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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)

MAJOR TRANSACTION

IN RESPECT OF THE ACQUISITION OF PROPERTY ASSETS IN MODDERFONTEIN, JOHANNESBURG, SOUTH AFRICA

THE FRAMEWORK AGREEMENT

On 4 November 2013 (after trade hours), the Zendai Parties and the AECI Parties entered into the Framework Agreement pursuant to which the Zendai Parties have conditionally agreed to acquire and the AECI Parties have conditionally agreed to sell the Acquisition Assets at a consideration of approximately ZAR930.68 million (equivalent to approximately HK\$735.24 million) together with VAT of approximately ZAR130.30 million (equivalent to approximately HK\$102.94 million) thereon, totaling an amount of approximately ZAR1,060.98 million (equivalent to approximately HK\$838.17 million).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition is above 25% but less than 100%, the Acquisition constitutes a major transaction for Zendai under Chapter 14 of the Listing Rules, which is subject to the reporting, announcement and shareholders' approval requirement.

A circular containing, among other things, (i) details of the Acquisition; (ii) financial information of the Group; and (iii) the valuation report on the Immovable Properties, is expected to be despatched to the Shareholders on or before 24 December 2013 as additional time is required for the preparation of the circular.

THE FRAMEWORK AGREEMENT

Date

4 November 2013 (after trade hours)

Parties

- Purchasers:
- (1) Zendai;
 - (2) DevCo, a wholly-owned subsidiary of Zendai;
 - (3) InvCo, a wholly-owned subsidiary of Zendai;
- Vendors:
- (1) AECI;
 - (2) ARE;
 - (3) Heartland

To the best of the Directors' knowledge, information and belief, and having made reasonable enquiries, each of AECI, ARE and Heartland and its respective ultimate beneficial owners are third parties independent of Zendai and connected persons of Zendai.

Assets to be acquired

Under the Framework Agreement, the Zendai Parties have conditionally agreed to acquire and the AECI Parties have conditionally agreed to sell the Acquisition Assets.

The Acquisition Assets consist of the Immovable Properties, being certain property assets located in the Modderfontein area of Johannesburg, South Africa, comprising a number of land parcels and buildings, covering approximately 1,600 hectares, and the Heartland Assets.

Consideration and payment terms

The purchase price payable by Zendai in consideration for the Acquisition Assets, being the Immovable Properties and the Heartland Assets, shall be an amount equivalent to the Transaction Price of approximately ZAR930.68 million (equivalent to approximately HK\$735.24 million) together with VAT of approximately ZAR130.30 million (equivalent to approximately HK\$102.94 million) thereon, which has been secured by way of the Zendai Payment Guarantee in the amount of approximately ZAR1,060.98 million (equivalent to approximately HK\$838.17 million) and has been provided by Zendai to AECI on the Signature Date. The Zendai Payment Guarantee shall remain in force until the earlier of (i) full payment of the Transaction Price is received by AECI or (ii) 11 months and 14 days from the Signature Date whereafter the Zendai Payment Guarantee will automatically be cancelled. The amount payable under the Zendai Payment Guarantee will be paid to AECI in full on the Effective Date.

The Transaction Price was determined after arm's length negotiations between AECI and Zendai after taking into account various factors, including but not limited to (i) the factors stated in the section headed "Reasons for and benefits of the Acquisition" as set out below; and (ii) the preliminary valuation of the Immovable Properties as at 31 August 2013 as appraised by an independent valuer of no less than ZAR1,100 million (equivalent to approximately HK\$869.00 million). Having considered that the Transaction Price represents a discount over the preliminary valuation of the Immovable Properties, the Directors are of the view that the Transaction Price is fair and reasonable. The total consideration for the Acquisition will be satisfied by internal resources of Zendai.

Performance Guarantee in respect of the transfer of the Acquisition Assets

Pursuant to the Framework Agreement, the AECI Parties shall transfer the First Tranche of the Immovable Properties to the value of no less than ZAR450.00 million (or such lesser amount as agreed by Zendai), to the Zendai Parties by no later than nine months from the Signature Date (which under certain circumstances could be extended for a further two months depending on the progress of transfer of such Immovable Properties).

