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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 DISPOSAL;
(2)DISCLOSEABLE TRANSACTION;
AND
(3)RESUMPTION OF TRADING**

THE AGREEMENT

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire and each of Shanghai Zendai Land and Greentown Jiahe has conditionally agreed to sell (i) the Zendai Sale Interest and the Greentown Sale Interest, representing 100% of the equity interest in Shanghai Zendai Wudaokou and 100% of the equity interest in Greentown Hesheng, respectively; and (ii) the Zendai Shareholder's Loan as at completion of the Zendai Spin-off and the Greentown Shareholder's Loan at its face value as at Completion to the Purchaser, at an aggregate consideration of RMB4 billion (equivalent to approximately HK\$4.88 billion).

As at the date of this announcement, assuming the Project Company Transfer Agreement having been completed, Shanghai Zendai Land, Greentown Jiahe and Panshi Investment will be indirectly interested in 35%, 10% and 5% of the equity interest in the Project Company respectively, through Shanghai Haizhimen. Upon completion of the Panshi Share Transfer Agreement, being one of the conditions precedent to the Agreement, further details of which are set out under the section headed "The Panshi Share Transfer Agreement" below, Shanghai Zendai Land will be indirectly interested in 40% of the equity interest in the Project Company through Shanghai Haizhimen. The Purchaser will be indirectly interested in 50% of the equity interest in the Project Company through Shanghai Haizhimen as at Completion.

Based on the Zendai Consideration, it is estimated that there will be a gain on the Zendai Disposal of approximately RMB264.00 million (equivalent to approximately HK\$322.08 million) which is based on the Zendai Consideration of RMB2,960.00 million (equivalent to approximately HK\$3,611.20 million) less (i) the Shareholder's Loan of approximately RMB1,280.13 million (equivalent to approximately HK\$1,561.76 million); (ii) settlement of other liabilities of Shanghai Zendai Wudaokou of approximately RMB97.67 million (equivalent to approximately HK\$119.16 million); (iii) the repayment of the borrowing owed to New China Trust of approximately RMB958.00 million (equivalent to approximately HK\$1,168.76 million); (iv) the unaudited net asset value of Shanghai Zendai Wudaokou of approximately RMB278.07 million (equivalent to approximately HK\$339.25 million), assuming completion of the Project Company Transfer Agreement, the Panshi Share Transfer Agreement and the Zendai Spin-off, all being the conditions precedent to the Agreement, having taken place but before the Panshi Share Transfer; and (v) the acquisition cost of the Panshi Sale Interest of approximately RMB82.13 million (equivalent to approximately HK\$100.20 million).

The cash proceeds from the Zendai Disposal after deducting the expenses relating to the Zendai Disposal is estimated to be approximately RMB2,958.00 million (equivalent to approximately HK\$3,608.76 million) and will be utilized as to approximately RMB958.00 million (equivalent to approximately HK\$1,168.76 million) for the repayment of the borrowing owed to New China Trust, as to approximately HK\$1,077.46 million for settling the senior loan notes of the Group due on 6 June 2012 and as to the remaining balance for general working capital for the Group.

THE PANSHI SHARE TRANSFER AGREEMENT

Pursuant to the Panshi Share Transfer Agreement, Shanghai Zendai Wudaokou has conditionally agreed to acquire and Panshi Investment has conditionally agreed to sell the Panshi Sale Interest, representing 100% of the registered capital of Panshi Vehicle which has (i) 5% interest in Shanghai Haizhimen; and (ii) the Panshi Shareholder's Loan of approximately RMB17.04 million (equivalent to approximately HK\$20.79 million) as at the date of the Panshi Share Transfer Agreement, at a consideration of RMB82.13 million (equivalent to approximately HK\$100.20 million).

IMPLICATIONS UNDER THE LISTING RULES

Given certain of the applicable percentage ratios (as defined in the Listing Rules) under Rule 14.07 of the Listing Rules in respect of the Zendai Disposal exceed 75%, the Zendai Disposal constitutes a very substantial disposal for the Company and is therefore subject to the requirements of reporting, announcement and shareholders' approval pursuant to Chapters 14 of the Listing Rules. As no Shareholder has a material interest in the Agreement which is different from the other Shareholders, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Agreement.

Given certain of the applicable percentage ratios (as defined in the Listing Rules) under Rule 14.07 of the Listing Rules in respect of the Panshi Share Transfer exceed 5%, the Panshi Share Transfer constitutes a discloseable transaction for the Company and is therefore subject to the requirements of reporting and announcement pursuant to Chapters 14 of the Listing Rules.

GENERAL

A circular containing, among other things, further details of the Agreement and a notice of the SGM will be despatched by the Company to the Shareholders on or before 31 January 2012.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 29 December 2011 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 6 January 2012.

INTRODUCTION

Reference is made to the announcement and the circular of the Company dated 2 November 2011 and 25 November 2011 in respect of the Project Company Transfer Agreement. The resolution regarding the Project Company Transfer Agreement was duly passed by the independent Shareholders by way of poll on 19 December 2011. Upon completion of the Project Company Transfer Agreement, 35% of the equity interest in the Project Company would be beneficially owned by the Company through Shanghai Zendai Land.

