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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE VERY SUBSTANTIAL DISPOSAL AND THE ADJOURNED SPECIAL GENERAL MEETING

References are made to (i) the circular (the “**Circular**”) and notice (the “**Notice**”) of the special general meeting (the “**SGM**”) of Shanghai Zendai Property Limited (the “**Company**”) both dated 14 April 2020 in relation to, among other things, a proposed very substantial disposal of the Haimen project and re-election of a director of the Company; (ii) the announcement of the Company dated 28 April 2020 in relation to the proposed adjournment of the SGM (the “**Adjournment Announcement**”); and (iii) the poll results announcement of the Company dated 29 April 2020 in relation to the approval of the resolution by the Shareholders to adjourn the SGM to a date, time and venue to be determined by the board of directors of the Company in due course. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Circular and the Adjournment Announcement.

This announcement is made to provide supplemental information on (i) the Proposed Disposal; and (ii) the Adjourned SGM pursuant to Rule 13.73 of the Listing Rules.

PROPOSED AMENDMENT TO THE TERMS OF THE PROPOSED DISPOSAL

Reference is made to the previously proposed payment terms of the Consideration set out in page six of the Circular, according to which, among others, the Consideration shall be settled in full within 90 days (or such other date as may be agreed by the parties to the SPA) upon entering into the SPA.

In light of, among others, the improving situation of COVID-19 and the resumption of business operations of the enterprises and organisations in the PRC, the Company believes investors’ confidence in the PRC market has generally improved as compared to that at the time of the Board’s determination of the terms of the Proposed Disposal. Further, the previously proposed settlement period of the Consideration of 90 days was determined in order to, among others, allow sufficient time for completion of the spin-off of the Excluded Company to take place, which is a condition precedent to completion of the Proposed Disposal. As at the date of this announcement, the spin-off of the Excluded Company has been completed, which is earlier than expected. Accordingly, the Company proposes to shorten the settlement period of the Consideration from 90 days to 60 days and revise the relevant disclosures in page six of the Circular as follows (the “**Proposed Amendment**”):

“The Consideration shall be settled by the successful bidder in the following manners:

- (i) as to 30% of the Consideration (inclusive of the earnest money in the amount of RMB50 million to be paid prior to the closing of the tender for the Proposed Disposal in order to become a potential bidder as required by SUAEE, which would be applied towards settling part of the Consideration) to be paid within 15 days (or such other date as may be agreed by the parties to the SPA) upon entering into the SPA;
- (ii) as to 30% of the Consideration to be paid within 30 days (or such other date as may be agreed by the parties to the SPA) upon entering into the SPA; and
- (iii) as to 40% of the Consideration to be paid within 60 days (or such other date as may be agreed by the parties to the SPA) upon entering into the SPA.”

The revised payment terms above will be included in the tender notice to be submitted to SUAEE.

UPDATE ON THE PROPOSED DISPOSAL

On 14 May 2020, the Company received a letter from the “Haimen Economic-Technological Development Zone Administration Committee” (海門經濟技術開發區管委會) pursuant to which, among others, successful bidder of the tender for the Proposed Disposal shall be required to comply with the “2020 Haimen People’s Government Work Report” (《2020年海門市人民政府工作報告》) by introducing emerging industries relating to, among others, the manufacturing of integrated circuit equipment and the testing of packages, 5G commercial communications, big data, artificial intelligence and/or blockchain into the development of the Industrial Land Parcels to the satisfaction of the “Haimen People’s Government” (海門市政府) (the “**Update**”). Details of the Update will be included in the tender notice to be submitted to SUAEE for the interested bidders’ information.

NO CHANGE IN THE RECOMMENDATIONS OF DIRECTORS AND OTHER MATTERS

Taking into consideration of the improving situation of COVID-19, the Company has increased confidence in the PRC market and considers that shortening the settlement period under the Proposed Amendment would not affect the attractiveness of the tender, and the resulted earlier receipt of instalments of the Consideration would help enhance the financial flexibility of the Group. After due and careful considerations, the Company is of the view that save for the earlier receipt of instalments of the Consideration to be resulted from the Proposed Amendment, each of the Proposed Amendment and the Update will not result in any change in (i) other terms and conditions (including the Consideration and qualifications of bidders) and financial effects of the Proposed Disposal from the perspective of the Group; (ii) the substance of the subject matters under the Proposed Disposal; (iii) the use of proceeds from the Proposed Disposal by the Group; and (iv) the Directors’ opinions and recommendations in relation to the Proposed Disposal, in each case as disclosed in the Circular.

In light of the above, the Company is of the view that the scale of the revisions and updating as a result of the Proposed Amendment and the Update are not significant, therefore the Company would publish a supplemental announcement to provide the relevant details for the purpose of complying with Rule 13.73 of the Listing Rules.

THE ADJOURNED SGM

The Adjourned SGM will be held at 24/F, OfficePlus @ Wan Chai, 303 Hennessy Road, Wan Chai, Hong Kong, on Friday, 29 May 2020 at 10:30 a.m.. The Company will, as soon as practicable, issue a new notice setting out the date, time and venue of the Adjourned SGM. The resolutions set out in the Notice will remain unchanged, and will be proposed and transacted at the Adjourned SGM.

By order of the Board
Shanghai Zendai Property Limited
Mr. Wang Letian
Chairman

Hong Kong, 14 May 2020

As at the date of this announcement, the executive Directors are Mr. Wang Letian, Mr. Qin Renzhong, Mr. He Haiyang and Mr. Tang Jian. The non-executive Directors are Ms. Wang Zheng, Mr. Ma Yun and Mr. Wu Junao. The independent non-executive Directors are Mr. Chow Alexander Yue Nong, Dr. Xu Changsheng, Mr. Ng Man Kung, Mr. How Sze Ming and Dr. Di Ruipeng.

* For identification purpose only