
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Zendai Property Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any losses howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



SHANGHAI ZENDAI PROPERTY LIMITED

上海証大房地產有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 755)

MANDATE FOR POSSIBLE MAJOR TRANSACTION IN RESPECT OF THE POSSIBLE ACQUISITION OF THE LAND PARCEL IN JIANGSU PROVINCE, THE PRC

Financial adviser to the Company



高銀融資有限公司
GOLDIN FINANCIAL LIMITED

A notice convening a special general meeting of the Company to be held at Unit A, 29/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong, on Wednesday, 5 March 2014 at 10:30 a.m. is set out on pages 31 and 32 of this circular. A form of proxy for use at the special general meeting is enclosed.

Whether or not you intend to attend and vote at the special general meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 26, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

* for identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I – Financial information of the Group	16
Appendix II – Property valuation report	19
Appendix III – General information	25
Notice of SGM	31

DEFINITIONS

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

“associates”	has the meaning as ascribed to it under the Listing Rules
“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
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Enlarged Group”	the Group after completion of the Possible Acquisition
“HK Subsidiary”	Long Profit Group Limited (遠盈集團有限公司), a limited company incorporated in Hong Kong which is an indirectly wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third parties of and not connected with the Company and its connected persons
“Land Parcel”	a parcel of land located in Jiangsu Province, the PRC with site areas of approximately 13,220.1 square metres, which is designated for commercial and office mixed use
“Latest Practicable Date”	14 February 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Maximum Consideration”	RMB1,194 million, being the maximum amount for the Possible Acquisition under the Proposed Mandate to be approved by the Shareholders at the SGM
“Possible Acquisition”	the possible acquisition of the Sale Shares by the Company through the Tender if the HK Subsidiary’s bidding is successful at the Tender
“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
“Proposed Mandate”	the authorities proposed to be granted to the Directors in advance by the Shareholders at the SGM to engage in the Possible Acquisition
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the entire registered capital of the Target Company, being the subject under the Tender
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened to approve, among other things, the grant of the Proposed Mandate and the transactions contemplated thereunder
“Shanghai Assets Exchange”	上海聯合產權交易所 (Shanghai United Assets and Equity Exchange*)
“Share(s)”	share(s) of HK\$0.02 each in the share capital of the Company
“Share Transfer Agreement”	the share transfer agreement for the Sale Shares to be entered into between the HK Subsidiary and the Vendor if the HK Subsidiary is successful at the Tender
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Target Company”	a company established in the PRC with limited liability, the major asset of which comprises the Land Parcel
“Tender”	the public tender for the sale of Sale Shares held by the Shanghai Assets Exchange
“Tender Document”	tender document in respect of the Tender released by Shanghai Assets Exchange
“Valuer”	DTZ Debenham Tie Leung Limited, the independent valuer appointed by the Company to assess the valuation of the Land Parcel
“Vendor”	a limited company established in the PRC which holds the Sale Shares

For the purpose of this circular, unless otherwise stated, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.28. The exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been or may be exchanged at this or any other rates at all.

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:

Mr. Dai Zhikang (*Chairman*)

Mr. Wang Fujie

Mr. Zuo Xingping

Mr. Tang Jian

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Non-executive Directors:

Mr. Zhu Nansong

Mr. Wu Yang

Mr. Xu Xiaoliang

Mr. Gong Ping

***Head office and principal place
of business in Hong Kong:***

Unit 6108

61/F., The Center

99 Queen's Road Central

Hong Kong

Independent non-executive Directors:

Mr. Lo Mun Lam, Raymond

Mr. Lai Chik Fan

Mr. Li Man Wai

Mr. Cai Gaosheng

17 February 2014

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

Dear Sir or Madam,

**MANDATE FOR POSSIBLE MAJOR TRANSACTION
IN RESPECT OF THE POSSIBLE ACQUISITION OF THE
LAND PARCEL IN JIANGSU PROVINCE, THE PRC**

INTRODUCTION

On 29 January 2014, the Board announced that it would like to seek Shareholders' authorisation for the HK Subsidiary, an indirectly wholly-owned subsidiary of the Company, to bid at the Tender for the Sale Shares of the Target Company, the major asset of which comprises the Land Parcel.

* *for identification purpose only*

LETTER FROM THE BOARD

Given one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Possible Acquisition (including the Maximum Consideration) exceeds 25% but less than 100%, the Possible Acquisition, if it materialises, will constitute a major transaction for the Company and is subject to the approval by the Shareholders under Chapter 14 of the Listing Rules.

If the HK Subsidiary's bidding is successful, it will thereupon become unconditionally obliged to purchase the Sale Shares and would not be able at the time to seek the approval of Shareholders that is required under Chapter 14 of the Listing Rules. Accordingly, the Directors are seeking the Shareholders' advance approval for the grant of the Proposed Mandate.

The purpose of this circular is to provide you with, among other things, (i) further details of the Possible Acquisition; (ii) financial information of the Group; (iii) the valuation report on the Land Parcel; and (iv) the notice of the SGM.

BACKGROUND OF THE POSSIBLE ACQUISITION

Procedure of the Tender

The Sale Shares are being offered for sale by way of tender convened at Shanghai Assets Exchange pursuant to 中華人民共和國合同法 (Contract Law of the PRC*), 企業國有產權轉讓管理暫行辦法 (Temporary Management Policy of National Assets Transfer*) and other national assets transfer related laws, regulation and policies in the PRC.

Shanghai Assets Exchange, a PRC governmental body set up by the Shanghai government and appointed by the State-owned Asset Supervision and Administrative Commission of the State Council for handling the transfer of state-owned assets, is fully responsible for the preparatory works for the Tender, including but not limited to invite potential bidders to participate in the Tender, to examine the qualification of the potential bidders and to formulate the form of transfer of the Sale Shares.