1. THE AGREEMENT

Date

29 December 2011

Parties

Vendors: (1) Shanghai Zendai Land, an indirect wholly-owned subsidiary of the Company
(2) Greentown Jiahe, an indirect wholly-owned subsidiary of Greentown Holdings

Purchaser: Shanghai Changye Investment Management Co., Ltd (上海長燁投資管理諮詢有限公司)*, a limited liability company established under the laws of the PRC and is an indirect wholly-owned subsidiary of Soho China.

To the best of the Directors' knowledge, information and belief, and having made reasonable enquiries, Greentown Jiahe and the Purchaser and their respective ultimate beneficial owners are Independent Third Parties.

Details of the Disposals

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire and each of Shanghai Zendai Land and Greentown Jiahe has conditionally agreed to sell (i) the Zendai Sale Interest and the Greentown Sale Interest, representing 100% of the equity interest in Shanghai Zendai Wudaokou and 100% of the equity interest in Greentown Hesheng, respectively; and (ii) the Zendai Shareholder's Loan at its face value as at completion of the Zendai Spin-off and the Greentown Shareholder's Loan at its face value as at Completion to the Purchaser, at an aggregate consideration of RMB4 billion (equivalent to approximately HK\$4.88 billion).

As at the date of this announcement, assuming the Project Company Transfer Agreement having been completed, Shanghai Zendai Land, Greentown Jiahe and Panshi Investment will be indirectly interested in 35%, 10% and 5% of the equity interest in the Project Company respectively, through Shanghai Haizhimen. Upon completion of the Panshi Share Transfer Agreement, being one of the conditions precedent to the Agreement, further details of which are set out under the section headed “The Panshi Share Transfer Agreement” below, Shanghai Zendai Land will be indirectly interested in 40% of the equity interest in the Project Company through Shanghai Haizhimen. The Purchaser will be indirectly interested in 50% of the equity interest in the Project Company through Shanghai Haizhimen as at Completion.

Consideration

The Consideration, comprising the Zendai Consideration and the Greentown Consideration, payable by the Purchaser to the Vendors pursuant to the Agreement is RMB4 billion in aggregate (equivalent to approximately HK\$4.88 billion).

The Zendai Consideration for the Zendai Sale Interest and the Zendai Shareholder’s Loan payable by the Purchaser to Shanghai Zendai Land shall be an aggregate of RMB2.96 billion (equivalent to approximately HK\$3.61 billion), of which the consideration for the Zendai Sale Interest is RMB1.68 billion (equivalent to approximately HK\$2.05 billion) and the consideration for the Zendai Shareholder’s Loan is RMB1.28 billion (equivalent to approximately HK\$1.56 billion), being the principal amount of the Zendai Shareholder’s Loan as at the date of the Agreement. Both considerations for the Zendai Sale Interest and the Zendai Shareholder’s Loan are subject to adjustments.

Adjustments to the consideration for the Zendai Sale Interest and the Zendai Shareholder’s Loan

The aggregate amount of the Zendai Consideration for the Zendai Sale Interest and the Zendai Shareholder’s Loan will remain the same. However, allocation of the consideration for each of the Zendai Sale Interest and the Zendai Shareholder’s Loan will be subject to adjustments. Pursuant to the Agreement, Shanghai Zendai Wudaokou has declared all its distributable profits by way of dividends to its sole shareholder. However, such distribution is subject to the finalization of the audited accounts of Shanghai Zendai Wudaokou for the year ended 31 December 2011 and the actual amount distributed on or before the date of completion of Zendai Spin-off may be different from the amount declared. The Zendai Shareholder’s Loan will be adjusted based on the final amount of dividends to be determined as at completion of the Zendai Spin-off. The consideration for the Zendai Sale Interest shall be adjusted upward by adding any excess or adjusted downward by deducting any shortfall between the principal amounts of the Shareholder’s Loan as at the date of the Agreement and as at completion of the Zendai Spin-off on a dollar-to-dollar basis. In the event there shall be any breach of warranties or liabilities given by Shanghai Zendai Land and Greentown Jiahe, the Purchaser is entitled to reduce the relevant consideration accordingly. The consideration for the Zendai Sale Interest and the Zendai Shareholder’s Loan shall not be adjusted other than in the manner as set out above.

The Consideration shall be satisfied by the Purchaser by cash in six installments in the manner set out below.

First installment

RMB100 million (equivalent to approximately HK\$122 million) shall be paid as the partial consideration for the Zendai Sale Interest, while RMB900 million (equivalent to approximately HK\$1,098 million) shall be paid as the entire consideration for the Greentown Sale Interest and the partial consideration for the Greentown Shareholder’s Loan.

The first installment shall be payable on the date of fulfillment of the following: (a) the due execution of the Agreement; (b) pledge of the Zendai Sale Interest and the Greentown Sale Interest in favour of the Purchaser pursuant to the Agreement; and (c) delivery of the certificates and licences and company seals of each of Shanghai Zendai Wudaokou and Greentown Hesheng to the Purchaser for joint custody purpose.

