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If you have sold or transferred all your shares in Shanghai Zendai Property Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

CONNECTED TRANSACTION CAPITAL INJECTION TO A JOINT VENTURE COMPANY IN THE PRC

*Independent financial adviser to the Independent Board Committee and
the Independent Shareholders*



新鴻基金融集團

SUN HUNG KAI FINANCIAL

A notice convening a special general meeting of the Company to be held at Unit 6108, The Center, 99 Queen's Road Central, Hong Kong at 10:00 a.m. on Friday, 5 September 2008 is set out on pages 29 to 30 of this circular. A letter from Sun Hung Kai International Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 16 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the office of the Company's Hong Kong branch share registrars, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not prevent shareholders from subsequently attending and voting at the meeting or any adjournment thereof if you so wish.

* for identification purpose only

21 August 2008

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires.

“Agreement”	a conditional agreement in relation to the Capital Injection dated 31 July 2008 (in Chinese) entered into between Zendai Land and Shanghai Zendai Investment
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the executive directors of the Company
“Capital Injection”	the contribution of RMB252,000,000 in cash as additional registered capital of HLCL pursuant to the Agreement
“Company”	Shanghai Zendai Property Limited, an exempt company incorporated in Bermuda, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Giant Glory”	Giant Glory Assets Limited, a limited company incorporated in the British Virgin Islands and is holding approximately 26.42% of the entire issued share capital of the Company as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“HKFRS”	The Hong Kong Financial Reporting Standards promulgated by the Hong Kong Institute of Certified Public Accountants which include Hong Kong Accounting Standards and their interpretations
“HLCL”	上海証大喜瑪拉雅置業有限公司 (Shanghai Zendai Himalaya Real Estate Company Limited*), a company established in the PRC with limited liability which is principally engaged in property development in the PRC and is owned as to 30% by Zendai Land and 70% by Shanghai Zendai Investment as at the Latest Practicable Date
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Shareholders”	Shareholders other than Mr. Dai, Giant Glory, Jointex Investment and their respective associates
“Jointex Investment”	Jointex Investment Holdings Limited, a limited company incorporated in the British Virgin Islands owned beneficially as to 85% by Mr. Dai and as to 15% by Mr. Zhu Nansong and, is holding approximately 32.32% of the entire issued share capital of the Company as at the Latest Practicable Date
“Latest Practicable Date”	20 August 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Dai”	Mr. Dai Zhikang, an executive Director and the chairman of the Company
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened for the purpose of approving the ZL Capital Injection
“Shanghai Zendai Investment”	上海証大投資發展有限公司 (Shanghai Zendai Investment Development Company Limited*), a company established in the PRC with limited liability which is an investment holding company and is beneficially owned as to approximately 60% by Mr. Dai, approximately 20% by Ms. Dai Mocado, daughter of Mr. Dai, approximately 15% by Mr. Zhu Nansong and approximately 5% by Mr. Dai Zhixiang, brother of Mr. Dai, as at the Latest Practicable Date
“Share(s)”	share(s) of HK\$0.02 in the capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Shares
“SHKIL”	Sun Hung Kai International Limited, a licensed corporation under the SFO for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Working Day”	a day other than a Saturday or Sunday or any public holidays in the PRC
“Zendai Land”	上海証大置業有限公司 (Shanghai Zendai Real Estate Company Limited*), an indirectly wholly-owned subsidiary of the Company, established in the PRC with limited liability which is principally engaged in property development in the PRC as at the Latest Practicable Date
“ZL Capital Injection”	the contribution of RMB75,600,000 in cash to HLCL by Zendai Land as additional registered capital pursuant to the Agreement
“HK\$”	Hong Kong dollars
“RMB”	Renminbi
“%”	per cent.

For the purpose of this circular, unless otherwise specifies, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB0.8751= HK\$1.00.

** for identification purpose only*

LETTER FROM THE BOARD



SHANGHAI ZENDAI PROPERTY LIMITED

上海証大房地產有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 755)

Executive Directors:

DAI Zhikang

FANG Bin

ZHANG Wei

LU Puling

WANG Xiangang

TANG Jian

YE Wenbin

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

*Principal place of business
in Hong Kong:*

Unit 6108, The Center

99 Queen's Road Central

Hong Kong

Independent non-executive Directors:

LO Mun Lam Raymond

LAI Chik Fan

TSE Hiu Tung, Sheldon

21 August 2008

*To the Shareholders and for information only,
holders of options of the Company*

Dear Sir or Madam,

CONNECTED TRANSACTION CAPITAL INJECTION TO A JOINT VENTURE COMPANY IN THE PRC

INTRODUCTION

On 31 July, 2008, Zendai Land entered into the Agreement with Shanghai Zendai Investment pursuant to which Zendai Land and Shanghai Zendai Investment agreed to increase HLCL's registered capital from RMB380,000,000 to RMB632,000,000 by contribution of RMB252,000,000 cash to HLCL as additional registered capital under the Capital Injection. Pursuant to the Agreement, the additional registered capital of RMB252,000,000 to HLCL will

* for identification purpose only

LETTER FROM THE BOARD

be shared by Shanghai Zendai Investment and Zendai Land in proportion to their respective interests in HLCL's registered capital. The additional registered capital of RMB252,000,000 to HLCL shall be satisfied by (1) the contribution of RMB176,400,000 in cash by Shanghai Zendai Investment and (2) the contribution of RMB75,600,000 in cash by Zendai Land subject to the passing by the Independent Shareholders of an ordinary resolution at the SGM.

