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SHANGHAI ZENDAI PROPERTY LIMITED

上海証大房地產有限公司*

(Incorporated in the Bermuda with limited liability)

(Stock Code: 755)

DISCLOSEABLE TRANSACTIONS

**ACQUISITION OF LAND PARCELS
IN INNER MONGOLIA AUTONOMOUS REGION**

A letter from the board of directors of Shanghai Zendai Property Limited is set out on pages 3 to 5 of this circular.

* *for identification purpose only*

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisitions”	the acquisition of the land use rights of the Land Parcels
“Agreements”	the two agreements entered into by the Purchaser and the Vendor on 19 August 2008 in relation to the Acquisitions
“Board”	the executive directors of the Company
“Company”	Shanghai Zendai Property Limited, an exempt company incorporated in Bermuda, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Giant Glory”	Giant Glory Assets Limited, a limited company incorporated in the British Virgin Islands and is holding approximately 26.42% of the entire issued share capital of the Company as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jointex Investment”	Jointex Investment Holdings Limited, a limited company incorporated in the British Virgin Islands owned beneficially as to 85% by Mr. Dai and as to 15% by Mr. Zhu Nansong and, is holding approximately 32.32% of the entire issued share capital of the Company as at the Latest Practicable Date
“Land Parcels”	Land Parcel One and Land Parcel Two
“Land Parcel One”	a parcel of land located in Dongsheng Area (東勝康巴什新區), Ordos City (鄂爾多斯市), Inner Mongolia Autonomous Region, the PRC with site areas of approximately 45,718 square metre and is designated for commercial uses
“Land Parcel Two”	a parcel of land located in Dongsheng Area (東勝康巴什新區), Ordos City (鄂爾多斯市), Inner Mongolia Autonomous Region, the PRC with site areas of approximately 103,750 square metre and is designated for residential uses

DEFINITIONS

“Latest Practicable Date”	3 September 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Dai”	Mr. Dai Zhikang, an executive Director and the chairman of the Company
“Purchaser”	鄂爾多斯市証大房地產開發有限公司 (Ordos City Zendai Property Development Company Limited), a limited company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	鄂爾多斯市國土資源局東勝康巴什新區分局 (The Bureau of Land Resources in Dongsheng Area of Ordos City), a PRC Government authority
“HK\$”	Hong Kong dollars
“RMB”	Renminbi
“%”	per cent.

For the purpose of this circular, unless otherwise specifies, conversion of Renminbi into Hong Kong dollars are based on the approximately exchange rates of RMB0.8769 = HK\$1.00.

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LETTER FROM THE BOARD



SHANGHAI ZENDAI PROPERTY LIMITED

上海証大房地產有限公司*

(Incorporated in the Bermuda with limited liability)

(Stock Code: 755)

Executive Directors:

Mr. Dai Zhikang (*Chairman*)

Mr. Fang Bin

Mr. Zhang Wei

Mr. Lu Puling

Mr. Wang Xiangang

Mr. Tang Jian

Mr. Ye Wenbin

Independent non-executive Directors:

Mr. Lo Mun Lam, Raymond

Mr. Lai Chik Fan

Dr. Tse Hiu Tung, Sheldon

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

*Head office and principal
place of business:*

Unit 6108, The Center

99 Queen's Road Central

Hong Kong

4 September 2008

*To the Shareholders and, for information only, holders of
options of the Company*

Dear Sir or Madam,

DISCLOSEABLE TRANSACTIONS

ACQUISITION OF LAND PARCELS IN INNER MONGOLIA AUTONOMOUS REGION

INTRODUCTION

On 19 August 2008, the Purchaser has entered into the Agreements for the acquisition of the land use rights of the Land Parcels through the Vendor at an aggregate consideration of RMB146,389,500 (equivalent to approximately HK\$166,940,000) subsequent to the Purchaser has succeeded in a bid for the Acquisitions on 8 August 2008.

* *for identification purpose only*

LETTER FROM THE BOARD

1. Parties to the Agreements

- a. the Vendor (to the best of the Directors' knowledge, information and beliefs having made all reasonable enquiry, the Vendor is a third party independent of the Company and the connected persons of the Company); and
- b. the Purchaser.

