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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)

DESPATCH OF THE CIRCULAR

Reference is made to the announcements of the Company dated 29 April 2008 and 19 May 2008 (the “Announcements”) in relation to, among other things, the Acquisition, the Financial Assistance, the Whitewash Waiver and the increase in the authorised share capital of the Company. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise stated.

The Board announces that the Circular containing, among other things, further details of the Agreement, the Acquisition, the Financial Assistance, the Whitewash Waiver and the increase in authorised share capital of the Company will be despatched to the Shareholders on 10 June 2008.

As a condition under the Waiver, the Required Financial Information pursuant to Rule 14.58(7) of the Listing Rules is disclosed in this announcement.

Reference is made to the announcements of the Company dated 29 April 2008 and 19 May 2008 (the “Announcements”) in relation to, among other things, the Acquisition, the Financial Assistance, the Whitewash Waiver and the increase in the authorised share capital of the Company. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise stated.

Despatch of the Circular

The Board announces that the Circular containing, among other things, (i) further details of the Agreement, the Acquisition, the Financial Assistance, the Whitewash Waiver and the increase in authorised share capital of the Company; (ii) the property valuation reports on the Group as enlarged by the Acquisition; (iii) accountants’ report of the Target Group; (iv) a letter of advice from the Independent Board Committee; (v) a letter of advice from Quam Capital to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Agreement, the Acquisition, the Financial Assistance and the Whitewash Waiver; and (vi) the notice of SGM to the Shareholders will be despatched to the Shareholders on 10 June 2008.

Shareholders are advised to read carefully the contents of the Circular, in particular, the recommendation of the Independent Board Committee and the letter of advice of Quam Capital before considering the resolutions to approve the Acquisition, the Financial Assistance and the Whitewash Waiver.

Financial information of the Target Group

As stated in the announcement dated 29 April 2008, under Rule 14.58(7) of the Listing Rules, the Company is required to include the net profits (both before and after taxation and extraordinary items) of the Target Group for the two financial years immediately preceding the transaction in such announcement. In connection with the abovementioned requirements, the Waiver was granted by the Stock Exchange to the Company for excluding the Required Financial Information to be included in such announcement subject to the conditions, among others, a further announcement containing the Required Financial Information to be made at the time of despatch of the Circular by the Company.

Set out below are the financial information of the Target Group for the two financial years ended 31 December 2007 as extracted from the accountants' report in Appendix II to the Circular:

	For the year ended	
	31 December 2007 (audited) HK\$ million	31 December 2006 (audited) HK\$ million
Turnover	755.7	15.3
Net profit before taxation (<i>Note</i>)	266.5	0.6
Net profit after taxation (<i>Note</i>)	157.0	0.2

Note: No extraordinary items or exceptional items were recorded for each of the two financial years ended 31 December 2007.

Further details on the financial information of the Target Group can be referred to in Appendix II to the Circular.

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. Lu Puling, Mr. Wang Xiangang, Mr. Ye Wenbin 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Hong Kong, 10 June, 2008

* For identification purpose only