

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you are recommended to seek immediately your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. All Shareholders are strongly advised to consult their professional tax advisers regarding their own tax position.**

If you have sold or transferred all your Shares in China Real Estate Opportunities plc, please send this document, but not any accompanying personalised Tender Form, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. This document should not, however, be forwarded or transmitted in or into the United States, Canada, Australia or Japan.

The Tender Offer is not being made, directly or indirectly, in or into or by use of mails or by any means or instrumentality (including, without limitation, the internet, facsimile transmission, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange, of the United States, nor is it being made directly or indirectly in or into Canada, Australia or Japan, and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility from or within the United States, Canada, Australia or Japan.

Matrix Corporate Capital LLP, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for China Real Estate Opportunities plc and no-one else in connection with the matters set out in this document and will not be responsible to any other person for providing the protections afforded to its customers or for providing advice in relation to the Tender Offer or any other matter referred to herein.



## **CHINA REAL ESTATE OPPORTUNITIES PLC**

*(incorporated in Jersey with limited liability under the Companies (Jersey) Law 1991  
with registered number 95357)*

### **Discounted Tender Offer by Matrix Corporate Capital LLP and associated Placing**

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The Tender Offer will close at 1.00 p.m. on 22 March 2010 and will be available to Shareholders (other than Overseas Shareholders) only in respect of Shares held continuously from the Record Date until the Closing Date. Shareholders who do not wish to participate in the Tender Offer do not need to return a Tender Form or send a Transfer to Escrow message. Shareholders who hold their Shares in certificated form wishing to tender Shares for purchase under the Tender Offer should ensure that their completed Tender Form is returned by post, or by hand during normal business hours only, to the Registrar, Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by not later than 1.00 p.m. on 22 March 2010, together with their share certificate(s) in respect of the Shares tendered. Shareholders who hold Shares in uncertificated form (that is, in CREST) wishing to tender Shares should take the appropriate action in CREST to tender their Shares and should arrange for the Shares tendered to be transferred into escrow by no later than 1.00 p.m. on 22 March 2010 as described in Part II of this document.

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## EXPECTED TIMETABLE<sup>1</sup>

	2010
Announcement of Tender Offer	8 March
Posting of this document and Tender Forms	8 March
Record Date for participation in the Tender Offer	5.00 p.m. on 11 March
Latest time and date for receipt of Tender Forms and TTE Instructions (Closing Date)	1.00 p.m. on 22 March
Announcement of results of Tender Offer and Placing	23 March
Crediting of CREST accounts with Tender Offer consideration <sup>2</sup>	25 March
Despatch of cheques for Tender Offer consideration in respect of sold certificated Shares <sup>2</sup>	week commencing 29 March
Despatch of balance certificates in respect of any unsold certificated Shares <sup>2</sup>	week commencing 29 March

*Notes:*

- 1. The above times and all other times in this document refer to local time in the UK. If any of the above times and/or dates change(s), the Company will make an announcement through a Regulatory Information Service of the revised timetable.*
- 2. In certain circumstances, as more particularly described in paragraph 4.4 of Part II of this document, settlement of part of the consideration otherwise payable under the Tender Offer may be deferred beyond 25 March pending the receipt by the Company of the proceeds from the disposal of its Tangdao Bay property.*

*If you have any questions relating to the completion and return of the Tender Form please call Capita Registrars on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399 between 9.00 a.m. and 5.00 p.m London time. Calls to Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the proposals set out in this document nor give any financial, legal or tax advice.*

## PART I

### LETTER FROM THE DEPUTY CHAIRMAN CHINA REAL ESTATE OPPORTUNITIES PLC (incorporated in Jersey with registered number 95357)

*Directors:*

Raymond Yeoman Frederick Horney (*Chairman*)  
Stuart Hamilton Leckie OBE (*Deputy Chairman*)  
Richard Joseph Barrett  
Richard Anthony David  
Ian Kenneth Ling  
Richard John Pirouet  
Rory John Williams

*Registered Office:*

Whiteley Chambers  
Don Street  
St. Helier  
Jersey  
JE4 9WG

8 March 2010

Dear Shareholder,

#### **Discounted Tender Offer by Matrix Corporate Capital LLP and associated Placing**

##### **1. Introduction**

The Company has today announced:

- a Tender Offer whereby Shareholders will be invited to sell Shares at a price of £3.30 per Share;
- an associated Placing whereby Matrix will use all reasonable endeavours to procure purchasers for Shares tendered pursuant to the Tender Offer at £3.30 per Share; and
- the purchase by the Company of up to 4,545,454 Shares tendered pursuant to the Tender Offer.

The Tender Price, determined by a committee of independent directors of the Company, represents a 9.71 per cent. discount to the closing middle market price per Share on 5 March 2010, the Business Day immediately prior to announcement of the proposals outlined in this document, and a 70.9 per cent. discount to the latest published diluted EPRA NAV per Share of £11.37 as at 31 December 2009. Pursuant to the proposals, the maximum amount payable by the Company for the purchase of Shares is £15 million, of which not less than £5 million will be funded from the Company's existing cash resources with the balance to be funded using the proceeds of the disposal of the Company's Tangdao Bay property which are expected to be received shortly.

The Company and Matrix have received confirmation from Treasury Holdings, each of the Directors and Mr John Ronan (a director of Treasury Holdings) not to tender Shares in the Tender Offer, in aggregate accounting for 18,083,917 Shares, representing 36.51 per cent. of the Company's issued share capital. Real Estate Opportunities plc has irrevocably undertaken to accept the Tender Offer in respect of its 8,387,941 Shares, representing 16.93 per cent. of the Company's issued share capital.

