

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.*

*This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company nor shall there be any sale, purchase or subscription for securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful absent the filing of a registration statement or the availability of an applicable exemption from registration or other waiver. This joint announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.*



中國東方資產管理(國際)控股有限公司  
China Orient Asset Management  
(International) Holding Limited

**CHINA ORIENT ASSET MANAGEMENT  
(INTERNATIONAL) HOLDING LIMITED**  
(Incorporated in Hong Kong with limited liability)

**SMART SUCCESS  
CAPITAL LTD.**

(Incorporated in the BVI with limited liability)



**SHANGHAI ZENDAI PROPERTY LIMITED**  
上海証大房地產有限公司<sup>\*</sup>  
(Incorporated in Bermuda with limited liability)  
(Stock code: 755)

## **JOINT ANNOUNCEMENT**

**(1) ACQUISITION OF SHARES IN  
SHANGHAI ZENDAI PROPERTY LIMITED BY  
SMART SUCCESS CAPITAL LTD.;**

**(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY  
CITIC SECURITIES CORPORATE FINANCE (HK) LIMITED  
FOR AND ON BEHALF OF  
SMART SUCCESS CAPITAL LTD.  
TO ACQUIRE ALL THE ISSUED SHARES OF  
SHANGHAI ZENDAI PROPERTY LIMITED  
(OTHER THAN THOSE ALREADY ACQUIRED OR  
AGREED TO BE ACQUIRED BY SMART SUCCESS CAPITAL LTD. AND  
PARTIES ACTING IN CONCERT WITH IT);**

**AND**

**(3) RESUMPTION OF TRADING**

**Financial adviser to  
the Offeror**



**Financial adviser to  
Shanghai Zendai Property Limited**



## **ACQUISITION OF THE SALE SHARES BY THE OFFEROR**

The Company was notified by the Vendors that on 26 January 2015, the Offeror entered into the First Share Purchase Agreement with the Vendors and the Covenantor, pursuant to which each of the Vendors has conditionally agreed to sell, and the Covenantor has conditionally agreed to procure each of the Vendors to sell, their respective First Sale Shares and the Purchaser has conditionally agreed to purchase (or procure the purchase of) the First Sale Shares from the Vendors, being 6,253,635,000 Shares in aggregate, representing approximately 42.03% of the entire issued share capital of the Company as at the date of this joint announcement. The aggregate Purchase Price for the First Sale Shares is HK\$1,250,727,000, equivalent to HK\$0.20 for each First Sale Share.

The Company was further notified by the Selling Shareholder that on 7 February 2015, the Offeror entered into the Second Share Purchase Agreement with the Selling Shareholder, pursuant to which the Offeror has conditionally agreed to purchase the Second Sale Shares from the Selling Shareholder, being 1,190,000,000 Shares, representing approximately 8.00% of the entire issued share capital of the Company as at the date of this joint announcement. The aggregate Purchase Price for the Second Sale Shares is HK\$238,000,000, equivalent to HK\$0.20 for each Second Sale Share.

The consideration payable by the Offeror for the First Sale Shares and the Second Sale Shares is HK\$1,488,727,000 in aggregate, equivalent to HK\$0.20 for each Sale Share.

Upon completion of each of the First Share Purchase Agreement and the Second Share Purchase Agreement, the Offeror will own 7,443,635,000 Shares in aggregate, representing approximately 50.03% of the entire issued share capital of the Company as at the date of this joint announcement.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER**

As at the date of this joint announcement, the Offeror and parties acting in concert with it did not own any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, the Offeror will own 7,443,635,000 Shares, representing approximately 50.03% of the entire issued share capital of the Company as at the date of this joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, immediately following Completion, the Offeror will make an unconditional mandatory cash offer for 7,435,716,515 Shares, representing all issued Shares which are not already beneficially owned or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 14,879,351,515 Shares in issue. The Company does not have any outstanding options, derivatives or warrants or other securities which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such options, derivatives or warrants or other securities of the Company.

### **Principal terms of the Offer**

Subject to Completion, CITIC Securities will, on behalf of the Offeror, make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it) on terms to be set out in the Composite Document in accordance with the Takeovers Code on the following basis:

## **The Offer Price**

**For each Share (in cash)** . . . . . HK\$0.20

The Offer Price of HK\$0.20 for each Share under the Offer is the same as the price per Share of HK\$0.20 at which the Sale Shares have been acquired by the Offeror pursuant to each of the Share Purchase Agreements.

The principal terms of the Offer are set out under the section headed “POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER” below in this joint announcement.

