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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)

(1) VERY SUBSTANTIAL ACQUISITION IN RESPECT OF THE ACQUISITIONS OF THE EQUITY INTERESTS AND THE SALE LOANS; AND (2) RESUMPTION OF TRADING

THE ACQUISITIONS

The Board announces that, on 12 August 2015 (after trading hours), the Bidding Subsidiary, being a non wholly-owned subsidiary of the Company, and the Seller entered into the Equity Transfer Agreements, pursuant to which the Bidding Subsidiary has conditionally agreed to acquire from the Seller the Equity Interests of the Target Companies and the Sale Loans, at a total consideration of approximately RMB4,513.61 million (equivalent to approximately HK\$5,461.47 million). The major assets of the Target Companies comprise the Land Parcels.

IMPLICATIONS UNDER THE LISTING RULES

Given one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions, on a stand-alone basis or when aggregated with the Previous Acquisition in accordance with the Listing Rules, exceeds 100%, the Acquisitions constitute a very substantial acquisition for the Company and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The Circular containing, among other things, (i) details of the Acquisitions; (ii) financial information of the Group; (iii) valuation reports on the Land Parcels; and (iv) a notice of the SGM, is expected to be despatched to the Shareholders on or before 24 September 2015, as additional time is required for the preparation of the Circular.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 13 August 2015 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 26 August 2015.

The Acquisitions are conditional on, among other things, the approval of the Shareholders at the SGM, and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Reference is made to the announcement of the Company dated 6 July 2015 in respect of the successful bidding by the Bidding Subsidiary, being a non wholly-owned subsidiary of the Company, of a 100% equity interest in and the receivables from each of the Target Companies owned by the Seller and proposed for sale by way of public listing-for-sale procedures on the Shanghai Assets Exchange. A deposit in the total amount of RMB50 million (equivalent to approximately HK\$60.50 million) has been paid by the Bidding Subsidiary.

The Board announces that, on 12 August 2015 (after trading hours), the Bidding Subsidiary and the Seller entered into the Equity Transfer Agreements, pursuant to which the Bidding Subsidiary has conditionally agreed to acquire from the Seller the Equity Interests of the Target Companies and the Sale Loans, at a total consideration of approximately RMB4,513.61 million (equivalent to approximately HK\$5,461.47 million). The major assets of the Target Companies comprise the Land Parcels.

On 24 August 2015, the Bidding Subsidiary and the Seller entered into the Supplemental Agreement to amend and supplement certain terms of the Equity Transfer Agreements. In this announcement, references to the Equity Transfer Agreements (or each of them) are to the Equity Transfer Agreements (or each of them) as amended by the Supplemental Agreement, where the context requires.

THE ACQUISITIONS

The Equity Transfer Agreement A

Date: 12 August 2015 (after trading hours)

Parties:

Purchaser/bidder: Bidding Subsidiary

Vendor: The Seller

Details of the Acquisition A

Pursuant to the Equity Transfer Agreement A, the Bidding Subsidiary has conditionally agreed to acquire from the Seller the Equity Interest A of Target Company A and the Sale Loan A.

The Consideration A

The Consideration A of approximately RMB543.38 million (equivalent to approximately HK\$657.49 million) for the Equity Interest A and the Sale Loan A shall be satisfied by the Bidding Subsidiary by cash in the manner set out below:

- (a) as to the first instalment of 30% of the Consideration A, being approximately RMB163.01 million (equivalent to approximately HK\$197.24 million), within five business days upon the Equity Transfer Agreement A becoming effective, where the earnest money of RMB8.00 million (equivalent to approximately HK\$9.68 million) paid by the Bidding Subsidiary on the Application Date for participating in the Tender will be applied towards settling part of such instalment; and
- (b) subject to the obtaining of the delivery confirmations and land title certificates of Land Parcel A, the balance of the Consideration A, being approximately RMB380.37 million (equivalent to approximately HK\$460.25 million), within one year upon the entering into of the Equity Transfer Agreement A including the interest incurred therefrom at a bank's benchmark interest rate for RMB loans of the same term. The Bidding Subsidiary shall provide a legal guarantee for the balance of the Consideration A.

The Consideration A is equivalent to the starting price of the Tender of approximately RMB543.38 million (equivalent to approximately HK\$657.49 million), which is arrived at taking into account that (i) the Consideration A is equivalent to the aggregated unaudited adjusted net assets of Target Company A (after the appraisal of the Land Parcel A) of approximately RMB305.92 million (equivalent to approximately HK\$370.16 million) and the Sale Loan A of approximately RMB237.46 million (equivalent to approximately HK\$287.33 million) as at 27 April 2015 according to the Tender Document; (ii) the preliminary valuation of the Land Parcel A of approximately RMB552.00 million (equivalent to approximately HK\$667.92 million) as at 30 June 2015 as assessed by an independent valuer appointed by the Company; and (iii) the Group's view on the future prospect of the property market in Nanjing, the PRC.

The Equity Transfer Agreement B

Date: 12 August 2015 (after trading hours)

Parties:

Purchaser/bidder: Bidding Subsidiary

Vendor: The Seller

Details of the Acquisition B

Pursuant to the Equity Transfer Agreement B, the Bidding Subsidiary has conditionally agreed to acquire from the Seller the Equity Interest B of Target Company B and the Sale Loan B.