In consideration for payment of the Transaction Price by Zendai on the Effective Date and as security for the AECI Parties' obligations to transfer the Remaining Acquisition Assets to the Zendai Parties, AECI has furnished Zendai on the Signature Date with the Performance Guarantee in an amount equal to the Initial Guaranteed Amount, subject to a maximum of ZAR547.97 million including VAT (equivalent to approximately HK\$432.90 million), being the Transaction Price less the value of the First Tranche of no less than ZAR450.00 million plus VAT. If the Zendai Parties are of the opinion that one or more of the Immovable Properties comprising the First Tranche cannot be transferred within a period of nine months from the Signature Date (subject to aforesaid extension), it shall have the right at any time after a period of 6 months after the Signature Date by written notice to the AECI Parties to reduce the amount of the First Tranche and the Initial Guaranteed Amount and the Final Guaranteed Amount shall be increased by the same amount plus VAT. The AECI Parties shall provide the Zendai Parties within 14 days of such increase with an amended Performance Guarantee to take into account such increase.

The Performance Guarantee shall remain in force until the earlier of (i) the date upon which all the Immovable Properties are transferred to the Zendai Parties or (ii) the Initial Guaranteed Amount is reduced to zero or (iii) the later of 14 days after the Long Stop Date (subject to extension as set out in the section headed "Long Stop Date" below).

The Initial Guaranteed Amount shall be reduced from time to time by the value of each Immovable Property transferred to the Zendai Parties plus VAT and the Initial Guaranteed Amount so reduced from time to time shall be the Final Guaranteed Amount.

The AECI Parties shall as soon as possible and by no later than the Long Stop Date, procure the transfer of all Acquisition Assets required to be transferred to the Zendai Parties. Failing such transfer, the Zendai Parties will be entitled, but not obliged, to call for payment under the Performance Guarantee within 14 days after the Long Stop Date.

Net Improvement Costs Guarantee

During the ordinary course of the business, the AECI Parties in accordance with their existing business plans and models, will incur further Net Improvement Costs for the Cost Period. AECI shall take such steps and enter into such contracts and incur such expenditure as is necessary in order to implement improvements to the Immovable Properties based on the estimated budget approved by Zendai in respect of Net Improvement Costs for the Cost Period. Zendai shall on the Signature Date provide AECI with the Net Improvement Costs Guarantee in an amount of no more than ZAR227.07 million (equivalent to approximately HK\$179.39 million) inclusive of VAT.

The amount paid by the AECI Parties for the Net Improvement Costs during the Cost Period shall bear interest at the prime overdraft lending rate published by Standard Bank of South Africa Limited from time to time from the date of payment by the AECI Parties to date of payment by or on behalf of both DevCo and InvCo, both days inclusive.

Existing Leases related to the existing buildings and portions of the Acquisition Assets and the Improchem Lease

Pursuant to the Framework Agreement, all Existing Leases over the buildings and portions of the Acquisition Assets will be transferred to the respective Zendai Parties on the Effective Date so that the respective Zendai Parties will lawfully be the lessor under all the Existing Leases. AECI will notify all lessees of the Existing Leases and ensure that all and any cessions required to give effect to this warranty are complied with by the Effective Date. In addition, the Improchem Lease in respect of the lease of Improchem Building, a building being constructed on one of the Immovable Properties being acquired by DevCo, will be transferred to DevCo on the Effective Date. According to the Existing Leases and the Improchem Lease, the buildings and portions of the Acquisition Assets under all Existing Leases and the Improchem Lease cover an aggregated area of approximately 15 hectares, representing less than 1% of the total area of the Acquisition Assets, and are short term leases which is less than 5 years other than the Improchem Lease which is for nine years and 11 months. The aggregated annual rental under the Existing Leases was approximately ZAR47.08 million in 2012 and the proposed annual rental under the Improchem Lease is approximately ZAR4.61 million (excluding VAT).

In view of the size of aforesaid buildings which is insignificant as compared to that of the Acquisition Assets and the relatively short lease term of the Existing Leases, the Directors are of the view that the Existing Leases and the Improchem Lease will not bring any material effect to the operation and development plan on the Acquisition Assets.