Currently HLCL is owned as to 30% by Zendai Land and 70% by the Shanghai Zendai Investment respectively. Upon completion of the Capital Injection, Zendai Land's proportionate interest in the registered capital of HLCL remains unchanged.

If the ZL Capital Injection is not approved by the Independent Shareholders at the SGM, Shanghai Zendai Investment will proceed with the Capital Injection by injecting a total of RMB252,000,000 cash as additional registered capital to HLCL and as a result, Zendai Land's interest in HLCL's registered capital will be diluted to approximately 18.0% from 30.0%.

1. Parties to the Agreement

- a. Zendai Land; and
- b. Shanghai Zendai Investment.

2. Consideration and payment terms

The amount under the Capital Injection of RMB252,000,000 (equivalent to approximately HK\$287,967,000) was arrived at after arms' length negotiations and on normal commercial terms between the parties to the Agreement. Zendai Land and Shanghai Zendai Investment will be responsible to contribute in cash of RMB75,600,000 and RMB176,400,000 respectively to HLCL. Such contribution was determined in proportion to their respective interests in HLCL's registered capital. The Board intends to finance the ZL Capital Injection by the Group's internal resources.

3. Conditions precedent of the ZL Capital Injection

The ZL Capital Injection is conditional upon the following conditions being satisfied on or before 30 September, 2008 or such other date as the parties to the Agreement may otherwise agree:

- (a) the passing by the Independent Shareholders of an ordinary resolution at the SGM to approve the ZL Capital Injection; and
- (b) the permissions and approvals in respect of the Capital Injection having been obtained by HLCL (as the case may be) from the relevant PRC governmental authorities.

As at the Latest Practicable Date, none of the conditions has been fulfilled.

LETTER FROM THE BOARD

4. Completion of the ZL Capital Injection

Completion of the ZL Capital Injection will take place on the third Working Day after the satisfaction of all the abovementioned conditions or the waiver (except condition (a) above which cannot be waived) obtained from Zendai Land on the conditions. If the abovementioned conditions are not satisfied within the deadline set out above, all the obligations and liabilities of the parties to the Agreement in respect of the ZL Capital Injection will cease and terminate.

INFORMATION ON HLCL

HLCL was incorporated in 2003 as a single project company for the development of a commercial property project called Himalaya Centre in Pudong, Shanghai. Principal assets of HLCL include land use right and construction in progress for the development of the Himalaya Centre. HLCL is currently owned as to 30% by Zendai Land and 70% by Shanghai Zendai Investment. HLCL has a paid-up registered capital of RMB380,000,000.

According to the unaudited accounts of HLCL for the six months ended 30 June, 2008 (prepared in accordance with HKFRS), the unaudited equity attributable to equity holders of HLCL as at 30 June, 2008 was approximately RMB347,719,000 (equivalent to approximately HK\$397,348,000). According to the unaudited accounts of HLCL for the year ended 31 December, 2007 (prepared in accordance with HKFRS), HLCL recorded an unaudited loss before and after taxation attributable to equity holders of approximately RMB10,139,000 (equivalent to approximately HK\$11,586,000) and approximately RMB10,139,000 (equivalent to approximately HK\$11,586,000) respectively. The unaudited deficit attributable to equity holders of HLCL as at 31 December, 2007 was approximately RMB9,525,000 (equivalent to approximately HK\$10,884,000). According to the unaudited accounts of HLCL for the year ended 31 December, 2006 (prepared in accordance with HKFRS), HLCL recorded an unaudited loss before and after taxation attributable to equity holders of approximately RMB3,485,000 (equivalent to approximately HK\$3,982,000) and approximately RMB3,485,000 (equivalent to approximately HK\$3,982,000) respectively. The unaudited equity attributable to equity holders of HLCL as at 31 December, 2006 was approximately RMB614,000 (equivalent to approximately HK\$701,000).

Upon completion of the Capital Injection, the registered capital of HLCL will be increased to RMB632,000,000 and the registered capital of HLCL will be owned as to 30% by Zendai Land and 70% by Shanghai Zendai Investment respectively.

REASONS FOR THE ZL CAPITAL INJECTION

The Group is principally engaged in property development and investment in the PRC. Zendai Land, as an indirectly wholly-owned subsidiary of the Company, has established itself as a reputable property developer in the PRC.