The Consideration B

The Consideration B of approximately RMB679.50 million (equivalent to approximately HK\$822.20 million) for the Equity Interest B and the Sale Loan B shall be satisfied by the Bidding Subsidiary by cash in the manner set out below:

- (a) as to the first instalment of 30% of the Consideration B, being approximately RMB203.85 million (equivalent to approximately HK\$246.66 million), within five business days upon the Equity Transfer Agreement B becoming effective, where the earnest money of RMB8.00 million (equivalent to approximately HK\$9.68 million) paid by the Bidding Subsidiary on the Application Date for participating in the Tender will be applied towards settling part of such instalment; and
- (b) subject to the obtaining of the delivery confirmation and land title certificate of Land Parcel B, the balance of the Consideration B, being approximately RMB475.65 million (equivalent to approximately HK\$575.54 million), within one year upon the entering into of the Equity Transfer Agreement B including the interest incurred therefrom at a bank's benchmark interest rate for RMB loans of the same term. The Bidding Subsidiary shall provide a legal guarantee for the balance of the Consideration B.

The Consideration B is equivalent to the starting price of the Tender of approximately RMB679.50 million (equivalent to approximately HK\$822.20 million), which is arrived at taking into account that (i) the Consideration B is equivalent to the aggregated unaudited adjusted net assets of Target Company B (after the appraisal of the Land Parcel B) of approximately RMB246.70 million (equivalent to approximately HK\$298.51 million) and the Sale Loan B of approximately RMB432.80 million (equivalent to approximately HK\$523.69 million) as at 27 April 2015 according to the Tender Document; (ii) the preliminary valuation of the Land Parcel B of approximately RMB686.00 million (equivalent to approximately HK\$830.06 million) as at 30 June 2015 as assessed by an independent valuer appointed by the Company; and (iii) the Group's view on the future prospect of the property market in Nanjing, the PRC.

The Equity Transfer Agreement C

Date: 12 August 2015 (after trading hours)

Parties:

Purchaser/bidder: Bidding Subsidiary

Vendor: The Seller

Details of the Acquisition C

Pursuant to the Equity Transfer Agreement C, the Bidding Subsidiary has conditionally agreed to acquire from the Seller the Equity Interest C of Target Company C and the Sale Loan C.

The Consideration C

The Consideration C of approximately RMB332.72 million (equivalent to approximately HK\$402.59 million) for the Equity Interest C and the Sale Loan C shall be satisfied by the Bidding Subsidiary by cash in the manner set out below:

- (a) as to the first instalment of 30% of the Consideration C, being approximately RMB99.82 million (equivalent to approximately HK\$120.78 million), within five business days upon the Equity Transfer Agreement C becoming effective, where the earnest money of RMB10.00 million (equivalent to approximately HK\$12.10 million) paid by the Bidding Subsidiary on the Application Date for participating in the Tender will be applied towards settling part of such instalment; and
- (b) subject to the obtaining of the delivery confirmations and land title certificates of Land Parcel C, the balance of the Consideration C, being approximately RMB232.90 million (equivalent to approximately HK\$281.81 million), within one year upon the entering into of the Equity Transfer Agreement C including the interest incurred therefrom at a bank's benchmark interest rate for RMB loans of the same term. The Bidding Subsidiary shall provide a legal guarantee for the balance of the Consideration C.

The Consideration C is equivalent to the starting price of the Tender of approximately RMB332.72 million (equivalent to approximately HK\$402.59 million), which is arrived at taking into account that (i) the Consideration C is equivalent to the aggregated unaudited adjusted net assets of Target Company C (after the appraisal of the Land Parcel C) of approximately RMB199.48 million (equivalent to approximately HK\$241.37 million) and the Sale Loan C of approximately RMB133.24 million (equivalent to approximately HK\$161.22 million) as at 27 April 2015 according to the Tender Document; (ii) the preliminary valuation of the Land Parcel C of approximately RMB343.00 million (equivalent to approximately HK\$415.03 million) as at 30 June 2015 as assessed by an independent valuer appointed by the Company; and (iii) the Group's view on the future prospect of the property market in Nanjing, the PRC.

The Equity Transfer Agreement D

Date: 12 August 2015 (after trading hours)

Parties:

Purchaser/bidder: Bidding Subsidiary

Vendor: The Seller

Details of the Acquisition D

Pursuant to the Equity Transfer Agreement D, the Bidding Subsidiary has conditionally agreed to acquire from the Seller the Equity Interest D of Target Company D and the Sale Loan D.

The Consideration D

The Consideration D of approximately RMB1,162.47 million (equivalent to approximately HK\$1,406.59 million) for the Equity Interest D and the Sale Loan D shall be satisfied by the Bidding Subsidiary by cash in the manner set out below:

- (a) as to the first instalment of 30% of the Consideration D, being approximately RMB348.74 million (equivalent to approximately HK\$421.98 million), within five business days upon the Equity Transfer Agreement D becoming effective, where the earnest money of RMB8.00 million (equivalent to approximately HK\$9.68 million) paid by the Bidding Subsidiary on the Application Date for participating in the Tender will be applied towards settling part of such instalment; and
- (b) subject to the obtaining of the delivery confirmations and land title certificates of Land Parcel D, the balance of the Consideration D, being approximately RMB813.73 million (equivalent to approximately HK\$984.61 million), within one year upon the entering into of the Equity Transfer Agreement D including the interest incurred therefrom at a bank's benchmark interest rate for RMB loans of the same term. The Bidding Subsidiary shall provide a legal guarantee for the balance of the Consideration D.

The Consideration D is equivalent to the starting price of the Tender of approximately RMB1,162.47 million (equivalent to approximately HK\$1,406.59 million), which is arrived at taking into account that (i) the Consideration D is equivalent to the aggregated unaudited adjusted net assets of Target Company D (after the appraisal of the Land Parcel D) of approximately RMB632.46 million (equivalent to approximately HK\$765.28 million) and the Sale Loan D of approximately RMB530.01 million (equivalent to approximately HK\$641.31 million) as at 27 April 2015 according to the Tender Document; (ii) the preliminary valuation of the Land Parcel D of approximately RMB1,176.00 million (equivalent to approximately HK\$1,422.96 million) as at 30 June 2015 as assessed by an independent valuer appointed by the Company; and (iii) the Group's view on the future prospect of the property market in Nanjing, the PRC.

