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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: 0755)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE AND RESUMPTION OF TRADING

This announcement is made by Shanghai Zendai Property Limited (the “**Company**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 21 December 2015 informing the market that trading in the shares of the Company (the “**Shares**”) would be halted with effect from 9:00 a.m. on 21 December 2015 pending the release of this announcement.

The Company was informed by Smart Success Capital Ltd., the controlling shareholder (as defined under the Listing Rules) of the Company (the “**Controlling Shareholder**”), that a memorandum of understanding (the “**First MOU**”) was entered into on 21 December 2015, and three memoranda of understanding (together with the First MOU, collectively the “**MOUs**”, and each an “**MOU**”) were entered into on 22 December 2015, between the Controlling Shareholder as a potential vendor on the one hand and each of the four separate independent third parties as potential purchasers (collectively the “**Potential Purchasers**”, and each a “**Potential Purchaser**”) on the other hand, respectively, regarding such possible transactions (the “**Possible Transactions**”, and each a “**Possible Transaction**”) which, if completed, may or may not lead to a change in control of the Company and a Potential Purchaser being required to make a mandatory general offer under Rule 26.1 of the Takeovers Code for all the issued Shares (other than those already owned by or agreed to be acquired by such Potential Purchaser and parties acting in concert with it) and for the cancellation of all outstanding share options of the Company. To the best of the knowledge of the directors of the Company after due and careful enquiries, the Potential Purchasers and their

respective ultimate beneficial owners are third parties independent to, and not connected, with the Company, its directors, chief executive, substantial shareholders, subsidiaries and associates (each as defined under the Listing Rules).

The Controlling Shareholder is an investment holding company incorporated in the British Virgin Islands with limited liability on 2 January 2015 and is indirectly wholly-owned by COS Greater China Special Situations Fund, L.P., an exempted limited partnership registered in the Cayman Islands on 20 October 2014, of which China Orient Summit Capital SSF GP Co. Ltd. is the general partner and China Orient Summit Capital SSF SLP, L.P. is its limited partner. There are no other general or limited partners of COS Greater China Special Situations Fund, L.P. and China Orient Summit Capital SSF SLP L.P. As at the date of this announcement, the Controlling Shareholder holds 7,165,566,000 Shares, representing approximately 48.16% of the issued share capital of the Company.

Each of China Orient Summit Capital SSF GP Co. Ltd. and China Orient Summit Capital SSF SLP GP Co., Ltd. (the general partner of China Orient Summit Capital SSF SLP, L.P.) is a wholly-owned subsidiary of China Orient Summit Capital International Co., Ltd., which is 80% owned by China Orient Asset Management (International) Holding Limited (“COAMI”) and 20% by Summit Capital International L.P.. The general partner of Summit Capital International L.P. is Summit Capital International GP Co. Ltd., which is wholly-owned by Mr. Tao Wu. The limited partner of Summit Capital International L.P. is Mr. Feng Han.

COAMI is an indirectly wholly-owned subsidiary of China Orient Asset Management Corporation, a state-owned asset management company in China.

Each Potential Purchaser has indicated an interest (but not a firm offer) to purchase certain number of Shares held by the Controlling Shareholder at a certain price or price range per Share (each an “**Indicative Offer Price Range**”), which is subject to further negotiation and mutual agreement. Save and except for the provisions relating to confidentiality, fees, timing for entering into formal agreement, regulatory compliance, governing law and dispute resolution, other provisions of each of the MOUs, including the relevant Indicative Offer Price Range do not have any legal binding effect. Pursuant to the terms of each of the MOUs, if the Controlling Shareholder and a Potential Purchaser do not enter into a formal agreement on or before 20 January 2016, the MOUs shall lapse. As at the date of this announcement, no formal and legally binding agreements have been entered into in respect of the Possible Transactions contemplated under the respective MOUs. The discussions with the Potential Purchasers are still in progress and therefore, the Possible Transaction(s) may or may not proceed. For the avoidance of doubt, it is the intention of the Controlling Shareholder that either none of the Possible Transactions or only one Possible Transaction would proceed after the completion of negotiations with the Potential Purchasers.

In compliance with Rule 3.7 of the Takeovers Code, the Company will make monthly announcement(s) setting out the progress of the aforesaid discussions until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Possible Transactions. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities of the Company in issue as at the date of this announcement comprise (i) 14,879,351,515 Shares and (ii) 1,242,000,000 outstanding options granted under the share option scheme of the Company adopted on 26 June 2012. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

The associates (within the meaning ascribed thereto under the Takeovers Code, including but not limited to any person holding 5% or more of a class of relevant securities of the Company) of the Company are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries.

Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

There is no assurance that any of the Possible Transactions mentioned in this announcement will materialise or eventually be consummated, and the Possible Transactions and/or the discussions may or may not lead to a general offer under the Takeovers Code. Shareholders of the Company and public investors are urged to exercise extreme caution when dealing in the Shares and/or other securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) was halted with effect from 9:00 a.m. on 21 December 2015 pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 28 December 2015.

By Order of the Board
Shanghai Zendai Property Limited
Li Li Hua
Executive Director

Hong Kong, 24 December 2015

As at the date of this announcement, the executive Directors are Mr. Zhang Chenguang, Mr. Zhong Guoxing, Dr. Wang Hao and Ms. Li Li Hua. The non-executive Directors are Mr. Xu Xiaoliang and Mr. Gong Ping. The independent non-executive Directors are Mr. Lai Chik Fan, Mr. Li Man Wai, Mr. Chow, Alexander Yue Nong and Dr. Xu Changsheng.

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

* *For identification purpose only*