##### **2. The proposals**

Shareholders on the register of members as at the Record Date who continue to hold their Shares until the Closing Date are being invited to sell Shares for £3.30 per Share. The Company has made £15 million available to purchase Shares, and accordingly, the Basic Entitlement of a Shareholder under the Tender Offer is approximately 9 per cent. of Shares held. Shareholders may tender any percentage of their Shares for purchase under the Tender Offer, but tenders in excess of a Shareholder's Basic Entitlement will be satisfied only to the extent either that (i) other Shareholders tender less than their Basic Entitlement or (ii) Matrix is able to procure purchasers for such Shares pursuant to the Placing.

**Before deciding whether to tender any of their Shares pursuant to the Tender Offer, Shareholders should be aware that the Tender Price of £3.30 represents a discount of 9.71 per cent. to the middle market quotation of 365.5p as at the close of business on 5 March 2010. The Tender Price also represents a discount of 70.9 per cent. to diluted EPRA NAV per Share as at 31 December 2009 as set out in the results announcement published today. Furthermore, to the extent that Shares are purchased by the Company pursuant to the Tender Offer and cancelled, there will be a consequential enhancement to NAV per Share.**

Matrix has agreed to purchase Shares tendered pursuant to the Tender Offer up to a maximum equal to 4,545,454 Shares plus such number of Shares for which Matrix shall have procured placees. The obligations of Matrix under the Placing Agreement are conditional as summarised in paragraph 3.1 of Part III of this document. If the aggregate number of Shares tendered pursuant to the Tender Offer is greater than the aggregate of 4,545,454 Shares and the number of Shares for which Matrix shall have procured placees, excess tender applications will be scaled back in proportion to the amounts by which such excess tenders exceed the Basic Entitlements (rounded down to the nearest whole number of Shares).

The results of the Tender Offer and Placing are expected to be announced on 23 March 2010. Tender Offer proceeds are expected to be despatched to Shareholders (effected by the despatch of cheques or the crediting of CREST accounts, as appropriate) by 29 March 2010. As more particularly described in paragraph 4.4 of Part II of this document, settlement of part of the consideration otherwise payable under the Tender Offer may be deferred beyond 25 March pending the receipt by the Company of the proceeds from the disposal of its Tangdao Bay property, in the event these have not then been received.

**Shareholders are not obliged to tender any Shares and those who do not wish to tender their Shares in the Tender Offer should not return the Tender Form or make a TTE Instruction (as appropriate). Shareholders do not have to tender any Shares but, once submitted, a Tender Form or TTE Instruction is irrevocable and cannot be withdrawn without the consent of Matrix. Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.**

Shareholders' attention is drawn to Part II of this document which, together with the Tender Form, constitute the terms and conditions of the Tender Offer.

### **3. Action to be taken**

**Shareholders who wish to continue with their investment in the Company should not return a Tender Form or tender their Shares through CREST.**

Shareholders who hold their shares in certificated form and who wish to participate in the Tender Offer should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form by post or by hand (during normal business hours only) to the Registrar by no later than 1.00 p.m. on 22 March 2010 enclosing the share certificate(s) and/or other documents of title in respect of the Shares tendered. A reply-paid envelope is enclosed for your convenience.

Shareholders who hold their Shares in uncertificated form (that is, in CREST) and who wish to participate in the Tender Offer should take the appropriate action in CREST to tender their Shares and should arrange for the relevant Shares to be transferred to escrow by no later than 1.00 p.m. on 22 March 2010 as described in paragraph 3 of Part II of this document.

### **4. Taxation**

Shareholders who sell Shares in the Tender Offer may, depending on their individual circumstances, incur a liability to taxation. Further information on the UK taxation consequences of the Tender Offer is set out in paragraph 2 of Part III of this document. Shareholders who are in any doubt as to their tax position should seek advice from an appropriately qualified professional.

### **5. Overseas Shareholders and persons outside the United Kingdom**

Before participating in the Tender Offer, Shareholders with an address outside the United Kingdom or who are resident outside the United Kingdom should satisfy themselves that they are lawfully entitled to participate in the Tender Offer and should ensure full observance of the laws of any relevant territory

in connection therewith (including obtaining any requisite consents, observing any other applicable formalities and paying any taxes required to be paid in such territory). Tender Forms shall not be sent to Overseas Shareholders and the Tender Offer may not be accepted from within the United States, Canada, Australia or Japan.

Shareholders with registered or mailing addresses overseas or who are citizens of, or nationals of, or residents in, an overseas jurisdiction should read paragraph 8 of Part II of this document.

## **6. Additional information**

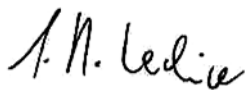
With a view to further narrowing the discount to prevailing NAV, the Board has been considering for some time a number of options intended to widen the universe of potential shareholders. This review has included obtaining a listing for the Company on a recognised stock exchange in Asia, so as to position the Company closer to its asset base and potentially re-rate the Shares in line with CREO's Asian peer group, which generally trade at a very low discount or slight premium to NAV. This will, in time, also enable the Company to participate in the strong capital flows experienced in Asia.

Accordingly a non-binding submission has been made to the Singapore Exchange ("SGX") and the Monetary Authority of Singapore to secure approval for admission to Singapore's internationally recognised main board as a Business Trust. Conversion to a Singapore Business Trust, which would be subject to Shareholder approval, would result in the Company being delisted from AIM.