Employee Services

Pursuant to the Framework Agreement, the Heartland Key Employees will be transferred to DevCo on the Effective Date and taking into account that the AECI Parties are entirely dependent on the Heartland Key Employees in respect of the transfer of the Remaining Acquisition Assets to the Zendai Parties, the Parties also agreed that the Heartland Key Employees will, after the transfer of their employment to the Zendai Parties, assist the AECI Parties regarding the transfer of the Remaining Acquisition Assets. In consideration of the Employee Services to be provided by Zendai, AECI will pay DevCo at an aggregated consideration of not more than ZAR4.67 million (equivalent to approximately HK\$3.69 million) for a three-year term commencing from the Effective Date to 31 December 2016.

Definitive Agreements

In addition to the Framework Agreement, the Parties and/or other relevant parties (as the case may be) have also entered into the Definitive Agreements, being the Individual Immovable Property Sale Agreements for the purchase and sale of each Immovable Property, the Heartland Transfer of Assets Agreement for the transfer of the Heartland Assets, and Other Definitive Agreements. The list of Other Definitive Agreements is summarised as below:

- (i) lease agreement entered into between DevCo and AECI in respect of the lease of Founders Hill, being one of the Immovable Properties, by AECI to DevCo, pursuant to which DevCo may use, develop, sub-divide or in any way deal with Founders Hill so as to give DevCo full rights as if it were the owner thereof, provided such dealing is lawful, commencing from the Effective Date until the date of registration of transfer of Founders Hill into the name of DevCo at an annual rental of ZAR12.00 plus VAT;
- (ii) property management services agreement entered into among DevCo, InvCo and AECI in respect of the provision of property management services and the secretarial and accounting services by AECI in relation to the leasing and management of all the buildings under the Existing Leases and being acquired by the DevCo and InvCo at a fee of approximately ZAR7.28 million per annum (which shall escalate annually by 8% on each anniversary of the commencement date) from the first day immediately following the Effective Date until the third anniversary of the Effective Date;
- (iii) bulk service co-operation agreement entered into among DevCo, InvCo, AECI and AEL in respect of the continued supply of bulk primary potable water, sewerage, electricity, storm water and all other existing services which is currently supplied to the Immovable Properties by AEL to regulate, on a temporary basis, the continued supply of the aforesaid bulk services to the Immovable Properties until such time as arrangement have been made by InvCo for the existing bulk services to be supplied by the relevant local authority at a rate equivalent to the tariff paid by AEL for such bulk services from the authority supplying such bulk services to AEL commencing from the Effective Date for a period of 10 years which may be extended upon agreement between the parties;
- (iv) sub-lease agreement entered into between InvCo and AECI in respect of lease of the museum building and the surrounding area, being an existing building situated on one of the Immovable Properties namely Erven 7 Founders Hill Township measuring approximately 18.90 hectares and is to continue to be used as a museum and any other activities ancillary thereto, by InvCo to AECI, which shall commence from the later date of the Effective Date and the date of signing the joint use agreement as set out in (v) below, for an initial period of 10 years which may be extended by AECI for a further period of 10 years at an annual rental payable by AECI to InvCo of ZAR12,000.00 (excluding VAT);
- (v) joint use agreement entered into between InvCo and AECI in respect of the joint use and benefit of the heritage site known as Frans Hoenig House, being an existing building situated on one of the Immovable Properties namely Erven 7 Founders Hill Township measuring approximately 18.90 hectares, between InvCo and AECI, pursuant to which both parties shall contribute to the day to day maintenance of such site in equal shares and the payment of consumption accounts in the proportion that its use of such site for a term commencing from the Effective Date which can be terminated by AECI at any time after the second anniversary of such joint use agreement on 6 months written notice to InvCo;

- (vi) Modderfontein reserve agreement entered into among DevCo, Heartland, Greater Modderfontein Property Umbrella Association and AECI pursuant to which DevCo, as an owner of land in the Modderfontein area, and AECI will procure that from the Effective Date the Modderfontein Conservation Area, which is owned by AECI and not being portion of the Immovable Properties, will continue to be administered as a conservation amenity for the public and local community and members of the Greater Modderfontein Property Umbrella Association, a non-profit company set up by Heartland;
- (vii) management agreement of the Gypsum Dumps entered into among DevCo, InvCo and AECI, pursuant to which AECI undertakes to manage the Gypsum Dumps, being an existing historic gypsum residue situated on one of the Immovable Properties measuring approximately 85 hectares, for nil consideration from the Effective Date until the date of registration of transfer of such Immovable Properties into the name of the Zendai Parties;
- (viii) co-operation landowners agreement entered into among the Zendai Parties and AECI, pursuant to which all parties agreed to co-operate in relation to any and all environmental matters that may arise and have an impact on the respective properties located in Modderfontein adjoined by a common boundary and owned by AECI and Zendai and surrounding environment from the Effective Date for a term of five years; and
- (ix) Employment Transfer Agreement entered into between DevCo and Heartland in respect of the transfer of the employment of the existing Heartland Employees from Heartland to DevCo pursuant to which all the rights and obligations between Heartland and the Heartland Employees as at the Effective Date shall continue in force as if they had been rights and obligations between DevCo and the Heartland Employees.

