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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 NANTONG CITY, JIANGSU PROVINCE, THE PRC AND FORMATION OF JOINT VENTURE

The Board is pleased to announce that on 25 December 2009, Shanghai Zendai Land and Shanghai Jingwen Land, jointly as purchaser, have entered into the Acquisition Agreements with 南通市國土資源局, as vendor, for the acquisition of the land use rights of the Land Parcels at an aggregate consideration of RMB532,812,508.2 (equivalent to approximately HK\$602,078,000). On 27 December 2009, Shanghai Zendai Land and SMEG, the holding company of Shanghai Jingwen Land, entered into the Cooperation Agreement for the formation of a joint venture for the development of the Land Parcels.

Under the Cooperation Agreement, SMEG and Shanghai Zendai Land will, or procure their respective subsidiaries, to form a joint venture to be owned as to 50% by Shanghai Zendai Land and 50% as to SMEG, with a total registered capital of RMB100,000,000. The joint venture will take up the legal title of the Land Parcels and will develop the Land Parcels into a large scale commercial and residential project.

As the applicable percentage ratios exceed 5% but are less than 25%, the Transactions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

THE ACQUISITION AGREEMENTS AND THE COOPERATION AGREEMENT

On 25 December 2009, Shanghai Zendai Land and Shanghai Jingwen Land, jointly as purchaser, have entered into the Acquisition Agreements with 南通市國土資源局, as vendor, for the acquisition of the land use rights of the Land Parcels at an aggregate consideration of RMB532,812,508.2 (equivalent to approximately HK\$602,078,000).

On 27 December 2009, Shanghai Zendai Land and SMEG, the holding company of Shanghai Jingwen Land, entered into the Cooperation Agreement for the formation of a joint venture for the development of the Land Parcels.

1. Parties to the Acquisition Agreements

- a. 南通市國土資源局 (The Bureau of Land Resources in Nantong City) (to the best of the Directors' knowledge, information and beliefs having made all reasonable enquiry, is a third party independent of the Company and the connected persons of the Company), as vendor; and
- b. Shanghai Zendai Land and Shanghai Jingwen Land (to the best of the Directors' knowledge, information and beliefs having made all reasonable enquiry, is a third party independent of the Company and the connected persons of the Company), jointly as purchaser.

2. Considerations under the Acquisition Agreements

The consideration for the acquisition of the land use rights of the Land Parcel One is RMB256,393,423 (equivalent to approximately HK\$289,724,600) in cash. The consideration was determined on the basis of approximately RMB1,300 (equivalent to approximately HK\$1,469) 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 RMB276,419,085.20 (equivalent to approximately HK\$312,353,600) in cash. The consideration was determined on the basis of approximately RMB3,264 (equivalent to approximately HK\$3,688) per square metre with reference to the location and development potential of Land Parcel Two.

3. Parties to the Cooperation Agreement

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

4. Capital contribution under the Cooperation Agreement

Under the Cooperation Agreement, SMEG and Shanghai Zendai Land will, or procure their respective subsidiaries, to form a joint venture to be owned as to 50% by Shanghai Zendai Land and 50% as to SMEG, with a total registered capital of RMB100,000,000. Shanghai Zendai Land will contribute RMB50,000,000 as its share of registered capital and will be funded from the Group's internal resources. This joint venture is expected to be accounted for as a jointly controlled entity in the Group's financial statements.

The joint venture will take up the legal title of the Land Parcels under the Acquisition Agreements from 南通市國土資源局 (The Bureau of Land Resources in Nantong City) and will develop the Land Parcels into a large scale commercial and residential project. The joint venture will be responsible to arrange its own financing to satisfy the aggregate considerations under the Acquisition Agreements of RMB532,812,508.2 (equivalent to approximately HK\$602,078,000) and will be funded from a combination of its registered capital, bank loans and shareholders' loans as appropriate.

REASONS FOR THE TRANSACTIONS

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 the PRC. The Group currently has property projects under development in 10 cities which are located in the 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 shareholders.

The Land Parcels are located in Nantong City, Jiangsu Province, the PRC. Nantong City has a travel distance of about 100 kilo miles from Suzhou, 120 kilo miles from Shanghai and 130 kilo miles from Wuxi.

The Land Parcels are located in the southern part of 崇川區 (Chongchuan District) and is adjacent to the east side of 狼山風景區 (Longshan Scenic Region), one of the major scenic attractions in Jiangsu Province, and within close proximity to the major commercial district and government administration district of Nantong City. A number of high end entertainment facilities and a golf course were also established in this area. This part of Chongchuan District is expected to be developed into a prestigious commercial and residential community in Nantong City.

Under the Cooperation Agreement, Shanghai Zendai Land and SMEG will jointly develop the Land Parcels. A joint venture project company to be owned as to 50% by Shanghai Zendai Land and as to 50% by SMEG or their respective subsidiaries will be set up to manage this project.

Given the Group's extensive experience in developing large scale complex commercial and residential projects, it is intend that Shanghai Zendai Land will assume a leading role in the management of the project. Land Parcel One, with a total site area of approximately 197,226 square metre and a total floor area of 128,567 squre metre, is designated for commercial, cultural, entertainment and residential uses. The Group intends to develop Land Parcel One into a large scale commercial project using 上海證大大拇指廣場 (Shanghai Zendai Thumb Plaza) as a blue print. Land Parcel Two, with a total site area of approximately 84,686 square metre and a total floor area of 75,000 squre metre, is designated for residential uses. The Group intends to develop Land Parcel Two into a high end residential project.

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 Acquisition Agreements and the Cooperation Agreement 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 TRANSACTIONS

As the applicable percentage ratios exceed 5% but are less than 25%, the Transactions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

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

“Acquisition Agreements”	the two agreements entered into by the Shanghai Zendai Land and Shanghai Jingwen Land, as purchasers, and 南通市國土資源局, as Vendor, on 25 December 2009 in relation to the Acquisitions
“Acquisitions”	the acquisition of the land use rights of the Land Parcels
“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
“Cooperation Agreement”	the agreement entered into by the Shanghai Zendai Land and SMEG on 27 December 2009 in relation to the formation of joint venture and the development of the Land Parcels
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administration Region of the PRC
“Land Parcel One”	a parcel of land located in Nantong City, Jiangsu Province, the PRC with site areas of approximately 197,226 square metre and is designated for commercial, cultural, entertainment and residential uses
“Land Parcel Two”	a parcel of land located in Nantong City, Jiangsu Province, the PRC with site areas of approximately 84,686 square metre and is designated for residential uses
“Land Parcels”	Land Parcel One and Land Parcel Two
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“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
“Shanghai Jingwen Land”	上海精文置業(集團)有限公司, a company incorporated in the PRC and a subsidiary of SMEG
“Shanghai Zendai Land”	上海證大置業有限公司, an indirect wholly owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the Shares

“SMEG”	Shanghai Media & Entertainment Group, a PRC state-owned enterprise incorporated in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	The transactions contemplated under the Acquisition Agreements and Cooperation Agreement
“HK\$”	Hong Kong dollars
“RMB”	Renminbi
“%”	per cent.

By Order of the Board
Shanghai Zendai Property Limited
Ma Chengliang
Chairman

As at the date of this announcement, the executive Directors are Mr. Ma Chengliang, Mr. Dai Zhikang, Mr. Zhu Nansong, Mr. Fang Bin, Mr. Tang Jian, Mr. Wu Yang, Ms. Zhou Yan and Mr. Wang Zhe. The independent non-executive Directors are Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan and Dr. Tse Hiu Tung, Sheldon.

Hong Kong, 29 December 2009

* *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\$1.13.