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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)**

### PROFIT WARNING

This announcement is made by Shanghai Zendai Property Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules. References are made to the announcement of the Company dated 27 January 2015 (the “**First Announcement**”) and the joint announcement issued by the Company, China Orient Asset Management (International) Holding Limited and Smart Success Capital Ltd. (the “**Offeror**”) dated 12 February 2015 (the “**Joint Announcement**”), among others, CITIC Securities Corporate Finance (HK) Limited will, on behalf of the Offeror, make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Unless the context requires otherwise, capitalised terms used herein have the same meanings as those defined in the Joint Announcement.

The Board wishes to inform Shareholders and potential investors of the Company that the Group is expected to record a significant loss for the year ended 31 December 2014 as compared to a profit recorded for the year ended 31 December 2013 (the “**Statement**”). Based on the preliminary review of the information currently available, such loss was mainly attributable to the following reasons:

1. Specific provision for diminution in value of the property under development project in Ordos of approximately HK\$320 million;
2. A significant increase in finance cost due to increased borrowings;
3. The increase in share of the net loss of associates and joint venture companies; and
4. A substantial decrease in turnover due to less properties were delivered.

The information contained in this announcement is only based on the preliminary review of the management accounts of the Group, which have not been reviewed and approved by the Company’s audit committee and are still being reviewed by the Company’s auditors. Further details of the Group’s performance will be disclosed when the Group announces its final results for the year ended 31 December 2014, which is expected to be on or before 31 March 2015.

With the publication of the First Announcement, the Offer Period (as defined in the Takeovers Code) commenced since 27 January 2015. Pursuant to Rule 10 of the Takeovers Code, the Statement constitutes a profit forecast and must be reported on by the Company's financial advisers and auditors under Rule 10.4 of the Takeovers Code. Given the time constraints when issuing this announcement in relation to the profit warning, the Company would like to draw the attention of the Shareholders and potential investors of the Company that the Statement does not meet the standard required by Rule 10 of the Takeovers Code.

**Shareholders and potential investors of the Company should exercise caution in placing reliance on such forecasts in assessing the merits or demerits of the Offer and on this announcement when dealing in the Company's securities. Unless the audited results of the Company for the year ended 31 December 2014 are published, the Executive will normally require the profit warning to be reported on as soon as reasonably practicable and the relevant reports to be contained in the next document to Shareholders.**

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

Hong Kong, 3 March 2015

*As at the date of this announcement, the executive Directors are Mr. Dai Zhikang, Ms. Li Li Hua, Mr. Zuo Xingping and Mr. Tang Jian. The non-executive Directors are Mr. Xu Xiaoliang and Mr. Gong Ping. The independent non-executive Directors are Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan, Mr. Li Man Wai and Mr. Cai Gaosheng.*

*All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

\* *for identification purpose only*