Second installment

RMB700 million (equivalent to approximately HK\$854 million) shall be paid as the partial consideration for the Zendai Sale Interest and the partial consideration for the Zendai Shareholder's Loan, while RMB100 million (equivalent to approximately HK\$122 million) shall be paid to Greentown Jiahe as the partial consideration for the Greentown Shareholder's Loan. The second installment shall be payable on or before 10 January 2012.

Third installment

RMB40 million (equivalent to approximately HK\$48.80 million) shall be paid as the remaining balance of the consideration for the Greentown Shareholder's Loan. The third installment shall be payable on the earlier of 1 March 2012 or the fifth Business Day after the fulfillment of the following: (a) the Shareholders having approved the Agreement and the transaction contemplated thereunder at the SGM; (b) completion of the business registration for the pledging of the Zendai Sale Interest and the Greentown Sale Interest in favour of the Purchaser pursuant to the Agreement or the transfer of such equity interests to the Purchaser having been completed within five Business Days after payment of the second installment; (c) completion of the due diligence review conducted by the Purchaser; (d) completion of the business registration for the transfer of the Greentown Sale Interest; (e) completion of the transfer of the Greentown Sale Interest having taken place; and (f) the representations and warranties given by each of the Vendors under the Agreement remaining valid.

Fourth installment

RMB978.44 million (equivalent to approximately HK\$1,193.70 million) shall be paid as the remaining balance of the consideration for the Zendai Sale Interest. The fourth installment shall be payable before 26 April 2012 and after the fulfillment of the following: (a) all the conditions precedent to the Agreement having been fulfilled or otherwise waived; (b) completion of the business registration for the transfer of the Zendai Sale Interest; and (c) the representations and warranties given by each of the Vendors under the Agreement remaining valid.

Fifth installment

RMB1,081.56 million (equivalent to approximately HK\$1,319.50 million) shall be paid as the partial consideration for the Zendai Shareholder's Loan. The fifth installment shall be payable on the earlier of 1 May 2012 or within five Business Days after the fulfillment of the following: (a) completion of the business registration for the transfer of the entire equity interest in Panshi Vehicle from Panshi Investment to Shanghai Zendai Wudaokou and completion of the transfer of the said interest pursuant to the Panshi Share Transfer Agreement having taken place; (b) completion of the transfer of the Zendai Sale Interest having taken place; and (c) the representations and warranties given by each of the Vendors under the Agreement remaining valid.

Sixth installment

RMB100 million (equivalent to approximately HK\$122 million) shall be paid as the remaining balance of the consideration for the Zendai Shareholder's Loan. The sixth installment shall be payable within five Business Days after the fulfillment of the following: (a) completion of the Project Company Transfer Agreement having taken place and (b) completion of the transfer of the 5% equity interest in Shanghai Haizhimen held by Panshi Vehicle to an entity designated by the Purchaser and the subsequent transfer of the entire equity interest in Panshi Vehicle, through Shanghai Zendai Wudaokou, to an entity designated by the Vendors, or that the Purchaser having cooperated with Panshi Vehicle to transfer, through Shanghai Zendai Wudaokou, the assets of Panshi Vehicle (other than 5% equity interest in Shanghai Haizhimen) to an entity designated by the Vendors.

The Consideration, comprising the Zendai Consideration and the Greentown Consideration, is RMB4 billion (equivalent to approximately HK\$4.88 billion) in aggregate, of which the Zendai Consideration of approximately RMB2.96 billion (equivalent to approximately HK\$3.61 billion) was determined after arm's length negotiations between the Purchaser and Shanghai Zendai Land with reference to, among other things, (i) the unaudited net asset value of Shanghai Zendai Wudaokou, being approximately RMB360.20 million (equivalent to approximately HK\$439.44 million) as at 31 December 2011, assuming completions of the Project Company Transfer Agreement, the Panshi Share Transfer Agreement and the Zendai Spin-off having taken place; (ii) the Zendai Shareholder's Loan of approximately RMB1.28 billion (equivalent to approximately HK\$1.56 billion) as at the date of the Agreement; (iii) the consideration for the Panshi Sale Interest to be paid by the Company under the Panshi Share Transfer Agreement of approximately RMB82.13 million (equivalent to approximately HK\$100.20 million); and (iv) factors set out in the paragraph headed "Reasons for the Zendai Disposal and the Panshi Share Transfer" below.

The Company is of the view that it will benefit by entering into the Agreement with the Purchaser so as to conserve more financial resources of the Group for the funding of future investments when opportunities arise. For more details, please refer to the paragraph headed "Reasons for the Zendai Disposal" below.