The Sale Shares are to be acquired through a competitive bidding process which is fairly structured and established and regulated by legislation and requirements. In addition to the abovementioned relevant laws and regulations, all the transfer of state-owned assets through Shanghai Assets Exchange shall be conducted in accordance with “企業國有產權交易操作規則” (Regulations for conducting the transfer of state-owned assets*, the “Assets Transfer Regulations”), pursuant to which the Vendor shall disclose such information as the basic information of the Sales Shares, transaction conditions and related information which will have material effect on the transaction in the Tender Document. Moreover, pursuant to the Assets Transfer Regulations, Shanghai Assets Exchange shall review and approve on the accuracy and the completeness of the disclosure of information regarding the Sale Shares including but not limited to the name, company type and capital contribution in the Target Company of the Vendor, the company type, establishment date, domicile, business scope, registered capital of the Target Company and key financial information extracted from the audited financial statements of the Target Company for the latest financial year such as shareholder's equity, liabilities, revenue and net profit.

LETTER FROM THE BOARD

If at the expiry of the period for the application of the Tender, there shall be more than one qualified intended purchaser, the highest auction bid from a qualified intended purchaser would be entitled to acquire the Sale Shares. However, in the event that there shall be one qualified intended purchaser, the successful intended purchaser will be obliged to enter into the Share Transfer Agreement to be reviewed by Shanghai Assets Exchange within three Business Days after the Tender.

Once the Group wins at the Tender, it will enter into the Share Transfer Agreement with the Vendor in respect of the Possible Acquisition within three Business Days after the Tender. The Board therefore resolved to seek a prior approval from the Shareholders before the open bidding for entering into the Tender with a bidding price no more than the Maximum Consideration.

PRINCIPAL TERMS OF THE TENDER FOR THE SALE SHARES

Date of the Tender

The Tender is to be held for the period from 27 January 2014 to 6 March 2014. The application for participating in the Tender shall be completed at or before 4:00 p.m. on 5 March 2014. The Group intends to submit its application for the tender on the same date.

Parties

Purchaser/bidder: HK Subsidiary, an indirectly wholly-owned subsidiary of the Company

Vendor: The Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Maximum Consideration for the bid

The starting price of the Tender is RMB902.3 million (equivalent to approximately HK\$1,154.9 million). Potential bidder(s) will be required to pay earnest money of RMB90.0 million (equivalent to approximately HK\$115.2 million) at or before 4:00 p.m. on 5 March 2014. Such earnest money will be applied towards settling part of the consideration for the acquisition of the Sale Shares and other related fees and/or expenses if the HK Subsidiary is successful in its bidding at the Tender. The Group intends to pay such earnest money on the same date when the Proposed Mandate is granted by the Shareholders. Should the Proposed Mandate not be granted by the Shareholders, the Group will not submit its application for the bid at the Tender.

LETTER FROM THE BOARD

The Maximum Consideration for the Possible Acquisition under the Proposed Mandate is RMB1,194 million (equivalent to approximately HK\$1,528 million), which is determined based on the valuation of the Land Parcel as assessed by the Valuer of RMB919 million as at 31 January 2014, with a buffer of approximately 29.92%. Shareholders should note that, despite the Maximum Consideration granted by the Shareholders at the SGM, the final bid prices for the Sale Shares to be submitted by the HK Subsidiary at the Tender will depend on, among other things, the location and potential value of the Land Parcel, the aforesaid valuation of the Land Parcel, the Group's view on the property market and its prospects on the date of the Tender as well as the bid prices submitted by competitors at the Tender, but will in any event not exceed the Maximum Consideration. Based on the above, the Directors (including the independent non-executive Directors) consider that the Proposed Mandate including the Maximum Consideration is fair and reasonable.

It is currently expected that the HK Subsidiary will finance the payment for the Possible Acquisition by its internal resources and/or loans from shareholders of the HK Subsidiary and/or through joint development with Independent Third Party(ies).

If the HK Subsidiary wins at the Tender, the HK Subsidiary will enter into the Share Transfer Agreement with the Vendor. The remaining consideration for the Sale Shares shall be paid by cash within three business days after the Share Transfer Agreement becoming effective.

Conditions precedent for participating in the Tender

The Group should satisfy the following criteria for participating in the Tender:

- (a) the approval of the Proposed Mandate by the Shareholders in accordance with the Listing Rules being obtained;
- (b) completion of the application for participating in the Tender by producing corporate documents of the Group such as business registration certificate and the relevant board resolution or shareholders' resolution during the prescribed period as elaborated above; and
- (c) full payment of the earnest money of RMB90.0 million before the prescribed deadline as elaborated above.

If the Group wins at the Tender, it will enter into the Share Transfer Agreement within three Business Days from the date on which the Group wins at the Tender. The completion of the registration of the transfer of the Sale Shares is expected to take place within 20 Business Days upon the receipt of the certificate in respect of the transfer of the Sales Shares issued by Shanghai Assets Exchange.

LETTER FROM THE BOARD

Warranties under the Share Transfer Agreement

According to Assets Transfer Regulations, Shanghai Assets Exchange shall review the Share Transfer Agreement to be entered into between the Vendor and the HK Subsidiary in accordance with the related laws and regulation and based on the Tender Document and the bidding result. Based on the sample transfer agreement provided by Shanghai Assets Exchange, the Vendor shall undertake that except for those matters which have been disclosed to the potential bidder, the Sales Shares and the Target Company shall be free of any matters which have not been disclosed or have been omitted under the appraisal of the Land Parcel included in the Tender Document and may have material adverse effects on the valuation result under the said report or on the valuation of the Target Company and the Sales Shares.

Based on the sample transfer agreement provided by Shanghai Assets Exchange, warranties shall be given by the Vendor such as the Vendor has not concealed any assets or liabilities of the Target Company and all information and documents related to the transaction of the Sales Shares which are submitted by the Vendor shall be accurate, true and complete and be without any intentionally concealed liabilities, litigations and disputes that might cause any material adverse change to such agreement. In the event that any breach by either party causes material adverse change to the Sale Shares or the Target Company leading to failure to perform the purpose of such agreement, the other party shall have the rights to terminate and be compensated at its request. The Company will ensure the aforesaid warranties be included in the Share Transfer Agreement.

REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION

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.

The Group is a diversified property development company, 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 the three regions including northern China, Shanghai city and its surroundings and Hainan province, as well as the overseas real estate development projects.