The Company has today published its financial results for the financial year ended 31 December 2009. The Board is very pleased with the strong operational performance of the Company's property portfolio during the financial year ended 31 December 2009 as well as its strengthened cash position. The Board believes the Company is now well placed to address its capital structure through the Tender Offer and its proposed Asian listing this year. Accordingly, the Board remains optimistic about the outlook for 2010.

**Recognising that the Chairman and Treasury Holdings Directors are potentially conflicted due to Real Estate Opportunities plc undertaking to tender its Shares, a committee of independent Directors has been established to determine matters in relation to the Tender Offer. These Directors make no recommendation to Shareholders as to whether or not they should tender their Shares in the Tender Offer and, as set out in more detail in paragraph 2 above, Shareholders should note that the Tender Price represents a discount to both NAV per Share and to the price at which the Shares have recently traded. Whether or not Shareholders decide to tender their Shares will depend, amongst other factors, on their view of the Company's prospects and their own individual circumstances, including their own tax position.**

Yours sincerely



Stuart Leckie  
*Deputy Chairman*

## PART II

### TERMS AND CONDITIONS OF THE TENDER OFFER

#### 1. General

- 1.1 Shareholders on the register of members at the Record Date who continuously hold their Shares until the Closing Date are entitled to have 9.176 per cent. of their Shares purchased by Matrix for £3.30 per Share. This represents the Basic Entitlement of Shareholders. Shareholders may tender any percentage of their Shares for purchase under the Tender Offer, but tenders in excess of the Basic Entitlement will be satisfied only to the extent either that other Shareholders tender less than (or none of) their Basic Entitlement or if Matrix procures placees for such Shares pursuant to the Placing.
- 1.2 If the aggregate number of Shares tendered pursuant to the Tender Offer is (i) not more than 1.5 million, then all those Shares purchased by Matrix will be sold to the Company for cancellation; (ii) more than 1.5 million but not more than the aggregate of 1.5 million and the number of Shares for which Matrix shall have procured placees, then 1.5 million of those Shares purchased by Matrix will be sold to the Company for cancellation and the balance will be sold by Matrix to placees; (iii) more than the aggregate of 1.5 million and the number of Shares for which Matrix shall have procured placees, then 1.5 million of those Shares purchased by Matrix will be sold to the Company for cancellation, the number of Shares for which Matrix have procured placees will be sold by Matrix to placees and the remaining balance will be sold by Matrix to the Company for cancellation or to be held in treasury for subsequent reissue as the Board may in its discretion determine.
- 1.3 If the aggregate number of Shares tendered pursuant to the Tender Offer is greater than the aggregate of 4,545,454 Shares and the number of Shares for which Matrix shall have procured placees pursuant to the Placing, excess tender applications will be scaled back in proportion to the amounts by which such excess tenders exceed the Basic Entitlements (rounded down to the nearest whole number of Shares).
- 1.4 The maximum number of Shares which Matrix shall be obliged to purchase pursuant to the Tender Offer is 4,545,454 Shares plus such number of Shares in respect of which Matrix shall have procured placees pursuant to the Placing. The maximum number of Shares which the Company will purchase pursuant to the Purchase Agreement is 4,545,454 Shares.
- 1.5 Tenders will be rounded down to the nearest whole number of Shares.
- 1.6 Purchases of Shares by Matrix pursuant to the Tender Offer and by the Company from Matrix will be carried out on market. The first 1.5 million Shares purchased by the Company from Matrix pursuant to the Purchase Agreement will be immediately cancelled. Any additional Shares purchased by the Company from Matrix will, at the discretion of the Board, either be cancelled or held in treasury for subsequent reissue.
- 1.7 Settlement of the Tender Offer will be made as referred to in paragraph 4 below.

#### 2. Termination of Tender Offer

If prior to the Closing Date:

- (a) the Company shall fail to comply in any material respect with its obligations under the Tender Offer and Placing Agreement and the Purchase Agreement; or
- (b) in the opinion of Matrix (acting in good faith) or, as the case may be, the Company, there shall occur any adverse change in or affecting the operations, properties, condition (financial or other), trading position or prospects or results of operations of the Company and its subsidiaries taken as a whole as would be reasonably likely to be material in the context of the Placing or the Tender Offer; or

- (c) in the opinion of Matrix (acting in good faith) or, as the case may be, the Company, there shall occur any (i) change in national or international financial, political, economic or stock market conditions (primary or secondary); (ii) incident of terrorism, outbreak or escalation of hostilities, war, declaration of martial law or any other calamity or crisis; (iii) suspension or material limitation in trading of securities generally on any stock exchange; or (iv) change in currency exchange rates or exchange controls or a disruption of settlement systems or a disruption in commercial banking, in any such case as would be reasonably likely to be material in the context of the Placing or the Tender Offer,

Matrix or, as the case may be, the Company, shall be entitled, by making an announcement via a Regulatory Information Service, to lapse or, as the case may be, cause Matrix to lapse the Tender Offer.

### **3. Procedure for tendering Shares**

#### **3.1 *Shares held in certificated form (that is not in CREST)***

The completed and signed Tender Form should be sent by post, or delivered by hand during normal business hours only, to the Registrar, Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU **as soon as possible and, in any event, so as to be received not later than 1.00 p.m. on 22 March 2010.** The Company shall be entitled (in its sole discretion) to accept late tenders. A reply-paid envelope for the return of the Tender Form is enclosed with this document. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked in the United States, Canada, Australia or Japan or otherwise appearing to Matrix or its agents to have been sent from any of those jurisdictions may be rejected as an invalid tender. Please refer to paragraph 8 below for further information on Overseas Shareholders and non-UK residents.

