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## **SHANGHAI ZENDAI PROPERTY LIMITED**

**上海証大房地產有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 755)**

### **ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

After trading hours on 21 June 2013, the Company and Concord Emperor entered into Concord Emperor Subscription Agreement pursuant to which Concord Emperor has agreed to subscribe for, and the Company has agreed to allot and issue to Concord Emperor, the Concord Emperor Subscription Shares (being 1,571,000,000 new Shares) at the Subscription Price (being HK\$0.14 per Concord Emperor Subscription Share). The Concord Emperor Subscription Agreement is subject to the conditions as set out below.

Also after trading hours on 21 June 2013, the Company and Greenwoods entered into Greenwoods Subscription Agreement pursuant to which Greenwoods has agreed to subscribe for or procure subscription for, and the Company has agreed to allot and issue to Greenwoods or one of the funds of which it is the manager, the Greenwoods Subscription Shares (being 871,000,000 new Shares) at the Subscription Price (being HK\$0.14 per Greenwoods Subscription Share). The Greenwoods Subscription Agreement is subject to the conditions as set out below.

The Concord Emperor Subscription Agreement and the Greenwoods Subscription Agreement are not inter-conditional on each other.

The Subscription Shares (being 2,442,000,000 new Shares) represent approximately 19.63% of the issued share capital of Company as at the date of this announcement and approximately 16.41% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Price represents (i) a discount of approximately 2.10% to the closing price of HK\$0.143 per Share as quoted on the Stock Exchange on 21 June 2013, being the date of the Subscription Agreements; (ii) a discount of approximately 6.04% to the average closing price of HK\$0.149 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 21 June 2013.

It is expected that the net proceeds from the Subscriptions will amount to approximately HK\$341,700,000 and will be used for property acquisitions and development.

## SUBSCRIPTION AGREEMENTS

Save in relation to the parties, the actual subscriber and the amount of the Subscription Shares, the terms and conditions of the Concord Emperor Subscription Agreement and the Greenwoods Subscription Agreement are identical, a summary of which is set out below:

	<b>Concord Emperor Subscription Agreement</b>	<b>Greenwoods Subscription Agreement</b>
Date:	21 June 2013	21 June 2013
Parties:	(i) the Company as the issuer; and  (ii) Concord Emperor as the subscriber	(i) the Company as the issuer; and  (ii) Greenwoods as the subscriber, it shall subscribe or procure one of the funds which it is the manager to subscribe the Greenwoods Subscription Shares
Number of Subscription Shares:	1,571,000,000 new Shares	871,000,000 new Shares

The principal business of Concord Emperor is investment holding. To best knowledge of the Directors having made all reasonable enquiries, Concord Emperor and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

The principal business of Greenwoods is investment management specialising in managing funds investing in PRC companies. To best knowledge of the Directors having made all reasonable enquiries, Greenwoods and its ultimate beneficial owners are third parties independent of the Group and its connected persons. As at the date of this announcement, funds managed by Greenwoods are interested in 38,350,000 Shares, representing approximate 0.31% of the issued share capital of the Company.

### **The Subscription Shares:**

The Subscription Shares (being 2,442,000,000 new Shares) represent approximately 19.63% of the issued share capital of Company as at the date of this announcement and approximately 16.41% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares will be HK\$48,840,000.

### **Subscription Price:**

HK\$0.14 per Subscription Share. The net price per Subscription Share amounts to approximately HK\$0.1399.

The Subscription Price represents (i) a discount of approximately 2.10% to the closing price of HK\$0.143 per Share as quoted on the Stock Exchange on 21 June 2013, being the date of the Subscription Agreements; (ii) a discount of approximately 6.04% to the average closing price of HK\$0.149 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 21 June 2013.

**Ranking:**

The Subscription Shares will, upon allotment and issue, rank pari passu in all respects among themselves and all other existing Shares in issue on the date of allotment and issue.

**Completion:**

Completion of the Subscriptions shall take place on the fifth business day after the date on which the last of the conditions precedent has been fulfilled (or such other date as the Company and Concord Emperor or Greenwoods (as the case may be) may agree in writing).

The Concord Emperor Subscription Agreement and the Greenwoods Subscription Agreement are not inter-conditional on each other.

**Lock-up:**

Concord Emperor has undertaken not to transfer or otherwise dispose of or create any encumbrances in respect of the Concord Emperor Subscription Shares or any interest therein within 3 months from the date of completion of the Concord Emperor Subscription Agreement.