The Equity Transfer Agreement E

Date: 12 August 2015 (after trading hours)

Parties:

Purchaser/bidder: Bidding Subsidiary

Vendor: The Seller

Details of the Acquisition E

Pursuant to the Equity Transfer Agreement E, the Bidding Subsidiary has conditionally agreed to acquire from the Seller the Equity Interest E of Target Company E and the Sale Loan E.

The Consideration E

The Consideration E of approximately RMB797.25 million (equivalent to approximately HK\$964.67 million) for the Equity Interest E and the Sale Loan E shall be satisfied by the Bidding Subsidiary by cash in the manner set out below:

- (a) as to the first instalment of 30% of the Consideration E, being approximately RMB239.18 million (equivalent to approximately HK\$289.41 million), within five business days upon the Equity Transfer Agreement E becoming effective, where the earnest money of RMB8.00 million (equivalent to approximately HK\$9.68 million) paid by the Bidding Subsidiary on the Application Date for participating in the Tender will be applied towards settling part of such instalment; and
- (b) subject to the obtaining of the delivery confirmations and land title certificates of Land Parcel E, the balance of the Consideration E, being approximately RMB558.07 million (equivalent to approximately HK\$675.26 million), within one year upon the entering into of the Equity Transfer Agreement E including the interest incurred therefrom at a bank's benchmark interest rate for RMB loans of the same term. The Bidding Subsidiary shall provide a legal guarantee for the balance of the Consideration E.

The Consideration E is equivalent to the starting price of the Tender of approximately RMB797.25 million (equivalent to approximately HK\$964.67 million), which is arrived at taking into account that (i) the Consideration E is equivalent to the aggregated unaudited adjusted net assets of Target Company E (after the appraisal of the Land Parcel E) of approximately RMB448.94 million (equivalent to approximately HK\$543.22 million) and the Sale Loan E of approximately RMB348.31 million (equivalent to approximately HK\$421.46 million) as at 27 April 2015 according to the Tender Document; (ii) the preliminary valuation of the Land Parcel E of approximately RMB815.00 million (equivalent to approximately HK\$986.15 million) as at 30 June 2015 as assessed by an independent valuer appointed by the Company; and (iii) the Group's view on the future prospect of the property market in Nanjing, the PRC.

The Equity Transfer Agreement F

Date: 12 August 2015 (after trading hours)

Parties:

Purchaser/bidder: Bidding Subsidiary

Vendor: The Seller

Details of the Acquisition F

Pursuant to the Equity Transfer Agreement F, the Bidding Subsidiary has conditionally agreed to acquire from the Seller the Equity Interest F of Target Company F and the Sale Loan F.

The Consideration F

The Consideration F of approximately RMB998.29 million (equivalent to approximately HK\$1,207.93 million) for the Equity Interest F and the Sale Loan F shall be satisfied by the Bidding Subsidiary by cash in the manner set out below:

- (a) as to the first instalment of 30% of the Consideration F, being approximately RMB299.49 million (equivalent to approximately HK\$362.38 million), within five business days upon the Equity Transfer Agreement F becoming effective, where the earnest money of RMB8.00 million (equivalent to approximately HK\$9.68 million) paid by the Bidding Subsidiary on the Application Date for participating in the Tender will be applied towards settling part of such instalment; and
- (b) subject to the obtaining of the delivery confirmations and land title certificates of Land Parcel F, the balance of the Consideration F, being approximately RMB698.80 million (equivalent to approximately HK\$845.55 million) within one year upon the entering into of the Equity Transfer Agreement F including the interest incurred therefrom at a bank's benchmark interest rate for RMB loans of the same term. The Bidding Subsidiary shall provide a legal guarantee for the balance of the Consideration F.

The Consideration F is equivalent to the starting price of the Tender of approximately RMB998.29 million (equivalent to approximately HK\$1,207.93 million), which is arrived at taking into account that (i) the Consideration F is equivalent to the aggregated unaudited adjusted net assets of Target Company F (after the appraisal of the Land Parcel F) of approximately RMB384.32 million (equivalent to approximately HK\$465.03 million) and the Sale Loan F of approximately RMB613.97 million (equivalent to approximately HK\$742.90 million) as at 27 April 2015 according to the Tender Document; (ii) the preliminary valuation of the Land Parcel F of approximately RMB1,006.00 million (equivalent to approximately HK\$1,217.26 million) as at 30 June 2015 as assessed by an independent valuer appointed by the Company; and (iii) the Group's view on the future prospect of the property market in Nanjing, the PRC.

Other principal terms of the Equity Transfer Agreements

In the event that the Bidding Subsidiary fails to make payment for the Acquisitions, the Bidding Subsidiary is liable to a penalty amounting to 0.1% of the part of the consideration not yet paid by the Bidding Subsidiary for each day of breach to the Seller. If the delay is over 180 days, the Seller has the right to terminate the Equity Transfer Agreements and the Seller may claim its loss from the Bidding Subsidiary.

In the event that the Seller fails to complete the registration of the transfer of the Equity Interests and the Sale Loans to the Bidding Subsidiary, the Seller is liable to a penalty amounting to 0.1% of the respective considerations for the Acquisitions for each day of breach to the Bidding Subsidiary. If the delay is over 180 days, the Bidding Subsidiary has the right to terminate the Equity Transfer Agreements and the Bidding Subsidiary may claim its loss from the Seller.

The principal terms of each of the Equity Transfer Agreements are identical, except for the name of the Target Companies, the consideration for the respective Equity Interests and the respective Sale Loans payable by the Bidding Subsidiary and the payment terms thereof.