The Board considers the Capital Injection will enable HLCL to further strengthen its capital base and will be beneficial to HLCL's business development in the future. The Board also considers the ZL Capital Injection an opportunity for the Group to preserve its

LETTER FROM THE BOARD

proportionate interest in HLCL and is in the interests of the Group and the Shareholders. If the ZL Capital Injection is not approved by the Independent Shareholders at the SGM, Shanghai Zendai Investment will proceed with the Capital Injection by injecting a total of RMB252,000,000 cash as additional registered capital to HLCL and as a result, Zendai Land's interest in HLCL's registered capital will be diluted to approximately 18.0% from 30.0%.

The Board considers that the terms of the Agreement are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

APPROVAL BY INDEPENDENT SHAREHOLDERS

As at the Latest Practicable Date, Shanghai Zendai Investment was beneficially owned as to approximately 60% by Mr. Dai, approximately 20% by Ms. Dai Mocado, approximately 15% by Mr. Zhu Nansong and approximately 5% by Mr. Dai Zhixiang. As at the Latest Practicable Date, Mr. Zhu Nansong was interested in approximately 0.48% of the issued share capital of the Company. Mr. Dai is an executive Director and the chairman of the Company and is interested in approximately 58.74% in the issued share capital of the Company. Accordingly, the ZL Capital Injection constitutes connected transaction for the Company under the Listing Rules and is subject to the approval of Independent Shareholders at the SGM by way of poll. Save for Mr. Dai and Mr. Zhu Nansong, none of the shareholders of Shanghai Zendai Investment has any shareholding interest in the Company.

Since the ZL Capital Injection constitutes connected transaction for the Company under the Listing Rules, the SGM will be convened as soon as practicable, at which an ordinary resolution will be proposed to approve the ZL Capital Injection. Mr. Dai, Ms. Dai Mocado, Mr. Zhu Nansong and Mr. Dai Zhixiang, Giant Glory, Jointex Investment and their respective associates will abstain from voting at the SGM in respect of the ordinary resolution proposed to approve the ZL Capital Injection.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been appointed to advise the Independent Shareholders in respect of the ZL Capital Injection. SHKIL has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

SPECIAL GENERAL MEETING

A notice convening the SGM (to be held at 10:00 a.m. on Friday, 5 September 2008 at Unit 6108, The Center, 99 Queen's Road Central, Hong Kong) at which ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, to approve the ZL Capital Injection are set out on pages 29 to 30 of this circular.

Whether or not you are able to attend the SGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28

LETTER FROM THE BOARD

Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM (or any adjourned meeting thereof) should you wish to do so.

The ordinary resolution as set out in the notice of the SGM will be put to the vote of the Independent Shareholders by poll.

An announcement will be made by the Company following the conclusion of the SGM to inform you of its results.

PROCEDURES FOR DEMANDING A POLL

Pursuant to the Bye-laws of the Company, a poll may be demanded in relation to any resolution put to the vote of the special general meeting before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and holding shares in the Company conferring a right to attend and vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

RECOMMENDATION

The Independent Board Committee comprising Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan and Dr. Tse Hiu Tung, Sheldon, all being independent non-executive Directors, has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the ZL Capital Injection set out in its letter on pages 10 to 11 of this circular. Your attention is drawn to the letter of advice from SHKIL to the Independent Board Committee and the Independent Shareholders in respect of the ZL Capital Injection set out on pages 12 to 16 of this circular.

LETTER FROM THE BOARD

The Independent Board Committee having taken into account the advice of SHKIL and the principal factors and reasons considered by SHKIL, considers that the ZL Capital Injection is on normal commercial terms, in the interest of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned and recommend that the Independent Shareholders vote in favour of the ZL Capital Injection on at the SGM.

FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 10 to 11 of this circular which contains its recommendation to the Independent Shareholders and the letter from SHKIL set out on pages 12 to 16 of this circular which contains its recommendation to the Independent Board Committee and the Independent Shareholders and the principal factors and reasons taken into consideration.

On behalf of the Board
Shanghai Zendai Property Limited
Dai Zhikang
Chairman



SHANGHAI ZENDAI PROPERTY LIMITED

上海証大房地產有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 755)

**CONNECTED TRANSACTION
CAPITAL INJECTION TO
A JOINT VENTURE COMPANY IN THE PRC**

21 August 2008

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular dated 21 August 2008 issued by the Company (the “Circular”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

The Independent Board Committee has been established by the Board for the purpose of advising the Independent Shareholders in connection with the terms of the ZL Capital Injection, details of which are set out in the letter from the Board in the Circular. The Independent Board Committee comprises three independent non-executive Directors. SHKIL has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Details of the advice from SHKIL together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 12 to 16 of the Circular.

Having considered the terms of the ZL Capital Injection, the interests of the Independent Shareholders, the principal factors and reasons considered by SHKIL and the advice of SHKIL, we consider that the terms of the Agreement and the ZL Capital Injection are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and its Shareholders as a whole.

* *for identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM in respect of the ZL Capital Injection.

Yours faithfully,

Independent Board Committee

Mr. Lo Mun Lam, Raymond

Mr. Lai Chik Fan

Dr. Tse Hiu Tung, Sheldon

Independent non-executive Directors

LETTER FROM SHKIL

The following is the text of the letter of advice from SHKIL to the Independent Board Committee and the Independent Shareholders in relation to the Transactions for incorporation in this circular.