In this connection, the Group has identified the Land Parcel and considered that the Possible Acquisition is a good investment opportunity for the Group to further increase its land reserve in the PRC region through a bid to maximize return and enhance Shareholders' value. The Group will also consider to develop the Land Parcel with suitable investors in order to reduce the capital requirements thereof. However, the Board confirms that there are no agreements relating to the aforesaid arrangements as at the Latest Practicable Date.

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

LETTER FROM THE BOARD

INFORMATION ON THE VENDOR, TARGET COMPANY AND THE LAND PARCEL

According to the Tender Document, the Vendor is principally engaged in the property development in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties. As at the Latest Practicable Date, the Vendor holds the Sale Shares of the Target Company.

According to the Tender Document, the Target Company was established in the PRC on 15 November 2013 and is an investment holding company with business scope including property development and management, the major asset of which comprises the Land Parcel as at the Latest Practicable Date.

The key financial information of the Target Company for the relevant period (the "Relevant Period") commencing on the date of the establishment of the Target Company, i.e. 15 November 2013, up to 17 January 2014 as extracted from the relevant audited report of the Target Company prepared under PRC GAAP disclosed in the Tender Document released by Shanghai Assets Exchange are shown as below:

	For the period from 15 November 2013 (date of establishment of the Target Company) to 31 December 2013 RMB'000	For the period from 1 January 2014 to 17 January 2014 RMB'000
Revenue	—	—
Net (loss)/profit before and after tax	(1.4)	1.6

	As at 17 January 2014 RMB'million
Current assets	413.90
Total assets	413.90
Current liabilities	0.02
Total liabilities	0.02
Net assets	413.88

As at 17 January 2014, the audited net assets of the Target Company prepared under PRC GAAP were approximately RMB413.88 million. According to the Tender Document released by Shanghai Assets Exchange, the unaudited adjusted net assets of the Target Company after taking into account the appraisal of the Land Parcel as at 17 January 2014 were approximately RMB902.3 million, which is equivalent to the starting price of the Tender.

LETTER FROM THE BOARD

The Land Parcel is located in Jiangsu Province, the PRC, and covers a total site area of 13,220.1 square meters with planned above-ground spaces in the gross floor area of approximately 85,930.72 square metres. The Land Parcel is designated for commercial and office mixed use.

As advised by the PRC legal advisers of the Company, the Target Company has been duly established and validly existed under the PRC laws and that the Sale Shares were not registered under any pledge nor judicial freezing as of 7 February 2014. In respect of the land use rights of the Land Parcel, as further advised by the PRC legal advisers of the Company, the Target Company has duly paid all the land premium for the acquisition of the land use right in accordance with the relevant land sale agreement, and is entitled to apply to Bureau of Land Resources Nanjing (the competent PRC authority) for issue of land title certificate (國有土地使用權証). After obtaining the relevant land title certificate of the Land Parcel, the Target Company shall legally own the land use right of the Land Parcel, and shall be entitled to develop, occupy, use or otherwise dispose of the Land Parcel.

Currently, the Target Company is in the process of preparing the application for the land title certificate of the Land Parcel. It is expected that the relevant land title certificate will be issued prior to completion of the Possible Acquisition. Accordingly, the Board is of the view that the land use rights will be transferred to the Target Company and the Company will hold the Land Parcel through the Target Company upon completion of the Possible Acquisition.

EFFECTS ON EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

Upon the successful bidding by the Group at the Tender and the entering into of and completion of the Share Transfer Agreement, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Group.

Given that the consideration of the Possible Acquisition will be funded by the internal resources of the Group, the Board considers that the Acquisition will not have any material impact on the earnings and assets and liabilities of the Group.

It should be noted that the aforementioned estimations are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon completion of the Possible Acquisition.

MANAGEMENT DISCUSSION AND ANALYSIS ON THE TARGET COMPANY

Set out below is the management discussion and analysis on the Target Company for the Relevant Period:

Turnover

During the Relevant Period, the Target Company had no turnover.

LETTER FROM THE BOARD

Income tax expense

During the Relevant Period, there was no income tax expense for the Target Company as there was no assessable profit.

Profit/loss for the period

During the Relevant Period, the Target Company recorded a loss of approximately RMB1,400 from 15 November 2013 to 31 December 2013 and a profit of approximately RMB1,600 from 1 January 2014 to 17 January 2014.

Capital structure and financial resources

During the Relevant Period, the paid-up capital of the Target Company was RMB413.88 million, which funded its operation.

As at 17 January 2014, the Target Company did not have any outstanding bank borrowing and banking facilities.

Charges on assets

As at 17 January 2014, the Target Company did not pledge any assets.

Liquidity and gearing ratio

As at 17 January 2014, the total borrowing of the Target Company (total of amounts due to related companies, bank and other loans, senior loan notes and other borrowing divided by shareholders' funds) was nil and the gearing ratio is not available.

Material acquisitions and disposals of subsidiaries and affiliated companies

The Target Company had not made material acquisitions and disposal of subsidiaries and affiliated companies during the Relevant Period.

Future plans for material investments

The Target Company will be principally engaged in developing the Land Parcel and it is intended to develop the Land Parcel into commercial properties for resale and/or rental purposes. Upon completion of the Possible Acquisition, the Target Company will be financially supported by its shareholder in order to meet its financial obligations.

Significant investments held

During the Relevant Period, the Target Company had not made any significant investment.

LETTER FROM THE BOARD

Contingent liabilities

As at 17 January 2014, the Target Company had no contingent liabilities.

Exchange risk and hedging

As the Target Company's operations were principally in the PRC and most of the Target Company's transactions, assets and liabilities were denominated in RMB, the operations of the Target Company were not subject to significant exchange risk. Accordingly, no financial instruments for hedging purposes were used by the Target Company during the Relevant Period.

Staff and remuneration policies

During the Relevant Period, there was no staff cost or directors' remuneration.

Segment information

The Target Company will be principally engaged in property development.

LISTING RULES IMPLICATIONS

Given one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Possible Acquisition (including the Maximum Consideration) exceeds 25% but less than 100%, the Possible Acquisition, if it materialises, will constitute a major transaction for the Company and is subject to the approval by the Shareholders under Chapter 14 of the Listing Rules.

