Lead Managers on or prior to the Closing Date or the Option Closing Date (if any), as the case may be, the Subscription Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of the Subscription Agreement except otherwise provided therein.

If the Company fails to obtain the listing approval from either or both of the Singapore Stock Exchange and the Hong Kong Stock Exchange after the Closing Date, the Company has the obligation under the Subscription Agreement to use its best endeavours promptly to obtain and maintain such listing on an alternative stock exchange. The failure to obtain the listing of the Bonds and/or the Shares will not constitute a breach of the Subscription Agreement by the Company provided that it has acted as required under the Subscription Agreement.

In the event that the Company shall fail to obtain the listing approval from either or both of the Singapore Stock Exchange and the Hong Kong Stock Exchange, the Company will publish an announcement to inform the public accordingly.

The Joint Lead Managers may, by notice to the Company given at any time prior to payment of the net subscription monies for the Firm Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

- if there shall have come to the notice of the Joint Lead Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement; or
- if any of the conditions precedents has not been satisfied or waived by the Joint Lead Managers on or prior to the Closing Date or the Option Closing Date (if any), as the case may be; or
- if there shall have been in the Joint Lead Managers' opinion, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political

- or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- if there shall have occurred a general moratorium on commercial banking activities in the United Kingdom or United States or the PRC, Hong Kong, or Singapore by any United Kingdom, New York State, United States Federal or PRC, Hong Kong, or Singapore authorities which would in the Joint Lead Managers' view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary
- if on or after the date hereof there shall have occurred either of the following: (i) a suspension or material limitation of trading in securities generally on the New York Stock Exchange, the Nasdaq Stock Market, Inc., the London Stock Exchange plc, the Stock Exchange or the Hong Kong Stock Exchange; or (ii) a suspension or material limitation of trading in the Company's securities on the Hong Kong Stock Exchange, which would in the Joint Lead Managers' view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market: or
- if there shall have occurred an outbreak or escalation of hostilities or act of terrorism which would in the Joint Lead Managers' view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

Subject to the foregoing, completion of the subscription and issue of the Firm Bonds shall take place on the Closing Date.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarized as follows:

Principal amount of

: The Company.

The aggregate principal amount of the Firm Bonds will be RMB1,158 million. In addition, the Company has granted to the Joint Lead Managers an option to require the Company to issue the Optional Bonds up to a further aggregate principal amount of RMB232 million, exercisable on one or more occasions, in whole or in part, at any time up to and including the thirtieth day after the Closing Date. Accordingly, the maximum aggregate principal amount of Bonds to be issued will

Issue Price 100% of the principal amount of the Bond.

Save for the default interest at the rate of 5% per annum,

the Bonds do not bear interest.

Conversion period

Interest

Bondholder(s) may exercise conversion rights at any time on or after 7 June 2007 up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the 14th day prior to the Maturity Date.

The initial Conversion Price will be HK\$8,1165 per Share, representing (i) a premium of approximately 35.5% over the closing price of HK\$5.99 per Share as quoted on the Hong Kong Stock Exchange on 18 April 2007, which is the last Trading Day before the Subscription Agreement was signed (i.e. the day preceding the date the terms of the Subscription Agreement were agreed between the Company and the Agreement were agreed between the Company and the Joint Lead Managers), (ii) a premium of approximately 37.0% over the average of the closing price of the Shares as quoted on the Hong Kong Stock Exchange for the 5 Trading Days up to and including 18 April 2007 of HK\$5.92 and (iii) a premium of approximately 45.9% over the average of the closing price of the Shares as quoted on the Hong Kong Stock Exchange for the 10 Trading Days up to and including 18 April 2007 of HK\$5.56 respectively. HK\$5.56 respectively.

The Conversion Price is subject to adjustment upon the occurrence of certain prescribed events including, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distributions, rights issues of Shares or options over Shares, rights issues of other securities, issues at less than current market price.

Ranking of Shares

Conversion Price

The Shares to be issued upon conversion of the Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

Maturity

Unless previously redeemed, converted or purchased and cancelled as provided in the terms and condition of the Bonds, the Company will redeem each Bond at US dollar equivalent of its RMB principal amount multiplied by 111.837% on 27 April 2012.

Redemption for taxation reasons The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) in accordance with terms and conditions of the Bonds at accordance with terms and conductions of the bounds at the US dollar equivalent of their Early Redemption Amount, if (i) the Company satisfies the trustee immediately prior to the giving of such notice that the Company has or will become obliged to pay additional tax amounts as provided or referred to in terms and condition of the Bonds as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the Subscription Agreement, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no tax redemption notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.