All the above Definitive Agreements were entered into between the Parties after arms' length negotiations given the current structure of the Framework Agreement and status of the Acquisition Assets and are based on normal commercial terms. The Directors are of the view that the transactions under the Definitive Agreement are conducted in the ordinary course of business of the Company and that the entering into of the Definitive Agreements will not change the Company's intention towards the development of the Acquisition Assets and will not bring any material effect to the operation and development plan on the Acquisition Assets.

Conditions Precedent to the Acquisition

The Framework Agreement will become unconditional upon the fulfilment or waiver (as the case may be) of the following Conditions Precedent:

- (i) the conclusion of each Definitive Agreement and each Definitive Agreement becoming unconditional in accordance with its terms, save for any condition contained therein requiring the Framework Agreement to become unconditional;
- (ii) the provision by Zendai to AECI with the Zendai Payment Guarantee and Net Improvement Costs Guarantee;
- (iii) the provision by AECI to Zendai with the Performance Guarantee;
- (iv) Zendai having delivered to AECI the Irrevocable Undertaking from Mr. Dai;

- (v) Heartland Leasing (Proprietary) Ltd, acting as agent for AECI and Improchem (Proprietary) Ltd entering into the Improchem Lease in respect of the Improchem Building, a building being constructed on one of the Immovable Properties measuring 4,915 square meters, satisfactory to Zendai and AECI;
- (vi) each of Heartland and ARE having delivered to Zendai a copy of a special resolution of the shareholders in terms of section 112(2) read with 115(2)(a) of the Companies Act, specifically approving the disposal by, where applicable, Heartland or ARE of its Acquisition Assets;
- (vii) Zendai having delivered to AECI a certified copy of the resolutions of the Shareholders approving the transactions contemplated by the Framework Agreement and the Definitive Agreements (and in the case of the Definitive Agreements, to the extent necessary).
- (viii) the unconditional approval in writing of the applicable competition authorities in terms of the Competition Act 89 of 1998 having been obtained in respect of the sales contemplated by the Framework Agreement (or if such approval is conditional, the Parties having each respectively in writing approved each such condition and delivered such written approval to the other Party); and
- (ix) provided that the above Conditions Precedent are fulfilled or waived (as the case may be), the Immovable Properties to the value of no less than ZAR450.00 million (or such lesser amount as agreed by Zendai) being transferred by the AECI Parties to the Zendai Parties.

The Parties may by written agreement only, waive any Condition Precedent which is capable of being waived in whole or in part prior to the date on which it is required to be fulfilled, save for condition (vii) above. Conditions (i), (ii), (iii), (iv) and (v) have been fulfilled on the Signature Date while conditions (vi), (vii) and (viii) shall be fulfilled or waived (as the case may be) by no later than 28 February 2014. By no later than nine months from the Signature Date (which could be extended for a further two months depending on the progress of transfer of such Immovable Properties), condition (ix) shall be fulfilled or waived (as the case may be). The Parties shall, where it is within their respective power and control to do so, use their reasonable commercial endeavours to procure the fulfilment or waiver (as the case may be) of each of the Conditions Precedent within the respective dates as stated above. All Conditions Precedent cannot be waived.

If any Condition Precedent is not fulfilled or waived (as the case may be) on or prior to the respective dates as stated above, or extended date in the case of condition (ix), the Framework Agreement and the Definitive Agreements shall never become effective, save for the surviving provisions which by necessary implication must continue after termination shall continue to be of force or effect. If any Condition Precedent is not fulfilled or waived (as the case may be), neither Party shall have any claim against the other Party as a result of or in connection with any such non-fulfilment or non-waiver (other than a claim for a breach by a Party of any of its obligations under the Conditions Precedent), nor the Parties indemnify each other accordingly.