If the HK Subsidiary's bidding is successful, it will thereupon become unconditionally obliged to purchase the Sale Shares and would not be able at the time to seek the approval of Shareholders that is required under Chapter 14 of the Listing Rules. Accordingly, the Directors are seeking the Shareholders' advance approval for the grant of the Proposed Mandate.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, none of the Shareholders has a material interest in the grant of the Proposed Mandate and the transactions contemplated thereunder. No Shareholder is required to abstain from voting on the resolution to approve the grant of the Proposed Mandate and the transactions contemplated thereunder at the SGM.

As the Possible Acquisition may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

WAIVER FROM STRICT COMPLIANCE OF THE LISTING RULES

Pursuant to Rule 14.67 of the Listing Rules, it is required that a circular relating to an acquisition constituting a major transaction must contain, among others, the accountants' report of the Target Company which covers the relevant period commencing on the date of the establishment of the Target Company, i.e. 15 November 2013, and must have ended 6 months or less before the issue of the circular. Such information includes both publicly available and non-public information of the Target Company. However, as a potential bidder at the Tender, the Company does not yet control the Target Company and does not have sufficient access to the Target Company's financial systems to enable the Company's auditors to conduct an audit on the Target Company's financial statements in accordance with HKFRS for the purpose of preparing the accountant's report of the Target Company nor does it have access to certain substantive confidential non-public information relating to the Target Company which is required by the Listing Rules to be provided in this circular in respect of the Enlarged Group.

Although the Company has tried to persuade and made request to the Vendor and the Target Company to cooperate and facilitate the Company's auditors to prepare the accountants' report of the Target Company prepared in accordance with HKFRS, the directors of Target Company are unwilling to cooperate as the HK Subsidiary is one of the potential bidders at the Tender. In view of the aforesaid and in particular the deadline for submission of the Tender is 5 March 2014 and this circular must be despatched by 17 February 2014, the Company anticipates that it will not receive full cooperation from the Vendor and the Target Company for its preparation prior to the despatch of this circular.

The Company does not have access to the non-public information of the Target Company to enable the following information to be included in this circular:

- (a) the accountants' report of the Target Company prepared in accordance with HKFRS for the relevant period commencing on the date of the establishment of the Target Company, i.e. 15 November 2013, and must have ended 6 months or less before the issue of this circular; and
- (b) a pro forma statement of the assets and liabilities of the Company combined with the assets and liabilities of the Target Company being acquired on the same accounting basis.

The Company anticipates that it will obtain control over the Target Company upon successful bidding at the Tender by the HK Subsidiary and completion of the Possible Acquisition, where upon the Company can have full access to all non-public financial information of the Target Company to fully comply with the disclosure requirements under Rules 14.66 and 14.67 of the Listing Rules. In this regard, the Company intends to set out information available for the time being in this circular in partial compliance and defer the publication of remaining information in a supplemental circular in the manner as set out in Rules 14.67A(2) and (3) of the Listing Rules respectively.

The Stock Exchange has granted the waiver from strict compliance with Rule 14.67(6)(a)(i) and Rule 14.67(6)(a)(ii) of the Listing Rules.

LETTER FROM THE BOARD

The Company will issue a supplemental circular within 45 days of the earlier of the Company being able to exercise control over the Target Company and gain full access to the books and records of the Target Company for the purpose of complying with the disclosure requirements in respect of the Target Company and the Enlarged Group under Rules 14.66 and 14.67 of the Listing Rules.

The supplemental circular will include the following information:

- (a) the accountants' report of the Target Company prepared in accordance with HKFRS for the relevant period commencing on the date of the establishment of the Target Company, i.e. 15 November 2013, and must have ended 6 months or less before the issue of this circular;
- (b) a pro forma statement of the assets and liabilities of the Company combined with the assets and liabilities of the Target Company being acquired on the same accounting basis; and
- (c) any material changes to the information previously disclosed in this circular.

Should the Company require more time to prepare the supplemental circular, the Company will apply to the Stock Exchange for an extension for the despatch of the supplemental circular and make an announcement in this regard. Shareholders and potential investors should note that the despatch of the supplemental circular will not affect the approval to be obtained from the Shareholders at the SGM, the date of the SGM and the implementation of the Possible Acquisition.

SGM

The SGM will be held at Unit A, 29/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Wednesday, 5 March 2014 at 10:30 a.m., the notice of which is set out on pages 31 to 32 of this circular, for the Shareholders to consider and, if thought fit to approve, the Agreement and the transactions contemplated thereunder.

Whether or not you intend to attend and vote at such meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 26, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding 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 adjournment thereof should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

Having considered the reasons set out herein, the Directors (including the independent non-executive Directors) are of the view that the Possible Acquisition and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Shareholders to vote in favour of the relevant resolution(s) to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

By order of the Board
SHANGHAI ZENDAI PROPERTY LIMITED
Dai Zhikang
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the financial years ended 31 December 2010, 2011 and 2012 and for the six months ended 30 June 2013 are disclosed in the Company's annual reports for the financial years ended 31 December 2010, 2011 and 2012 and interim report for the six months ended 30 June 2013 respectively. All of these financial statements have been published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.zendai.com.

2. INDEBTEDNESS STATEMENT

Borrowings

As at the close of business on 31 December 2013, being the latest practicable date for the purpose of this schedule of borrowings prior to printing of this circular, the Enlarged Group had outstanding borrowings of approximately HK\$6,878,617,000, details of which are set out below:

	<i>HK\$'000</i>
Bank loans, secured and guaranteed by a related company	
– current	1,515,282
– non-current	4,629,397
Amount due to a joint venture, unsecured	41,752
Amount due to related parties, unsecured	635,867
Amounts due to minority owners of subsidiaries, unsecured	56,319

Securities

As at 31 December 2013, property, plant and equipment of approximately HK\$348,540,000, payment for leasehold land held for own use under operating leases of approximately HK\$625,299,000, investment properties of approximately HK\$2,393,595,000, properties under development and for sales of approximately HK\$1,121,918,000 and bank deposits of approximately HK\$1,347,522,000 were pledged to secure certain bank loans granted to the Group.