Redemption at option of the Company

- On giving not less than 30 nor more than 90 days' notice to the Bondholders and the Trustee (which notice will be irrevocable), the Company:
 - may at any time after 27 April 2010 and prior to the Maturity Date redeem all or, some only (being RMB100,000 in RMB principal amount or an integral multiple thereof) of the Bonds for the time being outstanding at the US dollar equivalent of their Early Redemption Amount as at the date fixed for redemption on the redemption date, provided that the closing price of the Shares (as derived from the daily quotations sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange), translated into RMB at the prevailing rate applicable to the relevant Trading Day, for each of 20 consecutive Trading Days, the last of which occurs not more than 30 days prior to the date upon which notice of such redemption is published was at least 130 per cent. of the Early Redemption Amount divided by the conversion ratio; or
- (ii) may at any time prior to the Maturity Date redeem all or, but not some only, of the Bonds for the time being outstanding at the US dollar equivalent of their Early Redemption Amount as at the relevant date fixed for redemption provided that prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued (including any Optional Bonds) has already been converted, redeemed or purchased and cancelled.

Redemption at option of the Bondholder(s) The Company will, at the option of the Bondholder redeem all or some only of such Bonds on 27 April 2010 at the US dollar equivalent of their Early Redemption Amount as at the relevant date fixed for redemption.

A put notice, once delivered, shall be irrevocable and may not be withdrawn without the Company's consent No fewer than 30 nor more than 45 days' notice of the commencement of the period in which the put option can be exercised shall be given to the Bondholders.

Following the occurrence of the following events

- (i) when the Shares cease to be listed or admitted to
- trading on the Hong Kong Stock Exchange or, if applicable, an Alternative Stock Exchange; or
- (ii) when there is a change of control in the Company,

the Bondholder(s) will have the right to require the Company to redeem all or some of the Bonds on the 14th day after the expiry of such period of 60 days at the US dollar equivalent of their Early Redemption Amount.

Voting rights

Delisting

Before conversion of the Bonds, Bondholders will not have any right to attend or vote in any meeting of the Company by virtue of their being Bondholders.

Listing

An application has been made for the listing of, the Bonds on the Singapore Stock Exchange.

An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon conversion of the Bonds.

RMB100,000 each or integral multiples thereof without coupons attached.

Transferability

The Bonds are freely transferable.

constitute direct. Bonds The unsubordinated. ditional and (subject to the terms and conditions of the Bonds) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves.

EFFECT ON THE SHARE CAPITAL

The following table summarizes the shareholding structure of the Company as at the date of this announcement and as a result of conversion of the Bonds:

		date of ouncement	Assuming the Firm Bonds are fully converted into Shares (subject to adjustment) at the initial Conversion Price of HKS8.1165 each at a fixed exchange rate of HKS1 = RMB0.98887 Approximate		Assuming the Firm Bonds and the Optional Bonds are fully converted into Shares (subject to adjustment) at the initial Conversion Price of HKS8.1165 each at a fixed exchange rate of HKS1 = RMB0.98887 Approximate	
		Approximate % of issued share capital of the		% of enlarged issued share capital of the		% of enlarged issued share capital of the
Name of Shareholder	No. of Shares	Company	No. of Shares	Company	No. of Shares	Company
Boom Rich Investment Limited						
(Note 1)	10,000,438	1	10,000,438	1	10,000,438	1
SPG Investment Holdings Ltd.						
(Note 2)	494,382,087	48	494,382,087	42	494,382,087	41
Prestige Glory Enterprises Limited						
(Note 3)	126,550,535	12	126,550,535	11	126,550,535	10
Easternflair Investment Limited						
(Note 4)	11,249,873	1	11,249,873	1	11,249,873	1
Brilliant Bright Investment						
Limited (Note 5)	107,817,067	10	107,817,067	9	107,817,067	9
Public	287,500,000	28	287,500,000	24	287,500,000	24
Bondholders (Note 6)			144,278,150	12	173,183,617	14
Total	1,037,500,000	100	1,181,778,150	100	1,210,683,617	100
Notes:						

Boom Rich Investment Limited is a company wholly-owned by the sister of Mr. Wang.

SPG Investment Holdings Ltd. is a company indirectly wholly-owned by Mr. War

Prestige Glory Enterprises Limited is a company wholly-owned by Mr. Wang

Easternflair Investment Limited is a company wholly-owned by Mr. Tse Sai Tung, Si director of the Company.