## **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, comprising non-executive Directors, namely Mr. Xu Xiaoliang and Mr. Gong Ping and independent non-executive Directors, namely Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan, Mr. Li Man Wai and Mr. Cai Gaosheng, has been formed to make recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance. An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer, in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Such appointment is expected to be made shortly after the publication of this joint announcement and will be subject to the approval of the Independent Board Committee. The advice of the independent financial adviser will be contained in the Composite Document. A further announcement will be made when the independent financial adviser to the Independent Board Committee is appointed.

## **GENERAL**

It is the intention of the Offeror and the Board that the offer document from the Offeror and the offeree board circular from the Company be combined in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document will set out, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from an independent financial adviser to the Independent Board Committee in relation to the Offer.

In order for the Independent Board Committee and the independent financial adviser to the Independent Board Committee to give their respective recommendation and advice on the Offer after taking into consideration the financial results of the Company for the year ended 31 December 2014, an application will be made by the Offeror for the Executive’s consent under Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to a date after the release of the financial results of the Company for the year ended 31 December 2014 and as may be permitted by the Takeovers Code and agreed by the Executive.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:14 p.m. on 21 January 2015 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 13 February 2015.

**WARNING: AS THE MAKING OF THE OFFER IS SUBJECT TO COMPLETION OF EACH OF THE SHARE PURCHASE AGREEMENTS, THE OFFER IS A POSSIBILITY ONLY AND MAY OR MAY NOT BE MADE. ACCORDINGLY, SHAREHOLDERS AND PROSPECTIVE INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.**

## **FIRST SHARE PURCHASE AGREEMENT**

### **Date:**

26 January 2015

### **Parties:**

- Vendors:
- (i) First Vendor, which is legally and beneficially wholly-owned by the Covenantor;
  - (ii) Second Vendor, which is indirectly owned as to 85% by the Covenantor;
  - (iii) Third Vendor, which is indirectly owned as to 75% by the Covenantor;
  - (iv) Fourth Vendor, which is legally and beneficially wholly-owned by the Covenantor; and
  - (v) Fifth Vendor, being Ms. Dai Mocado, daughter of the Covenantor

The Vendors, in aggregate, beneficially own 6,253,635,000 Shares, representing approximately 42.03% of the entire issued share capital of the Company as at the date of the First Share Purchase Agreement

Covenantor: Mr. Dai

Purchaser: Smart Success Capital Ltd.

### **Subject of the First Share Purchase Agreement**

Pursuant to the First Share Purchase Agreement, each of the Vendors has conditionally agreed to sell, and the Covenantor has conditionally agreed to procure each of the Vendors to sell, as beneficial owners, their respective First Sale Shares and the Purchaser has conditionally agreed to purchase (or procure the purchase of) the First Sale Shares from the Vendors, being 6,253,635,000 Shares in aggregate, representing approximately 42.03% of the entire issued share capital of the Company as at the date of this joint announcement.

## **Consideration for the First Sale Shares**

The aggregate Purchase Price for the First Sale Shares is HK\$1,250,727,000, equivalent to HK\$0.20 per First Sale Share, and was agreed between the Vendors and the Purchaser after arm's length negotiations. The Purchase Price will be subject to the Holdback Amount in respect of any losses, liabilities, damages, costs or expenses suffered or incurred by the Purchaser as a result of a breach of any warranties, representations and undertakings given by the Vendors and the Covenantor in respect of the First Share Purchase Agreement. The total consideration shall be payable by the Purchaser to each of the Vendors in their respective proportions in the following manner:

- (a) to the First Vendor on the Completion Date, an amount equal to the proportional Purchase Price to which the First Vendor is entitled to receive less the Holdback Amount;
- (b) to each of the Vendors (other than the First Vendor) on the Completion Date, an amount equal to the proportional Purchase Price to which such Vendors is entitled to receive; and
- (c) the Holdback Amount, being 5% of the Purchase Price for the First Sale Shares, shall be retained for the Holdback Period and be released (after deduction, if any) within ten (10) Business Days after the end of the Holdback Period.