Included in HK\$4,629,397,000 non-current bank loans is a loan of HK\$300,000,000 which carries a covenant that requires Mr. Dai Zhikang, the controlling shareholder and an executive director of the Company to beneficially own, directly or indirectly, 35% or more of the issued share capital and ownership interests in the Company or to remain as the single largest shareholder of the Company.

Contingent liabilities

As at 31 December 2013, the Group provided guarantees to the extent of approximately HK\$258,164,000 to banks in respect of mortgage loans provided by the banks to customers for the purchase of the developed properties of the Group. These guarantees provided by the Group to the banks would be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

The Group also shared contingent liabilities of a joint venture arising from guarantees provided by the joint venture to banks to the extent of approximately HK\$19,858,000 in respect of mortgage loans provided by the banks to customers for the purchase of the developed properties of the jointly controlled entity. These guarantees provided by the Group and the jointly controlled entity to the banks would be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

Referring to the paragraph under the heading “Litigation” in Appendix III, in the event that the Appeal is unsuccessful, the agreement on Wudaokou Disposal and share transfer agreement in relation to the sale of Shanghai Zendai Wudaokou would be invalidated and the Group may need to pay back the previously received consideration which amounted to RMB2,860,000,000 (equivalent to HK\$3,629,902,000) to the Purchaser.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables, the Enlarged Group did not have any loan capital issued or agreed to be issued, debt securities issued and outstanding, authorised or otherwise created but unissued, term loans, other borrowings or indebtedness including bank overdrafts, liabilities under acceptances, acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities outstanding at the close of business on 31 December 2013, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular.

3. WORKING CAPITAL

After taking into account the bases that (i) the Possible Acquisition can be completed as currently envisaged; (ii) no material change in general economic performance in the PRC and the real estate sector maintains a steady sentiment in the consumption of properties; (iii) no material change in regulatory policies leading to adverse impact on the banks’ general lending policies to property developers; and (iv) the Group’s present internal financial resources as well as the available banking facilities, the Directors are of the opinion that the Enlarged Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

Following completion of the Possible Acquisition, the Enlarged Group will continue to focus on the development, investment and management of commercial and residential properties, which consist of various integrated commercial complex, grade A office buildings and residential buildings in Shanghai as well as other cities in the PRC and the overseas market.

Despite the measures taken by the PRC government targeting to control over the property price, the Directors are of the view that factors such as increasing urbanisation and rising household income as well as the mortgage loans on the first-time homeowners from the PRC government would support the development of the property market in the PRC and therefore consider the prospect of the property market in the PRC to be optimistic in the future. The Enlarged Group will cautiously seek investment opportunities on the development of commercial properties in the PRC in order to enhance the Shareholder's value. In addition, the Enlarged Group will monitor closely the macro-economic control policy under the prevailing situation and adjust the development strategies as and when appropriate. The Directors will also from time to time closely monitor the financial position and liquidity position of the Enlarged Group with a view to enhancing the capital management and treasury function of the Enlarged Group and catering for any changes in the real estate market. As such, the Directors expect that the financial position of the Enlarged Group would remain solid taking into account the financial resources available to the Enlarged Group and the substantial assets base of the Enlarged Group.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of market value of the Property held by the Target Company in the PRC as at 31 January 2014.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

17 February 2014

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

Dear Sirs,

Re: A parcel of land, with site areas of approximately 13,220.11 square metres, which is designated for commercial and office use, located in the west of Rehe Road, north of Shiqiao Street, Xiaguan District, Nanjing, Jiangsu Province, the People's Republic of China

INSTRUCTIONS, PURPOSE & DATE OF VALUATION

In accordance with the instruction of Shanghai Zendai Property Limited (the "Company") for us to carry out the valuation of the market value of the property ("Property") held by 南京立方置業有限公司 (the "Target Company") in the People's Republic of China (the "PRC"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the market value of the Property in existing state as at 31 January 2014.

DEFINITION OF MARKET VALUE

Our valuation of the Property represents its market value which in accordance with the HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION BASIS AND ASSUMPTION

Our valuation of the Property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the Property held in the PRC, we have assumed that transferable land use rights in respect of the Property for its specific term at nominal annual land use fee have been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the Company and the PRC legal opinion of the Company's legal adviser, HHP Attorneys-at-Law (滙衡律師事務所) dated 8 February 2014, regarding the title to the Property and the interest in the Property. In valuing the Property, we have assumed that the owner has enforceable title to the Property and has free and uninterrupted rights to use, occupy or assign the Property for the whole of the unexpired terms as granted.

No allowance has been made in our valuation for any charges, pledges or amounts owing on the Property nor 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 any onerous nature which could affect its value.

METHOD OF VALUATION

In valuing the Property which is held for development in the PRC; we have adopted Direct Comparison Approach by making reference to comparables sales evidence as available in the relevant market.

In valuing the Property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institutes of Surveyors.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Company and the opinion of the PRC legal adviser as to PRC laws. We have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of the Property, particulars of occupancy, development scheme, site and floor areas and all other relevant matters.

Dimension, measurements and areas included in this valuation report are based on the information provided to us and are therefore only approximation. We have no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised that no material facts have been omitted from the information supplied.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

TITLE INVESTIGATION

We have been provided by the Company with copies or extracts of documents. However, we have not searched the original documents to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

SITE INSPECTION

Our DTZ Shanghai valuer, Lily Fang, has inspected the exterior and, wherever possible, the interior of the Property in February 2014. However, we have not carried out any soil investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the copies of documents handed to us are correct.

CURRENCY

Unless otherwise stated, all sums stated in our valuation are in Renminbi (“RMB”) which is the official currency of the PRC.

We attach herewith valuation certificate.

Yours faithfully,
for and on behalf of

DTZ Debenham Tie Leung Limited

Philip C Y Tsang

Registered Professional Surveyor (General Practice)

Registered China Real Estate Appraiser

MSc, MRICS, MHKIS

Director

Note: Philip C Y Tsang is a Registered Professional Surveyor who has over 20 years' experience in the valuation of properties in the PRC.

