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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)

**MAJOR TRANSACTION
DISPOSAL OF ZHUHAI QI'AO ISLAND PROJECT**

A letter from the Board is set out from pages 5 to 12 of this circular.

24 February 2016

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DEFINITIONS

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

“Agreement”	the agreement dated 28 December 2015 and entered into between the Seller and the Purchaser in relation to the Disposal, as amended and supplemented by a supplemental agreement of the same date
“Board”	the board of Directors
“BVI”	British Virgin Islands
“BVI Company”	Moral Luck Group Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Target Company
“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
“Completion”	completion of the Disposal in accordance with the terms of the Agreement
“connected person”	has the meaning given to it in the Listing Rules
“Deposit”	the deposit of RMB100,000,000 paid on behalf of the Purchaser to the Seller pursuant to the LOI
“Directors”	directors of the Company
“Disposal”	the sale of the Sale Share by the Seller to the Purchaser under the Agreement
“Group”	the Company and its subsidiaries
“HK Company”	Group Fortune Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	19 February 2016, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	a letter of intent dated 29 September 2015 entered into between the Company and the Purchaser in relation to the Disposal
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Project Company”	珠海市淇州島影視城有限公司 (Zhuhai City Qi Zhou Island Movie Town Company Limited), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Target Company
“Purchaser”	De Rong Group Limited (德融集團有限公司), a company incorporated in the Independent State of Samoa with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share”	one share in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company
“Seller”	Neo-China Land Group (China) Ltd, a company incorporated in the BVI and a wholly-owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.04 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders Loan”	the loans owed by the Target Group to the Company and its associated companies of approximately RMB2,677,800,000 in aggregate
“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 code: 363)
“SIIC”	Shanghai Industrial Investment (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability
“SPH”	Shanghai Pharmaceuticals Holding Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 2607)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Neo-China Real Estate (Shanghai) Limited, a company incorporated in the BVI and was a wholly-owned subsidiary of the Company prior to Completion
“Target Group”	the Target Company and its subsidiaries
“Total Consideration”	RMB3,100,000,000, comprising RMB477,710,000 and approximately HK\$3,140,994,000 (being the Hong Kong Dollars equivalent of RMB2,622,290,000), being the total consideration payable by the Purchaser for the Disposal under the Agreement

DEFINITIONS

“WFOE”	北京中新卓越投資顧問有限公司 (Beijing Zhongxin Zhuoyue Investment Consultancy Co. Ltd.), a foreign investment enterprise established in the PRC and a wholly-owned subsidiary of the Target Company
“Zhuhai Qi’ao Island Project”	the property development of a piece of land located at Qi’ao Island, Zhuhai City (珠海市淇澳島) in China with a gross site area of approximately 2,215,516 square metres, which is held indirectly by the Target Company through the Project Company and was intended to be developed into a mixed use complex comprising commercial property and residential villas

For the purpose of Appendix I to this circular, unless the context otherwise requires, conversion of Renminbi and US dollars into Hong Kong dollars is based on the following approximate exchange rates:

RMB0.8374 to HK\$1.00

US\$1.00 to HK\$7.80

Such exchange rates and any other exchange rates used in this circular are for the purpose of illustration only and do not constitute a representation that any amounts in Hong Kong dollars or RMB or US dollars have been, could have been or may be converted at such or any other rates or at all.

Certain figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as the percentage equivalents may not be an arithmetic sum of such figures.

Any discrepancy in any table between totals and sums of amounts listed in this circular is due to rounding.

The English names of the Chinese nationals, companies, entities, departments, facilities, certificates, titles and the like are translation of their Chinese names and are included in this circular for identification purpose only and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese names prevail.

LETTER FROM THE BOARD



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)

Executive Directors:

Ji Gang (Chairman and President)

Zhou Jun

Yang Jianwei

Yang Biao

Ye Weiqi

Huang Fei

Independent Non-executive Directors:

Doo Wai-Hoi, William, J.P.

Fan Ren Da, Anthony

Li Ka Fai, David

Registered Office:

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Hamilton HM11,

Bermuda.

Principal Place of Business

in Hong Kong:

Suites 3003–3007,

30th Floor, Great Eagle Centre,

23 Harbour Road,

Wanchai,

Hong Kong.

24 February 2016

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION DISPOSAL OF ZHUHAI QI'AO ISLAND PROJECT

I. INTRODUCTION

Reference is made to the Company's announcement dated 28 December 2015, in which the Company announced that the Seller, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Purchaser agreed to (i) acquire the Sale Share, representing the entire issued share capital of the Target Company, and (ii) assume the Shareholders Loan, for a total consideration of RMB3,100,000,000.

The purpose of this circular is to provide you with further information in relation to the Disposal and the Agreement.

II. THE AGREEMENT

The principal terms of the Agreement are summarised as follows:

Date

28 December 2015

LETTER FROM THE BOARD

Parties

- (1) Seller, Neo-China Land Group (China) Ltd, a wholly-owned subsidiary of the Company; and
- (2) Purchaser, De Rong Group Limited.

The Seller is a company incorporated in the BVI with limited liability. The principal business of the Seller is investment holding.