Greenwoods has undertaken not to and shall procure the allottee of the Greenwoods Subscription Shares not to transfer or otherwise dispose of or create any encumbrances in respect of the Greenwoods Subscription Shares or any interest therein within 3 months from the date of completion of the Greenwoods Subscription Agreement.

**Conditions for the Subscriptions:**

Completion of each of the Concord Emperor Subscription and the Greenwoods Subscription is conditional on:

- (a) the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (b) all other necessary waivers, consents and approvals (if required) from the relevant governmental or regulatory authorities in Hong Kong and Bermuda for the Subscription Agreements and the transactions contemplated thereunder having been obtained and fulfilled.

If any of the conditions of the Subscriptions set out above is not fulfilled by 5:00 p.m. on 31 July 2013 (or such other time and date as may be agreed in writing between the Company and Concord Emperor or Greenwoods (as the case may be)), the Subscription Agreements and all rights and obligations thereunder will cease and terminate, save for any antecedent breaches of the Subscription Agreements.

The Concord Emperor Subscription Agreement and the Greenwoods Subscription Agreement are not inter-conditional on each other.

**GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES**

The Subscription Shares will be allotted and issued under the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 26 June 2012, which allowed allotment and issue of up to 2,487,470,303 Shares. Such general mandate had not been utilised prior to the execution of the Subscription Agreements. The issue of the Subscription Shares is not subject to approval of the Shareholders.

## SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has outstanding options (the “**Employee Options**”) granted to directors and employees of the Group to subscribe for 262,000,000 Shares pursuant to the terms of the Company’s share option scheme.

Assuming the subscription rights attached to the Employee Options are not exercised and there is no other change in the shareholding of the Company from the date of this announcement up to the completion of the Subscriptions (other than the allotment and issue of the Subscription Shares), the shareholding structure of the Company immediately before and after completion of the Subscriptions (assuming completion of the Subscriptions takes place at the same time) are as follows:

Name of Shareholder	Shareholding as at the date of this announcement		Shareholding immediately after completion of the Subscriptions	
	Number of Shares	% of shareholding (approximate)	Number of Shares	% of shareholding (approximate)
<b>Substantial Shareholders</b>				
Giant Glory Assets Limited ( <i>note 1</i> )	2,326,560,000	18.71%	2,326,560,000	15.64%
Jointex Investment Holdings Limited ( <i>note 2</i> )	2,932,000,000	23.57%	2,932,000,000	19.70%
Shanghai Zendai Investment Development (Hong Kong) Company Limited ( <i>note 3</i> )	455,175,000	3.66%	455,175,000	3.06%
Good Lucky Investment Holdings Limited ( <i>note 4</i> )	39,900,000	0.32%	39,900,000	0.27%
China Alliance Properties Limited ( <i>note 5</i> )	2,431,815,000	19.55%	2,431,815,000	16.34%
<b>Sub-total</b>	<b>8,185,450,000</b>	<b>65.81%</b>	<b>8,185,450,000</b>	<b>55.01%</b>
<b>Directors and associates</b>				
Zhu Nansong	50,000,000	0.40%	50,000,000	0.34%
Tang Jian	10,000,000	0.08%	10,000,000	0.07%
Dai Mao Cao ( <i>note 6</i> )	500,000,000	4.02%	500,000,000	3.36%
<b>Sub-total</b>	<b>560,000,000</b>	<b>4.50%</b>	<b>560,000,000</b>	<b>3.77%</b>
<b>Subscribers</b>				
Concord Emperor	–	–	1,571,000,000	10.56%
Greenwoods	38,350,000	0.31%	909,350,000	6.11%
<b>Sub-total</b>	<b>38,350,000</b>	<b>0.31%</b>	<b>2,480,350,000</b>	<b>16.67%</b>
<b>Public Shareholders</b>				
Other public Shareholders	3,653,551,515	29.38%	3,653,551,515	24.55% <sup>(note 7)</sup>
<b>Total</b>	<b>12,437,351,515</b>	<b>100.0%</b>	<b>14,879,351,515</b>	<b>100.0%</b>

