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## **SHANGHAI ZENDAI PROPERTY LIMITED**

**上海証大房地產有限公司\***

*(incorporated in the Bermuda with limited liability)*

**(Stock Code: 755)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF LAND USE RIGHTS IN JILIN, THE PRC**

#### **THE LAND GRANT CONTRACT**

On 13 September 2012, Jilin Juncheng has entered into the Land Grant Contract for the acquisition of the land use rights of the Land Parcel through Changchun Land Bureau at a consideration of RMB76.92 million in cash (equivalent to approximately HK\$93.84 million) subsequent to Jilin Juncheng having succeeded in a bid for the acquisition of the Land Parcel. The Group will develop the Land Parcel into commercial property including retails, office building and serviced apartments.

#### **IMPLICATIONS UNDER THE LISTING RULES**

Given one of the applicable percentage ratios (as defined in the Listing Rules) under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules.

#### **INTRODUCTION**

On 13 September 2012, Jilin Juncheng has entered into the Land Grant Contract for the acquisition of the land use rights of the Land Parcel through Changchun Land Bureau at a consideration of RMB76.92 million in cash (equivalent to approximately HK\$93.84 million) subsequent to Jilin Juncheng having succeeded in a bid for the acquisition of the Land Parcel. The Group will develop the Land Parcel into commercial property including retails, office building and serviced apartments.

## **THE LAND GRANT CONTRACT**

### **Date**

13 September 2012

### **Parties**

Purchaser: Jilin Juncheng, an indirectly wholly-owned subsidiary of the Company

Vendor: Changchun Land Bureau, a governmental body of the PRC

To the best of the Directors' knowledge, information and belief, and having made reasonable enquiries, Changchun Land Bureau and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

### **Consideration**

The consideration for the acquisition of the land use rights of the Land Parcel is RMB76.92 million in cash (equivalent to approximately HK\$93.84 million). The consideration was determined on the basis of approximately RMB4,432.40 (equivalent to approximately HK\$5,407.53) per square meter with reference to the location and development potential of the Land Parcel. The consideration will be funded from the Group's internal resources and will be settled in the following manner:

- (i) as to RMB38.46 million (equivalent to approximately HK\$46.92 million) on or before 13 October 2012 ("First Instalment"), part of which will be offset against the deposit of RMB25.00 million (equivalent to approximately HK\$30.50 million) paid to Changchun Land Bureau for the bidding of the Land Parcel; and
- (ii) as to RMB38.46 million (equivalent to approximately HK\$46.92 million) on or before 13 September 2013, and will be subject to an interest payment to Changchun Land Bureau at the interest rate quoted on The People's Bank of China as at the date of the payment of First Instalment.

### **REASONS FOR THE 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 in the PRC, 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. 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 the Shareholders.

The Land Parcel is located in Changchun City, Jilin Province, the PRC, with a total site area of approximately 17,354 square meters and above ground gross floor area of approximately 95,447 square meters. The Land is designated for commercial and financial use. The term for the grant of the land use right of the Land Parcel is 40 years. The Land Parcel is located at the southeast of Caiyu Square, being the core business and commercial centre of Jingyue Western Urban Area. The Group will develop the Land into commercial property including retails, office building and serviced apartments. The Board is of the view that acquisition of Land Parcel will enable the Group to increase its land reserve. The Board is also of the view that The Land Parcel is of good development potential and will enhance the Group's profitability in the future.

Based on the abovementioned, the Directors consider that the terms of the Land Grant Contract are on normal commercial terms and the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS OF THE LISTING RULES**

Given one of the applicable percentage ratios (as defined in the Listing Rules) under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the land use rights of the Land Parcel
“Board”	the board of Directors
“Changchun Land Bureau”	Bureau of Land and Resources Changchun, the PRC (長春市國土資源局)
“Company”	Shanghai Zendai Property Limited, an exempt company incorporated in Bermuda, the issued shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land Grant Contract”	the land grant contract (國有建設用地使用權出讓合同) entered into between Changchun Land Bureau as vendor and Jilin Juncheng as purchaser for the acquisition of land use rights of the Land Parcel

“Land Parcel”	a parcel of land located in 吉林省長春市淨月經濟開發區 (Jingyue Economic Development Zone, Changchun City, Jilin Province, the PRC) with a site area of approximately 17,354 square meters, which is designated for commercial and financial use
“Listing Rules”	the 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
“Jilin Juncheng”	吉林省君誠房地產開發有限公司 (Jilin Juncheng Property Development Company Limited*), a company established under the laws of the PRC and is an indirectly wholly-owned subsidiary of the Company
“Share(s)”	share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

On behalf of the Board  
**Shanghai Zendai Property Limited**  
**Dai Zhikang**  
*Chairman*

Hong Kong, 17 September 2012

*As at the date of this announcement, the executive Directors are Mr. Dai Zhikang, Mr. Wang Fujie, Mr. Zhu Nansong, Mr. Zuo Xingping and Mr. Tang Jian. The non-executive Directors are Mr. Wu Yang, Mr. Zhou Chun, Mr. Dong Wenliang and Mr. Liu Zhiwei. The independent non-executive Directors are Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan, Mr. Li Man Wai and Mr. Cai Gaosheng.*

*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\$1.22.*

\* *For identification purpose only*