It is currently expected that the Bidding Subsidiary will finance the payment for the Acquisitions by its internal resources, borrowings from bank(s) or financial institution(s) and/or loans from shareholders of the Bidding Subsidiary.

Conditions precedent for the Equity Transfer Agreements becoming effective

Each of the Equity Transfer Agreements will become effective upon fulfilment of the following conditions precedent:

- (a) the approval of the Equity Transfer Agreements and the transaction contemplated thereunder by the Shareholders in accordance with the Listing Rules having been obtained; and
- (b) if required, all approvals and consents in relation to the transactions contemplated under the Equity Transfer Agreements having been obtained from relevant governmental authorities and regulatory bodies.

If the conditions precedent to the effectiveness of the Equity Transfer Agreements set out in paragraphs (a) and (b) above could not be fulfilled within six months after 12 August 2015 (or such other later date as the parties may agree in writing), the Equity Transfer Agreements shall cease and terminate. In the event that the aforesaid conditions precedent could not be fulfilled within six months after 12 August 2015 and that the failure of the Equity Transfer Agreements becoming effective is not due to the default of the Seller, the Seller will not refund the deposit paid by the Bidding Subsidiary.

In the event that the delivery confirmations and land title certificates of the Land Parcels cannot be obtained by the Target Companies within one year after 12 August 2015 (or such other date as the parties may agree in writing), the Equity Transfer Agreements shall terminate. Upon such termination, the Seller shall refund all the consideration already paid by the Bidding Subsidiary without interest (including but not limited to the first instalment of 30% of the total consideration including the deposit) to the Bidding Subsidiary within 180 days after the termination of the Equity Transfer Agreements and the Bidding Subsidiary shall as soon as possible complete the change of registration of the relevant Target Companies. The Equity Interests and the Sale Loans shall be transferred from the Bidding Subsidiary to the Seller.

Upon the Equity Transfer Agreements becoming effective

It is expected that the registration of the transfer of the Equity Interests will take place upon receipt of the certificate in respect of the transfer of the Equity Interests, which will be issued by Shanghai Assets Exchange upon the payment of the first instalment of 30% of the total consideration by the Bidding Subsidiary. Upon completion of the registration of the transfer of the Equity Interests, the Target Companies will be treated as subsidiaries of the Company.

Within 10 business days after payment of the 30% of the total consideration and receipt of the certificate in respect of the transfer of the Equity Interests and the Sale Loans issued by the Shanghai Assets Exchange, the Seller shall cooperate with the Bidding Subsidiary in the obtaining of the relevant delivery confirmations and land title certificates of the Land Parcels. The originals of the delivery confirmations and the land title certificates of the Land Parcels will be kept by the Seller and will be available for inspection by authorised representatives of the Bidding Subsidiary. The Bidding Subsidiary shall pay the Seller the remaining 70% of the consideration for the respective Equity Interests and Sale Loans within 10 business days after the obtaining of relevant delivery confirmations and the land title certificates of the Land Parcels and the Seller shall simultaneously provide the originals of the delivery confirmations and the land title certificates of the Land Parcels to the Bidding Subsidiary.

INFORMATION ON THE SELLER, THE TARGET COMPANIES AND THE LAND PARCELS

Information on the Seller

According to the Tender Documents released by Shanghai Assets Exchange, the business scope of the Seller includes real estate development in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Seller and its ultimate beneficial owners are Independent Third Parties. According to the Tender Documents released by Shanghai Assets Exchange, the Seller holds the Equity Interests and is the beneficial owner of the Sale Loans.

Information on the Target Companies

The Target Companies comprise (i) Target Company A; (ii) Target Company B; (iii) Target Company C; (iv) Target Company D; (v) Target Company E; and (vi) Target Company F. The information of each Target Company is set out as below:

Target Company A

According to the Tender Document, Target Company A is a limited company established in Nanjing, the PRC, on 22 May 2014. Target Company A is an investment holding company with business scope including property development and management, the major asset of which is the Land Parcel A. The Land Parcel A comprises two pieces of land located at Gulou District, Nanjing, the PRC, with a site area of 2,998.52 sq.m. and 6,732.87 sq.m. respectively, which are both designated for commercial, office and service apartment use. The land use rights of the Land Parcel A has been granted for a term of 40 years for commercial, 50 years (statutory maximum land use term) for office and 65 years for hotel type apartment uses respectively, from the date of delivery of the Land Parcel A by Nanjing Land Bureau to Target Company A.

According to the Tender Document, Target Company A has not yet commenced its operation nor recorded any profit or loss since its establishment. According to the audited financial report of Target Company A prepared under PRC GAAP disclosed in the Tender Document, the audited net assets of Target Company A amounted to approximately RMB20.00 million as at 27 April 2015 and the unaudited adjusted net assets of Target Company A after the appraisal of the Land Parcel A as at 27 April 2015 amounted to approximately RMB305.92 million. According to the Tender Document, Sale Loan A amounted to approximately RMB237.46 million as at 27 April 2015.

Target Company B

According to the Tender Document, Target Company B is a limited company established in Nanjing, the PRC, on 13 February 2014. Target Company B is an investment holding company with business scope including property development and management, the major asset of which is the Land Parcel B. The Land Parcel B is located at Gulou District, Nanjing, the PRC, with a site area of 18,481.60 sq.m., which is designated for commercial and financial use. The land use rights of the Land Parcel B has been granted for a term of 40 years for commercial and financial uses, from the date of delivery of the Land Parcel B by Nanjing Land Bureau to Target Company B.