Long Stop Date

The Long Stop Date shall be the date by which AECI must transfer all the Immovable Properties to DevCo and InvCo, being 24 months from the Effective Date, (subject to any extension due to the occurrence of any force majeure events), which could be extended by either Zendai or AECI by written notice to the other for a period of 12 months, and could be further extended for a period of six months by further written notice provided the Performance Guarantee remains valid and enforceable, or could be extended by Zendai alone if the Performance Guarantee does not remain valid and enforceable.

Should the original Long Stop Date, being 24 months from the Effective Date, be extended other than the occurrence of any force majeure events, each AECI Party shall pay, as an agreed and liquidated damages to the respective Zendai Parties, an amount equal to the rate of interest charged by their respective bankers to the respective Zendai Parties for funding of any Acquisition Assets occupied by them respectively and not transferred to the respective Zendai Parties by the original Long Stop Date, up to a maximum rate of 10% (ten percent) per annum (nominal annual compounded annually).

REASONS FOR AND BENEFITS OF 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, 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. In view of the continuation of the austerity measures towards the property market implemented by the PRC government, the Group, apart from focusing on the PRC market, has been exploring real estate development projects that are suitable for the Group in terms of scale, in order to expand into in the overseas market.

The Acquisition Assets consist of certain property assets located in Modderfontein, Johannesburg, South Africa, comprising a number of land parcels and buildings, covering approximately 1,600 hectares. Modderfontein is strategically placed on the main route to the OR Tambo International Airport, being the primary airport for domestic and international travel from and to South Africa and Sandton (the central business district of Johannesburg). Johannesburg is the largest city of South Africa in terms of population and is expected to continue to grow under governmental support through massive infrastructure spending over the next 10 years. It is the intention of the Group to develop the Acquisition Assets as a mixed-use zone including residential, commercial, light industrial and retail developments. Given the unique location of the Acquisition Assets, the Board considers that the Acquisition Assets are of outstanding development potential and the Acquisition will allow Zendai to capture the potential growth in the future. In addition to the Group's first overseas project located in New Zealand, the Board is of the view that the Acquisition provides an opportunity for the Group to further expand its landbank to the South African region, which helps diversifying the investment portfolio of the Group in order to build a more stable income stream for the Group.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Framework Agreement and the transaction contemplated thereunder are fair and reasonable and the Acquisition is in the interest of Zendai and the Shareholders as a whole.

INFORMATION ON THE VENDORS

Each of the Vendors, namely AECI, ARE and Heartland, is a company incorporated in the South Africa with limited liability.

AECI is principally engaged in the development, production and supply of explosives and specialty chemicals, manufacture and sale of specialty fibres. AECI, through its subsidiaries ARE and Heartland develops and sells properties in South Africa. AECI is listed on JSE Limited, being the largest stock exchange in Africa.

ARE and Heartland are both wholly-owned subsidiaries of AECI, all of whom own some of the Acquisition Assets.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition (including the provision of the Zendai Payment Guarantee and the Net Improvement Costs Guarantee) is above 25% but less than 100%, the Acquisition constitutes a major transaction for Zendai under Chapter 14 of the Listing Rules, which is subject to the reporting, announcement and shareholders' approval requirements.

As the transactions under the Other Definitive Agreements are of revenue nature and are conducted in the ordinary course of business of the Company, the transactions under the Other Definitive Agreements should be exempt from the requirements of Chapter 14 of the Listing Rules pursuant to Rule 14.04(1)(g) of the Listing Rules. In the event that the entering into of the Other Definitive Agreements constitute notifiable transactions under Chapter 14 of the Listing Rules, further announcements will be issued by Zendai as and when appropriate in accordance with the Listing Rules' requirements.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, none of the Shareholders has a material interest in the Framework Agreement and the transactions contemplated thereunder. No Shareholder is required to abstain from voting on the resolution to approve the Framework Agreement and the transactions contemplated thereunder at the SGM. Mr. Dai, being the executive Director, the Chairman of Zendai and the controlling Shareholder, has given the Irrevocable Undertaking to AECI pursuant to which Mr. Dai, together with his associates who directly or indirectly are interested in approximately 38.67% of the total issued share capital of Zendai, will vote such Shares in favour of all resolutions to approve the Framework Agreement and the transactions contemplated thereunder at the SGM.