## **Conditions precedent to the First Share Purchase Agreement**

Completion of the First Share Purchase Agreement is subject to the following Conditions being fulfilled and remaining satisfied on or before the Long Stop Date:

- (a) all necessary consents, approvals, registration, clearance or waivers (if applicable) from the relevant governmental authorities in respect of the purchase of the First Sale Shares by the Purchaser and in connection with the other transactions contemplated hereunder having been obtained and remain to be in full force and effect and where any such consents, approvals, registration, clearance or waivers (if applicable) is subject to conditions, such conditions being satisfactory to the Purchaser in its sole and absolute opinion;
- (b) after resumption of the listing and trading of the Shares following the clearance by the Stock Exchange and the SFC of the announcement concerning, among other matters, the subject matter of the First Share Purchase Agreement and the transactions contemplated thereunder and its publication, and the Shares thereafter remaining so listed and traded on the Completion Date (save for the suspension of trading of the Shares for no more than ten (10) Stock Exchange trading days) and no indication being received on or before the Completion Date from the SFC or the Stock Exchange to the effect that the listing of the Shares on the Main Board of the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of completion of the First Share Purchase Agreement or in connection with the terms of or any transaction contemplated by the First Share Purchase Agreement; and
- (c) no order or judgment (whether temporary, preliminary or permanent) of any relevant Governmental Authority having been issued or made prior to completion of the First Share Purchase Agreement, which has the effect of making unlawful or otherwise prohibiting or restricting or limiting the transfer of the First Sale Shares to the Purchaser (or its associates), or any transaction contemplated by the First Share Purchase Agreement.

The Purchaser may at its absolute discretion at any time waive in writing any or all of the Conditions (to the extent that it is capable of waiving) and such waiver may be subject to such terms and conditions as the Purchaser may require.

If all the Conditions have been satisfied but the parties to the First Share Purchase Agreement fail to complete the sale and purchase of the First Sale Shares in accordance with the terms of the First Share Purchase Agreement, the First Share Purchase Agreement shall automatically terminate and no party shall have any further obligations, rights or liabilities against the other party under the First Share Purchase Agreement, except for (i) an amount of liquidated damages which will be payable by the Vendors to the Purchaser where all the Conditions have been satisfied, but the Vendors fail to proceed to completion of the First Share Purchase Agreement; and (ii) clauses in relation to the confidentiality, notices, governing law, jurisdiction and process agent as stipulated under the First Share Purchase Agreement.

If any of the Conditions has not been fulfilled or waived before the Long Stop Date, the obligation to complete the sale and purchase of First Sale Shares under the First Share Purchase Agreement shall automatically terminate and no party shall have any further obligations, right to seek specific performance or other rights or liabilities against the other party under the First Share Purchase Agreement, other than the clauses in relation to the confidentiality, notices, governing law, jurisdiction and process agent as stipulated under the First Share Purchase Agreement.

### **Completion of the First Share Purchase Agreement**

Completion of the First Share Purchase Agreement shall take place on the Completion Date subject to satisfaction or waiver of the Conditions in full (save for any Conditions which have been waived in accordance with the First Share Purchase Agreement). The First Sale Shares represent the entire shareholding of the Vendors in the Company immediately prior to completion of the First Share Purchase Agreement.

## **SECOND SHARE PURCHASE AGREEMENT**

### **Date:**

7 February 2015

### **Parties:**

Selling Shareholder: Concord Emperor Investment Limited, which beneficially owns 1,571,000,000 Shares, representing approximately 10.56% of the entire issued share capital of the Company as at the date of the Second Share Purchase Agreement

Purchaser: Smart Success Capital Ltd.

### **Subject of the Second Share Purchase Agreement**

Pursuant to the Second Share Purchase Agreement, the Selling Shareholder has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase (or procure the purchase of) the Second Sale Shares from the Selling Shareholder, being 1,190,000,000 Shares, representing approximately 8.00% of the entire issued share capital of the Company as at the date of this joint announcement.



## Consideration for the Second Sale Shares

The aggregate Purchase Price for the Second Sale Shares is HK\$238,000,000, equivalent to HK\$0.20 per Second Sale Share, and shall be payable on the completion of the Second Share Purchase Agreement.

## Conditions precedent to the Second Share Purchase Agreement

Completion of the Second Share Purchase Agreement is subject to the completion of the First Share Purchase Agreement.

## Completion

Completion of the Second Share Purchase Agreement shall take place on the same date of completion of the First Share Purchase Agreement, or such other date as the Selling Shareholder and the Purchaser may agree. The Second Sale Shares represents approximately 75.75% of the Selling Shareholder's interest in the Company immediately prior to the completion of the Second Share Purchase Agreement and the Selling Shareholder will own 381,000,000 Shares upon completion of the Second Share Purchase Agreement, representing approximately 2.56% of the entire issued share capital of the Company as at the date of this joint announcement.

## SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after Completion, assuming there is no change in the issued share capital of the Company from the date of this joint announcement. The shareholding immediately after Completion is based on the assumption that none of the Shareholders will acquire or dispose of any Shares from the date of this joint announcement to Completion.

	As at the date of this joint announcement		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Vendors				
First Vendor ( <i>Note 1a</i> )	2,326,560,000	15.64	—	—
Second Vendor ( <i>Note 1b</i> )	2,932,000,000	19.70	—	—
Third Vendor ( <i>Note 1c</i> )	455,175,000	3.06	—	—
Fourth Vendor ( <i>Note 1d</i> )	39,900,000	0.27	—	—
Fifth Vendor	500,000,000	3.36	—	—
Subtotal	6,253,635,000	42.03	—	—
Selling Shareholder ( <i>Note 2</i> )	1,571,000,000	10.56	381,000,000	2.56
China Alliance Properties Limited ( <i>Note 3</i> )	2,431,815,000	16.34	2,431,815,000	16.34
Mr. Tang Jian ( <i>Note 4</i> )	10,000,000	0.07	10,000,000	0.07
Offeror and parties acting in concert with it	—	—	7,443,635,000	50.03
Public Shareholders	4,612,901,515	31.00	4,612,901,515	31.00
Total	14,879,351,515	100.00	14,879,351,515	100.00

*Notes:*

- (1) (a) The First Vendor is wholly-owned by Mr. Dai;
  - (b) The Second Vendor is owned as to 85% by the First Vendor;
  - (c) The Third Vendor is indirectly owned as to 75% by Mr. Dai; and
  - (d) The Fourth Vendor is wholly-owned by Mr. Dai.
- (2) According to published information, the ultimate beneficial owner of the Selling Shareholder is Miss Jiang Weiting. The Selling Shareholder will become a public Shareholder upon Completion.
- (3) According to published information, Mr. Guo Guangchang has 58% control of Fosun International Holdings Ltd., which has 100% control of Fosun Holdings Limited, which has 79.08% control of Fosun International Limited, which has 100% control of Shanghai Fosun High Technology (Group) Co., Ltd, which together with Fosun International Limited have a 99.05% control of Shanghai Forte Land Co., Limited, which has 100% control of China Alliance Properties Limited.
- (4) Mr. Tang Jian is an executive Director.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER**

As at the date of this joint announcement, the Offeror and parties acting in concert with it did not own any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, the Offeror will own 7,443,635,000 Shares, representing approximately 50.03% of the entire issued share capital of the Company as at the date of this joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, immediately following Completion, the Offeror will make an unconditional mandatory cash offer for 7,435,716,515 Shares, representing all issued Shares which are not already beneficially owned or agreed to be acquired by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 14,879,351,515 Shares in issue. The Company does not have any outstanding options, derivatives or warrants or other securities which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such options, derivatives or warrants or other securities of the Company.

### **Principal terms of the Offer**

Subject to Completion, CITIC Securities will, on behalf of the Offeror, make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it) on terms to be set out in the Composite Document in accordance with the Takeovers Code on the following basis:

#### **The Offer Price**

**For each Share (in cash)** . . . . . HK\$0.20

The Offer Price of HK\$0.20 for each Share under the Offer is the same as the price per Share of HK\$0.20 at which the Sale Shares are being acquired by the Offeror pursuant to each of the Share Purchase Agreements.



## **Financial resources available to the Offeror**

Based on the Offer Price for the Shares as referred to in the paragraph headed “Principal terms of the Offer” above and on the basis of full acceptance of the Offer, the cash consideration payable by the Offeror under the Offer will amount to approximately HK\$1,487,143,303 in aggregate. The Offer will be funded by internal resources and committed banking facilities.

CITIC Securities, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to complete each of the Share Purchase Agreements and to satisfy full acceptance of the Offer.

## **Comparison of value**

The Offer Price of HK\$0.20 for each Share under the Offer represents:

- (i) a premium of approximately 9.29% over the closing price of HK\$0.183 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 42.86% over the average closing price of HK\$0.140 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 44.93% over the average closing price of HK\$0.138 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 63.93% over the average closing price of HK\$0.122 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day; and
- (v) a discount of approximately 55.16% to the audited consolidated net asset value attributable to Shareholders of the Company of approximately HK\$0.446 per Share (based on the number of issued Shares as at the date of this joint announcement) as at 31 December 2013, the date to which the latest audited financial results of the Group were made up.

## **Highest and lowest Share prices**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the Last Trading Day were HK\$0.183 per Share on 21 January 2015 and HK\$0.102 per Share on 7 November 2014, 11 November 2014, 14 November 2014, 18 November 2014, 19 November 2014, and 10 December 2014, respectively.