The key financial information of Target Company B for the period commencing on the date of the establishment of Target Company B, i.e. 13 February 2014, up to 27 April 2015 as extracted from the relevant audited financial report of Target Company B prepared under PRC GAAP disclosed in the Tender Document are shown as below:

	For the period from 13 February 2014 (date of establishment of Target Company B) to 31 December 2014 <i>RMB</i>	For the period from 1 January 2015 to 27 April 2015 <i>RMB</i>
Net profit/(loss) before tax	20,044.30	(14.31)
Net profit/(loss) after tax	15,033.22	(14.31)

The net profit before tax for the period from 13 February 2014 to 31 December 2014 is attributable by the interest income as a result of an increase in bank balance due to the shareholder's capital contribution to be used for the payment of the registered capital of the Target Company B and the net loss for the period from 1 January 2015 to 27 April 2015 is due to the administrative expense incurred during the period. As at 27 April 2015, the audited net assets of Target Company B amounted to approximately RMB20.02 million and the unaudited adjusted net assets of Target Company B after the appraisal of the Land Parcel B as at 27 April 2015 amounted to approximately RMB246.70 million. According to the Tender Document, the Sale Loan B amounted to approximately RMB432.80 million as at 27 April 2015.

Target Company C

According to the Tender Document, Target Company C is a limited company established in Nanjing, the PRC, on 22 May 2014. Target Company C is an investment holding company with business scope including property development and management, the major asset of which is the Land Parcel C. The Land Parcel C comprises two pieces of land located at Gulou District, Nanjing, the PRC, with a site area of 4,859.05 sq.m. and 9,545.22 sq.m. respectively, which are designated for culture and entertainment use, and commercial, office and service apartment use, respectively. The land use rights of the Land Parcel C has been granted for a term of 40 years for culture, entertainment, commercial, 50 years for office and 65 years (statutory maximum land use term) for hotel type apartment uses respectively, from the date of delivery of the Land Parcel C by Nanjing Land Bureau to Target Company C.

According to the Tender Document, Target Company C has not yet commenced its operation nor recorded any profit or loss since its establishment. According to the audited financial report of Target Company C prepared under PRC GAAP disclosed in the Tender Document, the audited net assets of Target Company C amounted to approximately RMB20.00 million as at 27 April 2015 and the unaudited adjusted net assets of Target Company C after the appraisal of the Land Parcel C as at 27 April 2015 amounted to approximately RMB199.48 million. According to the Tender Document, the Sale Loan C amounted to approximately RMB133.24 million as at 27 April 2015.

Target Company D

According to the Tender Document, Target Company D is a limited company established in Nanjing, the PRC, on 22 May 2014. Target Company D is an investment holding company with business scope including property development and management, the major asset of which is the Land Parcel D. The Land Parcel D comprises two pieces of land located at Gulou District, Nanjing, the PRC, with a site area of 9,059.62 sq.m. and 6,506.24 sq.m. respectively, which are both designated for commercial, office and service apartment use. The land use rights of the Land Parcel D has been granted for a term of 40 years for commercial, 50 years for office and 65 years (statutory maximum land use term) for hotel type apartment uses respectively, from the date of delivery of the Land Parcel D by Nanjing Land Bureau to Target Company D.

According to the Tender Document, Target Company D has not yet commenced its operation nor recorded any profit or loss since its establishment. According to the audited financial report of Target Company D prepared under PRC GAAP disclosed in the Tender Document, the audited net assets of Target Company D amounted to approximately RMB20.00 million as at 27 April 2015 and the unaudited adjusted net assets of Target Company D after the appraisal of the Land Parcel D as at 27 April 2015 amounted to approximately RMB632.46 million. According to the Tender Document, the Sale Loan D amounted to approximately RMB530.01 million as at 27 April 2015.

Target Company E

According to the Tender Document, Target Company E is a limited company established in Nanjing, the PRC, on 22 May 2014. Target Company E is an investment holding company with business scope including property development and management, the major asset of which is the Land Parcel E. The Land Parcel E comprises four pieces of land located at Gulou District, Nanjing, the PRC, with a site area of 7,668.76 sq.m., 9,058.86 sq.m., 17,357.93 sq.m. and 2,986.03 sq.m. respectively, which are all designated for commercial, office and service apartment use. The land use rights of the Land Parcel E has been granted for a term of 40 years for commercial, 50 years for office and 65 years (statutory maximum land use term) for hotel type apartment uses respectively, from the date of delivery of the Land Parcel E by Nanjing Land Bureau to Target Company E.

According to the Tender Document, Target Company E has not yet commenced its operation nor recorded any profit or loss since its establishment. According to the audited financial report of Target Company E prepared under PRC GAAP disclosed in the Tender Document, the audited net assets of Target Company E amounted to approximately RMB20.00 million as at 27 April 2015 and the unaudited adjusted net assets of Target Company E after the appraisal of the Land Parcel E as at 27 April 2015 amounted to approximately RMB448.94 million. According to the Tender Document, the Sale Loan E amounted to approximately RMB348.31 million as at 27 April 2015.

Target Company F

According to the Tender Document, Target Company F is a limited company established in Nanjing, the PRC, on 13 February 2014. Target Company F is an investment holding company with business scope including property development and management, the major asset of which is the Land Parcel F. The Land Parcel F comprises two pieces of land located at Gulou District, Nanjing, the PRC, with a site area of 7,197.57 sq.m. and 8,036.79 sq.m. respectively, which are both designated for commercial and office mixed use. The land use rights of the Land Parcel F has been granted for a term of 40 years for commercial and 50 years for office uses respectively, from the date of delivery of the Land Parcel F by Nanjing Land Bureau to Target Company F.

