



SHANGHAI ZENDAI PROPERTY LIMITED

上海証大房地產有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 755)

FRAMEWORK AGREEMENT ACQUISITION OF A REAL ESTATE PROJECT IN SHANGHAI

The Board is pleased to announce that on 1st August, 2007, the Company entered into the Framework Agreement with Shanghai Hengsheng in relation to the acquisition of 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)*.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

THE FRAMEWORK AGREEMENT

On 1st August, 2007, the Company entered into the Framework Agreement with Shanghai Hengsheng in relation to the acquisition of 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)*.

Pursuant to the Framework Agreement, the major terms are as follows:

1. The Company and/or its subsidiaries intended to purchase 100% shareholding interest in 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.) from Shanghai Hengsheng. Shanghai Hengsheng is currently interested in 51.35% of 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* and it will acquire the remaining 48.65% shareholding interests in 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* and sell the entire 100% interest in 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* to the Company;
2. the intended consideration for the purchase of 100% shareholding interest in 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* will be not more than RMB450 million (approximately HK\$465 million). Shanghai Hengsheng also undertake that total liabilities of 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* shall not be more than RMB230 million (approximately HK\$238 million);
3. 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* is developing a real estate project named 恒升名邸 (Hengsheng pavilion). The project is developed on a parcel of land located in 1500 張楊路 (Zhangyang Road) and 777 桃林路 (Taolin Road), Pudong, Shanghai, the PRC, with a total site area of 12,789 square metre and total gross floor area of about 63,602 square metre. 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* has obtained the land use rights of the site; and
4. detail terms of the acquisition and definitive agreement will be subject to further negotiation between the Company and Shanghai Hengsheng.

The Framework Agreement is negotiated on arm's length basis between the Company and Shanghai Hengsheng. Shanghai Hengsheng and 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* are parties independent of and not connected to the Company.

BACKGROUND OF 恒升名邸 (HENGSHENG PAVILION)

Currently, 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* is developing an integrated commercial and residential project named 恒升名邸 (Hengsheng pavilion) in Pudong, Shanghai, the PRC. 恒升名邸 (Hengsheng pavilion) is developed on a parcel of land in 1500 張楊路 (Zhangyang Road) and 777 桃林路 (Taolin Road), Pudong, adjacent to the 源森體育場 (Yuansheng Stadium). 恒升名邸 (Hengsheng Pavilion) is located conveniently to the transportation hub webbing through Pudong and Puxi. Being located in one of the most vibrant commercial district in Pudong, 恒升名邸 (Hengsheng Pavilion) is adjacent to a full array of community facilities including shopping mall, hospitals and schools etc., making it one of the best location for integrated commercial and residential development. The project has a total site area of 12,789 square metre and total gross floor area of about 63,602 square metre. The project comprises of three multi-storey buildings including hotel, residential units and commercial spaces. The project will be targeted to the middle to high end market. Construction of the project commenced in 2006 and topping is almost completed.

According to the development plan of 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)*, the project will comprise of a 17-storey hotel with a podium consists of two levels of commercial spaces and two 18-storey residential buildings with ground level as commercial spaces. There will be two levels of underground spaces designed for entertainment and leisure related commercial use and as car parking spaces.

REASONS FOR THE ACQUISITION

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 and Northeast China. The Group currently has eight projects under various stages of development located in Shanghai, Haimen, Yangzhou, Changchun and Jilin.

The Board is of the view that acquisition of 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* will enable the Group to develop an integrated commercial and residential project in one of the most vibrant commercial district in Pudong. With such a supreme location, the Board is confident that 恒升名邸 (Hengsheng Pavilion) will enable the Group to fortify its position as a quality integrated property developer.

The Board expects negotiation of detail terms of acquisition and definite agreement will commence shortly. The acquisition of 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* will be conducted in full compliance with the Listing Rules.

This announcement is made pursuant to Rule 13.09 of the Listing Rules

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board” the executive directors of the Company

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| “Company” | Shanghai Zendai Property Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “Framework Agreement” | a framework agreement dated 1st August, 2007 (in Chinese) entered into between the Company and Shanghai Hengsheng in relation to the acquisition of 上海恒錦房地產發展有限公司 (Shanghai Hengjin Property Development Co., Ltd.)* |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administration Region of the PRC |
| “Listing Rules” | Rules Governing the Listing of Securities on the Stock Exchange |
| “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 |
| “Shanghai Hengsheng” | 上海恒升企業(集團)有限公司 (Shanghai Hengsheng Enterprise (Group) Co., Ltd.)*, a private company established in the PRC with limited liability, is independent of and not connected to the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollars |
| “RMB” | Renminbi |
| “%” | per cent. |

By Order of the Board
Shanghai Zendai Property Limited
Dai Zhikang
Chairman

As at the date of this announcement, the executive Directors are Mr. Dai Zhikang, Mr. Fang Bin, Mr. Zhang Wei, Mr. Wang Xiangang, Mr. Ye Wenbin, Mr. Lu Puling and Mr. Tang Jian. The independent non-executive Directors are Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan and Dr. Tse Hiu Tung, Sheldon.

Hong Kong, 1st August, 2007

* For identification purpose only

For the purpose of this announcement, unless otherwise specifies, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB0.9682 = HK\$1.00.