VALUATION CERTIFICATE

Property held for development in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 January 2014
A parcel of land, with site areas of approximately 13,220.11 square metres, which is designated for commercial and office mixed use, located in the west of Rehe Road, north of Shiqiao Street, Xiaguan District, Nanjing, Jiangsu Province, the PRC	<p>The Property comprises a parcel of land, with a site area of approximately 13,220.11 square metres, which is designated for commercial and office mixed use.</p> <p>The proposed above ground gross floor area of the Property upon completion is about 85,930.72 square metres.</p> <p>The Property is located in Xiaguan District which lies in the northwest of downtown area of Nanjing, the area is planned to be developed as Binjiang Business District, inclusive of high-end large scale retail and office developments, and high-end residential developments in the area.</p> <p>The Property is planned for commercial and office mixed use; there is no environmental issues and litigation dispute; there is no plan to change the use of the Property.</p> <p>The land use rights of the Property has been granted for a term of 40 years for commercial and 50 years (statutory maximum land use term) for office uses respectively, upon the handover of the Property from Nanjing Bureau of Land and Resources to the Target Company.</p>	The Property is currently a vacant land pending for development.	RMB919,000,000

Notes:

- (1) According to Grant Contract for State-owned Land Use Rights No. 3201012010CR0131 dated 30 September 2010, the particulars of land grant are as follows:

Granter	:	南京市國土資源局 (Nanjing Bureau of Land and Resources)
Grantee	:	南京臨江老城改造建設投資有限公司
Location	:	Land No. 1, west of Jiangbian Road, Xiaguan District.
Lot No.	:	2010G32
Total Granted Site Area	:	353,664.3 square metres
Total Land Grant Fee (including resettlement cost)	:	RMB12,141,000,000 payable in full before 27 September 2011.
Land Use	:	Wholesale and retail; Commercial and financial; Commercial and services; Resident and catering; Cultural and entertainment; City composite residential.
Land Use Term (from land handover date)	:	Commercial, financial 40 years; Hotel type apartment 65 years; Residential 70 years; Other land uses are granted at the statutory maximum land use term.
Land hand Over	:	The granter will hand over the cleared land to the grantee before 30 March 2012.
Building Covenant	:	To commence construction before 30 March 2012 and to complete the construction before 30 March 2018.

Note: As advised, the Property is part of the above-said land.

- (2) According to Supplemental Agreement to Grant Contract for State-owned Land Use Rights NGTZRH [2013] No. 32, entered into between 南京市國土資源局 (Nanjing Bureau of Land and Resources) (the “Grantor”) and 南京臨江老城改造建設投資有限公司 (the “Grantee”) dated 7 January 2014, due to the adjustment of city master planning, the total site area of Land No. 1, west of Jiangbian Road, Xiaguan District has been adjusted to 359,853.75 square metres, and the total land grant fee for Land No. 1 has been adjusted to RMB12,601,510,000 accordingly.

The particulars of the Property are as follows:

Lot No.	:	09-09
Granted Site Area	:	13,220.11 square metres
Land Use	:	Commercial and Office mixed
Plot Ratio	:	Maximum is 6.5
Coverage Ratio	:	Maximum is 40%
Height Limit	:	100 metres
Greenery Ratio	:	No less than 30%

- (3) According to Supplemental Agreement to Grant Contract for State-owned Land Use Rights NGTZRH [2013] No. 35, entered into between 南京市國土資源局 (Nanjing Bureau of Land and Resources) (“Party A”), 南京臨江老城改造建設投資有限公司 (“Party B”) and 南京立方置業有限公司 (Nanjing Lifang Real Estate Co., Ltd) (“Party C”) dated 7 January 2014, Party A has agreed to change the Grantee of Lot 09-09 of Land No. 1, west of Jiangbian Road, Xiaguan District from Party B to Party C (wholly-owned subsidiary of Party B), the particulars of land grant are as follows:

Granter	:	南京市國土資源局 (Nanjing Bureau of Land and Resources)
Grantee	:	南京立方置業有限公司 (Nanjing Lifang Real Estate Co., Ltd)
Location	:	Lot 09-09 of Land No. 1, west of Jiangbian Road, Xiaguan District.
Lot No.	:	Lot 09-09
Granted Site Area	:	13,220.11 square metres
Land Grant Fee	:	RMB413,880,000
Land Use	:	Commercial and office mixed
Plot Ratio	:	6.5
Land hand Over	:	The granter will hand over the cleared land to the grantee before 31 March 2014.
Building Covenant	:	To commence construction before 31 March 2015 and to complete the construction before 31 March 2018.

- (4) According to Receipt of the Land Grant Fee No. 018328259X dated 8 January 2014, 南京市財政局 (Nanjing Finance Bureau) has received the land grant fee of RMB413,880,000 for Lot 09-09 of Land No. 1, west of Jiangbian Road, Xiaguan District from 南京立方置業有限公司 (Nanjing Lifang Real Estate Co., Ltd.).

- (5) According to Business License No. 320106000233666 dated 16 January 2014, the Target Company was established with a registered capital of RMB413,880,000 for a valid operation period from 15 November 2013 to 14 November 2033.

- (6) According to the PRC legal opinion:

- (i) the Target Company was legally established and is a legal and valid existing enterprise;
- (ii) According to Grant Contract for State-owned Land Use Rights No. 3201012010CR0131, the Supplemental Agreement to Grant Contract for State-owned Land Use Rights NGTZRH [2013] No. 32 and No. 35, the Target Company is the grantee of the Property, and the land grant fee has been fully settled. The Target Company has the right to register for obtaining the Certificate of State-owned Land Use Rights of the Property; and
- (iii) After the Target Company has obtained the Certificate of State-owned Land Use Rights of the Property, the Target Company would legally possess the land use rights and have the right to develop, occupy, use, or otherwise dispose of the land use rights of the Property.