A circular containing, among other things, (i) details of the Acquisition; (ii) financial information of the Group; and (iii) the valuation report on the Immovable Properties, is expected to be despatched to the Shareholders on or before 24 December 2013 as additional time is required for the preparation of the circular.

DEFINITIONS

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

“Acquisition”	the acquisition of the Acquisition Assets in accordance with the Framework Agreement
“Acquisition Assets”	being the Immovable Properties and the Heartland Assets
“AECI”	AECI Limited, a company duly registered and incorporated in accordance with the laws of South Africa and listed on the JSE Limited
“AEL”	AEL Mining Services Limited, a company duly registered and incorporated in accordance with the laws of South Africa and is third parties independent of Zendai and connected persons of Zendai
“AECI Parties” or “Vendors”	AECI, Heartland and ARE, jointly and severally
“ARE”	AECI Real Estate (Proprietary) Limited, a company duly registered and incorporated in accordance with the laws of South Africa and is a wholly-owned subsidiary of AECI
“associates”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Act”	the Companies Act of South Africa, 71 of 2008, as amended
“Conditions Precedent”	the conditions precedent to the Acquisition
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Cost Period”	the period between 1 September 2013 up to and including the Effective Date
“Directors”	the directors of Zendai
“Definitive Agreements”	the definitive agreements entered into between the Parties and/or the relevant parties (as the case may be) on the Signature Date as contemplated under the Framework Agreement
“DevCo”	Zendai Development (South Africa) Proprietary Limited, a company duly registered and incorporated in accordance with the laws of South Africa

“Effective Date”	the date on which all of the Conditions Precedent have been fulfilled or waived (as the case may be) and on which the Transaction Price plus VAT is paid to AECI by the Zendai Parties, which is anticipated to take place by no later than nine months from the Signature Date (or such other effective date as may be agreed upon in writing by the Parties)
“Employee Services”	the employee services contemplated under the Framework Agreement
“Employment Transfer Agreement”	the employment transfer agreement dated 4 November 2013 entered into between DevCo and Heartland in respect of the transfer of the employment of the existing Heartland Employees from Heartland to DevCo
“Existing Leases”	the existing leases over the buildings and portions of the Acquisition Assets to be transferred to the respective Zendai Parties on the Effective Date pursuant to the Definitive Agreements
“Final Guaranteed Amount”	in respect of each of DevCo and InvCo the Initial Guaranteed Amount less the aggregate price of each Immovable Property (inclusive of Net Improvement Costs up to and including 31 August 2013) of the Immovable Properties transferred to it by the AECI Parties on or after the Effective Date, subject to a maximum of ZAR547.97 million including VAT in aggregate
“First Tranche”	the first tranche of Immovable Properties to be transferred to the Zendai Parties by the Effective Date to the value of no less than ZAR450.00 million (or such lesser amount as agreed by Zendai)
“Framework Agreement”	the framework agreement dated 4 November 2013 entered into between the Zendai Parties and the AECI Parties in respect of the Acquisition
“Heartland”	Heartland Properties (Proprietary) Limited, a company duly registered and incorporated in accordance with the laws of South Africa and is a wholly-owned subsidiary of AECI
“Heartland Assets”	including all of the assets (of whatsoever nature) used or owned by Heartland in relation to the normal, ordinary and regular operation of the business as at the Effective Date, the Heartland Employees including the employee liabilities under their existing employment contracts with Heartland in accordance with the Employment Transfer Agreement which will be transferred to DevCo on the Effective Date as a going concern
“Heartland Employees”	being 21 existing employees of Heartland who are to be transferred to DevCo on the Effective Date

