

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this 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 announcement.*



## **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 AND RESUMPTION OF TRADING**

After trading hours on 7 January 2010, the Company and China Alliance entered into the China Alliance Subscription Agreement pursuant to which China Alliance has agreed to subscribe for, and the Company has agreed to allot and issue to China Alliance, the China Alliance Subscription Shares (being 1,550,000,000 new Shares) at the Subscription Price (being HK\$0.31 per China Alliance Subscription Share). The China Alliance Subscription Agreement is subject to the conditions as set out below.

Also after trading hours on 7 January 2010, the Company and Grand Link entered into the Grand Link Subscription Agreement pursuant to which Grand Link has agreed to subscribe for, and the Company has agreed to allot and issue to Grand Link, the Grand Link Subscription Shares (being 400,000,000 new Shares) at the Subscription Price (being HK\$0.31 per Grand Link Subscription Share). The Grand Link Subscription Agreement is subject to the conditions as set out below.

The China Alliance Subscription Agreement and the Grand Link Subscription Agreement are not inter-conditional to each other.

The Subscription Shares (being 1,950,000,000 new Shares) represent approximately 18.73% of the issued share capital of Company as at the date of this announcement and approximately 15.78% 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 1.59% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on 7 January 2010, being the date of the Subscription Agreements; (ii) a discount of approximately 1.59% to the average closing price of HK\$0.315 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 7 January 2010.

It is expected that the net proceeds from the Subscriptions will amount to approximately HK\$604,300,000.

Trading in Shares was suspended at the request of the Company from 9:30 a.m. on 8 January 2010, pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares from 9:30 a.m. on 11 January 2010.

## SUBSCRIPTION AGREEMENTS

Save in relation to the parties and the amount of Subscription Shares agreed to subscribe, the terms and conditions of the China Alliance Subscription Agreement and the Grand Link Subscription Agreement are identical, a summary of which is set out below:

|                                | <b>China Alliance Subscription Agreement</b>                                | <b>Grand Link Subscription Agreement</b>                                |
|--------------------------------|---|---|
| Date:                          | 7 January 2010  | 7 January 2010  |
| Parties:                       | (i) the Company as the issuer; and<br>(ii) China Alliance as the subscriber | (i) the Company as the issuer; and<br>(ii) Grand Link as the subscriber |
| Number of Subscription Shares: | 1,550,000,000 new Shares ( <i>note 1</i> )                                  | 400,000,000 new Shares ( <i>note 2</i> )                                |

### Notes:

1. These Shares represent approximately 14.89% of the issued share capital of the Company as at the date of this announcement and approximately 12.54% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.
2. These Shares represent approximately 3.84% of the issued share capital of the Company as at the date of this announcement and approximately 3.24% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

China Alliance, the principal business of which is investment holding, is a wholly-owned subsidiary of Shanghai Forte Land Co. Ltd., the issued shares of which are listed on the Stock Exchange. As at the date of this announcement, China Alliance and its associates are beneficially interested in 881,815,000 Shares representing approximately 8.47% of the issued share capital of the Company.

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

China Alliance and Grand Link are not related to each other.

### The Subscription Shares:

The Subscription Shares (being 1,950,000,000 new Shares) represent approximately 18.73% of the issued share capital of Company as at the date of this announcement and approximately 15.78% 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 is HK\$39,000,000.

**Subscription Price:**

HK\$0.31 per Subscription Share. The net price per Subscription Share amounts to approximately HK\$0.3099.

The Subscription Price represents (i) a discount of approximately 1.59% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on 7 January 2010, being the date of the Subscription Agreements; (ii) a discount of approximately 1.59% to the average closing price of HK\$0.315 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 7 January 2010.

**Ranking:**

The Subscription Shares will, upon issue, rank *pari passu* in all respects with the issued Shares as at the date of its allotment and issue, including the right to receive all dividends and distributions declared, paid or made on or after that date.

**Completion:**

Completion shall take place on the fifth business day after the date on which all conditions of the Subscriptions have been fulfilled.