## **Effects of accepting the Offer**

By validly accepting the Offer, the Shareholders will sell to the Offeror their tendered Shares free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

## **Stamp duty**

The selling Shareholder's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Offer amounts to 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, and will be deducted from the amount payable to Shareholders who accept the Offer. The Offeror will bear its own portion of buyer's Hong Kong ad valorem stamp duty at the rate of 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, and will be responsible to account to the Stamp Office of Hong Kong for stamp duty payable for the sale and purchase of the Shares which are validly tendered for acceptance under the Offer.

## **Payment**

Settlement of the consideration under the Offer will be made as soon as possible, but in any event within seven business days (as defined under the Takeovers Code) of the date of receipt of a duly completed acceptance in respect of the Offer and the relevant documents of title of the Shares in respect of such acceptance.

## **Overseas Shareholders**

As the Offer to persons not residing in Hong Kong might be affected by the laws of the relevant jurisdiction in which they are resident, overseas Shareholders whose addresses as shown in the registers of members of the Company are outside Hong Kong and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of the overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions). Any acceptance by any overseas Shareholder will be deemed to constitute a representation and warranty from such overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The overseas Shareholders should consult their professional advisers if in doubt.

## **Taxation advice**

Shareholders are recommended to consult their own professional advisers as to the tax consequences of accepting or rejecting the Offer. The Offeror accepts no responsibility for any tax consequences of, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **Other arrangements**

For the six months immediately prior to the date of this joint announcement, save for entering into each of the Share Purchase Agreements, the Offeror and parties acting in concert with it had not dealt in nor did they have any Shares, options, derivatives, warrants or other securities convertible into Shares.

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Offeror's interest in the Sale Shares pursuant to each of the Share Purchase Agreements, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with it owns or has control or direction over any voting rights or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares;
- (ii) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with it has received any irrevocable commitment to accept the Offer;
- (iii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owner or any person acting in concert with it;
- (iv) save for each of the Share Purchase Agreements, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offer;
- (v) save for each of the Share Purchase Agreements, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner and/or parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke the condition to the Offer; and
- (vi) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

## **INFORMATION ON THE OFFEROR**

### **Background of the Offeror**

The Offeror is an investment holding company incorporated in the BVI with limited liability on 2 January 2015 and is indirectly wholly-owned by COS Greater China Special Situations Fund, L.P., an exempted limited partnership registered in the Cayman Islands on 20 October 2014, of which China Orient Summit Capital SSF GP Co. Ltd. is the general partner and China Orient Summit Capital SSF SLP, L.P. is its limited partner. There are no other general or limited partners of COS Greater China Special Situations Fund, L.P. and China Orient Summit Capital SSF SLP L.P..

Each of China Orient Summit Capital SSF GP Co. Ltd. and China Orient Summit Capital SSF SLP GP Co., Ltd. (the general partner of China Orient Summit Capital SSF SLP, L.P.) is a wholly-owned subsidiary of China Orient Summit Capital International Co., Ltd., which is 80% owned by COAMI and 20% by Summit Capital International L.P.. The general partner of Summit Capital International L.P. is Summit Capital International GP Co. Ltd., which is wholly-owned by Mr. Tao Wu. The limited partner of Summit Capital International L.P. is Mr. Feng Han.

COAMI is an indirectly wholly-owned subsidiary of COAMC, one of the largest asset management companies in PRC. COAMI is the primary overseas platform of COAMC and leads COAMC's expansion of its business internationally. COAMI is strategically located in Hong Kong, which allows it to access both onshore and offshore markets and serves as a link between COAMC's domestic and international businesses. The main businesses of COAMI include investments, investment banking advisory services and asset management services.

As at the date of this joint announcement, the sole director of the Offeror is COAMI.

## **Reasons for the acquisition**

COAMI has been actively involved in the investment in real estate businesses in recent years, and considers there is room for potential value enhancement in the Group's current businesses. By leveraging on the capital resources and business opportunities made available to it as a subsidiary of COAMC, COAMI intends to provide continuous financial and commercial support to the Group's operations with an aim for the Group to sustain long term growth.

## **THE OFFEROR'S INTENTIONS IN RELATION TO THE GROUP**

It is the intention of the Offeror to continue to develop the Company's platform by leveraging on COAMI's real estate investment experience and financial strength. COAMI has supported the development of various real estate projects of the Group and will continue to support the Company's current business. The Offeror values the experience of existing management in real estate investment and development.

