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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)

ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of Shanghai Zendai Property Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 5 January 2012 in relation to, among other things, the proposed disposal of the entire equity interests in 上海証大五道口房地產開發有限公司(Shanghai Zendai Wudaokou Real Estate Development Co., Ltd.*) (“**Zendai Wudaokou**”) and all the rights and title to the shareholders’ loans owed by Zendai Wudaokou to its equity owner (collectively, the “**Proposed Disposal**”).

Reference is also made to the announcement (the “**Fosun Announcement**”) of Fosun International Limited (“**Fosun**”, together with its subsidiaries, the “**Fosun Group**”) dated 30 May 2012 in relation to, among other things, the filing of a civil suit by Zhejiang Fosun Commerce Development Limited (“**Zhejiang Fosun**”) to Shanghai No. 1 Intermediate People’s Court, pursuant to which the Fosun Group has initiated a civil action against the relevant parties to protect its pre-emptive rights in the Proposed Disposal (the “**Court Action**”).

Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement.

As at the date of this announcement, although the Company has not yet received any formal court documents in relation to the Court Action, the Company believes that certain subsidiaries of the Company that were parties to the Proposed Disposal might be named as one of the defendants in the Court Action.

However, based on the terms of the Agreement and the advice of the Group’s PRC legal adviser, the Company believes that the Proposed Disposal does not constitute a breach of any applicable pre-emptive rights as alleged by Fosun in the Fosun Announcement.

The Company will issue a further announcement in the event the Group receives any formal court documents in relation the Court Action.

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

Hong Kong, 31 May 2012

As at the date of this announcement, the executive Directors are Mr. Dai Zhikang, Mr. Wang Fujie, Mr. Zhu Nansong, Mr. Zuo Xingping, Mr. Tang Jian. The non-executive Directors are Mr. Wu Yang, Mr. Zhou Chun, Mr. Dong Wenliang and Mr. Liu Zhiwei. The independent non-executive Directors are Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan, Mr. Li Man Wai and Mr. Cai Gaosheng.

* *For identification purpose only*