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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)

DISCLOSEABLE TRANSACTIONS ACQUISITION OF LAND PARCELS IN INNER MONGOLIA AUTONOMOUS REGION

The Board is pleased to announce that on 19 August 2008, the Purchaser has entered into the Agreements for the acquisition of the land use rights of the Land Parcels through the Vendor at an aggregate consideration of RMB146,389,500 (equivalent to approximately HK\$166,940,000) subsequent to the Purchaser has succeeded in a bid for the Acquisitions.

The Acquisitions constitute discloseable transactions of the Company under the Listing Rules. The Acquisitions are subject to the requirements of announcement and circular under the Listing Rules. A circular containing, among other things, further information on the Acquisitions will be despatched to the Shareholders as soon as practicable.

THE ACQUISITIONS

On 19 August 2008, the Purchaser has entered into the Agreements for the acquisition of the land use rights of the Land Parcels through the Vendor at an aggregate consideration of RMB146,389,500 (equivalent to approximately HK\$166,940,000) subsequent to the Purchaser has succeeded in a bid for the Acquisitions on 8 August 2008.

1. Parties to the Agreements

- a. the Vendor (to the best of the Directors' knowledge, information and beliefs having made all reasonable enquiry, the Vendor is a third party independent of the Company and the connected persons of the Company); and
- b. the Purchaser.

2. Considerations

The consideration for the acquisition of the land use rights of the Land Parcel One is RMB68,577,000 (equivalent to approximately HK\$78,204,000) in cash. The consideration was determined on the basis of approximately RMB1,500 (equivalent to approximately HK\$1,711) per square metre with reference to the location and development potential of Land Parcel One.

The consideration for the acquisition of the land use rights of the Land Parcel Two is RMB77,812,500 (equivalent to approximately HK\$88,736,000) in cash. The consideration was determined on the basis of approximately RMB750 (equivalent to approximately HK\$855) per square metre with reference to the location and development potential of Land Parcel Two.

The considerations will be funded from the Group's internal resources.

REASONS FOR THE ACQUISITIONS

The Group is a diversified property development company in the PRC, focusing on the development, investment and management of residential and commercial properties located in Shanghai and selected cities in the Yangtze River Delta, Hainan Province and Northeast China. The Group currently has thirteen projects under various stages of development located in Shanghai, Haimen, Yangzhou, Haikou, Changchun and Jilin.

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

The Land Parcels are located in Dongsheng Kangbashi New Area (東勝康巴什新區), Ordos City (鄂爾多斯市), Inner Mongolia Autonomous Region, the PRC. Ordos City is located in the Southwestern part of Inner Mongolia Autonomous Region. Land Parcel One, with a total site area of approximately 45,718 square metre, is designated for commercial uses. The Group intends to develop Land Parcel One into a commercial development. Land Parcel Two, with a total site area of approximately 103,750 square metre, is designated for residential uses. The Group intends to develop Land Parcel Two into a residential development.

The Board considers that the Acquisitions will enable the Group to increase its land reserve. The Board is also of the view that the Land Parcels are of good development potential and the Acquisitions will enhance the Group's profitability in the future.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Acquisitions are fair and reasonable and the development of the Land Parcels is in the ordinary and usual course of the Group's business and is in the interest of the Company and the Shareholders as a whole.

DISCLOSEABLE TRANSACTION

The Acquisitions constitute discloseable transactions of the Company under the Listing Rules. The Acquisitions are subject to the requirements of announcement and circular under the Listing Rules. A circular containing, among other things, further information on the Acquisitions will be despatched to the Shareholders as soon as practicable.

TERMS USED IN THIS ANNOUNCEMENT

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

“Acquisitions”	the acquisition of the land use rights of the Land Parcels
“Agreements”	the two agreements entered into by the Purchaser and the Vendor on 19 August 2008 in relation to the Acquisitions
“Board”	the executive directors of the Company
“Company”	Shanghai Zendai Property Limited, an exempt company incorporated in Bermuda, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Land Parcels”	Land Parcel One and Land Parcel Two
“Land Parcel One”	a parcel of land located in Dongsheng Area (東勝康巴什新區), Ordos City (鄂爾多斯市), Inner Mongolia Autonomous Region, the PRC with site areas of approximately 45,718 square metre and is designated for commercial uses
“Land Parcel Two”	a parcel of land located in Dongsheng Area (東勝康巴什新區), Ordos City (鄂爾多斯市), Inner Mongolia Autonomous Region, the PRC with site areas of approximately 103,750 square metre and is designated for residential uses
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	鄂爾多斯市証大房地產開發有限公司 (Ordos City Zendai Property Development Company Limited), a limited company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“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
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	鄂爾多斯市國土資源局東勝康巴什新區分局 (The Bureau of Land Resources in Dongsheng Area of Ordos City), a PRC Government authority

“HK\$”	Hong Kong dollars
“RMB”	Renminbi
“%”	per cent.

By Order of the Board
Shanghai Zendai Property Limited
Dai Zhikang
Chairman

Hong Kong, 25 August 2008

As at the date of this announcement, the executive Directors are Mr. Dai Zhikang, Mr. Fang Bin, Mr. Zhang Wei, Mr. Lu Puling, Mr. Wang Xiangang, Mr. Ye Wenbin and Mr. Tang Jian. 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 RMB0.8769 = HK\$1.00.