- (7) The status of title and grant of major approvals and licenses in accordance with the information provided by the Company and the opinion of the PRC legal:

Land Grant Contract	Yes
Real Estate Title Certificate	No
Supplemental Agreement to the Land Grant Contract	Yes
Receipt of the Land Grant Fee	Yes
Business License	Yes

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular 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/ underlying Shares	Capacity and nature of interests	Approximate percentage of issued share capital
Mr. Wang Fujie (<i>Note 2</i>)	10,000,000 (L)	Beneficial owner	0.07%
Mr. Dai Zhikang ("Mr. Dai") (<i>Note 1</i>)	5,753,635,000 (L)	Interests of controlled corporations	38.67%
Mr. Dai (<i>Note 2</i>)	10,000,000 (L)	Beneficial owner	0.07%
Mr. Zhu Nansong	50,000,000 (L)	Beneficial owner	0.34%
Mr. Tang Jian	10,000,000 (L)	Beneficial owner	0.07%
Mr. Lo Mun Lam, Raymond (<i>Note 2</i>)	5,000,000 (L)	Beneficial owner	0.034%
Mr. Lai Chik Fan (<i>Note 2</i>)	5,000,000 (L)	Beneficial owner	0.034%

(L) denotes long position

Notes:

1. Mr. Dai was deemed to be interested in an aggregate of 5,753,635,000 Shares held by Giant Glory Assets Limited, Jointex Investment Holdings Limited, Shanghai Zendai Investment Development (Hong Kong) Company Limited and Gold Lucky Investment Holdings Limited, respectively, where Mr. Dai being the director of each of the aforesaid companies, and each of the number of the Shares held is as follows:
 - (a) 2,326,560,000 Shares were held by Giant Glory Assets Limited which is wholly-owned by Mr. Dai;
 - (b) 2,932,000,000 Shares were held by Jointex Investment Holdings Limited which is owned as to 85% by Giant Glory Assets Limited;
 - (c) 455,175,000 Shares are held by Shanghai Zendai Investment Development (Hong Kong) Company Limited which is owned as to 60% by Mr. Dai; and
 - (d) 39,900,000 Shares are held by Gold Lucky Investment Holdings Limited which is wholly-owned by Mr. Dai.
2. These Shares represent the Shares to be allotted and issued upon the exercise of share option granted.

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.

At the Latest Practicable Date, except Mr. Zhu Nansong being the director of Jointex Investment Holdings Limited, and save as disclosed above, none of the Directors was a director or employee of a company which had an interest of short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

3. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and his associates had any interests which competes or was likely to compete, either directly or indirectly, with the Company's business.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had a service contract with any member of the Enlarged Group which is not determinable by such member of the Enlarged Group within one year without payment of compensation other than statutory compensation.

5. DIRECTORS' INTEREST IN ASSETS

None of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2012 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

6. DIRECTORS' INTEREST IN CONTRACTS

There was no contract of significance in relation to the Enlarged Group's business to which the Company, its subsidiaries, its fellow subsidiaries or its holding company was a party and in which a Director had a material interest, whether directly or indirectly, subsisting as at the Latest Practicable Date.

7. LITIGATION

Reference is made to the announcements of the Company dated 30 December 2011, 31 May 2012, 5 June 2012, 2 August 2012, 29 November 2012, 30 November 2012 and 24 April 2013. On 4 June 2012, Shanghai Zendai Land Company Limited ("Shanghai Zendai Land"), a wholly-owned subsidiary of Zendai, was served a document of summons issued by Shanghai No. 1 Intermediate People's Court ("the Court") in relation to disputes on asset damage and compensation and breaching of pre-emptive rights in shareholding of Shanghai Haizhimen Property Management Co., Ltd., the then associate of the Company, initiated by Zhejiang Fosun Commerce Development Limited. On 24 April 2013, the Court issued a first instance judgment (the "Judgment") and granted an order to (i) invalidate the agreement on disposal ("Wudaokou Disposal") of Shanghai Zendai Wudaokou Property Company Limited ("Shanghai Zendai Wudaokou"); (ii) invalidate the share transfer agreement relating to the transfer of the entire equity interests of Shanghai Zendai Wudaokou to an independent third party; and (iii) restate the ownership of Shanghai Zendai Wudaokou within 15 days after the effective date of the Judgment to the state prior to the transfer. On 7 May 2013, an appeal (the "Appeal") was lodged with the Higher People's Court of Shanghai against the Judgment. Since the Appeal has been duly lodged, the Judgment cannot be enforced and will not become effective pending the results of the Appeal. As at the Latest Practicable Date, the results of the Appeal were still pending.

Save as disclosed above, as at the Latest Practicable Date, the Enlarged Group was not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against the Enlarged Group.

8. EXPERTS AND CONSENTS

The following are the qualification of the experts who have been named in this circular or have given opinion or advice which are contained in this circular:

Name	Qualification
BDO Limited	Certified Public Accountants
DTZ Debenham Tie Leung Limited	An independent valuer
HHP Attorneys-at-Law	A PRC legal adviser

The above experts have given and have not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above experts did not have any shareholding in any member of the Enlarged Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group, or any interests, directly or indirectly, in any assets which had been, since 31 December 2012, being the date to which the latest published audited financial statements of the Enlarged Group were made up, acquired, disposed of or leased to any member of the Enlarged Group, or were proposed to be acquired, disposed of or leased to any member of the Enlarged Group.

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Enlarged Group within two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the second supplemental agreement dated 15 February 2012 entered into between Shanghai Zendai Land and 上海長燁投資管理諮詢有限公司 (Shanghai Changye Investment Management Co., Ltd*) to supplement the agreement dated 29 December 2011 in relation to the Wudaokou Disposal, details of which are disclosed in the circular of the Company dated 28 February 2012;
- (b) the land grant contract dated 13 September 2012 entered into between Changchun Land Bureau and 吉林省君誠房地產開發有限公司 (Jilin Juncheng Property Development Company Limited)*, an indirectly wholly-owned subsidiary of the Company, in relation to the acquisition of land use rights of a parcel of land located in Jingyue Economic Development Zone, Changchun City, Jilin Province, the PRC, details of which are disclosed in the announcement of the Company dated 17 September 2012;
- (c) the agreement dated 9 October 2012 entered into between Shanghai Zendai Land and 杉杉控股有限公司 (Shan Shan Holdings Co., Ltd.*, “Shan Shan Holdings”) in

relation to the disposal of 30% of the registered capital of 中科廊坊科技谷有限公司 (Zhongke Langfang Technology Valley Co., Ltd.)* by Shanghai Zendai Land to Shan Shan Holdings, details of which are disclosed in the announcement of the Company dated 9 October 2012;