The key financial information of Target Company F for the period commencing on the date of the establishment of Target Company F, i.e. 13 February 2014, up to 27 April 2015 as extracted from the relevant audited financial report of Target Company F prepared under PRC GAAP disclosed in the Tender Document are shown as below:

	For the period from 13 February 2014 (date of establishment of Target Company F) to 31 December 2014 <i>RMB</i>	For the period from 1 January 2015 to 27 April 2015 <i>RMB</i>
Net profit/(loss) before tax	19,265.84	(14.99)
Net profit/(loss) after tax	14,449.38	(14.99)

The net profit before tax for the period from 13 February 2014 to 31 December 2014 is attributable by the interest income as a result of an increase in bank balance due to the shareholder's capital contribution to be used for the payment of the registered capital of the Target Company F and the net loss for the period from 1 January 2015 to 27 April 2015 is due to the administrative expense incurred during the period. As at 27 April 2015, the audited net assets of Target Company F amounted to approximately RMB20.01 million and the unaudited adjusted net assets of Target Company F after the appraisal of the Land Parcel F as at 27 April 2015 amounted to approximately RMB384.32 million. According to the Tender Document, the Sale Loan F amounted to approximately RMB613.97 million as at 27 April 2015.

Information on the Land Parcels

The Land Parcels, comprising a total of 13 pieces of lands, are located in the Gulou District, Nanjing, the PRC and covers a total site area of approximately 110,489.06 sq.m. with planned above-ground space in the gross floor area of approximately 429,507.00 sq.m. It is expected that the Land Parcels will be developed into a mixed-use zone comprising hotel and apartments, commercial, office and cultural and entertainment space.

Pursuant to the Tender Documents, the Nanjing Ministry of Finance has issued receipts in respect of all the land premium (土地出讓金) for the acquisition of the land use rights of the Land Parcels, and each Target Company is entitled to apply to Nanjing Land Bureau for issue of land title certificates (國有土地使用權證) accordingly.

As at the date of this announcement, the Target Companies have not yet obtained the land title certificates of the respective Land Parcels. As advised by the PRC legal advisers, pursuant to the land grant contracts (as supplemented by supplemental agreements) in respect of the grant of the Land Parcels by Nanjing Land Bureau, the Target Companies are the grantee of the respective Land Parcels. After payments of all the land premium, which have been made in April and May 2015 by the Target Companies respectively, and upon Nanjing Land Bureau having completed any demolition work on the Land Parcels, Nanjing Land Bureau should deliver each of the Land Parcels as a vacant site to the Target Companies, and within 30 days from such delivery, the Target Companies can apply to Nanjing Land Bureau for issue of land title certificates.

As further advised by the PRC legal advisers, upon the Target Companies having submitted the application for the registration of ownership and the land title certificates of the Land Parcels pursuant to the terms of the land grant contracts (as supplemented by supplemental agreements) in respect of the grant of the Land Parcels and to applicable laws and administrative laws, and that

Nanjing Land Bureau or its subordinate authorities having completed the registration of ownership of the Land Parcels according to normal practice, there should be no legal impediment or obstacle for the Target Companies to obtain such land title certificates. After obtaining the relevant land title certificates of the Land Parcels, the Target Companies shall legally own the land use rights of the Land Parcels, and shall be entitled to develop, occupy, use or otherwise dispose of the Land Parcels. It is expected that the land title certificates of the Land Parcels will be issued by Nanjing Land Bureau within one year upon the entering into of the Equity Transfer Agreements.

REASONS FOR THE ACQUISITIONS

The Group is principally engaged in the development of commercial and residential properties for sale and ownership, investment and operation of hotel business, leasing, management and agency of commercial and residential properties in the PRC. The Group currently has development projects in 12 cities in the PRC which are in northern China and the Yangtze River Delta Economic Region as dominated by Shanghai city, as well as the overseas real estate development projects.

Due to the further implementation of the urbanisation policy and the continuous growth in seeking home upgrade in the first-tier and second-tier cities in the PRC, it is expected that the demand for the mid-to-high end property market would rise accordingly. The Group will take root in Shanghai and Nanjing cities, while harboring the key regions in order to capture the profit growth from the regional upgrade. In addition, since “Himalayas Center” and “Riverside Thumb Plaza”, the core development projects in Nanjing, the PRC, has commenced pre-sale and is expected to commence pre-sale in 2015 respectively, it is the intention of the Company to maintain the stable supply and delivery of the property projects of the Group in the future, with a view to modifying the development strategy and launching properties which can cater for market needs.

The Land Parcels, covering a total site area of approximately 110,489.06 sq.m., are located in the Gulou District, being one of the core districts of Nanjing, the capital of Jiangsu Province, the PRC. In recent years, the Gulou District municipal government has been constantly undergoing a wide range of economic reforms to expedite the urban development. Given the unique location and the economic prospects of the Land Parcels, the Group plans to develop the Land Parcels into a mixed-use zone comprising hotel and apartments, commercial, office and cultural and entertainment space. In view of the Group’s extensive experience in developing large-scale integrated complex in the PRC, the Board is confident that the Land Parcels will be another landmark development in the PRC and considers that the Acquisitions represent good investment opportunities for the Group to further increase its land reserve in the PRC region and enhance Shareholders’ value.

The Directors (excluding Mr. Xu Xiaoliang, Mr. Gong Ping and Mr. Chow Alexander Yue Nong) are of the opinion that the terms of the Equity Transfer Agreements and the transactions contemplated thereunder are normal commercial terms, fair and reasonable and the Acquisitions are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Given one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions, on a stand-alone basis or when aggregated with the Previous Acquisition in accordance with the Listing Rules, exceeds 100%, the Acquisitions constitute a very substantial acquisition for the Company and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, none of the Shareholders have a material interest in the Equity Transfer Agreements and the transactions contemplated thereunder. No Shareholder is required to abstain from voting on the resolution(s) to approve the Equity Transfer Agreements and the transactions contemplated thereunder at the SGM.

