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(Stock code: 431)

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**ENTERING INTO THE SUPPLEMENTAL AGREEMENT  
IN RELATION TO  
VERY SUBSTANTIAL DISPOSAL TRANSACTION  
DISPOSAL OF PROPERTY  
AND RESUMPTION OF TRADING IN SHARES**

Reference is made to the announcement of the Company dated 19 December 2006 in relation to a very substantial disposal transaction of the Company.

In view of the need to carry out further due diligence in respect of the Property and the Relevant Shares so as to decide whether to exercise the Option, at the request of the Purchaser, the parties have agreed to enter into the Supplemental Agreement to provide for, inter alia, the extension of the period under which the Purchaser can exercise the Option and also the making certain provisions to supplement the terms and conditions of the Provisional Agreement.

A circular containing, inter alia, details of the Disposal together with a notice of the SGM will be despatched to the Shareholders on or before 31 January 2007.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 23 January 2007 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 24 January 2007.

Reference is made to the announcements (the “Announcements”) of the Company dated 19 December 2006, 2 January 2007 and 19 January 2007 in respect of, among others, the very substantial disposal transaction of the Company. Terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

## **SUPPLEMENTAL AGREEMENT DATED 22 JANUARY 2007**

In view of the need to carry out further due diligence in respect of the Property and the Relevant Shares so as to decide whether to exercise the Option, at the request of the Purchaser, on 22 January 2007, the Company, the Grantor and the Vendor entered into a supplemental agreement (the "Supplemental Agreement") with the Purchaser to provide for, inter alia, the extension of the period under which the Purchaser can exercise the Option and also the making certain provisions to supplement the terms and conditions of the Provisional Agreement.

With effect from the date of the Supplemental Agreement, the parties agree to make the following changes to the Provisional Agreement:

### **The Formal Agreement, the Option Notice and the Share Agreement**

The Formal Agreement shall be signed by the Purchaser and the Vendor within five (5) business days upon receipt of written notice by the Purchaser of the fulfillment of the condition precedent of the Provisional Agreement. Pending the signing of the Formal Agreement or the parties to the Provisional Agreement failing to enter into the Formal Agreement, the parties to the Provisional Agreement agree that the Provisional Agreement shall continue to be binding and have full legal effects.

Possession and rents will be retained and all outgoings discharged by the Vendor up to but exclusive of the actual day of completion and as from and inclusive of that day possession and rents will belong to and all outgoings discharged by the Purchaser. All current outgoings and rents shall (if necessary) be apportioned between the Vendor and the Purchaser on completion.

In consideration of the Purchaser entering into the Provisional Agreement with the Vendor, the Grantor, the beneficial owner owning the entire issued share capital of the Vendor, hereby agrees to grant an option (the "Option") to the Purchaser or its nominee to purchase the entire issued share capital (together with the shareholders' loan(s), if any) of the Vendor (collectively, the "Relevant Shares") at the Consideration with the same payment terms as those for sale of the Property. The Option shall be exercisable only once by the Purchaser by delivery to the Grantor of a written notice to such effect ("Option Notice") within two (2) business days from the receipt of the written notice from the Vendor confirming that the condition precedent has been satisfied. Upon serving on the Grantor the Option Notice, the parties shall enter into the agreement for sale and purchase of the Relevant Shares ("Share Agreement") within ten (10) business days from the date of service of the Option Notice and completion shall take place within twenty (20) business days from the date of service of the Option Notice. In such event, the Vendor's obligation to sell the Property to the Purchaser shall cease and any part(s) of the Consideration paid by the Purchaser to the Vendor up to the date of service of the Option Notice shall be transferred from the Vendor to the Grantor or its nominee under the Share Agreement. In the event that no Option Notice is served by the Purchaser to the Grantor, the Vendor and the Purchaser shall enter into the Formal Agreement.

In addition to the terms of the Provisional Agreement, the parties also agree that the Share Agreement shall contain, inter alia, the following provisions:

- (a) the Purchaser shall have the option to either (i) purchase the existing shareholder's loan of the Vendor to the effect that the total consideration of HK\$440,000,000.00 shall comprise of the share consideration and the shareholder's loan consideration and subject to adjustment of rental income, rental deposits, outgoings, etc., the only asset of the Vendor shall be the Property at completion which should be free from encumbrances; or (ii) procure a new loan to be made available to the Vendor on completion to repay the existing shareholder's loan and bank loans; and
- (b) part of the consideration in the sum of HK\$5,000,000.00 shall be stakeheld by the Purchaser's solicitors as stakeholder pending the final court judgement or settlement of the litigation between the Vendor and Jones Lang LaSalle Limited.