## **Pre-Existing Loans**

COAMI and its subsidiaries currently have the following pre-existing loan arrangements with the subsidiaries of the Company (the "Pre-Existing Loans"):

- (i) a secured interest-bearing loan of RMB850,000,000 was provided to Long Profit by Wisdom Mind (details of which are set out in the announcement of the Company dated 24 March 2014);
- (ii) a secured interest-bearing loan of RMB632,000,000 was provided to Richtex by Power Rider (details of which are set out in the announcement of the Company dated 24 March 2014);
- (iii) an unsecured interest-bearing entrusted loan of RMB240,000,000 was provided to Jilin Zendai by Shenzhen Orient due on 27 January 2016; and
- (iv) an unsecured interest-bearing entrusted loan of RMB240,000,000 was provided to Changchun Zendai by Shenzhen Orient due on 27 January 2016.

COAMI may from time to time review the terms of the existing loans (including without limitation to the Pre-Existing Loans) of the Group and explore refinancing opportunities.

COAMI has been contemplating a refinancing transaction for certain Pre-Existing Loans in the near future. However, there can be no assurance that such refinancing transaction will proceed in a timely manner or at all.

## **Maintaining the listing status of the Company**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

In the event that the public float of the Company falls below 25% following the close of the Offer, the new Directors to be nominated by the Offeror and the existing Directors will undertake to the Stock Exchange that they would take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the close of the Offer to ensure that sufficient public float exists for the Shares.

According to the Listing Rules, if, upon the close of the Offer, less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

## PROPOSED CHANGE OF BOARD COMPOSITION

Upon Completion, the Offeror shall become the controlling Shareholder, being interested in approximately 50.03% of the entire issued share capital of the Company. Following Completion, it is intended that the resignation of the Covenantor would take effect from the day immediately after the close of the Offer. Any change to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made accordingly.

## INFORMATION ON THE GROUP

The Group is principally engaged in construction of commercial and residential properties for sale, ownership and operation of hotel business, leasing, management and agency of commercial and residential properties. The Group currently has property projects under development in 12 cities which are located in the three regions including northern China, Shanghai city and its surroundings and Hainan province, as well as the overseas real estate development projects.

Set out below is the summary of the financial information of the Group as extracted from its respective annual/interim reports for the three years ended 31 December 2013 and the six months ended 30 June 2014:

	<b>As at 30 June 2014</b>	<b>As at 31 December</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Net assets	6,520,511	6,630,960	5,799,835	5,812,925
	<b>For the six months ended 30 June 2014</b>	<b>For the year ended 31 December</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	803,696	2,227,663	1,122,891	2,796,296
Profit/(loss) before income tax	(315,760)	(71,246)	872,607	953,820
Profit/(loss) attributable to owners of the Company	(337,884)	79,347	554,702	449,886

## INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, comprising non-executive Directors, namely Mr. Xu Xiaoliang and Mr. Gong Ping and independent non-executive Directors, namely Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan, Mr. Li Man Wai and Mr. Cai Gaosheng, has been formed to make recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance. An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer, in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Such appointment is expected to be made shortly after the publication of this joint announcement and will be subject to the approval of the Independent Board Committee. The advice of the independent financial adviser will be contained in the Composite Document. A further announcement will be made when the independent financial adviser to the Independent Board Committee is appointed.

## GENERAL

It is the intention of the Offeror and the Board that the offer document from the Offeror and the offeree board circular from the Company be combined in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document will set out, among other things, (i) details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from an independent financial adviser to the Independent Board Committee in relation to the Offer.

In order for the Independent Board Committee and the independent financial adviser to the Independent Board Committee to give their respective recommendation and advice on the Offer after taking into consideration the financial results of the Company for the year ended 31 December 2014, an application will be made by the Offeror for the Executive's consent under Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to a date after the release of the financial results of the Company for the year ended 31 December 2014 and as may be permitted by the Takeovers Code and agreed by the Executive.

## Dealing disclosures

In accordance with Rule 22 of the Takeovers Code, associates of the Company (including shareholders of the Company having interests of 5% or more in the relevant securities of the Company) and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

### ***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*



*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

For the avoidance of doubt, the meaning of Executive as set out above has the meaning ascribed to it under the Takeovers Code, being the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:14 p.m. on 21 January 2015 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 13 February 2015.