By signing the Tender Form, Shareholders will be deemed to have appointed the Registrar as receiving agent in respect of settlement of the purchase of Shares by Matrix. Matrix will therefore issue a contract note on behalf of Shareholders and will remit the cash consideration to the Registrar with instructions that such consideration be remitted in accordance with the instructions set out in the Tender Form.

The completed and signed Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent), the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Registrar not later than 1.00 p.m. on 22 March 2010 together with any share certificate(s) and/or other document(s) of title that you may have available, accompanied by a letter stating that the remaining share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, not later than 1.00 p.m. on 22 March 2010.

If you have lost your share certificate(s) and/or other document(s) of title, you should contact the Registrar for a letter of indemnity in respect of the lost share certificate(s) which, when completed in accordance with the instructions given, should be returned to the Registrar, at the address referred to in this paragraph 3.1 so as to be received not later than 1.00 p.m. on 22 March 2010. The Registrar can be contacted on telephone number 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399 between 9.00 a.m. and 5.00 p.m. The Registrar cannot provide advice on the merits of the Tender Offer nor give any financial, legal or tax advice.

#### **3.2 *Shares held in CREST***

If the Shares which you wish to tender are held in uncertificated form, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which you wish to tender under the Tender Offer to an escrow balance, specifying the Registrar (in its capacity as a CREST escrow agent under its participant ID referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to escrow settles by 1.00 p.m. on 22 March 2010. The Company shall be entitled (in its sole discretion) to accept late transfers to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which you wish to tender. You should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the total number of Shares to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the escrow agent, the Registrar, in its capacity as a CREST receiving agent. This is RA10;
- the member account ID of the escrow agent, the Registrar. This is 26960CRE;
- the corporate action number for the Tender Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, not later than 1.00 p.m. on 22 March 2010;
- the ISIN of the Shares. This is JE00B1P8F991;
- input with the standard TTE delivery instruction priority of 80; and
- a contact name and telephone number should be inserted in the shared note field.

After settlement of the TTE Instruction, you will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Registrar as your agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, the Registrar will transfer the Shares which are accepted for purchase by the Company and/or Matrix as the case may be.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined above.

**You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will, therefore, apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Shares to settle prior to 1.00 p.m. on 22 March 2010. In this regard, you are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company shall be entitled (in its sole discretion) to accept late TTE Instructions.**

An appropriate announcement will be made if any of the details contained in this paragraph 3 are altered.

### 3.3 *Deposits of Shares into, and withdrawals of Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any such Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on the Closing Date.

### 3.4 *Validity of Tender Forms*

Notwithstanding the powers in this paragraph 3.4, the Company reserves the right to treat as valid (in the case of Shares held in certificated form) Tender Forms which are not entirely in order (to be determined by Matrix in its sole discretion) which are received by the Registrar by 1.00 p.m. on the Closing Date and which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity (please refer to paragraph 3.1 above) in lieu thereof or (in the case of Shares held in uncertificated form) by the relevant TTE Instruction, in each case in respect of the entire number of Shares tendered.

Notwithstanding the completion of a valid Tender Form or valid TTE Instruction, the Tender Offer may be suspended or terminated or may lapse in accordance with the terms and conditions set out in this Part II.

Matrix shall be entitled to accept Tender Forms and TTE Instructions which are received after the Closing Date in its sole discretion. The decision of Matrix as to which Shares have been validly tendered shall be conclusive and binding on all Shareholders.

**If you have any questions relating to the completion and return of the Tender Form please call Capita Registrars on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399 between 9.00 a.m. and 5.00 p.m London time. Calls to Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the proposals set out in this document nor give any financial, legal or tax advice. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.**

**Shareholders should note that, once tendered, Shares may not be sold, transferred, charged, lent or otherwise disposed of.**

## 4. **Settlement**

### 4.1 *Certificated form*

Where an accepted tender relates to Shares held in certificated form, settlement of the consideration due to any Shareholder is expected to be made on or around 25 March 2010. Cheques for the consideration due will be despatched by the Registrar by first class post to the person or agent whose name and address (outside the United States, Canada, Australia and Japan) is set out in Box 1 of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the address of the first named. All cash payments will be made in sterling by cheque drawn on a branch of a UK clearing bank.

### 4.2 *Uncertificated form*

Where an accepted tender relates to Shares held in uncertificated form in CREST, the consideration due will be paid by means of CREST by the Company procuring the creation of a CREST payment in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

### 4.3 *General*

If any tendered Shares are not purchased pursuant to the terms of the Tender Offer:

- (a) where the Shares are held in certificated form, the relevant Shareholder will be entitled to receive a certificate in respect of the balance of the unsold Shares; or
- (b) where the Shares are held in uncertificated form, the unsold Shares will be transferred by the escrow agent by means of a TFE Instruction to the original available balance from which those Shares came.

#### 4.4 *Deferred settlement*

If, as a result of the Tender Offer and the Placing, the Company is required to fund in excess of £5,000,000 to purchase Shares and, by the date for settlement under the Tender Offer, the Company has not received the proceeds of the disposal of its Tangdao Bay property, settlement of the excess may be deferred until such time as the proceeds of the disposal are received. If and to the extent that such deferred consideration has not been despatched to any tendering Shareholders by 15 April 2010, those Shares tendered by such Shareholders in respect of which settlement has not then been despatched will not be purchased by Matrix pursuant to the Tender Offer and paragraph 4.3 above shall apply in relation to such Shares.

#### 4.5 *Matched settlement*

Settlement of consideration payable under the Tender Offer will only be made if and to the extent that Matrix receives equal amounts from either the Company pursuant to the Purchase Agreement or places procured pursuant to the Placing.