Based on the factors mentioned above, the Directors considered that the Zendai Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent to the Agreement

Completion of the Agreement is subject to the fulfilment or waiver (where applicable as provided below) of the following conditions:

- (i) the Purchaser having completed its due diligence review on Shanghai Zendai Wudaokou, Greentown Hesheng, Panshi Investment, Shanghai Haizhimen and the Project Company and having confirmed that there being no material discrepancy from the disclosure made by the Vendors;
- (ii) Greentown Hesheng having completed the disposal of all the assets held by Greentown Hesheng, other than its equity interest in Shanghai Haizhimen and the Greentown Shareholder's Loan, and having confirmed that Greentown Hesheng shall not bear any obligation and liability of any assets in relation to such disposal save as otherwise agreed;
- (iii) Shanghai Zendai Wudaokou having completed the Zendai Spin-off;

- (iv) Shanghai Zendai Wudaokou and Panshi Investment having completed the Panshi Share Transfer Agreement and the transaction contemplated thereunder;
- (v) Shanghai Zendai Wudaokou and New China Trust having completed the Trust Share Transfer Agreement and the transaction contemplated thereunder;
- (vi) the obtaining by the Vendors and the Purchaser of the approval of the Agreement and the transactions contemplated thereunder from their respective shareholders and board of directors;
- (vii) the obtaining by the Company of the approval of the Agreement and the transactions contemplated thereunder at the SGM; and
- (viii) upon fulfillment of the above conditions precedent, there being no circumstances where the conditions precedent to the Project Company Transfer Agreement could not be reasonably fulfilled in accordance with the time set out therein.

Condition (vii) cannot be waived by the Purchaser. The Purchaser may, at its absolute discretion in writing, waive all other conditions precedent.

Completion

Completion shall take place within 15 days after the fulfilment or waiver (as the case may be) of the above conditions precedent or such other date as the parties thereto may agree.

INFORMATION ON THE PURCHASER

The Purchaser is a limited liability company established under the laws of the PRC and is a wholly-owned subsidiary of Soho China with principal business activity of investment management. The principal business activity of Soho China is investment holding. The principal business activities of its major subsidiaries are development, operation and sale of commercial properties in central Beijing and Shanghai, the PRC. The shares of Soho China are listed on the main board of the Stock Exchange.

INFORMATION ON THE VENDORS

Shanghai Zendai Land is an investment holding company of property project companies in the PRC and is an indirect wholly-owned subsidiary of the Company.

Greentown Jiahe is an investment holding company of property project companies in the PRC and is an indirect wholly-owned subsidiary of Greentown Holdings, the shares of which are listed on the main board of the Stock Exchange.

INFORMATION ON SHANGHAI ZENDAI WUDAOKOU AND THE PROJECT COMPANY

Shanghai Zendai Wudaokou

Shanghai Zendai Wudaokou is a limited liability company established under the laws of the PRC and is an indirect wholly-owned subsidiary of the Company. Shanghai Zendai Wudaokou is an investment holding company and is principally engaged in property project investment in the PRC. Shanghai Zendai Wudaokou will be interested in 35% equity interest in the Project Company through Shanghai Haizhimen upon completion of the Project Company Transfer Agreement.

The Project Company

The Project Company is a limited liability company established under the laws of the PRC. The major asset of the Project Company comprises the Land Parcel.

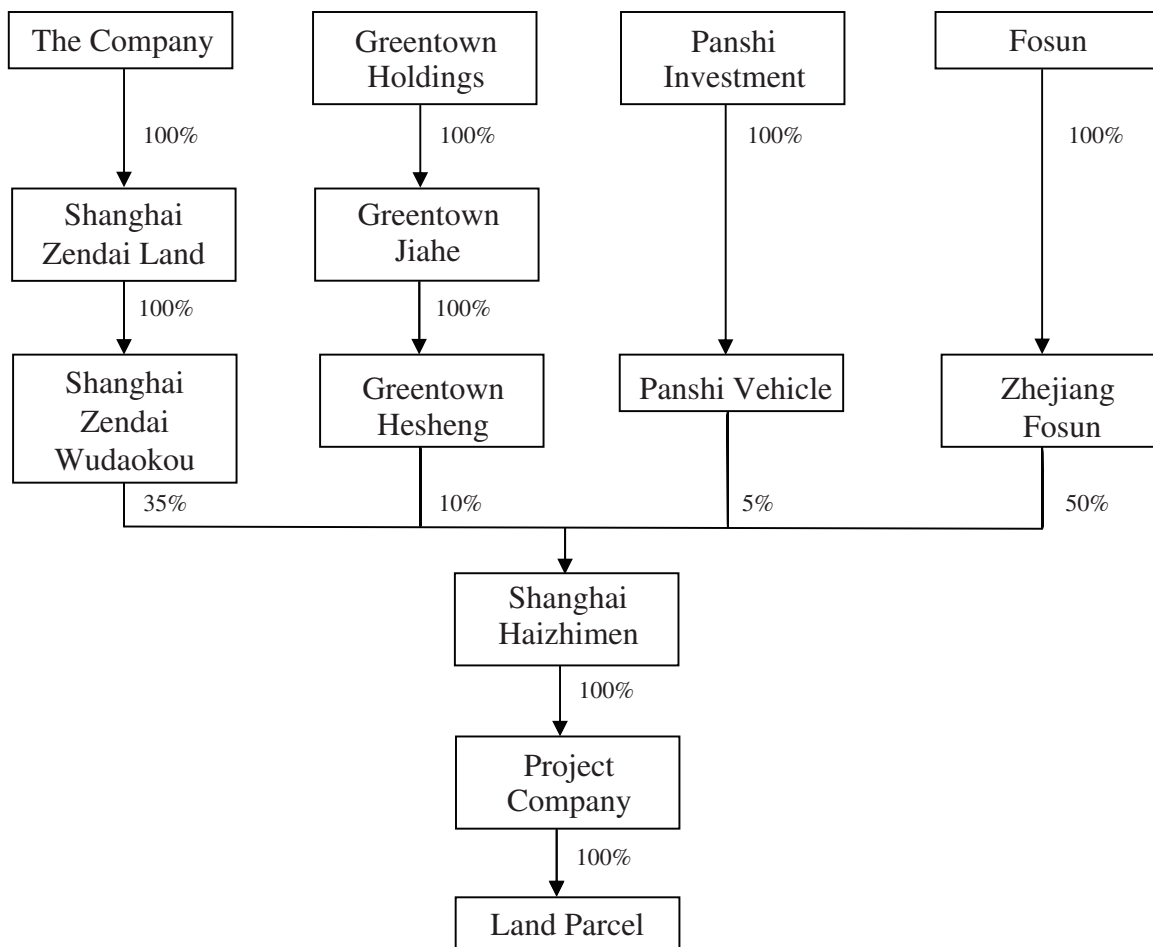
The Land Parcel (外灘國際金融中心(8-1)地塊) is located in the bund of 黃浦區 (Huangpu District), between 豫園 (Yu Garden) and 十六鋪 (Shiliupu), Shanghai and covers a total site area of 45,471.9 square metres with planned above-ground spaces in the gross floor area of approximately 270,000 square metres and an additional 100,000 square metres of underground spaces. Pursuant to the supplemental land grant contract in relation to the Land Parcel dated 22 December 2011, such underground spaces will increase to approximately 151,000 square metres, subject to the payment by the Project Company of a premium of approximately RMB59.50 million (equivalent to approximately HK\$72.59 million) on or before 21 January 2012.