**Lock-up:**

China Alliance has undertaken not to dispose of or create any encumbrances in respect of the China Alliance Subscription Shares or any interest therein within 6 months from the date of the Completion, save for using such interests as security in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

Grand Link has also undertaken not to dispose of or create any encumbrances in respect of the Grand Link Subscription Shares or any interest therein within 6 months from the date of the Completion, save for using such interests as security in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

**Conditions for the Subscriptions:**

Completion of the China Alliance Subscription and the Grand Link Subscription is conditional on:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Subscription Shares (either unconditionally or subject to conditions which are acceptable to the Company and China Alliance or Grand Link (as the case may be)); 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 at or before 5:00 p.m. on 22 January 2010 (or such later date as may be agreed in writing between the Company and China Alliance or Grand Link (as the case may be)), the Subscription Agreements and all rights and obligations thereunder will cease and terminate and neither party shall have any claim against the other, save for any antecedent breach of the Subscription Agreements.

The China Alliance Subscription Agreement and the Grand Link Subscription Agreement are not inter-conditional to 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 2 June 2009, which allowed allotment and issue of up to 2,058,254,636 Shares. Such general mandate has not been utilized prior to the execution of the Subscription Agreements. Therefore, the issue of the Subscription Shares is not subject to any further approval from the Shareholders.

## **SHAREHOLDING STRUCTURE**

As at the date of this announcement, the Company has outstanding option (the “**VP Option**”) granted to Value Partners Limited to subscribe for Shares up to HK\$31,800,000 pursuant to the terms set out in the announcement of the Company dated 2 February 2005.

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 158,000,000 Shares pursuant to the terms of the Company’s share option scheme.

Assuming the subscription rights attached to the VP Option and the Employee Options are not exercised and there is no other change in the shareholding of the Company after the date of this announcement, to the best of the Directors' knowledge and based on publicly available information including various filings made under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the shareholding structure of the Company immediately before and after the Completion are as follows:

| Name of Shareholder   | Shareholding as at the date of this announcement |                                 | Shareholding immediately after the Placing Completion and the Subscription Completion |                                 |
|---|--|---------------------------------|---|---------------------------------|
|   | Number of Shares                                 | % of shareholding (approximate) | Number of Shares  | % of shareholding (approximate) |
| <b>Substantial Shareholders</b>   |  |                                 |   |                                 |
| Giant Glory Assets Limited (note 1)   | 1,948,170,000                                    | 18.71%                          | 1,948,170,000   | 15.76%                          |
| Jointex Investment Holdings Limited (note 2)                                | 2,932,000,000                                    | 28.17%                          | 2,932,000,000   | 23.72%                          |
| Shanghai Zendai Investment Development (Hong Kong) Company Limited (note 3) | 455,175,000                                      | 4.37%                           | 455,175,000   | 3.68%                           |
| Dorsing Star Limited (note 4)   | 1,000,000,000                                    | 9.61%                           | 1,000,000,000   | 8.09%                           |
| China Alliance  | (please see below)                               |                                 | 2,431,815,000   | 19.68%                          |
| <b>Sub-total</b>  | <b>6,335,345,000</b>                             | <b>60.86%</b>                   | <b>8,767,160,000</b>  | <b>70.93%</b>                   |
| <b>Public Shareholders</b>  |  |                                 |   |                                 |
| China Alliance  | 881,815,000                                      | 8.47%                           | (please see above)  |                                 |
| Grand Link  | –  | –                               | 400,000,000   | 3.24%                           |
| Other public Shareholders   | 3,192,246,515                                    | 30.67%                          | 3,192,246,515   | 25.83%                          |
| <b>Sub-total</b>  | <b>4,074,061,515</b>                             | <b>39.14%</b>                   | <b>3,592,246,515</b>  | <b>29.07%</b>                   |
| <b>Total</b>  | <b>10,409,406,515</b>                            | <b>100.0%</b>                   | <b>12,359,406,515</b>   | <b>100.0%</b>                   |

Notes:

- (1) The entire issued share capital of Giant Glory Assets Limited is wholly-owned by Mr. Dai Zhikang, an executive Director.
- (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 Mr. Zhu Nansong, an executive Director.
- (3) The issued share capital of Shanghai Zendai Investment Development (Hong Kong) Company Limited is indirectly held as to 60% by Mr. Dai Zhikang, and as to 20% by Ms. Dai Mo Cao, daughter of Mr. Dai Zhikang, 15% by Mr. Zhu Nansong, an executive Director, and 5% by Mr. Dai Zhixiang, the brother of Mr. Dai Zhikang.
- (4) Dorsing Star Limited is held by Master Faith Group Limited, which in turn is held by DBS Trustee H.K. (Jersey) Limited in its capacity as trustee of the DLD Trust, the beneficiaries of which include Ms. Liu Qiong Yu and Ms. Dai Mo Cao, both being family members of Mr. Dai Zhikang.