### 5. **Representations and warranties**

Each Shareholder by whom, or on whose behalf, a Tender Form or TTE Instruction (as applicable) is executed or made irrevocably undertakes, represents, warrants and agrees to and with Matrix (for itself and as agent for the Company and for the places procured by Matrix) (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (a) the execution of the Tender Form and/or the input of the TTE Instruction shall constitute an offer to sell the number of Shares set out therein to Matrix on and subject to the terms and conditions set out or referred to in this document (and, in the case of certificated Shares, the Tender Form) and that, once lodged, such offer shall be irrevocable;
- (b) such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together, with all rights attaching thereto) and, when the same are purchased, the purchasers will acquire such Shares fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after 1.00 p.m. on the Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
- (c) such Shareholder has continuously held the Shares tendered from the Record Date to the Closing Date. For the avoidance of doubt, lending of Shares will be regarded as a disposal for the purpose of determining whether Shares have been continuously held;
- (d) the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Matrix as such Shareholder's attorney and/or agent ("attorney"), and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Shares referred to in sub-paragraph (a) above in favour of Matrix, as the case may be, or such other person or persons as Matrix, as the case may be, may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with any share certificate(s) and/or other document(s) relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in the purchaser or its nominee(s) or such other person(s) as Matrix may direct such Shares or;
- (e) the input of the TTE Instruction constitutes the irrevocable appointment of the Registrar, acting as the receiving agent, as Escrow Agent for the Tender Offer (the "attorney") and an irrevocable instruction and authority to the attorney to (i) subject to the Tender Offer becoming unconditional, transfer to itself and then transfer to Matrix as the case may be (or to such other person as the Company or Matrix may direct) by means of CREST any of the Shares in respect of which the Tender Offer has been accepted, or (ii) if the Tender Offer does not become unconditional and

- lapses or has been terminated, or there are Shares which have not been accepted under the Tender Offer, give instructions to Euroclear, as promptly as practicable after the lapsing of the Tender Offer, to transfer all Shares to the original available balances from which those Shares came;
- (f) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by the Registrar, by the Company or any of the Directors or any person nominated by the Company, Matrix or any of its directors or any person nominated by Matrix in the proper exercise of his, her or its powers and/or authorities hereunder;
  - (g) such Shareholder holding Shares in certificated form will deliver to the Registrar the share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph (a) above, or an indemnity acceptable to the Company and Matrix in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, not later than 1.00 p.m. on the Closing Date;
  - (h) such Shareholder holding Shares in uncertificated form (that is, in CREST) will take (or procure to be taken) the action set out in paragraph 3.2 above to transfer such Shares to an escrow balance as soon as possible and, in any event, not later than 1.00 p.m. on the Closing Date;
  - (i) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer for Shareholders holding Shares in certificated form;
  - (j) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company or Matrix to be desirable, in each case to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
  - (k) such Shareholder, if having an address, or resident outside the United Kingdom, (i) is not in the United States, Canada, Australia or Japan, or in any territory in which it is unlawful to make or accept the Tender Offer or to use the Tender Form in any manner in which such person has used or will use it; (ii) has fully observed any applicable legal and regulatory requirements of the territory in which such Shareholder is resident or located and (iii) the invitation under the Tender Offer may lawfully be made to such Shareholder under the laws of the relevant jurisdiction;
  - (l) such Shareholder has not received or sent copies or originals of this document, the Tender Form or any related documents in, into or from the United States, Canada, Australia or Japan and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, in or into, or by use of the mails or by any means or instrumentality (including, without limitation, the internet, facsimile transmission, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange, of the United States, Canada, Australia or Japan and the Tender Form has not been mailed or otherwise sent in, into or from the United States, Canada, Australia or Japan;
  - (m) such Shareholder is not accepting the Tender Offer from the United States, Canada, Australia or Japan;
  - (n) on execution, the Tender Form takes effect as a deed;
  - (o) the execution of the Tender Form and/or TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of, or in connection with, the Tender Offer or the Tender Form; and
  - (p) despatch of cheques in respect of the Tender Price to a Shareholder at his registered address or such other address as is specified in the Tender Form or (as the case may be) the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST procedures and timings as referred to in paragraph 4 above, will constitute a complete discharge by the Company of its obligation to pay to such Shareholder the cash consideration to which he, she or it is entitled under the Tender Offer.

A reference in this paragraph 5 to a Shareholder includes a reference to the person or persons executing the Tender Form and, in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.