GENERAL

The Circular containing, among other things, (i) details of the Acquisitions; (ii) financial information of the Group; (iii) valuation reports on the Land Parcels; and (iv) a notice of the SGM, is expected to be despatched to the Shareholders on or before 24 September 2015, as additional time is required for the preparation of the Circular.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 13 August 2015 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 26 August 2015.

The Acquisitions are conditional on, among other things, the approval of the Shareholders at the SGM, and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisitions”	collectively, the Acquisition A, the Acquisition B, the Acquisition C, the Acquisition D, the Acquisition E and the Acquisition F
“Acquisition A”	the acquisition of the Equity Interest A and the Sale Loan A by the Bidding Subsidiary from the Seller pursuant to the Equity Transfer Agreement A
“Acquisition B”	the acquisition of the Equity Interest B and the Sale Loan B by the Bidding Subsidiary from the Seller pursuant to the Equity Transfer Agreement B

“Acquisition C”	the acquisition of the Equity Interest C and the Sale Loan C by the Bidding Subsidiary from the Seller pursuant to the Equity Transfer Agreement C
“Acquisition D”	the acquisition of the Equity Interest D and the Sale Loan D by the Bidding Subsidiary from the Seller pursuant to the Equity Transfer Agreement D
“Acquisition E”	the acquisition of the Equity Interest E and the Sale Loan E by the Bidding Subsidiary from the Seller pursuant to the Equity Transfer Agreement E
“Acquisition F”	the acquisition of the Equity Interest F and the Sale Loan F by the Bidding Subsidiary from the Seller pursuant to the Equity Transfer Agreement F
“Application Date”	26 June 2015, being the date of submission of the bid by the Bidding Subsidiary in respect of the Acquisitions
“Bidding Subsidiary”	南京立方置業有限公司 (Nanjing Lifang Property Company Limited*), a limited company established in the PRC which is indirectly owned as to 80% by the Company
“Board”	the board of Directors
“Circular”	the circular of the Company in respect of the Acquisitions which is expected to be despatched to the Shareholders on or before 24 September 2015, as additional time is required for the preparation of the Circular
“Company”	Shanghai Zendai Property Limited, an exempted company incorporated in Bermuda, the Shares of which are listed on the Stock Exchange
“Consideration A”	RMB543,377,200, being the consideration for the Equity Interest A and the Sale Loan A
“Consideration B”	RMB679,498,700, being the consideration for the Equity Interest B and the Sale Loan B
“Consideration C”	RMB332,720,700, being the consideration for the Equity Interest C and the Sale Loan C
“Consideration D”	RMB1,162,470,300, being the consideration for the Equity Interest D and the Sale Loan D
“Consideration E”	RMB797,251,800, being the consideration for the Equity Interest E and the Sale Loan E

“Consideration F”	RMB998,290,600, being the consideration for the Equity Interest F and the Sale Loan F
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Equity Interests”	collectively, the Equity Interest A, the Equity Interest B, the Equity Interest C, the Equity Interest D, the Equity Interest E and the Equity Interest F
“Equity Interest A”	the entire registered capital of Target Company A
“Equity Interest B”	the entire registered capital of Target Company B
“Equity Interest C”	the entire registered capital of Target Company C
“Equity Interest D”	the entire registered capital of Target Company D
“Equity Interest E”	the entire registered capital of Target Company E
“Equity Interest F”	the entire registered capital of Target Company F
“Equity Transfer Agreements”	collectively, the Equity Transfer Agreement A, the Equity Transfer Agreement B, the Equity Transfer Agreement C, the Equity Transfer Agreement D, the Equity Transfer Agreement E and the Equity Transfer Agreement F, and shall refer to the Equity Transfer Agreements (or each of them) as amended by the Supplemental Agreement where the context requires
“Equity Transfer Agreement A”	the equity transfer agreement dated 12 August 2015 for the Equity Interest A and the Sale Loan A entered into between the Bidding Subsidiary and the Seller in respect of the Acquisition A
“Equity Transfer Agreement B”	the equity transfer agreement dated 12 August 2015 for the Equity Interest B and the Sale Loan B entered into between the Bidding Subsidiary and the Seller in respect of the Acquisition B
“Equity Transfer Agreement C”	the equity transfer agreement dated 12 August 2015 for the Equity Interest C and the Sale Loan C entered into between the Bidding Subsidiary and the Seller in respect of the Acquisition C
“Equity Transfer Agreement D”	the equity transfer agreement dated 12 August 2015 for the Equity Interest D and the Sale Loan D entered into between the Bidding Subsidiary and the Seller in respect of the Acquisition D
“Equity Transfer Agreement E”	the equity transfer agreement dated 12 August 2015 for the Equity Interest E and the Sale Loan E entered into between the Bidding Subsidiary and the Seller in respect of the Acquisition E

“Equity Transfer Agreement F”	the equity transfer agreement dated 12 August 2015 for the Equity Interest F and the Sale Loan F entered into between the Bidding Subsidiary and the Seller in respect of the Acquisition F
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third parties of and not connected with the Company and its connected persons
“Land Parcels”	collectively, the Land Parcel A, the Land Parcel B, the Land Parcel C, the Land Parcel D, the Land Parcel E and the Land Parcel F
“Land Parcel A”	two pieces of land located at the intersection of Jiangbian Road and Longjiang Road, Gulou District, Nanjing, Jiangsu Province, the PRC with site areas of 9,731.39 sq.m.
“Land Parcel B”	a piece of land located at the intersection of Xing’an Road and Longjiang Road, Gulou District, Nanjing, Jiangsu Province, the PRC with a site area of 18,481.60 sq.m.
“Land Parcel C”	two pieces of land located at the intersection of Jiangbian Road and Tianxiangli, Gulou District, Nanjing, Jiangsu Province, the PRC with site areas of 14,404.27 sq.m.
“Land Parcel D”	two pieces of land located at the intersection of Jiangbian Road and Jianning Road, Gulou District, Nanjing, Jiangsu Province, the PRC with site areas of 15,565.86 sq.m.
“Land Parcel E”	four pieces of land located at the intersection of Zhongyang Road and Jianning Road, Gulou District, Nanjing, Jiangsu Province, the PRC with site areas of 37,071.58 sq.m.
“Land Parcel F”	two pieces of land located at the intersection of south Rehe Road and Shiqiao Street, Gulou District, Nanjing, Jiangsu Province, the PRC with site areas of 15,234.36 sq.m.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing Land Bureau”	南京市國土資源局 (Nanjing Bureau of Land and Resources*)
“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