Brilliant Bright Investment Limited is a company wholly-owned by HSBC International Trustee Limited, the trustee of a discretionary trust set up by Mr. Wang and of which family members of Mr. Wang including Mr. Wang are discretionary objects.

Bondholders constituting public.

USE OF PROCEEDS

The net proceeds from the issue of the Firm Bonds and the Optional Bonds, estimated to be approximately USD176 million after deduction of expenses (including but not limited to legal fees and underwriting commission to be charged by the Joint Lead Managers), will, in majority if not all, be used by the Company to finance the acquisition of potential property development projects (either by means of acquisition of land or equity interest in companies which are engaging in property development) in radius of Shanghai or other cities of PRC. The remaining portion of the net proceeds (if any) will be used by the Company for general working capital purposes.

REASONS FOR AND BENEFITS OF THE BONDS ISSUE

The conversion of the Bonds into Shares will enlarge and diversify the shareholder base of the Company whilst providing an opportunity to raise further capital for the Company for financing its land and project acquisition. The Directors consider that this will facilitate the addition of the Group's land bank and hence the overall development and expansion of the Group. The Directors consider that the terms and conditions of the Subscription Agreement and the Bonds are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole whole

The Group is principally engaged in the development and sale of quality private residential properties and hotel projects in Shanghai and other cities in China.

Application has been made to the Singapore Stock Exchange for the listing of the Bonds. Such approval shall (if and when granted), however, not be taken as an indication of the merits of the Company or the Bonds. The Shares are listed on the Hong Kong Stock Exchange and application has been made to list the Shares to be issued upon conversion of the Bonds on the Hong Kong Stock Exchange.

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

None of the Bonds will be offered to the public in Hong Kong.

The Company will promptly notify the Hong Kong Stock Exchange upon becoming aware of any dealing in the Bonds by any connected person (as defined in the Listing Rules) of the Company.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares has been suspended at the request of the Company from 9:30 a.m. on 19 April 2007 pending the release of this announcement. An application has been made to the Hong Kong Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 April 2007.

GENERAL MANDATE

At an extraordinary general meeting of the Company held on 19 September 2006, the Company granted a general mandate to the Directors to allot and issue up to 200,000,000 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the general mandate granted. As at the date of this new Shares pursuant to the general mandate granted. As at the date of this announcement, the Company is entitled to issue up to 200,000,000 Shares pursuant to such general mandate.

When considering the adjustment of the Conversion Price, the Company will comply with the Listing Rules and undertake to take all necessary corporate actions to ensure the number of Conversion Shares will not exceed the limit under the General Mandate.

FUND RAISING IN THE PAST 12 MONTHS

Except for the Global Offering, the Company has not carried out any capital fund raising activities in the 12 months preceding the date of this announcement.

The Shares were listed on the main board of the Hong Kong Stock Exchange on October 10, 2006. The Group raised Global Offering Proceeds of approximately HK\$1,296 million (equivalent to approximately RMB1,322 million). The Company had applied approximately HK\$493 million (equivalent to approximately HK\$802.9 (equivalent to approximately RMB503 million). As at 31 December 2006, a balance of approximately HK\$802.9 (equivalent to approximately RMB819 million) remained as bank deposits. The table below sets out the intended use of the Global Offering Proceeds actually applied; and the intended use of the unapplied Global Offering Proceeds

	(1)	(2)	(3)	(4)
	nded use as disclosed in Prospectus	Intended amount as disclosed in the Prospectus	Applied amount	Unapplied amount to be applied for use as set out in column (1)
(i)	to finance the development of the Group's properties held for future development and properties under development	approximately HK\$194.4 million (representing approximately 15%)	_	approximately HK\$194.4 million (equivalent to approximately RMB198.3 million)
(ii)	to finance the acquisitions of land or companies holding lands or properties	approximately HK\$777.6 million (representing approximately 60%)	approximately HK\$343 million (equivalent to approximately RMB350 million)	approximately HK\$434.5 million (equivalent to approximately RMB443.2 million)
(iii)	for repayment of existing bank loans	approximately HK\$194.4 million (representing approximately 15%)	approximately HK\$150 million (equivalent to approximately RMB153 million)	approximately HK\$44.4 million (equivalent to approximately RMB45.3 million)
(iv)	for the working capital of the Group	approximately HK\$129.6 million (representing approximately 10%)	_	approximately HK\$129.6 million (equivalent to approximately