21 August 2008

*To the Independent Board Committee and the
Independent Shareholders*

Dear Sirs/Madams,

CONNECTED TRANSACTION CAPITAL INJECTION TO A JOINT VENTURE COMPANY IN THE PRC

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the shareholders of the Company in respect of Transactions in relation to the Capital Injection to a joint venture company in the PRC, particulars of which are set out in the “Letter from the Board” (the “Letter”) contained in the circular of the Company dated 21 August 2008 (the “Circular”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

The Company announced that on 4 August 2008, Zendai Land entered into the Agreement with Shanghai Zendai Investment pursuant to which Zendai Land and Shanghai Zendai Investment agreed to increase HLCL’s registered capital from RMB380,000,000 to RMB632,000,000 by contribution of RMB252,000,000 cash to HLCL as additional registered capital under the Capital Injection. Pursuant to the Agreement, the additional registered capital of RMB252,000,000 to HLCL will be shared by Shanghai Zendai Investment and Zendai Land in proportion to their respective interests in HLCL’s registered capital. The additional registered capital of RMB252,000,000 to HLCL shall be satisfied by (1) the contribution of RMB176,400,000 in cash by Shanghai Zendai Investment and (2) the contribution of RMB75,600,000 in cash by Zendai Land subject to the passing by the Independent Shareholders of an ordinary resolution at the SGM.

The Board intends to finance the consideration under the ZL Capital Injection of RMB75,600,000 (equivalent to approximately HK\$86,390,000) by the Group’s internal resources. Currently HLCL is owned as to 30% by Zendai Land and 70% by the Shanghai Zendai Investment. Upon completion of the Capital Injection, Zendai Land’s proportionate interest in the registered capital of HLCL remains unchanged.

LETTER FROM SHKIL

Pursuant to the Listing Rules, the Transaction constitutes a connected transaction of the Company. As at the Latest Practicable Date, Mr. Dai is interested in approximately 60% in Shanghai Zendai Investment. Mr. Dai is an executive Director and the chairman of the Company and is interested in approximately 58.74% interest in the issued share capital of the Company. Accordingly, the ZL Capital Injection constitutes connected transaction for the Company under the Listing Rules and is subject to the approval of Independent Shareholders at the SGM by way of poll. In view of Mr. Dai's relationship with Shanghai Zendai Investment, Mr. Dai, Giant Glory, Jointex Investment and their respective associates will abstain from voting at the SGM in respect of the ordinary resolutions proposed to approve the ZL Capital Injection.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan and Dr. Tse Hiu Tung, Sheldon, all being independent non-executive Directors, has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Transactions.

We have been appointed to advise the Independent Board Committee and the Shareholders as to whether the terms of the Agreement are fair and reasonable so far as the Shareholders are concerned and are on normal commercial terms and whether the entering into of the Agreement is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the statements, information, opinions, representations and facts supplied to us by the Company and its advisers. We have assumed that all information and representations contained or referred to in the Circular or otherwise supplied to us by the Company were true at the time they were made and continue to be true as at the date of the Circular. We have assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth and accuracy of the information and facts provided to us. The Directors have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

Our review and analyses were based upon the information provided by the Company which include, among others, (i) the Agreement; (ii) the unaudited accounts of HLCL for the six months ended 30 June 2008; (iii) the announcement of the Company dated 4 August 2008 in relation to the Transactions; and (iv) the valuation report (the "Valuation Report") of HLCL issued by Jones Lang LaSalle Sallmanns Limited dated 30 June 2008. Pursuant to Rule 13.80 Note (d) of the Listing Rules, we have conducted the due diligence in respect of the valuation.

LETTER FROM SHKIL

We consider that we have been provided with sufficient information to reach an informed view regarding the terms of the Agreement, and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our recommendations. We have no reason to suspect that the Company has withheld any relevant information. We have not, however, carried out any independent verification of the information, nor have we conducted any form of investigation into the businesses, operational aspects, financial standing and affairs of the Group or the properties to be acquired by the Group.

Our opinion is necessarily based upon the financial, economic, market, regulatory and other conditions as they exist on, and the facts, information, representations and opinions made available to us as of, the Latest Practicable Date. We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion expressed herein, which may come or be brought to our attention after the Latest Practicable Date.

PRINCIPAL FACTORS TAKEN INTO ACCOUNT

Background to and reasons for the Agreement

Information on HLCL

As disclosed in the Letter, HLCL, a member of the Zendai Land Group, was incorporated in 2003 and is currently owned as to 30% by Zendai Land and 70% by Shanghai Zendai Investment. HLCL has a paid-up registered capital of RMB380,000,000 (equivalent to approximately HK\$424,236,000) and was established as a single project company for the development of a commercial property project called Himalaya Centre in Pudong, Shanghai. Principal assets of HLCL mainly include land use right and construction in progress for the development of the Himalaya Centre.

