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上海實業城市開發集團有限公司

SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 563)

VOLUNTARY ANNOUNCEMENT IN RELATION TO LOAN AGREEMENT

This is a voluntary announcement made by the Company.

On 29 June 2012, the Company and SIHL Finance entered into the Second SIUD Loan Extension Agreement pursuant to which SIHL Finance agreed to further extend the term of the SIUD Loan to 30 June 2013.

As SIHL Finance is an associate of a substantial shareholder and thus a connected person of the Company, the transaction contemplated under the Second SIUD Loan Extension Agreement constitutes a connected transaction of the Company. Given that the financial assistance under the above transaction is provided by SIHL Finance on normal commercial terms and without grant of security over the 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.

This is a voluntary announcement made by the Company.

Reference is made to the voluntary announcements of the Company dated 31 December 2010 and 6 January 2012, respectively, where the Company announced that SIHL Finance granted the SIUD Loan to the Company and, upon expiry of the original term, agreed to extend the term of the SIUD Loan to 30 June 2012. On 29 June 2012, the Company and SIHL Finance entered into the Second SIUD Loan Extension Agreement pursuant to which SIHL Finance agreed to further extend the term of the SIUD Loan to 30 June 2013.

REASONS FOR AND THE BENEFITS OF THE EXTENSION FOR THE COMPANY

The Group is one of the leading property developers in the PRC. The Group principally engages in property development, property investment and hotel operations.

SIHL Finance is a wholly-owned subsidiary of SIHL. According to the register required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) and as at the date of this announcement, SIHL is interested in approximately 70.99% of the issued share capital of the Company. The Company believes that SIHL Finance has agreed to extend the term of the SIUD Loan to the Group is a sign of its continuous support of the Group's operations and future business developments. The proceeds of the SIUD Loan were used to finance acquisition costs of land and development, construction and improvement costs of the Group's projects.

GENERAL

As SIHL Finance is an associate of a substantial shareholder and thus a connected person of the Company, the transaction contemplated under the Second SIUD Loan Extension Agreement constitutes a connected transaction of the Company. Given that the financial assistance under the above transaction is provided by SIHL Finance on normal commercial terms and without grant of security over the 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:

“Company”	Shanghai Industrial Urban Development Group Limited, a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Group”	the Company together with its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Second SIUD Loan Extension Agreement”	the loan extension agreement dated 29 June 2012 entered into between SIHL Finance and the Company in relation to the SIUD Loan
“SIHL”	Shanghai Industrial Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 363), and a substantial shareholder of the Company

“SIHL Finance”	SIHL Finance Limited, a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of SIHL and a connected person of the Company
“SIUD Loan”	an unsecured and interest-bearing loan of HK\$1,000 million granted by SIHL Finance to the Company pursuant to a loan agreement between the Company and SIHL Finance dated 29 December 2010 and as amended on 3 January 2012
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

In this announcement, the terms “associate”, “connected person”, “connected transaction”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules.

By order of the Board
Shanghai Industrial Urban Development Group Limited
Chan Kin Chu, Harry
Company Secretary

Hong Kong, 29 June 2012

As at the date of this announcement, the board of director of the Company comprises Mr. Ni Jianda, Mr. Ji Gang, Mr. Zhou Jun, Mr. Yang Biao and Mr. Chen Anmin 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.