“PRC GAAP”	the PRC General Accepted Accounting Practices
“Previous Acquisition”	a prior acquisition of the entire interest of a company with major assets comprised of a piece of land in Nanjing, the PRC by the Group from the Seller which is subject to aggregation with the Acquisitions for determining the percentage ratio(s) pursuant to the Listing Rules, further details of which are set out in the circulars of the Company dated 7 July 2014 and 22 December 2014
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loans”	collectively, the Sale Loan A, the Sale Loan B, the Sale Loan C, the Sale Loan D, the Sale Loan E and the Sale Loan F
“Sale Loan A”	the loan owing by Target Company A to the Seller in the amount of approximately RMB237.46 million (equivalent to approximately HK\$287.33 million) as at 27 April 2015 according to the Tender Document
“Sale Loan B”	the loan owing by Target Company B to the Seller in the amount of approximately RMB432.80 million (equivalent to approximately HK\$523.69 million) as at 27 April 2015 according to the Tender Document
“Sale Loan C”	the loan owing by Target Company C to the Seller in the amount of approximately RMB133.24 million (equivalent to approximately HK\$161.22 million) as at 27 April 2015 according to the Tender Document
“Sale Loan D”	the loan owing by Target Company D to the Seller in the amount of approximately RMB530.01 million (equivalent to approximately HK\$641.31 million) as at 27 April 2015 according to the Tender Document
“Sale Loan E”	the loan owing by Target Company E to the Seller in the amount of approximately RMB348.31 million (equivalent to approximately HK\$421.46 million) as at 27 April 2015 according to the Tender Document
“Sale Loan F”	the loan owing by Target Company F to the Seller in the amount of approximately RMB613.97 million (equivalent to approximately HK\$742.90 million) as at 27 April 2015 according to the Tender Document

“Seller”	南京臨江老城改造建設投資有限公司 (Nanjing Linjiang Old Town Renovation Construction and Investment Co., Ltd*), a limited company established in the PRC which holds the Equity Interests and is the beneficial owner of the Sale Loans
“SGM”	the special general meeting of the Company to be convened to approve, among other things, the Equity Transfer Agreements and the transactions contemplated thereunder
“Shanghai Assets Exchange”	上海聯合產權交易所 (Shanghai United Assets and Equity Exchange*)
“Share(s)”	share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 24 August 2015 entered into between the Bidding Subsidiary and the Seller to amend and supplement the terms of the Equity Transfer Agreements
“Target Companies”	collectively, Target Company A, Target Company B, Target Company C, Target Company D, Target Company E and Target Company F
“Target Company A”	南京喜瑪拉雅置業有限公司 (Nanjing Himalayas Real Estate Company Limited*), a company established in the PRC with limited liability, the major asset of which comprises the Land Parcel A
“Target Company B”	南京証大寬域置業有限公司 (Nanjing Zendai Kuanyu Real Estate Company Limited*), a company established in the PRC with limited liability, the major asset of which comprises the Land Parcel B
“Target Company C”	南京大拇指商業發展有限公司 (Nanjing Thumb Development Company Limited*), a company established in the PRC with limited liability, the major asset of which comprises the Land Parcel C
“Target Company D”	南京水清木華置業有限公司 (Nanjing Shuiqingmuhua Real Estate Company Limited*), a company established in the PRC with limited liability, the major asset of which comprises the Land Parcel D

“Target Company E”	南京麗笙置業有限公司 (Nanjing Radisson Real Estate Company Limited*), a company established in the PRC with limited liability, the major asset of which comprises the Land Parcel E
“Target Company F”	南京證大三角洲置業有限公司 (Nanjing Zendai Delta Real Estate Company Limited*), a company established in the PRC with limited liability, the major asset of which comprises the Land Parcel F
“Tender(s)”	the public tender for the Equity Interest A and the Sale Loan A, for the Equity Interest B and the Sale Loan B, for the Equity Interest C and the Sale Loan C, for the Equity Interest D and the Sale Loan D, for the Equity Interest E and the Sale Loan E, and for the Equity Interest F and the Sale Loan F, as the case may be
“Tender Document(s)”	tender document in respect of the Tender released by Shanghai Assets Exchange
“%”	per cent

By Order of the Board
Shanghai Zendai Property Limited
Li Li Hua
Director

Hong Kong, 25 August 2015

As at the date of this announcement, the executive Directors are Mr. Zhang Chenguang, Mr. Zhong Guoxing, Dr. Wang Hao and Ms. Li Li Hua. The non-executive Directors are Mr. Xu Xiaoliang and Mr. Gong Ping. The independent non-executive Directors are Mr. Lai Chik Fan, Mr. Li Man Wai, Mr. Chow, Alexander Yue Nong and Dr. Xu Changsheng.

For the purpose of this announcement, unless otherwise specified, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB1.00 = HK\$1.21. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ and RMB have been, could have been or may be converted at such rate or any other exchange rate.

* For identification purpose only