**6. Additional provisions**

- 6.1 Each Shareholder may tender none, part or all of the Shares comprising its Basic Entitlement, or such other number of Shares which the Shareholder enters in Box 2B of the Tender Form. Incomplete forms will not be valid in relation to the acceptance of the Tender Offer.
- 6.2 Shares acquired by Matrix under the Tender Offer will be purchased by it as principal, and such purchases will be on-market purchases.
- 6.3 Shares sold by Shareholders pursuant to the Tender Offer will be acquired fully paid and with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date including the right to receive all dividends and other distributions declared, paid or made after that date.
- 6.4 Unless it has lapsed or been terminated prior to such time in accordance with the provisions of paragraph 2 of this Part II, the Tender Offer will close at 1.00 p.m. on the Closing Date and no Tender Forms, share certificates and/or documents of title or indemnities or TTE Instructions received after that time will be accepted, except at the sole discretion of Matrix. It is expected that on 23 March 2010, the Company will announce the total number of Shares tendered.
- 6.5 Each Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of Matrix agreeing to process his, her or its tender, such Shareholder will not revoke his, her or its tender or withdraw his, her or its Shares from the Tender Offer. Shareholders should note that once tendered, such Shares may not be sold, transferred, charged or otherwise disposed.
- 6.6 Any omission to despatch or decision not to despatch this document or the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 6.7 No acknowledgement of receipt of any Tender Form, share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) at their own risk.
- 6.8 All powers of attorney and authorities conferred by or referred to in this Part II or in the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 6.9 All tenders in respect of certificated Shares must be made on the Tender Form, duly completed in accordance with the instructions set out thereon which constitute part of the terms of the Tender Offer or by TTE Instruction (as applicable). A tender will only be valid when the procedures contained in these terms and conditions (and in the Tender Form if applicable) are complied with. The Tender Offer and all tenders will be governed by and construed in accordance with English law. Delivery or posting of a Tender Form or completion of a TTE Instruction will constitute submission to the jurisdiction of the English Courts.
- 6.10 All documents and remittances sent by or to Shareholders will be sent at their own risk. If the Tender Offer does not become unconditional or is terminated, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 20 Business Days of the Tender Offer lapsing, to the person or agent whose name and address is set out in Box 1 of the Tender Form

or, if none is set out, to the tendering Shareholder or, in the case of joint holders, the first named at his, her or its registered address. No such documents will be sent to an address in the United States, Canada, Australia or Japan. In the case of Shares held in uncertificated form, the Registrar in its capacity as escrow agent will, within 20 Business Days of the Tender Offer lapsing, give instructions to Euroclear to transfer all Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original available balances from which those Shares came.

- 6.11 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall constitute part of the terms of the Tender Offer. The definitions set out in this document apply to the terms and conditions set out in this Part II.
- 6.12 The decision of Matrix as to which Shares have been successfully tendered shall be final and binding on all Shareholders.
- 6.13 Further copies of this document and the Tender Form may be obtained on request from the Registrar at the address set out on page 1 of the Tender Form or by telephoning them as described in paragraph 3.1 of this Part II.

## **7. Miscellaneous**

- 7.1 Any changes to the terms, or any suspension, extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof no later than close of business on the Business Day following the date of such changes. Such announcement will be notified to a Regulatory Information Service provider. References to the making of an announcement by the Company include the release of an announcement on behalf of the Company by Matrix to the press and delivery of, by telephone or facsimile or other electronic transmission of, such announcement to a Regulatory Information Service.
- 7.2 Tendering Shareholders will not be obliged to pay brokerage fees, commissions, transfer taxes or stamp duty in the UK on the purchase by Matrix of Shares pursuant to the Tender Offer.
- 7.3 Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by the Company. Under no circumstances should the delivery of this document or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been any change in the assets, properties, business or affairs of the Company since the date of this document.
- 7.4 Matrix reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and may consider void and reject any tender that does not in Matrix's sole judgement (acting reasonably) meet the requirements of the Tender Offer. Matrix also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form (in whole or in part) which is not entirely in order or which is not accompanied (in the case of Shares held in certificated form) by the related share certificate(s) and/or other document(s) of title. In that event, however, the consideration under the Tender Offer will only be despatched when the Tender Form is entirely in order and the share certificate(s) or other document(s) of title or indemnity satisfactory to the Company. None of the Company, Matrix, the Registrar or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.
- 7.5 Without prejudice to the generality of paragraph 7.4 above, any discretion or determination by Matrix for the purposes of any paragraph of this Part II shall be final and binding on all Shareholders and none of Matrix, the Directors or the Company shall have any liability in relation thereto.
- 7.6 It is not intended that the provisions of the Contracts (Rights of Third Parties) Act 1999 apply to this document.

## **8. Overseas Shareholders and persons outside the United Kingdom**

- 8.1 The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom or custodians, nominees or agents for citizens, nationals or residents of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are citizens or nationals of, or resident in, such jurisdictions should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Shareholder wishing to tender Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Shareholder will be responsible for payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and any discretion or determination by the Company or Matrix for the purposes of any paragraph of this Part II shall be final and binding on all of the Shareholders and none of the Company or Matrix or any of their respective directors shall have any liability in relation thereto and the Company, Matrix and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Form in any territory outside the United Kingdom.
- 8.2 In particular, the Tender Offer is not being made, directly or indirectly, in or into, or by use of mails or by any means or instrumentality (including, without limitation, the internet, facsimile transmission, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange, of the United States, Canada, Australia or Japan and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Canada, Australia or Japan. Accordingly, copies of this document, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed or sent in or into the United States, Canada, Australia or Japan, including to Shareholders with registered addresses in the United States, Canada, Australia or Japan or to persons whom the Company or Matrix knows to be custodians, nominees, agents or trustees holding Shares for persons in the United States, Canada, Australia or Japan. Receipt of this document and/or Tender Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and in those circumstances, this document and/or Tender Form will be deemed to have been sent for information only and should not be copied or redistributed. Persons receiving such documents (including, without limitation, custodians, nominees, agents and trustees) or wishing to accept the Tender Offer should not distribute or send them in, into or from the United States, Canada, Australia or Japan or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and so doing will render invalid any related purported acceptance of the Tender Offer. All accepting Shareholders must provide addresses outside the United States, Canada, Australia or Japan for the remittance of cash or the return of documents lodged pursuant to the Tender Offer.
- 8.3 A Shareholder will be deemed not to have accepted the Tender Offer if:
- (a) such Shareholder is unable to make the representations and warranties set out in paragraphs 5(k) to (m) of this Part II;
  - (b) such Shareholder has a registered address in the United States, Canada, Australia or Japan and in such case such Shareholder does not insert in Box 4A of the Tender Form the name and address of a person or agent outside the United States, Canada, Australia or Japan to whom he wishes the consideration to which he is entitled under the Tender Offer to be sent, subject to the provisions of this paragraph and the applicable laws;
  - (c) such Shareholder inserts in Box 4A of the Tender Form the name and address of a person or agent in the United States, Canada, Australia or Japan to whom he wishes the consideration to which such Shareholder is entitled under the Tender Offer to be sent;

- (d) such Shareholder inserts in Box 4B a new/correct registered address in the United States, Canada, Australia or Japan; or
- (e) the Tender Form received from him is in an envelope postmarked in, or which otherwise appears to the Company or its agents to have been sent from, the United States, Canada, Australia or Japan.

