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SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED

上海實業城市開發集團有限公司

(formerly known as NEO-CHINA LAND GROUP (HOLDINGS) LIMITED)

(Incorporated in Bermuda with limited liability)

(Shares – Stock Code: 563; Convertible bonds due 2011 – Stock Code: 2528)

VOLUNTARY ANNOUNCEMENT IN RELATION TO LOAN AGREEMENT

This is a voluntary announcement made by the Company.

On 29 December 2010, the Company and the Lender entered into the Loan Agreement pursuant to which the Lender agreed to grant to the Company an unsecured and interest-bearing Loan in the principal amount of HK\$1,000 million for a term of one (1) year from the drawdown date. The Loan was paid to the Company on 30 December 2010.

As the Lender is a substantial shareholder and thus a connected person of the Company, the transaction(s) contemplated under the Loan Agreement constitute a connected transaction of the Company. Given such financial assistance is provided by the Lender on normal commercial terms and without grant of security over assets of the Company, such connected transaction is exempted from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

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REASONS FOR AND THE BENEFITS OF THE LOAN FOR THE COMPANY

The Group is one of the leading property developers in the People's Republic of China. The Group principally engages in property development, property investment and hotel operations.

The Lender is a wholly-owned subsidiary of SIHL which holds approximately 45.0% of the total issued share capital of the Company as at the date of this announcement. The Lender has agreed to advance the Loan to the Company as a sign of support of its daily operations and future business developments. The Company intends to use the proceeds of the Loan to finance acquisition costs of land and development, construction and improvement costs in its projects.

GENERAL

As the Lender is a substantial shareholder and thus a connected person of the Company, the transaction(s) contemplated under the Loan Agreement constitute a connected transaction of the Company. Given such financial assistance is provided by the Lender on normal commercial terms and without grant of security over assets of the Company, such connected transaction is exempted from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Shanghai Industrial Urban Development Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Lender”	SIHL Finance Limited, a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of SIHL and a substantial shareholder and connected person of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan”	an unsecured and interest-bearing loan of HK\$1,000 million granted by the Lender to the Company pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 29 December 2010 entered into between the Lender and the Company in relation to the Loan
“SIHL”	Shanghai Industrial Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules

By order of the Board
Shanghai Industrial Urban Development Group Limited
Ni Jian Da
Executive Director

Hong Kong, 31 December 2010

As at the date of this announcement, the Board comprises Mr. Cai Yu Tian, Mr. Ni Jian Da, Mr. Qian Shi Zheng, Mr. Zhou Jun, Mr. Yang Biao, Mr. Chen An Min and Mr. Jia Bo Wei as executive Directors and Mr. Doo Wai-Hoi, William, J.P., Dr. Wong Ying Ho, Kennedy, BBS, J.P., Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David as independent non-executive Directors.