“Heartland Key Employees”	being three existing employees of Heartland who are to be transferred to DevCo on the Effective Date
“Heartland Transfer of Assets Agreement”	the transfer agreement dated 4 November 2013 entered into between Heartland and DevCo in relation to the transfer of the Heartland Assets to DevCo by Heartland as a going concern
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Immovable Properties”	certain immovable properties located in the Modderfontein area to be acquired by the Zendai Parties from the AECI Parties pursuant to the Framework Agreement
“Improchem Lease”	the lease to be entered into between Heartland Leasing (Proprietary) Ltd, acting as agent, for AECI as the lessor and Improchem (Proprietary) Ltd as the lessee, a company within the AECI group of companies, in respect of the Improchem Building, a building being constructed on one of the Immovable Properties measuring 4,915 square meters being acquired by DevCo for a lease term of nine years and 11 months, and will be transferred to DevCo on the Effective Date
“Initial Guaranteed Amount”	portion of the Transaction Price attributable to each of InvCo and DevCo plus VAT thereon less the aggregate price of each Immovable Property (inclusive of Net Improvement Costs up to and including 31 August 2013) transferred to each of them respectively as at the Effective Date, subject to a maximum of ZAR547.97 million including VAT in aggregate
“Individual Immovable Property Sale Agreements”	the sale agreements dated 4 November 2013 entered into between the Parties in relation to the sale of the Immovable Properties
“InvCo”	Zendai Investment Management (South Africa) Proprietary Limited, a company duly registered and incorporated in accordance with the laws of South Africa
“Irrevocable Undertaking”	the irrevocable undertaking dated 4 November 2013 from Mr. Dai to AECI pursuant to which Mr. Dai, together with his associates, who directly or indirectly are interested in approximately 38.67% of the total issued share capital of Zendai as at the date thereof, will vote such Shares in favour of all resolutions to approve the Framework Agreement and the transactions contemplated thereunder at the SGM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	24 months after the Effective Date (subject to extension)

“Mr. Dai”	Mr. Dai Zhikang, being the executive Director, the Chairman of Zendai and the controlling Shareholder
“Net Improvement Costs”	the agreed net costs of any improvements to the Acquisition Assets, including planning costs and capital costs, undertaken or in progress by the AECI Parties
“Net Improvement Costs Guarantee”	the guarantee in an amount of no more than ZAR227.07 million furnished to AECI for the Net Improvement Costs incurred between the Cost Period plus VAT and plus interest
“Other Definitive Agreements”	all Definitive Agreements other than the Individual Immovable Property Sale Agreements and Heartland Transfer of Assets Agreement
“Parties”	collectively Zendai, DevCo, InvCo, AECI, ARE and Heartland, being all parties to the Framework Agreement
“Performance Guarantee”	the guarantee from Standard Bank of South Africa Limited furnished on AECI’s behalf to DevCo and InvCo
“Remaining Acquisition Assets”	being the Acquisition Assets not transferred to the Zendai Parties by the Effective Date or the Long Stop Date as the case may be
“SGM”	the special general meeting of the Company to be convened to approve, among other things, the Framework Agreement and the transactions contemplated thereunder
“Share(s)”	share(s) of HK\$0.02 each in the share capital of Zendai
“Shareholder(s)”	holder(s) of Shares
“Signature Date”	the date of the signing of the Framework Agreement
“South Africa”	the Republic of South Africa
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Price”	the price in consideration for the Acquisition Assets in the amount of approximately ZAR930.68 million, which includes Net Improvement Costs of approximately ZAR52 million up to and including 31 August 2013 and excludes VAT in an amount of approximately ZAR130.30 million
“VAT”	value-added tax levied in terms of the Value-added Tax Act, 89 of 1991, as amended, which is equivalent to 14% as at the date of this announcement

“Zendai”	Shanghai Zendai Property Limited, an exempt company incorporated in Bermuda, the issued shares of which are listed on the Stock Exchange
“Zendai Parties” or “Purchasers”	Zendai, DevCo and InvCo, jointly and severally
“Zendai Payment Guarantee”	the payment guarantee from Bank of China Limited, Johannesburg Branch furnished on behalf of DevCo and InvCo to AECI in the amount of approximately ZAR1,060.98 million
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“ZAR”	South Africa rands, the lawful currency of South Africa

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

Hong Kong, 5 November 2013

As at the date of this announcement, the executive Directors are Mr. Dai Zhikang, Mr. Wang Fujie, Mr. Zuo Xingping and Mr. Tang Jian. The non-executive Directors are Mr. Zhu Nansong, Mr. Wu Yang, Mr. Xu Xiaoliang and Mr. Gong Ping. The independent non-executive Directors are Mr. Lo Mun Lam, Raymond, Mr. Lai Chik Fan, Mr. Li Man Wai and Mr. Cai Gaosheng.

** For identification purpose only*

For the purpose of this announcement, unless otherwise specifies, conversion of South Africa rands into Hong Kong dollars is based on the approximate exchange rate of ZAR1.00 = HK\$0.79.