The Company reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in paragraphs 5(k) to (m) of this Part II given by any Shareholder is correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation and warranty is not correct, such acceptance shall not be valid.

- 8.4 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees, agents and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form or any related offering documents in, into or from the United States, Canada, Australia or Japan or uses the mails, any means or instrumentality (including, without limitation, the internet, facsimile transmission, telex and telephone) of interstate or foreign commerce or any facility of a national securities exchange, of the United States, Canada, Australia or Japan in connection with such forwarding, such persons should inform the recipient of such fact; explain to the recipient that such action may invalidate any purported acceptance by the recipient; and draw the attention of the recipient to this paragraph 8.
- 8.5 The provisions of this paragraph 8 and any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion but only if the Company is satisfied that such waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other legal or regulatory requirements.
- 8.6 The provisions of this paragraph 8 supersede any terms of the Tender Offer inconsistent herewith.

**Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. The comments set out in this document are intended to be a general guide only and Shareholders who are in any doubt about their position, should consult their professional adviser in the relevant territory.**

## PART III

### GENERAL

#### 1. No significant change

There has been no significant change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest audited financial information has been published.

#### 2. Taxation

The following statements are intended only to summarise certain UK tax consequences for the beneficial owners of Shares who are resident and, in the case of individuals, ordinarily resident and domiciled in the UK (except where expressly stated otherwise) and who hold the Shares as capital assets. They may not apply to certain classes of Shareholders including (but not limited to):

- (a) dealers in securities;
- (b) employees; or
- (c) persons who acquired Shares other than for bona fide commercial reasons or who have a tax avoidance purpose or motive,

who may be subject to materially different tax treatment.

The following is intended only as a general guide and is not intended to be, nor should it be considered to be, legal or tax advice to any Shareholder. Shareholders should satisfy themselves as to the overall tax consequences, including, specifically the consequences under UK law and HM Revenue & Customs practice of ownership and disposition of Shares in their own particular circumstances by consulting their own tax advisers.

If investors are resident, ordinarily resident or domiciled for tax purposes in a jurisdiction other than the UK, or if investors are unsure as to any aspect of their treatment, they should consult their own tax advisers.

The following statements assume that the Company is resident for tax purposes only in Jersey.

#### *Disposal*

Sums paid to Shareholders in pursuance of the Tender Offer should be treated as capital receipts for UK tax purposes.

#### *UK tax resident Shareholders*

Shareholders who are UK tax resident individuals or otherwise not within the charge to corporation tax will generally be liable to capital gains tax on a disposal or deemed disposal of Shares at the current rate of 18 per cent. depending on their circumstances and subject to any available exemption, relief and the annual allowance of tax-free gains which is £10,100 for the tax year ended 5 April 2010.

Shareholders within the charge to UK corporation tax will generally be subject to corporation tax currently chargeable at 28 per cent. on capital gains in respect of any gains arising on a disposal or deemed disposal of Shares depending on their circumstances and subject to any available exemption or relief. Indexation allowance may be available, but this can only apply to reduce any chargeable gain arising on disposal of the Shares, not to create or increase a capital loss.

#### *Temporary non-UK tax resident Shareholders*

An individual Shareholder who ceases to be resident or ordinarily resident in the UK for a period of less than five complete tax years and who disposes of Shares during that period of temporary non-residence may under anti-avoidance legislation (and depending on his or her circumstances) be liable to capital gains tax on his or her return to the UK (subject to available exemptions or reliefs).

### *Non-UK tax resident Shareholders*

A Shareholder who is not resident, or in the case of an individual, ordinarily resident in the UK for tax purposes at any point in the tax year of disposal (and is not temporarily non-resident as described above) should not be subject to UK taxation on chargeable gains on the disposal of Shares unless such Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or permanent establishment. Such Shareholders may be subject to foreign taxation on any gains under local law subject to terms of any applicable double tax treaty. Shareholders who are not solely UK tax resident should obtain their own tax advice concerning tax liabilities arising on the disposal of Shares.

### *UK ad valorem stamp duty and Stamp Duty Reserve Tax ("SDRT")*

No UK ad valorem stamp duty or SDRT should arise on the disposal of Shares by Shareholders pursuant to the Tender Offer.

### *Tax avoidance*

The attention of Shareholders is drawn to the provisions of section 703 to 709 Income and Corporation Taxes Act 1988 for corporation tax purposes and Chapter 1 of Part 13 of the Income Tax Act 2007 for income tax purposes, which give powers to HM Revenue & Customs to cancel tax advantages from certain transactions in securities.