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

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 the PRC. The Group currently has property projects under development in 10 cities which are located in the three regions including northern China, Shanghai city and its surroundings and Hainan province. The Board believes that the Subscriptions will increase the capital base of the Company and broaden its shareholder base.

The gross proceeds of the Subscription amount to HK\$604,500,000. It is expected that the net proceeds from the Subscriptions will amount to approximately HK\$604,300,000. The net proceeds from the Subscriptions will be used mainly for future property acquisitions in the PRC.

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.

Upon Completion, the Company shall be able to maintain a public float of the Shares on the Stock Exchange in accordance with the Listing Rules.

## **GENERAL**

Trading in Shares was suspended at the request of the Company from 9:30 a.m. on 8 January 2010, pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares from 9:30 a.m. on 11 January 2010.

## **DEFINITION**

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

|                               |  |
|-------------------------------|--|
| “Board”                       | the board of Directors for the time being  |
| “China Alliance”              | China Alliance Properties Limited, a Shareholder holdings approximately 8.47% of the issued share capital of the Company as at the date of this announcement |
| “China Alliance Subscription” | subscription of the China Alliance Subscription Shares by China Alliance in accordance with the terms of the China Alliance Subscription Agreement           |

|   |   |
|---|---|
| “China Alliance Subscription Agreement” | the agreement entered into by the Company and China Alliance on 7 January 2010 in relation to China Alliance Subscription   |
| “China Alliance Subscription Shares”    | 1,550,000,000 new Shares  |
| “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 |
| “Completion”                            | completion of the Subscriptions   |
| “Director(s)”                           | director(s) of the Company  |
| “Grand Link”                            | Grand Link Finance Limited  |
| “Grand Link Subscription”               | subscription of the Grand Link Subscription Shares by Grand Link in accordance with the terms of the Grand Link Subscription Agreement                            |
| “Grand Link Subscription Agreement”     | the agreement entered into by the Company and Grand Link on 7 January 2010 in relation to the Grand Link Subscription   |
| “Grand Link Subscription Shares”        | 400,000,000 new Shares  |
| “Group”                                 | the Company and its subsidiaries  |
| “HK\$”                                  | Hong Kong dollars, the lawful currency of Hong Kong for the time being  |
| “Hong Kong”                             | the Hong Kong Special Administrative Region of the PRC  |
| “Listing Rules”                         | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “PRC”                                   | 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 |
| “Share(s)”                              | ordinary share(s) of HK\$0.02 each in the capital of the Company  |
| “Shareholder(s)”                        | holder(s) of Share(s)   |
| “Stock Exchange”                        | The Stock Exchange of Hong Kong Limited   |
| “Subscriptions”                         | together, the China Alliance Subscription and the Grand Link Subscription   |
| “Subscription Agreements”               | together, the China Alliance Subscription Agreement and the Grand Link Subscription Agreement   |

“Subscription Price” HK\$0.31 per Subscription Share

“Subscription Shares” together, the China Alliance Subscription Shares and Grand Link Subscription Shares

By order of the Board  
**Shanghai Zendai Property Limited**  
**Ma Chengliang**  
*Chairman*

\* *for identification purpose only*

Hong Kong, 8 January 2010

*As at the date of this announcement, the executive Directors are Mr. Ma Chengliang, Mr. Dai Zhikang, Mr. Zhu Nansong, Mr. Fang Bin, Mr. Tang Jian, Mr. Wu Yang, Ms. Zhou Yan and Mr. Wang Zhe. The independent non-executive Directors are Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan and Dr. Tse Hiu Tung, Sheldon.*