*Notes:*

- (1) The entire issued share capital of Giant Glory Assets Limited is wholly-owned by Dai Zhikang, an executive Director and the chairman of the Company.
- (2) The issued share capital of Jointex Investment Holdings Limited is owned as to 85% by Giant Glory Assets Limited and as to 15% by Zhu Nansong, a non-executive Director.
- (3) The issued share capital of Shanghai Zendai Investment Development (Hong Kong) Company Limited is indirectly held as to 60% by Dai Zhikang, an executive Director and the chairman of the Company.
- (4) The entire issued share capital of Good Lucky Investment Holdings Limited is wholly-owned by Dai Zhikang, an executive Director and the chairman of the Company.
- (5) According to published information, 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.
- (6) Dai Mao Cao is the daughter of Dai Zhikang, an executive Director and the chairman of the Company.
- (7) Upon completion of the Greenwoods Subscription, the shareholding by Greenwoods is considered to be held by public shareholders.

## **REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS**

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 Board believes that the Subscriptions will increase the capital base of the Company and broaden its Shareholder base.

It is expected that the net proceeds from the Subscriptions will amount to approximately HK\$341,700,000. The net proceeds from the Subscriptions will be used mainly for properties acquisitions and development.

Given the current market sentiment, the Directors consider the terms of the Subscriptions to be fair and reasonable and believe that the Subscriptions are in the best interest of the Company and the Shareholders.

## **EQUITY FUND-RAISING ON ISSUE OF EQUITY SECURITIES CONDUCTED IN THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT**

Within the 12 months immediately prior to the date of this announcement, the Company had not conducted any equity fund-raising on issue of equity securities.

## **APPLICATION FOR LISTING**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in the Subscription Shares.

## DEFINITION

In this announcement, the expressions below have the meanings assigned:

“ <b>Board</b> ”	the board of Directors for the time being
“ <b>Concord Emperor</b> ”	Concord Emperor Investment Limited
“ <b>Concord Emperor Subscription</b> ”	subscription of the Concord Emperor Subscription Shares by Concord Emperor in accordance with the terms of the Concord Emperor Subscription Agreement
“ <b>Concord Emperor Subscription Agreement</b> ”	the agreement entered into by the Company and Concord Emperor on 21 June 2013 in relation to the Concord Emperor Subscription
“ <b>Concord Emperor Subscription Shares</b> ”	1,571,000,000 new Shares
“ <b>Directors</b> ”	directors of the Company
“ <b>Greenwoods</b> ”	Greenwoods Asset Management Limited, funds managed by it are interested in 38,350,000 Shares as at the date of this announcement, representing approximately 0.31% of the issued share capital of the Company as at the date of this announcement
“ <b>Greenwoods Subscription</b> ”	subscription of the Greenwoods Subscription Shares by Greenwoods in accordance with the terms of the Greenwoods Subscription Agreement
“ <b>Greenwoods Subscription Agreement</b> ”	the agreement entered into by the Company and Greenwoods on 21 June 2013 in relation to the Greenwoods Subscription
“ <b>Greenwoods Subscription Shares</b> ”	871,000,000 new Shares
“ <b>Group</b> ”	the Company and its subsidiaries
“ <b>HK\$</b> ”	Hong Kong dollars, the lawful currency of Hong Kong
“ <b>Hong Kong</b> ”	the Hong Kong Special Administrative Region of the PRC
“ <b>Listing Rules</b> ”	the Rules Governing the Listing of Securities on the Stock Exchange
“ <b>PRC</b> ”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“ <b>Share(s)</b> ”	ordinary share(s) of HK\$0.02 each in the capital of the Company
“ <b>Shareholder(s)</b> ”	holder(s) of Share(s)

“ <b>Stock Exchange</b> ”	The Stock Exchange of Hong Kong Limited
“ <b>Subscriptions</b> ”	together, the Concord Emperor Subscription and the Greenwoods Subscription
“ <b>Subscription Agreements</b> ”	together, the Concord Emperor Subscription Agreement and the Greenwoods Subscription Agreement
“ <b>Subscription Price</b> ”	HK\$0.14 per Subscription Share
“ <b>Subscription Shares</b> ”	together, the Concord Emperor Subscription Shares and the Greenwoods Subscription Shares

By order of the Board  
**Shanghai Zendai Property Limited**  
**Dai Zhikang**  
*Director*

\* *for identification purpose only*

Hong Kong, 21 June 2013

*As at the date of this announcement, the executive Directors are Mr. Dai Zhikang, Mr. Wang Fujie, Mr. Zuo Xingping and Mr. Tang Jian. The non-executive Directors are Mr. Zhu Nansong, Mr. Wu Yang, 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.*