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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)

PROFIT WARNING

This announcement is made by Shanghai Zendai Property Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”) and Rule 13.09(2)(a) of the Listing Rules.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform shareholders and investors of the Company that, despite the fact that the Group is expected to record a substantial increase in the Group’s turnover for the six months ended 30 June 2018, the Group is expected to record an increase in loss attributable to owners of the Company for the six months ended 30 June 2018, as compared to the loss attributable to owners of the Company for the six months ended 30 June 2017. Based on the preliminary review of the management accounts of the Group and information currently available to the Company, such loss was mainly due to the following reasons:

1. The Group recorded a share of profit of HK\$174,290,000 from Nanjing Thumb Commercial Development Co., Ltd (“**Nanjing Zendai**”), previously a joint venture of the Group, in the six months ended 30 June 2017. Nanjing Zendai then became a subsidiary of the Company in December 2017 (“**the Acquisition Date**”) and accordingly its financial results were consolidated in the Group’s financial statements for the six

months ended 30 June 2018. The properties of Nanjing Zendai (“**Nanjing Zendai Properties**”) were re-measured to their fair value at the Acquisition Date and the fair value gain was recorded as profit of the Group in the financial year 2017. The cost of sales of the Nanjing Zendai Properties has increased due to the fair value re-measurement and therefore the gross profit in respect of sales of the Nanjing Zendai Properties in the six months ended 30 June 2018 is expected to decrease and the profit attributable to Nanjing Zendai included in the Group’s consolidated financial results for the six months ended 30 June 2018 has been much smaller as compared to the share of profit from Nanjing Zendai in the previous corresponding period referred to above; and

2. An increase in finance cost which is attributable to the increased interest cost and decrease of capitalized interest.

The information contained in this announcement is only based on the preliminary review of the management accounts of the Group, which have not been reviewed and approved by the Company’s audit committee and are still being reviewed by the Company’s auditors, and information currently available to the Company. Further details of the Group’s performance will be disclosed when the Company announces its interim results for the six months ended 30 June 2018.

Shareholders and other investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Shanghai Zendai Property Limited
Qiu Haibin
Chairman

Hong Kong, 16 August 2018

As at the date of this announcement, the executive Directors are Mr. Qiu Haibin, Mr. Qin Renzhong, Mr. Zhang Huagang and Mr. Tang Jian. The non-executive Directors are Ms. Wang Zheng, Mr. Gong Ping and Ms. Jiang Zhengyan. 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*