According to the unaudited accounts of HLCL for the six months ended 30 June 2008(prepared in accordance with HKFRS), the unaudited equity attributable to equity holders of HLCL as at 30 June 2008 was approximately RMB347,719,000 (equivalent to approximately HK\$397,348,000). According to the unaudited accounts of HLCL for the year ended 31 December 2007 (prepared in accordance with HKFRS), HLCL recorded an unaudited loss before and after taxation attributable to equity holders of approximately RMB10,139,000 (equivalent to approximately HK\$11,586,000) and approximately RMB10,139,000 (equivalent to approximately HK\$11,586,000) respectively. The unaudited deficit attributable to equity holders of HLCL as at 31 December 2007 was approximately RMB9,525,000 (equivalent to approximately HK\$10,884,000). According to the unaudited accounts of HLCL for the year ended 31 December 2006 (prepared in accordance with HKFRS), HLCL recorded an unaudited loss before and after taxation attributable to equity holders of approximately RMB3,485,000 (equivalent to approximately HK\$3,982,000) and approximately RMB3,485,000 (equivalent to approximately HK\$3,982,000) respectively. The unaudited equity attributable to equity holders of HLCL as at 31 December, 2006 was approximately RMB614,000 (equivalent to approximately HK\$701,000).

LETTER FROM SHKIL

In view of (i) the current development stage of the Himalaya Centre; (ii) the historical financial performance of HLCL; and (iii) likelihood of incurring additional financing cost by HLCL, assuming that the Capital Injection is not completed, we consider that, the Capital Injection is in the interest of the Company and the Shareholders as a whole.

Consideration and payment terms

As disclosed in the Letter, the amount under the Capital Injection of RMB252,000,000 (equivalent to approximately HK\$287,967,000) was arrived at after arms' length negotiations and on normal commercial terms between the parties to the Agreement. Zendai Land and Shanghai Zendai Investment will be responsible to contribute in cash of RMB75,600,000 and RMB176,400,000 respectively to HLCL. Such contribution was determined in proportion to their respective interests in HLCL's registered capital. Pursuant to the Agreement, the ZL Capital Injection will take place on the third Working Day after the passing by the Independent Shareholders of an ordinary resolution at the SGM to approve the Capital Injection.

If the ZL Capital Injection is not approved by the Independent Shareholders at the SGM, Shanghai Zendai Investment will proceed with the Capital Injection by injecting a total of RMB252,000,000 cash as additional registered capital to HLCL and as a result, Zendai Land's interest in HLCL's registered capital will be diluted to approximately 18% from 30%.

In view of the above, we consider that both the Zendai Land and Shanghai Zendai Investment have reasonably sufficient financial resources to fulfill the Capital Injection and the terms of the Capital Injection is fair and reasonable and is in the interest of the Company and the Shareholders.

Conditions precedent of the Capital Injection

The ZL Capital Injection is conditional upon the following conditions being satisfied on or before 30 September 2008 or such other date as the parties to the Agreement may otherwise agree:

- (a) the passing by the Independent Shareholders of an ordinary resolution at the SGM to approve the ZL Capital Injection; and
- (b) the permissions and approvals in respect of the Capital Injection having been obtained by HLCL (as the case may be) from the relevant PRC governmental authorities.

In view of the above, we consider that the terms of the Capital Injection are fair and reasonable and are in the interest of the Company and Shareholders as a whole.

LETTER FROM SHKIL

RECOMMENDATION

Having considered (i) the financial positions of HLCL; (ii) the terms of the Agreement; and (iii) the valuation report as set out in Appendix I of the Circular, we consider the terms of the Agreement are fair and reasonable in so far as the Independent Shareholders are concerned and are on normal commercial terms and in ordinary and usual course of business and are in the interest of the Company and the Shareholders as a whole. In relation with the valuation report, we have discussed the basis of assumption and the methodology with the valuer. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to the proposed at the SGM in respect of the Agreement.

Yours faithfully,
For and on behalf of
Sun Hung Kai International Limited
Manus Tam
Managing Director

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Sallmanns Limited, an independent valuer, in connection with its valuation as at 30 June 2008 of the property interest of HLCL.



Jones Lang LaSalle Sallmanns Limited
22nd Floor Siu On Centre
188 Lockhart Road
Wanchai Hong Kong
tel +852 2169 6000 fax +852 2169 6001

21 August 2008

The Board of Directors
Shanghai Zendai Property Limited
Unit 6108, 61/F, The Center
99 Queen's Road Central
Central, Hong Kong

Re: Himalaya Centre located at Yinghua Road and Fangdian Road, Pudong New District, Shanghai, The PRC

Dear Sirs,

In accordance with your instructions to value the captioned property in which Shanghai Zendai Himalaya Real Estate Company Limited ("HLCL"), a 30% associated company of Shanghai Zendai Property Limited (the "Company"), has interest in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of the property interest as at 30 June 2008 (the "date of valuation").