In the event that the Purchaser procures a new loan to be made available to the Vendor on completion to repay the existing shareholder's loan and bank loan, the consideration payable by the Purchaser shall be equal to HK\$440,000,000.00 less the amounts of the existing shareholder's loan and bank loans.

### **Consideration and payment**

The Consideration of HK\$440,000,000 shall be paid by the Purchaser in the following manner:–

- (a) HK\$22,000,000 as the initial deposit (the "Initial Deposit") equivalent to 5% of the Consideration to the Vendor upon signing of the Provisional Agreement;
- (b) HK\$44,000,000 as further deposit (the "Further Deposit") equivalent to 10% of the Consideration to the Vendor shall be paid by the Purchaser to the Purchaser's solicitors as stakeholder upon signing of the Supplemental Agreement. The Purchaser's solicitors shall deposit the Further Deposit into an interest bearing account and shall only be entitled to release the Further Deposit to the Vendor and/or the Grantor upon completion of the Provisional Agreement; and
- (c) HK\$374,000,000 being the balance of the Consideration equivalent to 85% of the Consideration to the Vendor on the Completion Date.

### **Condition and Completion**

Completion of the sale and purchase of the Property or the Relevant Shares (if applicable) shall be conditional upon the passing at the SGM of a resolution approving the transactions contemplated herein in accordance with the terms and conditions under the Provisional Agreement pursuant to the Listing Rules.

Subject to the Extended Completion Date as defined below, completion of the sale and purchase of the Property shall take place within twenty two (22) business days upon receipt of written notice by the Purchaser of the fulfillment of the condition precedent and in any event completion shall take place on or before 30 April 2007 (the "Completion Date"). At completion, the Property shall be conveyed to the Purchaser free from encumbrances.

In the event that the transaction cannot be completed by the Completion Date because of a non-fulfilment of the condition precedent, the Purchaser (or its nominee) shall be entitled (but not obliged) to extend the Completion Date by three (3) more months to on or before 31 July 2007 (the "Extended Completion Date") by serving a written notice on the Vendor on or before the original Completion Date. In such event, any references to "Completion Date" in the Provisional Agreement, the Formal Agreement or the Share Agreement shall be deemed to be referring to the "Extended Completion Date" instead.

In the event that the condition precedent shall not have been fulfilled on or before 10 April 2007 or the Extended Completion Date on 31 July 2007 other than due to any breach of the Provisional Agreement by or due to the fault of the Vendor and/or the Company and/or the Grantor, the Vendor shall refund and shall instruct the Purchaser's Solicitors to refund all Initial Deposit and Further Deposit paid hereunder to the Purchaser forthwith together with interest at the best lending rate quoted by the Hong Kong and Shanghai Banking Corporation Limited from time to time calculated from the date of receipt of such Initial Deposit and Further Deposit (as the case may be) to the date of refund. Subject to receipt of the said monies by the Purchaser, the Provisional Agreement and/or the Formal Agreement and/or the Share Agreement shall be absolutely determined and of no further effect. For the avoidance of doubt, the Purchaser hereby acknowledges that the Purchaser shall not be entitled to seek reimbursement from the Vendor for the costs or expenses in conducting the due diligence as provided herein or otherwise.

Saved as varied above, the Provisional Agreement shall remain in full force and effect.

#### **GENERAL**

A circular containing, inter alia, details of the Disposal together with a notice of the SGM will be despatched to the Shareholders on or before 31 January 2007.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 23 January 2007 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 24 January 2007.

By Order of the Board  
**Ma Xiaoling**  
*Chairman*

Hong Kong, 23 January 2007

*As at the date of this announcement, the executive Directors are Ms. Ma Xiaoling and Mr. Chan Sze Hon, and the independent non-executive Directors are Mr. Ching Men Ky, Carl, Mr. Lin Ruei Min and Mr. Shu Wa Tung, Laurence.*

\* *For identification purpose only*