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.

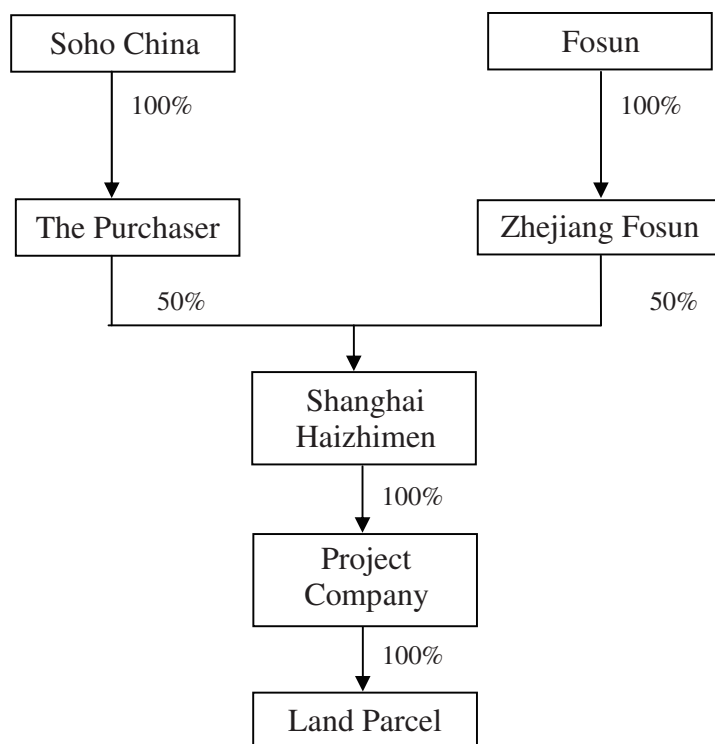
The Land Parcel is designated for integrated office, commercial, financial and cultural use. Upon completion of development, the office and commercial-related gross floor area of above-ground spaces shall not be less than 70% and 15% of the developed area respectively. The terms for the grant of the land use right of the Land Parcel for office use and commercial use are 50 years and 40 years respectively.

CORPORATE STRUCTURE OF SHANGHAI ZENDAI WUDAOKOU AND THE PROJECT COMPANY

Set out below is the shareholding structure of Shanghai Zendai Wudaokou and the Project Company as at the date of the announcement, assuming that the Project Company Transfer Agreement has been completed:



Set out below is the shareholding structure of Shanghai Zendai Wudaokou and the Project Company upon completions of the Panshi Share Transfer Agreement and the Agreement, assuming that the Project Company Transfer Agreement has been completed:



The financial information of Shanghai Zendai Wudaokou for each of the two years ended 31 December 2011 was as follows, assuming that completions of the Project Company Transfer Agreement, the Panshi Share Transfer Agreement and the Zendai Spin-off have taken place:

	For the year ended 31 December	
	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Loss before taxation	26,968	178,798
Loss after taxation	26,968	178,798

As at 31 December 2011, the unaudited net asset value of Shanghai Zendai Wudaokou amounted to approximately RMB360.20 million (equivalent to approximately HK\$439.44 million), assuming that completions of the Project Company Transfer Agreement, the Panshi Share Transfer Agreement and the Zendai Spin-off have taken place.