**WARNING: AS THE MAKING OF THE OFFER IS SUBJECT TO COMPLETION OF EACH OF THE SHARE PURCHASE AGREEMENTS, THE OFFER IS A POSSIBILITY ONLY AND MAY OR MAY NOT BE MADE. ACCORDINGLY, SHAREHOLDERS AND PROSPECTIVE INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.**

## **DEFINITIONS**

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

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate”	has the meaning ascribed thereto in the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong and the PRC are open for business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited

“Changchun Zendai”	長春証大置業有限公司 (Changchun Zendai Property Limited*), a subsidiary of which 95% interests is held by the Company
“CITIC Securities”	CITIC Securities Corporate Finance (HK) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined in schedule 5 of the SFO, and the financial adviser to the Offeror
“COAMC”	China Orient Asset Management Corporation, a state-owned enterprise set up by the Ministry of Finance of the PRC
“COAMI”	China Orient Asset Management (International) Holding Limited, an indirectly wholly-owned subsidiary of COAMC
“Company”	Shanghai Zendai Property Limited, an exempt company incorporated in Bermuda, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of each of the Share Purchase Agreements
“Completion Date”	the day, which must be a Business Day, being the 5th Business Day after Condition (a) as set out in the paragraph headed “Conditions precedent to the First Share Purchase Agreement” in this joint announcement is fulfilled (other than any of the Conditions waived) or such other date as the parties to the First Share Purchase Agreement shall agree in writing
“Composite Document”	the composite offer and response document proposed to be jointly issued by and on behalf of the Offeror and the Company to all Shareholders in accordance with the Takeovers Code containing, among others, the terms and conditions of the Offer, the form of acceptance and transfer of the Shares in respect of the Offer, the letter of advice of the independent financial adviser to the Independent Board Committee in respect of the Offer, and the letter of recommendation of the Independent Board Committee to the Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance
“Conditions”	conditions precedent to the First Share Purchase Agreement
“Covenantor”	Mr. Dai
“Directors”	the directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director
“Fifth Vendor”	Ms. Dai Mobao, the daughter of the Covenantor, who directly held 500,000,000 Shares as at the date of the First Share Purchase Agreement

“First Sale Shares”	6,253,635,000 Shares agreed to be acquired by the Offeror from the Vendors pursuant to the First Share Purchase Agreement, which represents approximately 42.03% of the entire issued share capital of the Company as at the date of this joint announcement, and “First Sale Share” means any of them
“First Share Purchase Agreement”	the share purchase agreement dated 26 January 2015 entered into among the Vendors, the Covenantor and the Offeror in relation to the sale and purchase of the First Sale Shares
“First Vendor”	Giant Glory Assets Limited, which is legally and beneficially wholly-owned by the Covenantor and directly held 2,326,560,000 Shares as at the date of the First Share Purchase Agreement
“Fourth Vendor”	Zendai Kai Investment Limited, which is legally and beneficially wholly-owned by the Covenantor and directly held 39,900,000 Shares as at the date of the First Share Purchase Agreement
“Governmental Authority”	any nation, state, territory, province, county, city or other unit or subdivision thereof or any entity, authority, agency, department, board, commission, instrumentality, court or other judicial body authorized on behalf of any of the foregoing to exercise legislative, judicial, regulatory or administrative functions of or pertaining to government
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holdback Amount”	HK\$62,536,350, being five percent (5%) of the Purchase Price for the First Sale Shares
“Holdback Period”	the period commencing from the Completion Date and ending on 30 June 2015
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising non-executive Directors, namely Mr. Xu Xiaoliang and Mr. Gong Ping and independent non-executive Directors, namely Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan, Mr. Li Man Wai and Mr. Cai Gaosheng, formed to make recommendation to the Independent Shareholders in respect of the Offer
“Independent Shareholders”	holders of Shares, other than the Offeror and parties acting in concert with it and the Vendors
“Jilin Zendai”	吉林市証大華城房地產開發有限公司 (Jilin Zendai Huacheng Real Estate Development Limited*), a wholly-owned subsidiary of the Company