Our valuation of the property interest represents the market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

In valuing the property interest which is currently under construction, we have assumed that it will be developed and completed in accordance with HLCL's development proposal provided to us. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have taken into account the expended development costs and the costs that will be expended to complete the development.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest. According to the Company, the land premium in respect of the site of the property interest and approved development scheme thereof has been fully paid and settled. For the purpose of this valuation, we have accordingly assumed that the land premium has been fully paid and settled.

No allowance has been made in our report for any charges, mortgages or amounts owing on the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation Standards (6th Edition) published by the Royal Institution of Chartered Surveyors; and the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including a Shanghai Certificate of Real Estate Ownership and official plans relating to the property interest located in the PRC and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrances that might be attached to the property interest or any lease amendments. We have relied considerably on the advice given by the Company's PRC legal advisers concerning the validity of the property interest in the PRC.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the property but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigations to determine the suitability of the ground conditions and the services etc for any development. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Sallmanns Limited
Paul L. Brown
B.Sc. FRICS FHKIS
Director

Note: Paul L. Brown is a Chartered Surveyor who has 25 years’ experience in the valuation of properties in the PRC and 28 years of property valuation experience in Hong Kong, the United Kingdom and the Asia-Pacific region.

VALUATION CERTIFICATE

Property interest held under development by HLCL in the PRC

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 June 2008 RMB
Himalaya Centre located at Yinghua Road and Fangdian Road Pudong New District Shanghai The PRC	<p>The property comprises a composite commercial and cultural complex to be known as Himalaya Centre occupying a site with an area of approximately 28,893 sq.m.</p> <p>As advised by the Company, the development is scheduled to be completed in 2010.</p> <p>The total permissible gross floor area of the property is approximately 162,270 sq.m., the gross floor area of the above ground development, which is for office, hotel and art hall uses, is approximately 90,413 sq.m., the gross floor area of the underground portions is 71,857 sq.m. The detailed planning of the development is yet to be determined.</p> <p>As advised by the Company, the estimated development cost to completion of the property is about RMB1,392,000,000 (excluding marketing, finance and other indirect costs), of which about RMB465,000,000 has been incurred up to the date of valuation.</p> <p>The land use rights of the property have been granted for a term expiring on 15 January 2053 for composite use.</p>	<p>The property is currently under construction.</p>	<p>1,260,000,000</p> <p>30% interest attributable to the Company: RMB378,000,000</p>

Notes:

1. Shanghai Zendai Himalaya Real Estate Company Limited (“HLCL”, 上海証大喜瑪拉雅置業有限公司) is a 30% associated company of the Company.
2. Pursuant to a State-owned Land Use Rights Transfer Contract dated 20 April 2001 entered into between Shanghai Pudong Land Development (Holding) Corp. and Shanghai Zendai Real Estate Company Limited (上海証大置業有限公司, “Zendai Land”, an indirect wholly-owned subsidiary of the Company), the land use rights of a parcel of land with a site area of approximately 31,500 sq.m. were contracted to be transferred to Zendai Land for a term of 50 years for commercial and office use at a consideration of RMB14,000,000. According to the transfer contract, Zendai Land will establish a project company to be responsible for the development of this land parcel, all interests and obligations in respect of this land parcel will be transferred to the project company.
3. Pursuant to a Supplemental State-owned Land Use Rights Transfer Contract dated 27 October 2003 entered into between Shanghai Pudong Land Development (Holding) Corp., Zendai Land and Zendai Yi Zhong Real Estate Development Ltd. (証大藝中房地產開發有限公司, now known as HLCL), both Shanghai Pudong Land Development (Holding) Corp. and Zendai Land were agreed to transfer all interests and obligations in respect of the land parcel stated in note 2 to Zendai Yi Zhong Real Estate Development Ltd. in accordance with the State-owned Land Use Rights Transfer Contract stated in note 2 with no consideration. The title certificate of this land parcel is finally under the name of HLCL (see note 4).
4. Pursuant to a Shanghai Certificate of Real Estate Ownership – Hu Fang Di Pu Zi (2007) No. 059821 issued by the Shanghai Housing and Land Resources Administration Bureau, the land use rights of a parcel of land with a site area of approximately 28,893 sq.m. have been granted to HLCL for a term expiring on 15 January 2053 for composite use.
5. Pursuant to a Shanghai Construction Work (Underground) Planning Permission Letter – Hu Pu Jian Ji No. 15070508101248 dated 30 April 2007 issued by the Shanghai Pudong New District Planning Administration Bureau, the foundation piling works of the development have been approved.
6. Pursuant to a Construction Work Commencement Permit – No. 0502PD0176D01 dated 28 May 2007 issued by Shanghai Pudong New District Construction and Communications Committee, permission has been given to commence the foundation piling works of the development.
7. Pursuant to a letter issued by Shanghai Pudong New District Construction and Communications Committee in response to the Preliminary Design of Himalaya Centre (“In-principal Approval Letter”), dated 12 March 2007, in-principal-approval has been given to the following major development parameters of the proposed development:
 - (i) Total Gross Floor Area: 162,270 sq.m. (above ground 90,413 sq.m., underground 71,857 sq.m.)
 - (ii) Above ground development: office, hotel, art hall
 - (iii) Floor area of art hall: 20,000 sq.m.
 - (iv) Plot ratio: 3.09