POTENTIAL FINANCIAL EFFECTS OF THE ZENDAI DISPOSAL

Based on the Zendai Consideration, it is estimated that there will be a gain on the Zendai Disposal of approximately RMB264.00 million (equivalent to approximately HK\$322.08 million) which is based on the Zendai Consideration of RMB2,960.00 million (equivalent to approximately HK\$3,611.20 million) less (i) the Shareholder's Loan of approximately RMB1,280.13 million (equivalent to approximately HK\$1,561.76 million); (ii) settlement of other liabilities of Shanghai Zendai Wudaokou of approximately RMB97.67 million (equivalent to approximately HK\$119.16 million); (iii) the repayment of the borrowing owed to New China Trust of approximately RMB958.00 million (equivalent to approximately HK\$1,168.76 million); (iv) the unaudited net asset value of Shanghai Zendai Wudaokou of approximately RMB278.07 million (equivalent to approximately HK\$339.25 million), assuming completion of the Project Company Transfer Agreement and the Zendai Spin-off, all being the conditions precedent to the Agreement, having taken place but before the Panshi Share Transfer; and (v) the acquisition cost of the Panshi Sale Interest of approximately RMB82.13 million (equivalent to approximately HK\$100.20 million).

The cash proceeds from the Zendai Disposal after deducting the expenses relating to the Zendai Disposal is estimated to be approximately RMB2,958.00 million (equivalent to approximately HK\$3,608.76 million) and will be utilized as to approximately RMB958.00 million (equivalent to approximately HK\$1,168.76 million) for the repayment of the borrowing owed to New China Trust, as to approximately HK\$1,077.46 million for the settlement of the senior loan notes of the Group due on 6 June 2012 and as to the remaining balance for general working capital for the Group.

2. THE PANSHI SHARE TRANSFER AGREEMENT

Date

29 December 2011

Parties

Purchaser: Shanghai Zendai Wudaokou, an indirect wholly-owned subsidiary of the Company

Vendor: 上海磐石投资有限公司 (Shanghai Panshi Investment Co., Ltd.)*, a limited liability company established under the laws of the PRC

To the best of the Directors' knowledge, information and belief, and having made reasonable enquiries, Panshi Investment and its ultimate beneficial owner are Independent Third Parties.

Details of the Panshi Share Transfer

Pursuant to the Panshi Share Transfer Agreement, Shanghai Zendai Wudaokou has conditionally agreed to acquire and Panshi Investment has conditionally agreed to sell the Panshi Sale Interest, representing 100% of the equity interest in Panshi Vehicle which has (i) 5% equity interest in Shanghai Haizhimen; and (ii) the Panshi Shareholder's Loan of approximately RMB17.04 million (equivalent to approximately HK\$20.79 million) as at the date of the Panshi Share Transfer Agreement, at a consideration of RMB82.13 million (equivalent to approximately HK\$100.20 million).

Consideration

The consideration for the Panshi Sale Interest payable by Shanghai Zendai Wudaokou to Panshi Investment was RMB82.13 million (equivalent to approximately HK\$100.20 million), which was satisfied firstly by way of offsetting the entire loan due from Panshi Investment to Shanghai Zendai Wudaokou of approximately RMB81.13 million (equivalent to approximately HK\$98.98 million) as at the date of the Panshi Share Transfer Agreement. The balance of the consideration of RMB1 million (equivalent to approximately HK\$1.22 million) after offsetting the loan would be settled in cash within two Business Days after the signing of the Panshi Share Transfer Agreement. As at the date of this announcement, such consideration was settled.

The consideration for the Panshi Sale Interest was determined after arm's length negotiations between Shanghai Zendai Wudaokou and Panshi Investment with reference to, among other things, (i) the 5% of the total registered capital of Shanghai Haizhimen of RMB50 million (equivalent to approximately HK\$61.00 million); (ii) the Panshi Shareholder's Loan of approximately RMB17.04 million (equivalent to approximately HK\$20.79 million) as at the date of the Panshi Share Transfer Agreement; and (iii) factors set out in the paragraph headed "Reasons for the Zendai Disposal and the Panshi Share Transfer" below. Based on the aforesaid, the Directors considered that the consideration for the Panshi Sale Interest is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion

Completion has taken place upon the signing of the Panshi Share Transfer Agreement.

INFORMATION ON PANSHI INVESTMENT AND PANSHI VEHICLE

Panshi Investment is a limited liability company established under the laws of the PRC and is principally engaged in investment and relevant management.

Panshi Vehicle is a limited liability company established under the laws of the PRC and its principal asset is the 5% equity interest in the Project Company through Shanghai Haizhimen upon completion of the Project Company Transfer Agreement. Panshi Vehicle did not record any turnover since its establishment in January 2010. The loss before and after tax of Panshi Vehicle for the year ended 31 December 2010 were both approximately RMB4,933. As at 30 November 2011, the unaudited net asset value of Panshi Vehicle amounted to approximately RMB996,437 as shown on its management accounts as of 30 November 2011.

