

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)

ACQUISITION OF LAND PARCEL IN THE BUND, SHANGHAI AND POSSIBLE FORMATION OF A PROJECT COMPANY AND RESUMPTION OF TRADING

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that on 1 February 2010, Shanghai Zendai Land succeeded in the bid for the Land Parcel in Shanghai at the Auction at an aggregate price of RMB9.22 billion (equivalent to approximately HK\$10.49 billion).

The Land Parcel (外灘國際金融中心(8-1)地塊) is located in the Bund of Huangpu District, Shanghai and covers a total site area of 45,471.9 square meters with planned above-ground spaces in the gross floor area of approximately 270,000 square metres and an additional 100,000 square metres of underground spaces. The Land Parcel is designated for integrated office, commercial, financial and cultural use. Upon completion of development, the office and commercial-related gross floor area of above-ground spaces shall be not less than 70% and 15% of the developed area respectively. The terms for the grant of the land use right of the Land Parcel for office use and commercial use are 50 years and 40 years respectively.

It is the intention of the Company to develop the Land Parcel by a newly set up special project company. Currently several investors have already indicated their intentions to cooperate the development with the Group, and the Group is also in active negotiations with potential investors to form a project company to jointly develop the Land Parcel. As at the date of this announcement, no specific terms were agreed between the Company and the potential investors. A further announcement will be made when the Shanghai Zendai Land enters into any legally binding agreements in relation to the formation of a project company for the development of the Land Parcel.

The Acquisition is still subject to, among others, the signing of the definitive land grant contract. Shareholders and other investors are advised to exercise caution when dealing in securities of the Company.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m on 2 February 2010 pending the publication of this announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange at 9:30 a.m. on 4 February 2010.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

THE ACQUISITION

On 1 February 2010, Shanghai Zendai Land succeeded in the bid for acquisition of the Land Parcel in Shanghai from 上海市黃浦區規劃和土地管理局 (Shanghai Huangpu District Bureau of Planning and Land Resources), a PRC Governmental Bureau in charge of management of the land resources in Shanghai, the PRC, at the Auction at an aggregate price of RMB9.22 billion (equivalent to approximately HK\$10.49 billion).

Information on the Land

The Land Parcel (外灘國際金融中心(8-1)地塊) is located in the Bund of Huangpu District, Shanghai and covers a total site area of 45,471.9 square meters with planned above-ground spaces in the gross floor area of approximately 270,000 square metres and an additional 100,000 square metres of underground spaces. The Land Parcel is designated for integrated office, commercial, financial and cultural use. Upon completion of development, the office and commercial-related gross floor area of above-ground spaces shall be not less than 70% and 15% of the developed area respectively. The terms for the grant of the land use right of the Land Parcel for office use and commercial use are 50 years and 40 years respectively.

The Land Parcel (外灘國際金融中心(8-1)地塊) is located in the Bund of 黃浦區 (Huangpu District) and is between 豫園 (Yu Garden) and 十六鋪世博水門 (Shiliupu EXPO Pier). This part of the Bund is considered to be the prestigious central business district of the financial and commercial community in Shanghai. Located beside the Huangpu River, the Land Parcel provides a fantastic view of the Huangpu River, Shanghai World Financial Center (上海浦東上海環球金融中心) and Jin Mao Tower (金茂大廈) in Pudong district.

Consideration and payment terms

The consideration for the Land Parcel is RMB9.22 billion (equivalent to approximately HK\$10.49 billion), which was determined after a public bidding process. Deposit of RMB450 million (equivalent to approximately HK\$512 million) have been paid by Shanghai Zendai Land. The land grant contract (國有用地建設使用權出讓合同) is expected to be entered into by 11 February 2010 or such later date to be approved by 上海市黃浦區規劃和土地管理局 (Shanghai Huangpu District Bureau of Planning and Land Resources). The balance of the consideration of RMB8.77 billion shall be settled by instalments within 6 months from the date of signing of land grant contract.

POSSIBLE FORMATION OF PROJECT COMPANY

It is the intention of the Company to develop the Land Parcel by a newly set up special project company. Currently several investors have already indicated their intentions to cooperate the development with the Group, and the Group is also in active negotiations with potential investors to form a project company to jointly develop the Land Parcel.

The total consideration for the Land Parcel will be satisfied by a combination of the registered capital of the project company to be formed, shareholder's loan and bank financing to be raised by the project company as appropriate.

As at the date of this announcement, no specific terms were agreed between the Company and potential investors. A further announcement will be made when Shanghai Zendai Land enters into any legally binding agreements in relation to the formation of a project company for the development of the Land Parcels.

REASONS FOR THE ACQUISITION

The Group is a diversified property development company in the PRC, focusing in the development, investment and management of residential and commercial properties in the PRC. The Group currently has property projects under development in 12 cities which are located in the three regions including northern China, Shanghai city and its surroundings and Hainan province.

The Group is committed to pursuing promising integrated commercial and residential property projects in the PRC. The Group will keep on enhancing its overall competence and push for continuous growth so as to bring satisfactory returns to shareholders.

The Board considers that the Acquisition will enable the Group to increase its land reserve. Given its unique location, the Board is also of the view that the Land Parcel is of outstanding development potential and the Acquisition will enhance the Group's profitability in the future. Given the Group's extensive experience in developing large-scale office and commercial complex such as Shanghai Zendai Wudaokou Financial Center (上海五道口金融中心), Shanghai Zendai Thumb Plaza (上海証大大拇指廣場), the Board is confident that the Land Parcel (外灘國際金融中心(8-1)地塊) will be another landmark development in Shanghai.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Acquisition are fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

The Acquisition is still subject to, among others, the signing of the definitive land grant contract. Shareholders and other investors are advised to exercise caution when dealing in securities of the Company.

SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m on 2 February 2010 pending the publication of this announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange at 9:30 a.m. on 4 February 2010.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisition”	the acquisition of the land use rights of the Land Parcel
“Auction”	the auction held by 上海市房地產交易中心 (Shanghai Real Estate Trading Center) on 1 February 2010 for the Land Parcel with 上海市黃浦區規劃和土地管理局 (Shanghai Huangpu District Bureau of Planning and Land Resources) as the vendor

“Board”	the board of directors of the Company
“Company”	Shanghai Zendai Property Limited, an exempt company incorporated in Bermuda, the issued shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administration Region of the PRC
“Land Parcel”	a parcel of land located in 黃浦區小東門街道574、578地塊 (Lots 574 and 578 of Xiaodongmen Jiedao, Huangpu district, Shanghai, the PRC) with site areas of approximately 45,471.9 square metres, which is designated for integrated office, financial, commercial and cultural use
“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, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shanghai Zendai Land”	上海証大置業有限公司, an indirect wholly owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars
“RMB”	Renminbi
“%”	per cent.

By Order of the Board
Shanghai Zendai Property Limited
Ma Chengliang
Chairman

As at the date of this announcement, the executive Directors are Mr. Ma Chengliang, Mr. Dai Zhikang, Mr. Zhu Nansong, Mr. Fang Bin, Ms. Zhou Yan, Mr. Wu Yang, Mr. Tang Jian 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.

Hong Kong, 3 February 2010

* *For identification purpose only*

For the purpose of this announcement, unless otherwise specifies, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB1.00 = HK\$1.1378.