With reference to the legal opinion provided by the Company’s PRC legal advisor, we have taken into account the above In-principal Approval Letter in our valuation of the property.
8. Pursuant to a Construction Work Planning Permit – Hu Pu Jian (2007) 15071106F03072 dated 2 November 2007 in favour of HLCL, the underground portion of the development with a gross floor area of approximately 72,028 sq.m. has been approved for construction.
9. Pursuant to a Construction Work Commencement (Portion) Permit – No. 0502PD0176D02 dated 15 November 2007 in favour of HLCL, permission by the relevant local authority was given to commence the construction work of the underground portion of the development.
10. As the detailed planning of the development and development scheme are yet to be determined, we have not estimated the capital value of the property as if completed as at the date of valuation.

11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
- (i) HLCL has obtained the ownership of the property and the land use rights thereof;
 - (ii) The In-principal Approval Letter stated in note 7 is valid and legally enforceable;
 - (iii) As advised by the Company, the property can be developed in accordance with the In-principal Approval Letter stated in note 7 without any additional land premium;
 - (iv) The property can be developed, occupied, used, transferred, leased or otherwise disposed of by HLCL in accordance with the terms stipulated in the relevant land use rights contracts; and
 - (v) HLCL has obtained all requisite construction approvals in respect of the foundation works and the underground portion of the development.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires that to the best of their knowledge and belief, there are no other facts the omission of which would made any statement herein misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as adopted by the Company, were as follows:

Name of Director	Number of Shares	Capacity and nature of interests	Approximate percentage of issued share capital
Mr. Dai	6,077,990,000(L)	Interests of controlled corporation (<i>Note</i>)	58.74%
Mr. Fang Bin	50,000,000(L)	Beneficial owner	0.48%
Mr. Zhang Wei	50,000,000(L)	Beneficial owner	0.48%
Mr. Lu Puling	30,000,000(L)	Beneficial owner	0.29%
Mr. Wang Xiangang	20,000,000(L)	Beneficial owner	0.19%
Mr. Tang Jian	10,000,000(L)	Beneficial owner	0.10%
Mr. Ye Wenbin	5,000,000(L)	Beneficial owner	0.05%

(L) denotes long position

Note: Mr. Dai is the beneficial owner of the entire issued share capital of Giant Glory and has 85% control of Jointex Investment, and is therefore deemed to be interested in 6,077,990,000 Shares held by Giant Glory and Jointex Investment pursuant to the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director was taken or deemed to have under such provisions of the SFO); or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which was required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

3. PERSONS WITH 5% OR MORE SHAREHOLDING

As at the Latest Practicable Date, the persons (other than a Director or chief executive of the Company or members of the Enlarged Group) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any options in respect of such capital were:

Name	Name of company	Nature of interests	Number of shares interested or amount of registered capital interested	Approximate percentage of the issued share capital or registered capital
Giant Glory (Note 1)	The Company	Beneficial owner	2,733,990,000 Shares (L)	26.42%
Jointex Investment (Note 1)	The Company	Beneficial owner	3,344,000,000 Share (L)	32.32%
China Alliance Properties Limited (Note 2)	The Company	Beneficial owner	658,095,000 Shares (L)	6.36%
Shanghai Forte Land Co., Ltd. (Note 2)	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%
Shanghai Fosun High Technology (Group) Company Limited (Note 2)	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%
Fosun International Limited (Note 2)	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%
Fosun Holdings Limited (Note 2)	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%

Name	Name of company	Nature of interests	Number of shares interested or amount of registered capital interested	Approximate percentage of the issued share capital or registered capital
Fosun International Holdings Limited (Note 2)	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%
Guo Guangchang (Note 2)	The Company	Interests of controlled corporation	658,095,000 Shares (L)	6.36%
Honour Great Holdings Limited (Note 3)	The Company	Beneficial owner	556,540,000 Shares (L)	5.38%
Ms. Liu Lijuan (Note 3)	The Company	Interests of controlled corporation	556,540,000 Shares (L)	5.38%

(L) denotes long position

Notes:

1.
- These Shares are the same as the deemed interest of Mr. Dai as referred to in the note under the section headed “Directors’ interests” above. Mr. Dai has 85% control of Jointex Investment and therefore is deemed to be interested in the Shares held by Jointex Investment pursuant to the SFO.

The table below shows the position of the Directors in Giant Glory as at the Latest Practicable Date:

Name	Position
Mr. Dai	director
Tang Jian	director

The table below shows the position of the Directors in Jointex Investment as at the Latest Practicable Date:

Name	Position
Mr. Dai	director
Tang Jian	director

2.
- Guo Guangchang has 58% control of Fosun International Holdings Ltd., which has 100% control of Fosun Holdings Limited, which has 77.66% control of Fosun International Limited, which has 100% control of Shanghai Fosun High Technology (Group) Company Limited, which has 47.12% control of Shanghai Fortei Land Co., Limited, which has 100% control of China Alliance Properties Limited.
3.
- Ms. Liu Lijuan is the beneficial owner of the entire issued share capital of Honour Great Holdings Limited and therefore is deemed to be interested in the Shares held by Honour Great Holdings Limited pursuant to the SFO.