REASONS FOR THE ZENDAI DISPOSAL AND THE PANSHI SHARE TRANSFER

The Group is principally engaged in construction of commercial and residential properties for sale, ownership and operation of hotel business, leasing, management and agency of commercial and residential properties, provision of travel and related services.

The Group is a diversified property development company in the PRC, focusing on 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 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 the Shareholders.

Following the entering into of the Project Company Transfer Agreement, the Group has been approached by various interested parties regarding the disposal of its 35% interests in the Land Parcel and the Board is of the view that the terms offered by the Purchaser were more favourable to the Group than those offered by other interested parties. In view of the increasing labour and material cost in the PRC, the Board expects that massive capital will need to be deployed in the development of the Land Parcel. The Board therefore considers that the Zendai Disposal represents a good opportunity for the Group to reduce its overall capital commitment and realize its investment in the Land Parcel for better allocation of the Group's financial resources, with the aims to restructure its asset portfolio and to increase Shareholders' value.

The Board is of the view that the net proceeds from the Zendai Disposal would strengthen the Group's cash flow and increase its working capital to maintain the liquidity and conserve more financial resources for the funding of future investments when opportunities arise. Part of the net proceeds from the Zendai Disposal will be utilized for the settlement of the senior loan notes of the Group due on 6 June 2012 and it is expected that the Zendai Disposal would improve the gearing level and strengthen the financial position of the Group. The Directors consider that if the Group does not proceed with the Zendai Disposal, it may face liquidity difficulty in the first half of 2012.

Pursuant to the Agreement, it is one of the conditions precedent to the Agreement that Shanghai Zendai Wudaokou and Panshi Investment have completed the Panshi Share Transfer Agreement and the transaction contemplated thereunder. Having taken into account that the terms of the Agreement were arrived at after arm's length negotiations and the benefits of the Zendai Disposal to be brought to the Group as described above, the Directors are of the view that the entering into of the Panshi Share Transfer Agreement is commercially justifiable.

Based on the abovementioned, the Directors consider that the terms of the Agreement and the Panshi Share Transfer Agreement are on normal commercial terms and the Zendai Disposal and the Panshi Share Transfer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

Given certain of the applicable percentage ratios (as defined in the Listing Rules) under Rule 14.07 of the Listing Rules in respect of the Zendai Disposal exceed 75%, the Zendai Disposal constitutes a very substantial disposal for the Company and is therefore subject to the requirements of reporting, announcement and shareholders' approval pursuant to Chapters 14 of the Listing Rules. As no Shareholder has a material interest in the Agreement which is different from the other Shareholders, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Agreement.

Given certain of the applicable percentage ratios (as defined in the Listing Rules) under Rule 14.07 of the Listing Rules in respect of the Panshi Share Transfer exceed 5%, the Panshi Share Transfer constitutes a discloseable transaction for the Company and is therefore subject to the requirements of reporting and announcement pursuant to Chapters 14 of the Listing Rules.

GENERAL

A circular containing, among other things, further details of the Agreement and a notice of the SGM will be despatched by the Company to the Shareholders on or before 31 January 2012.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 29 December 2011 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 6 January 2012.

DEFINITIONS

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

“Agreement”	the agreement dated 29 December 2011 entered into among Shanghai Zendai Land, Greentown Jiahe and the Purchaser in relation to the Disposals
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in the PRC are open for business
“Company”	Shanghai Zendai Property Limited, an exempt company incorporated in Bermuda, the issued shares of which are listed on the Stock Exchange
“Completion”	completion of the Agreement
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	collectively the Zendai Consideration and the Greentown Consideration
“Director(s)”	the director(s) of the Company
“Disposals”	collectively the Zendai Disposal and the Greentown Disposal
“Fosun”	Fosun International Limited (復星國際有限公司), a company incorporated under the laws of Hong Kong and the issued shares of which are listed and traded on the main board of the Stock Exchange
“Greentown Consideration”	the total consideration payable by the Purchaser to Greentown Jiahe for the purchase of the Greentown Sale Interest and the Greentown Shareholder’s Loan pursuant to the Agreement
“Greentown Disposal”	the disposal of the Greentown Sale Interest and the Greentown Shareholder’s Loan by Greentown Jiahe to the Purchaser pursuant to the Agreement

“Greentown Hesheng”	杭州綠城合升投資有限公司 (Hangzhou Greentown Hesheng Investment Company Limited)*, formerly known as 杭州綠城置業投資有限公司 (Hangzhou Greentown Real Estate Investment Co., Ltd.)*, a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of Greentown Jiahe
“Greentown Holdings”	Greentown China Holdings Limited (綠城中國控股有限公司)*, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Greentown Jiahe”	浙江嘉和實業有限公司 (Zhejiang Jiahe Industrial Co., Ltd.)*, a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of Greentown Holdings
“Greentown Sale Interest”	the entire equity interest in Greentown Hesheng
“Greentown Shareholder’s Loan”	the shareholder’s loan payable to Greentown Jiahe by Greentown Hesheng as at Completion
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“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 uses
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New China Trust”	新華信託股份有限公司 (New China Trust Co., Ltd.)*, a company established in the PRC with limited liability
“New China Trust Arrangement”	the trust arrangement which was established pursuant to a cooperation agreement dated 8 October 2010 and entered into among New China Trust, Shanghai Haizhimen, Shanghai Zendai Land and 上海証大投資發展有限公司 (Shanghai Zendai Investment Development Co., Ltd.)* and is expected to expire on 26 April 2012