DEFINITIONS

"Closing Date"

Amount

In this announcement, unless the context otherwise requires, the following terms shall have the following meaning

"Alternative Stock Exchange"

at any time, in the case of the Shares, if they are not at at any time, in the case of the Shares, it they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the shares are then listed or quoted or dealt in

"Board" board of directors of the Company "Bonds" the Firm Bonds and the Optional Bonds "Bondholder(s)" holder(s) of the Bonds from time to time

> 27 April 2007 or such later date, not being later than 11 May 2007, as the Company and the Joint Lead Managers may agree

SPG Land (Holdings) Limited "Company"

the Companies Ordinance of Hong Kong (Cap. 32, Laws "Companies Ordinance' of Hong Kong)

the price at which Shares will be issued upon conversion which will initially be HK\$8.1165 per Share with a fixed exchange rate of HK\$1.00 = RMB0.98887 and will be subject to adjustment in the manner provided in the terms "Conversion Price"

and conditions of the Bonds in respect of each RMB100,000 principal amount of "Early Redemption Bonds, an amount which represents for the Bondholder a gross yield of 2.25% per annum, calculated on a semi-annual basis up to the redemption date

"Encumbrance a mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any persor

the US Dollar Settled Zero Coupon Convertible Bonds due 2012 of an initial aggregate principal amount of RMB1,158 million "Firm Bonds'

the global offering of the Shares by the Company as "Global Offering" disclosed in the Prospectus

"Global Offering the net proceeds raised by the Company from the Global Proceeds "Group" the Company and its subsidiaries

"HK\$"

Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region

"Hong Kong Stock Exchange" The Stock Exchange of Hong Kong Limited

'Joint Lead DBS Bank Limited and Morgan Stanley & Co. Managers

International plc

Insofar as Morgan Stanley & Co. International plc, in performing its functions under the Subscription Agreement, is "dealing in securities" as defined in Schedule 5 of the Securities and Futures Ordinance (Cap. Stricture 3 of the securities and rutures ordinance (Cap. 571, Laws of Hong Kong) ("SFO"), it shall only do so through its agent, Morgan Stanley Dean Witter Asia Limited and only in circumstances such that none of the sub-provisos (I), (II), (III), (IV), and (V) in sub-paragraph (iv) to the definition of "dealing in securities" in Part 2 of Schedule 5 of the SFO are applicable

Insofar as DBS Bank Ltd. it is licensed by the SEC to insolar as DBS Bailk Ltd., it is licensed by the SPC to conduct type I (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO

the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited "Listing Rules"

Maturity Date 27 April 2012

Mr. Wang Weixian, a director and the controlling shareholder of the Company "Mr. Wang"

Option Closing a date to be specified by the Joint Lead Managers upon Date' exercise of the option to subscribe for all or any of the

Ontional Bonds, being a date not later than 15 business days after the date of exercise of such option

the additional US Dollar Settled Zero Coupon "Optional Bonds" Convertible Bonds due 2012 of an aggregate principal nount of RMB232 million

"PRC" or "China" the People's Republic of China

"Prospectus" the Company's prospectus dated 26 September 2006 "Publication Date"

the date of the offering circular which is not later than three business days prior to the Closing Date or such other date as may be agreed between the Company and the Joint Lead Managers

"Regulation S" Regulation S under the Securities Act "RMB" Renminbi, the lawful currency of the People's Republic of China

"Securities Act" the US Securities Act of 1933, as amended

means ordinary shares of HK\$0.10 each in the issued share capital of the Company "Shares"

"Singapore Stock Exchange" The Singapore Exchange Securities Trading Limited

Subscription * the subscription agreement between the Company and Agreement' the Joint Lead Managers dated 19 April 2007

a day when the Hong Kong Stock Exchange or, as the case may be an Alternative Stock Exchange is open for dealing business, provided that if no Closing Price is "Trading Day"

reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing davs

"United States" the United States of America

"US\$" or "USD" United States dollars, the lawful currency of the United States

"0/0"

This announcement is made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this anno

> By Order of the Board WANG Weixian

Hong Kong, 20 April 2007

approximately RMB132.2 million)

As at the date of this announcement, the executive directors of the Company are WANG Weixian, TSE Sai Tung, Stones and LAI Kin, Jerome, and the independent non-executive Directors are CHEONG Ying Chew, Henry, FONG Wo, Felts, JP, JIANG Simon X. and KWAN Kai Cheong.