2. Considerations

The consideration for the acquisition of the land use rights of the Land Parcel One is RMB68,577,000 (equivalent to approximately HK\$78,204,000) in cash. The consideration was determined on the basis of approximately RMB1,500 (equivalent to approximately HK\$1,711) per square metre with reference to the location and development potential of Land Parcel One.

The consideration for the acquisition of the land use rights of the Land Parcel Two is RMB77,812,500 (equivalent to approximately HK\$88,736,000) in cash. The consideration was determined on the basis of approximately RMB750 (equivalent to approximately HK\$855) per square metre with reference to the location and development potential of Land Parcel Two.

The considerations was fully paid from the Group's internal resources on 29 August 2008.

REASONS FOR THE ACQUISITIONS

The Group is a diversified property development company in the PRC, focusing on the development, investment and management of residential and commercial properties located in Shanghai and selected cities in the Yangtze River Delta, Hainan Province and Northeast China. The Group currently has thirteen projects under various stages of development located in Shanghai, Haimen, Yangzhou, Haikou, Changchun and Jilin.

The Group is committed to pursuing promising integrated commercial and residential property projects in the PRC. The Group will keep on enhancing its overall competence and push for continuous growth so as to bring satisfactory returns to shareholders.

The Land Parcels are located in Dongsheng Kangbashi New Area (東勝康巴什新區), Ordos City (鄂爾多斯市), Inner Mongolia Autonomous Region, the PRC. Ordos City is located in the Southwestern part of Inner Mongolia Autonomous Region. Land Parcel One, with a total site area of approximately 45,718 square metre, is designated for commercial uses. The Group intends to develop Land Parcel One into a commercial development. Land Parcel Two, with a total site area of approximately 103,750 square metre, is designated for residential uses. The Group intends to develop Land Parcel Two into a residential development.

LETTER FROM THE BOARD

The Board considers that the Acquisitions will enable the Group to increase its land reserve. The Board is also of the view that the Land Parcels are of good development potential and the Acquisitions will enhance the Group's profitability in the future.

The Directors are of the opinion that the Acquisitions will have no material effect on the earnings, assets and liabilities of the Company.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Acquisitions are fair and reasonable and the development of the Land Parcels is in the ordinary and usual course of the Group's business and is in the interest of the Company and the Shareholders as a whole.

DISCLOSEABLE TRANSACTION

The Acquisitions constitute discloseable transactions of the Company under the Listing Rules. The Acquisitions are subject to the requirements of announcement and circular under the Listing Rules.

Your attention is also drawn to the further information contained in the Appendix to this circular.

On behalf of the Board
Shanghai Zendai Property Limited
Dai Zhikang
Chairman

GENERAL INFORMATION

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires that to the best of their knowledge and belief, there are no other facts the omission of which would made any statement herein misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as adopted by the Company, were as follows:

Name of Director	Number of Shares	Capacity and nature of interests	Approximate percentage of issued share capital
Mr. Dai	6,077,990,000(L)	Interests of controlled corporation (<i>Note</i>)	58.74%
Mr. Fang Bin	50,000,000(L)	Beneficial owner	0.48%
Mr. Zhang Wei	50,000,000(L)	Beneficial owner	0.48%
Mr. Lu Puling	30,000,000(L)	Beneficial owner	0.29%
Mr. Wang Xiangang	20,000,000(L)	Beneficial owner	0.19%
Mr. Tang Jian	10,000,000(L)	Beneficial owner	0.10%
Mr. Ye Wenbin	5,000,000(L)	Beneficial owner	0.05%

(L) denotes long position

Note: Mr. Dai is the beneficial owner of the entire issued share capital of Giant Glory and has 85% control of Jointex Investment, and is therefore deemed to be interested in 6,077,990,000 Shares held by Giant Glory and Jointex Investment pursuant to the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director was taken or deemed to have under such provisions of the SFO); or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which was required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

GENERAL INFORMATION

3. PERSONS WITH 5% OR MORE SHAREHOLDING

As at the Latest Practicable Date, the persons (other than a Director or chief executive of the Company or members of the Enlarged Group) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any options in respect of such capital were:

Name	Name of company	Nature of interests	Number of shares interested or amount of registered capital interested	Approximate percentage of the issued share capital or registered capital
Giant Glory (Note 1)	The Company	Beneficial owner	2,733,990,000 Shares (L)	26.42%
Jointex Investment (Note 1)	The Company	Beneficial owner	3,344,000,000 Share (L)	32.32%
China Alliance Properties Limited (Note 2)	The Company	Beneficial owner	658,095,000 Shares (L)	6.36%
Shanghai Forte Land Co., Ltd. (Note 2)	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%
Shanghai Fosun High Technology (Group) Company Limited (Note 2)	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%
Fosun International Limited (Note 2)	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%
Fosun Holdings Limited (Note 2)	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%

GENERAL INFORMATION

Name	Name of company	Nature of interests	Number of shares interested or amount of registered capital interested	Approximate percentage of the issued share capital or registered capital
Fosun International Holdings Limited <i>(Note 2)</i>	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%
Guo Guangchang <i>(Note 2)</i>	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%
Honour Great Holdings Limited <i>(Note 3)</i>	The Company	Beneficial owner	556,540,000 Shares (L)	5.38%
Ms. Liu Lijuan <i>(Note 3)</i>	The Company	Interests of controlled corporation	556,540,000 Shares (L)	5.38%

(L) denotes long position

Notes:

- These Shares are the same as the deemed interest of Mr. Dai as referred to in the note under the section headed "Directors' interests" above. Mr. Dai has 85% control of Jointex Investment and therefore is deemed to be interested in the Shares held by Jointex Investment pursuant to the SFO.

The table below shows the position of the Directors in Giant Glory as at the Latest Practicable Date:

Name	Position
Mr. Dai	director
Tang Jian	director

The table below shows the position of the Directors in Jointex Investment as at the Latest Practicable Date:

Name	Position
Mr. Dai	director
Tang Jian	director

- Guo Guangchang has 58% control of Fosun International Holdings Ltd., which has 100% control of Fosun Holdings Limited, which has 77.66% control of Fosun International Limited, which has 100% control of Shanghai Fosun High Technology (Group) Company Limited, which has 47.12% control of Shanghai Fortei Land Co., Limited, which has 100% control of China Alliance Properties Limited.
- Ms. Liu Lijuan is the beneficial owner of the entire issued share capital of Honour Great Holdings Limited and therefore is deemed to be interested in the Shares held by Honour Great Holdings Limited pursuant to the SFO.

GENERAL INFORMATION

Save as disclosed above, none of the Directors or the chief executive of the Company were aware of any person (other than a Director or the chief executive of the Company or members of the Group) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any options in respect of such capital as at the Latest Practicable Date.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or had proposed to enter into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation). In addition, none of the Directors had any existing nor proposed service contract, with the Company or its subsidiaries or associated companies:

- (i) which (including both continuous and fixed term contract) had been entered into or amended within six months before the Latest Practicable Date;
- (ii) which are continuous contracts with a notice period of twelve months or more; or
- (iii) which are fixed term contracts with more than twelve months to run irrespective of the notice period.

5. MATERIAL CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2007, the date to which the latest published audited consolidated accounts of the Group had been made up.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

7. COMPETING INTERESTS

Shanghai Zendai Investment was beneficially owned as to approximately 60% by Mr. Dai, an executive Director and the chairman of the Company, approximately 20% by Ms. Dai Mocao, approximately 15% by Mr. Zhu Nansong and approximately 5% by Mr. Dai Zhixiang, as at the Latest Practicable Date. Mr. Dai is also a director of Shanghai Zendai Investment.

Shanghai Zendai Investment is principally engaged in investment management and property related business. In view of the nature of business of Shanghai Zendai Investment, it may potentially compete with the Group's business.

GENERAL INFORMATION

Save as disclosed above, as at the Latest Practicable Date, none of the Directors themselves or their respective associates had any interest in a business which competes or may compete with the business of the Group.

As the Board is independent of the board of Shanghai Zendai Investment, the Company has therefore been capable of carrying on its businesses independently of, and at arm's length from the business of Shanghai Zendai Investment.

8. GENERAL

- (a) The secretary of the Company is Mr. Tso Shiu Kei Vincent, a solicitor of the High Court of the Hong Kong. The qualified accountant of the Company is Mr. Wong Ngan Hung, who is a member of Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its head office and principal place of business in Hong Kong is at Unit 6108, The Center, 99 Queen's Road Central, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.