“Panshi Investment”	上海磐石投資有限公司 (Shanghai Panshi Investment Co., Ltd.)*, a limited liability company established under the laws of the PRC
“Panshi Sale Interest”	the entire equity interest in Panshi Vehicle
“Panshi Share Transfer”	the transfer of the Panshi Sale Interest from Panshi Investment to Shanghai Zendai Wudaokou pursuant to the Panshi Share Transfer Agreement
“Panshi Share Transfer Agreement”	the agreement dated 29 December 2011 entered into between Shanghai Zendai Wudaokou and Panshi Investment in relation to the transfer of the Panshi Sale Interest
“Panshi Shareholder’s Loan”	the shareholder’s loan payable to Panshi Vehicle by Shanghai Haizhimen as at the date of Panshi Share Transfer Agreement
“Panshi Vehicle”	上海盤石投資管理有限公司 (Shanghai Panshi Investment and Management Company Limited)*, a limited liability company established under the laws of the PRC
“Project Company”	上海証大外灘國際金融服務中心置業有限公司 (Shanghai Zendai Bund International Finance Services Centre Real Estate Company Limited)*, a limited liability company established under the laws of the PRC
“Project Company Transfer Agreement”	the agreement dated 28 October 2011 entered into between Shanghai Zendai Land and Shanghai Haizhimen in relation to the disposal of the entire registered capital of the Project Company, and the shareholder’s loan owing to Shanghai Zendai Land by the Project Company, by Shanghai Zendai Land to Shanghai Haizhimen, details of which are set out in the circular of the Company dated 25 November 2011
“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
“Purchaser”	Shanghai Changye Investment Management Co., Ltd (上海長燁投資管理諮詢有限公司)*, a limited liability company established under the laws of the PRC and is a wholly-owned subsidiary of Soho China
“SGM”	the special general meeting of the Company to be convened to approve the Agreement and the transactions contemplated thereunder
“Shanghai Haizhimen”	上海海之門房地產管理有限公司 (Shanghai Haizhimen Property Management Co., Ltd.)*, a limited liability company established under the laws of the PRC

“Shanghai Zendai Land”	上海証大置業有限公司 (Shanghai Zendai Land Company Limited)*, an indirect wholly-owned subsidiary of the Company
“Shanghai Zendai Wudaokou”	上海証大五道口房地產開發有限公司 (Shanghai Zendai Wudaokou Property Company Limited)*, an indirect wholly-owned subsidiary of the Company
“Share(s)”	share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Soho China”	SOHO China Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Share Transfer Agreement”	the agreement dated 28 December 2011 entered into between Shanghai Zendai Wudaokou and New China Trust in relation to the release of 10% of equity interest in Shanghai Haizhimen by New China Trust to Shanghai Zendai Land under the New China Trust Arrangement
“Vendors”	Shanghai Zendai Land and Greentown Jiahe
“Zendai Consideration”	the total consideration payable by the Purchaser to Shanghai Zendai Land for the purchase of the Zendai Sale Interest and the Zendai Shareholder’s Loan pursuant to the Agreement
“Zendai Disposal”	the disposal of the Zendai Sale Interest and the Zendai Shareholder’s Loan by Shanghai Zendai Land to the Purchaser pursuant to the Agreement
“Zendai Sale Interest”	the entire equity interest in Shanghai Zendai Wudaokou
“Zendai Shareholder’s Loan”	the shareholder’s loan payable to Shanghai Zendai Land by Shanghai Zendai Wudaokou as at completion of the Zendai Spin-off
“Zendai Spin-off”	the disposal of all the assets held by Shanghai Zendai Wudaokou, other than its equity interest and receivable in Shanghai Haizhimen and the Zendai Shareholders’ Loan and having confirmed that Shanghai Zendai Wudaokou shall not bear any obligation and liability of any assets in relation to such disposal save as otherwise agreed
“Zhejiang Fosun”	Zhejiang Fosun Commerce Development Limited (浙江復星商業發展有限公司), a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Fosun

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

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

Hong Kong, 5 January 2012

As at the date of this announcement, the executive Directors are Mr. Dai Zhikang, Mr. Wang Fujie, Mr. Zhu Nansong, Mr. Zuo Xingping, Ms. Zhou Yan, Mr. Tang Jian. The non-executive Directors are Mr. Wu Yang, Mr. Zhou Chun, Mr. Dong Wenliang and Mr. Liu Zhiwei. The independent non-executive Directors are Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan and Dr. Tse Hiu Tung, Sheldon.

* *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\$1.22.