Save as disclosed above, none of the Directors or the chief executive of the Company were aware of any person (other than a Director or the chief executive of the Company or members of the Group) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any options in respect of such capital as at the Latest Practicable Date.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or had proposed to enter into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation). In addition, none of the Directors had any existing nor proposed service contract, with the Company or its subsidiaries or associated companies:

- (i) which (including both continuous and fixed term contract) had been entered into or amended within six months before the date of the Announcement;
- (ii) which are continuous contracts with a notice period of twelve months or more; or
- (iii) which are fixed term contracts with more than twelve months to run irrespective of the notice period.

5. MATERIAL CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2007, the date to which the latest published audited consolidated accounts of the Group had been made up.

6. EXPERTS

The qualification of the experts who have given opinion in this circular are as follows:

Name	Qualification
SHKIL	licensed corporation under the SFO for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
Jones Lang LaSalle Sallmanns Limited	An Independent professional property valuer

As at the Latest Practicable Date, SHKIL and Jones Lang LaSalle Sallmanns Limited did not have any shareholding in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of SHKIL and Jones Lang LaSalle Sallmanns Limited had any interest, direct or indirect in any assets which had been, since 31 December 2007, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. CONSENTS

SHKIL and Jones Lang LaSalle Sallmanns Limited have given and have not withdrawn their written consents to the issue of this circular with the inclusion herein of their letters or reports (as the case may be) and references to their names included herein in the form and context in which they are included.

8. COMPETING INTERESTS

Shanghai Zendai Investment was beneficially owned as to approximately 60% by Mr. Dai, an executive Director and the chairman of the Company, approximately 20% by Ms. Dai Mocao, approximately 15% by Mr. Zhu Nansong and approximately 5% by Mr. Dai Zhixiang, as at the Latest Practicable Date. Mr. Dai is also a director of Shanghai Zendai Investment.

Shanghai Zendai Investment is principally engaged in investment management and property related business. In view of the nature of business of Shanghai Zendai Investment, it may potentially compete with the Group's business.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors themselves or their respective associates had any interest in a business which competes or may compete with the business of the Group.

As the Board is independent of the board of Shanghai Zendai Investment, the Company has therefore been capable of carrying on its businesses independently of, and at arm's length from the business of Shanghai Zendai Investment.

9. INTEREST IN ASSETS AND CONTRACTS OF THE DIRECTORS

As at the Latest Practicable Date, save for the Agreement in which Mr. Dai was interested, none of the Directors was materially interested in any subsisting contract or arrangement which was significant in relation to the business of the Group. In addition there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the ZL Capital Injection.

As at the Latest Practicable Date, save for the Agreement in which Mr. Dai was interested, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 December 2007 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

10. DOCUMENT AVAILABLE FOR INSPECTION

Copy of the following documents will be available for inspection during normal business hours at the Company's head office and principal place of business in Hong Kong of the Company at Unit 6108, The Center, 99 Queen's Road Central, Hong Kong from the date of this circular up to the date of the special general meeting of the Company to be held on 5 September 2008:

- (a) the Agreement.



SHANGHAI ZENDAI PROPERTY LIMITED

上海証大房地產有限公司*

(Incorporated in the Bermuda with limited liability)

(Stock Code: 755)

NOTICE IS HEREBY GIVEN that a special general meeting of Shanghai Zendai Property Limited (the “**Company**”) will be held at Unit 6108, The Center, 99 Queen’s Road Central, Hong Kong at 10:00 a.m. on Friday, 5 September 2008, to consider and, if thought fit, pass, with or without modification, the following ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the Agreement, a copy of which has been produced to this meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification, entered into between Zendai Land and the Shanghai Zendai Investment in relation to the capital injection by Zendai Land and Shanghai Zendai Investment to 上海証大喜瑪拉雅置業有限公司 (Shanghai Zendai Himalaya Real Estate Company Limited)* and the performance and implementation of the transactions contemplated thereunder in relation to the ZL Capital Injection be and are hereby confirmed, approved and ratified; and
- (b) the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents as they in their absolute discretion consider necessary or to give effect to the relevant provisions in respect of the ZL Capital Injection mentioned in (a) above of the Agreement and the implementation of all relevant transactions contemplated thereunder.”

By order of the Board
Dai Zhikang
Chairman

Hong Kong, 21 August 2008

* for identification purpose only

NOTICE OF SGM

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal place of business

in Hong Kong:

Unit 6108 The Center
99 Queen's Road Central
Hong Kong

Notes:

1. Any member entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the meeting or any adjournment(s) thereof.
3. Where there are joint holders of a share of the Company, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he was solely entitled thereto, but if more than one of such holders be present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.