“Last Trading Day”	21 January 2015, being the last trading day immediately prior to suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Profit”	Long Profit Group Limited, an indirect subsidiary of the Company, of which 80% interests are held by Hero Horse Holding Limited, a wholly-owned subsidiary of the Company and the remaining 20% interests are held by Wisdom Mind
“Long Stop Date”	the date which is twenty one (21) days from and excluding the date of the First Share Purchase Agreement or such other date as the Vendors (for themselves and on behalf of the Covenantor) and the Purchaser may agree in writing
“Mr. Dai”	Mr. Dai Zhikang, the controlling Shareholder, the executive Director and the chairman of the Company
“Offer”	the possible unconditional mandatory cash offer before Completion (or the unconditional mandatory cash offer immediately after Completion) to be made by CITIC Securities on behalf of the Offeror, for all the issued Shares not already owned or agreed to be acquired by the Offeror or parties acting in concert with it in accordance with the Takeovers Code
“Offeror” or “Purchaser”	Smart Success Capital Ltd., a company incorporated in the BVI with limited liability and indirectly controlled by COAMI
“Offer Period”	has the meaning ascribed thereto in the Takeovers Code
“Offer Price”	the consideration per Share of HK\$0.20 payable in cash by the Offeror to the Shareholders under the Offer
“Power Rider”	Power Rider Enterprises Corp., a wholly-owned subsidiary of COAMI
“PRC”	The People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Purchase Price”	the aggregate consideration payable by the Purchaser to the Vendors for the purchase of the First Sale Shares or to the Selling Shareholder for the purchase of the Second Sale Shares
“Richtex”	Richtex Holdings Limited, a subsidiary of the Company, of which 80% interests are held by the Company and the remaining 20% interests are held by Power Rider
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the First Sale Shares and the Second Sale Shares, and “Sale Share” means any of them

“Second Sale Shares”	1,190,000,000 Shares agreed to be acquired by the Offeror from the Selling Shareholder pursuant to the Second Share Purchase Agreement, which represents approximately 8.00% of the entire issued share capital of the Company as at the date of this joint announcement, and “Second Sale Share” means any of them
“Second Share Purchase Agreement”	the share purchase agreement dated 7 February 2015 entered into between the Selling Shareholder and the Offeror in relation to the sale and purchase of the Second Sale Shares
“Second Vendor”	Jointex Investment Holdings Limited, which is indirectly owned as to 85% by the Covenantor and as to 15% by Mr. Zhu Nansong and directly held 2,932,000,000 Shares as at the date of the First Share Purchase Agreement
“Selling Shareholder”	Concord Emperor Investment Limited, which directly held 1,571,000,000 Shares as at the date of the Second Share Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Purchase Agreements”	the First Share Purchase Agreement and the Second Share Purchase Agreement
“Share(s)”	share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Shenzhen Orient”	深圳東方創業投資有限公司 (Shenzhen Orient Venture Capital Limited*), a wholly-owned subsidiary of COAMI
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Third Vendor”	Shanghai Zendai Investment Development (Hong Kong) Company Limited, which is indirectly owned as to 75% by the Covenantor, as to 20% by Ms. Dai Mocao and as to 5% by Mr. Dai Zhixiang and directly held 455,175,000 Shares as at the date of the First Share Purchase Agreement
“Wisdom Mind”	Wisdom Mind Holdings Corp, a wholly-owned subsidiary of COAMI

“Vendors” collectively the First Vendor, the Second Vendor, the Third Vendor, the Fourth Vendor and the Fifth Vendor

“%” per cent.

For and on behalf of  
**China Orient Asset Management  
(International) Holding Limited**  
**Zhang Chenguang**  
*Co-President*

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

For and on behalf of  
**Smart Success Capital Ltd.**  
**Zhang Chenguang**  
*Co-President*

Hong Kong, 12 February 2015

*The information contained in this joint announcement relating to the Company and the Group has been supplied by the Company. As at the date of this joint announcement, the executive Directors are Mr. Dai Zhikang, Ms. Li Lihua, Mr. Zuo Xingping and Mr. Tang Jian. The non-executive Directors are Mr. Xu Xiaoliang and Mr. Gong Ping. The independent non-executive Directors are Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan, Mr. Li Man Wai and Mr. Cai Gaosheng.*

*All Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than information relating to the Offeror or any of its associates or any parties acting in concert with any of them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeror, or any of its associates or any parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*The information contained in this joint announcement relating to the Offeror has been supplied by the Offeror. As at the date of this joint announcement, the sole director of the Offeror is COAMI and the directors of COAMI are Ms. Li Xin, Mr. Xu Yongli, Mr. Ma Tengying, Mr. Zhong Guoxing, Mr. Ludwig Chang, Mr. Pak To Leung, Mr. Andrew Y. Yan, Mr. Zeng Yang, Mr. Shi Shuang, Mr. Sui Zhaohui, Mr. Xue Gui and Mr. Mei Xiaofeng. The sole director of the Offeror, and all the directors of COAMI jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than information relating to the Vendors, the Selling Shareholder or any of their associates or any parties acting in concert with any of them or the Group), and confirms, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Vendors, the Selling Shareholder or any of their associates or any parties acting in concert with any of them or the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

\* For identification purpose only