## **3. Agreements**

- 3.1 The Company and Matrix have entered into the Tender Offer and Placing Agreement pursuant to which Matrix agreed to make the Tender Offer and to use all reasonable endeavours to procure placees, at the Tender Price, for Shares tendered pursuant to the Tender Offer, and to purchase pursuant to the Tender Offer for resale to the Company and/or Placees as the case may be, all the Shares tendered but not under any circumstances exceeding the aggregate of 4,545,454 Shares and the number of Shares in respect of which Matrix shall have procured placees pursuant to the Placing. The obligations of Matrix under the agreement are subject to certain conditions including:
- (a) none of the warranties or undertakings contained in the agreement being materially untrue or inaccurate or misleading;
  - (b) in the opinion of Matrix (acting in good faith) there being no adverse change in or affecting the operations, properties, condition (financial or other), trading position or prospects or results of operations of the Company and its subsidiaries taken as a whole as would be reasonably likely to be material in the context of the Placing; and
  - (c) in the opinion of Matrix (acting in good faith) there being no (i) change in national or international financial, political, economic or stock market conditions (primary or secondary); (ii) incident of terrorism, outbreak or escalation of hostilities, war, declaration of martial law or any other calamity or crisis; (iii) suspension or material limitation in trading of securities generally on any stock exchange; or (iv) change in currency exchanges rates or exchange controls or a disruption of settlement systems or a disruption in commercial banking, in any such case as would be reasonably likely to be material in the context of the Placing.

Matrix is entitled to receive a corporate finance fee of £150,000, a commission of £10,000 for each complete £1 million of Shares tendered which are successfully placed by Matrix and reimbursement of its out-of-pocket expenses, including legal costs, in connection with the Tender Offer and Placing, together, in each case, with applicable VAT.

- 3.2 The Company and Matrix have entered into the Purchase Agreement pursuant to which the Company shall be obliged to acquire from Matrix at the Tender Price up to 4,545,454 Shares acquired by Matrix pursuant to the Tender Offer.
- 3.3 The Company, Matrix and Real Estate Opportunities plc have entered into an agreement dated 5 March 2010 pursuant to which, *inter alia*, Real Estate Opportunities plc has undertaken to accept the Tender Offer in respect of its 8,387,941 Shares. Real Estate Opportunities plc has

agreed to accept deferred settlement of the consideration due to it if the Tangdao Bay disposal proceeds have not been received by the Company by the date for settlement under the Tender Offer and the Company is required under the Purchase Agreement to pay more than £5 million provided that, if the consideration has not been paid by 15 April 2010, Real Estate Opportunities plc's acceptance of the Tender Offer shall, to the extent the consideration payable has not been paid, lapse.

#### **4. Additional information**

Matrix, which is authorised and regulated in the UK by the Financial Services Authority, has given and not withdrawn its consent to the issue of this document and the inclusion herein of its name and the references to it in the form and context in which they appear.

#### **5. Documents available for inspection**

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturday, Sundays and public holidays excepted) at the registered office of the Company, Whiteley Chambers, Don Street, St Helier, Jersey JE4 9WG until the Closing Date:

- (a) the memorandum and articles of association of the Company;
- (b) the agreements referred to at paragraph 3 above; and
- (c) this document.

Dated: 8 March 2010

## DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

<b>“AIM”</b>	the Alternative Investment Market of the London Stock Exchange
<b>“Basic Entitlement”</b>	the entitlement of each Shareholder to tender for purchase by Matrix pursuant to the Tender Offer such number of Shares as equates to approximately 9.176 per cent. of the total number of Shares held by such Shareholder on the Record Date and the Closing Date
<b>“Board” or “Directors”</b>	the board of directors of the Company
<b>“Business Day”</b>	a day on which the London Stock Exchange and banks in London are normally open for business excluding Saturdays and Sundays
<b>“Closing Date”</b>	22 March 2010, being the date on which the Tender Offer closes
<b>“Company”</b>	China Real Estate Opportunities plc
<b>“Matrix”</b>	Matrix Corporate Capital LLP
<b>“NAV”</b>	the net asset value of the Company calculated in accordance with the Company’s normal accounting policies and the reporting practices adopted by the European Public Real Estate Association
<b>“Overseas Shareholder”</b>	a Shareholder who has an address in the United States, Canada, Japan or Australia
<b>“Placing”</b>	the placing by Matrix of Shares acquired by Matrix pursuant to the Tender Offer on the terms of the Tender Offer and Placing Agreement
<b>“Purchase Agreement”</b>	the agreement dated 8 March 2010 between the Company and Matrix pursuant to which the Company will purchase from Matrix up to 4,545,454 Shares
<b>“Record Date”</b>	5.00 p.m. on 11 March 2010
<b>“Registrar”</b>	Capita Registrars (Jersey) Limited
<b>“Shareholders”</b>	the holders of Shares
<b>“Shares”</b>	ordinary shares of no par value in the capital of the Company
<b>“Tender Form”</b>	the tender form accompanying this document for use by certificated Shareholders (other than Overseas Shareholders) in connection with the Tender Offer
<b>“Tender Offer”</b>	the invitation by Matrix (as principal) to Shareholders (other than Overseas Shareholders) to tender Shares on the terms and subject to the conditions set out in this document and in the Tender Form

**“Tender Offer and Placing Agreement”**

the agreement dated 8 March 2010 between the Company and Matrix pursuant to which Matrix has agreed to make the Tender Offer and to seek places for Shares tendered under the Tender Offer

**“Tender Price”**

£3.30 per Share

**“Treasury Holdings Directors”**

Richard Barrett, Richard David and Rory Williams

**“United States” or “US”**

the United States of America, its territories and possessions, any state or political sub-division of the United States of America, the District of Columbia and all other areas subject to the jurisdiction of the United States of America