- (d) the framework agreement dated 16 November 2012 entered into among 南京証大大拇指商業發展有限公司 (Nanjing Zendai Thumb Plaza Development Co., Ltd.*, “Nanjing Zendai”), 海門証大濱江置業有限公司 (Haimen Zendai Property Company Limited)*, Golden Land International Development Limited, the Company and 蕪湖歌斐資產管理有限公司 (Wuhu Gefei Asset Management Co., Limited)* in relation to the disposal of up to 10% equity interest of Nanjing Zendai, details of which are disclosed in the circular of the Company dated 24 December 2012;
- (e) the cooperation agreement dated 22 November 2012 entered into between the Company and 煙台開發區宏遠物業有限公司 (Yantai Hong Yuan Property Company Limited)* in relation to the establishment of a project company for the development of a parcel of land located in Yantai Development Zone, Shandong Province, the PRC, details of which are disclosed in the announcement of the Company dated 22 November 2012;
- (f) the supplemental agreement dated 27 November 2012 entered into among 南京証大大拇指商業發展有限公司 (Nanjing Zendai Thumb Plaza Development Co., Ltd.)*, 海門証大濱江置業有限公司 (Haimen Zendai Property Company Limited)*, Golden Land International Development Limited, the Company and 蕪湖歌斐資產管理有限公司 (Wuhu Gefei Asset Management Co., Limited)* to supplement the framework agreement in (d) above;
- (g) the land grant contract dated 15 January 2013 entered into between Langfang Land Bureau as vendor and 廊坊市証合泰房地產開發有限公司 (Langfang Zhenghetai Property Development Company Limited*) as purchaser in relation to the acquisition of land use rights of a parcel of land located in 河北省廊坊市龍河工業區 (Langfang Longhe Hi-Tech Industrial Zone, Langfang City, Hebei Province, the PRC) with a site area of approximately 45,492 square meters, details of which are disclosed in the announcement of the Company dated 17 January 2013;
- (h) the land grant contract dated 16 January 2013 entered into between Nanjing Land Bureau as vendor and Nanjing Zendai as purchaser in relation to the acquisition of land use rights of a parcel of land located in 江蘇省南京市雨花台區站中七路 (Zhanzhongqi Road, Yuhuatai District, Nanjing, Jiangsu Province, the PRC) with site areas of approximately 93,526.4 square metres, details of which are disclosed in the circular of the Company dated 25 February 2013; and
- (i) the framework agreement dated 4 November 2013 entered into among the Group, AECI Limited and its subsidiaries in respect of the acquisition of, among others, certain immovable properties located in the Modderfontein area, details of which are disclosed in the circular of the Company dated 20 December 2013.

10. MISCELLANEOUS

- (a) The secretary of the Company and the qualified accountant of the Company is Mr. Wong Ngan Hung, who is a member of Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The head office and principal place of business of the Company in Hong Kong is situated at Unit 6108, 61/F., The Center, 99 Queen's Road Central, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at Level 26, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The English texts of this circular and the accompanying proxy form shall prevail over the Chinese texts in case of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at Unit 6108, 61/F., The Center, 99 Queen's Road Central, Hong Kong during normal business hours (except Saturdays and public holidays) from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and the bye-laws of the Company;
- (b) the annual reports of the Company for the two financial years ended 31 December 2012;
- (c) the letter and valuation certificate relating to the Land Parcel prepared by DTZ Debenham Tie Leung Limited, the texts of which are set out in Appendix II to this circular;
- (d) the PRC legal opinion of HHP Attorneys-at-Law dated 8 February 2014 in respect of the Target Company and the Land Parcel;
- (e) the written consents referred to in the paragraph under the heading "Experts and consents" in this appendix;
- (f) the material contracts referred to in the paragraph under the heading "Material contracts" in this appendix; and
- (g) a copy of the circular of the Company dated 25 February 2013, 20 December 2013 and this circular.

NOTICE OF SGM



SHANGHAI ZENDAI PROPERTY LIMITED

上海証大房地產有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 755)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Shanghai Zendai Property Limited (the “**Company**”) will be held at Unit A 29/F., Admiralty Centre I, 18 Harcourt Road, Hong Kong, on Wednesday, 5 March 2014, at 10:30 a.m., to consider and, if thought fit, pass, with or without modification, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

1. the Company is hereby authorized through Long Profit Group Limited to participate in and bid at the Tender (as defined in the Circular) (as defined in the circular of the Company dated 17 February 2014 (the “**Circular**”)), of which the notice convening this meeting forms part and a copy of which has been produced to this meeting marked “A” and initialed by the chairman of this meeting for the purpose of identification, for the acquisition of the entire registered capital of the Target Company (as defined in the Circular);
2. that Long Profit Group Limited be approved to submit a bid at the Tender for the Target Company at no more than the Maximum Consideration (as defined in the Circular); and
3. any one director of the Company be and is hereby authorized to proceed with the Tender and, if the bid of the Target Company is successful, to proceed with the completion of the Possible Acquisition (as defined in the Circular) and to exercise all the powers of the Company and to do all things and acts and execute and deliver all documents, as may be necessary, desirable or expedient to carry out or to give

* for identification purpose only

NOTICE OF SGM

effect to any or all transactions in connection with the Tender and, if the bid is successful, the Possible Acquisition including, where necessary affix the common seal of the Company thereon.”

By order of the Board
SHANGHAI ZENDAI PROPERTY LIMITED
Dai Zhikang
Chairman

Hong Kong, 17 February 2014

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

***Principal place of business
in Hong Kong:***

Unit 6108, 61/F., 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. In order to be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a certified copy of such power of attorney must be lodged with the Company's branch registrar in Hong Kong, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof, (as the case may be).
3. In the case of joint holders, the vote of the senior who tenders a vote, whether present in person or by proxy, will be accepted to the exclusion of the vote(s) of other joint holder(s), and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

As at the date of this notice, the executive Directors are Mr. Dai Zhikang, Mr. Wang Fujie, Mr. Zuo Xingping and Mr. Tang Jian. The non-executive Directors are Mr. Zhu Nansong, Mr. Wu Yang, 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.