The Purchaser is a company incorporated in the Independent State of Samoa with limited liability. The principal business of the Purchaser is investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

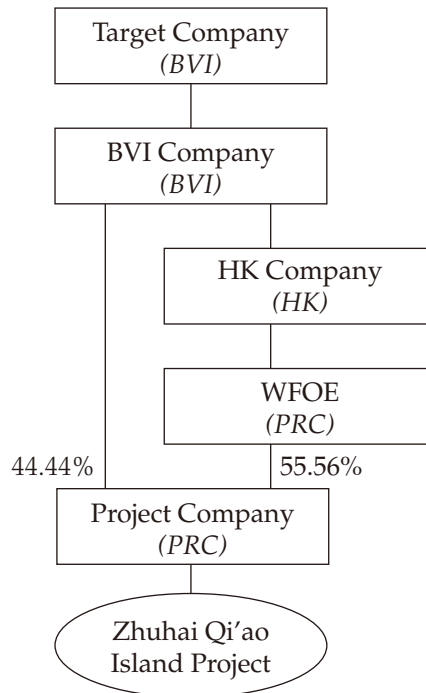
Asset disposed of

The asset disposed of is the Sale Share representing the entire issued share capital of the Target Company. The Target Company is an investment holding company incorporated in the BVI with limited liability and was a wholly-owned subsidiary of the Company prior to Completion. Its primary asset is a piece of land located at Qi'ao Island, Zhuhai City (珠海市淇澳島) in China with a gross site area of approximately 2,215,516 square metres, which was intended to be developed by the Group as a mixed use complex comprising commercial property and residential villas, namely Zhuhai Qi'ao Island Project (珠海淇澳島項目). As of the date of Completion, construction work for the project had not commenced.

In addition to the Sale Share, the Purchaser agreed to assume the Shareholders Loan owed by the Target Group to the Company and its associated companies.

LETTER FROM THE BOARD

The following diagram illustrates a simplified shareholding structure of the Project Company (unless otherwise stated, each subsidiary is 100% owned directly or indirectly by its holding company):



Conditions precedent and Completion

Completion of the Disposal was subject to the satisfaction of the following conditions:

- (a) the Agreement having been signed by the authorised representatives of the parties;
- (b) the Seller and the Company having obtained all the requisite board and shareholders' consents and approvals (where applicable), and having complied with all applicable requirements under the Listing Rules or otherwise, in respect of the Disposal; and
- (c) the Seller having completed the state-owned assets evaluation filing for the Disposal.

All of the above conditions had been satisfied and Completion took place immediately following the signing of the Agreement. Following Completion, each of the Target Company, the BVI Company, the HK Company, WFOE and the Project Company ceased to be a subsidiary of the Company.

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Consideration

The Total Consideration payable by the Purchaser under the Agreement is RMB3,100,000,000, comprising RMB477,710,000 and approximately HK\$3,140,994,000 (being the Hong Kong Dollars equivalent of RMB2,622,290,000), which is allocated as follows:

- (a) approximately HK\$505,717,000 (being the Hong Kong Dollars equivalent of RMB422,202,634) as consideration for the acquisition of the Sale Share; and
- (b) RMB477,710,000 and approximately HK\$2,635,277,000 (being the Hong Kong Dollars equivalent of RMB2,200,087,366) as assumption of the Shareholders Loan.

The amount of the Total Consideration is supported by a property valuation report prepared and issued by DTZ Debenham Tie Leung Limited in connection with the valuation of the piece of land located at Qi'ao Island, Zhuhai City (珠海市淇澳島) in China held by the Project Company as at 31 December 2015. Please refer to the "Valuation Report" as set out in Appendix II to this circular for further details.

The Total Consideration is payable in cash in two tranches according to the following schedule:

Timing	Amount payable
Upon signing of the Agreement	RMB477,710,000 and not less than approximately HK\$505,717,000 (being the Hong Kong Dollars equivalent of RMB422,202,634)
Within 180 days from the date of the Agreement	The balance of the Total Consideration

The Purchaser is required to pay a daily interest on the balance of the Total Consideration from the date of signing of the Agreement until the Total Consideration is settled in full. The daily interest rate is calculated on the basis of (i) for the first 90 days after the signing of the Agreement, the prevailing RMB benchmark lending rate published by the People's Bank of China as of the date of the Agreement and divided by 365; and (ii) thereafter, a daily interest rate of 0.05%. The Purchaser has agreed to endeavour to settle the balance of the Total Consideration in full within 90 days from the date of signing of the Agreement.

On 29 September 2015, the Company received the Deposit from the Seller following the signing of the LOI. The Deposit was applied to settle part of the first payment of the Total Consideration. The remaining portion of the first payment of the Total Consideration was settled in full in cash at Completion.

LETTER FROM THE BOARD

As security for the payment of the balance of the Total Consideration, the Purchaser has entered into a share charge dated 28 December 2015 in favour of the Seller in respect of the entire issued share capital of the Target Company. The parties have agreed that the issued share capital of the Target Company will be increased after Completion by the Purchaser subscribing for new shares in the Target Company, and following which the Seller will release the share charge in respect of 29% of the enlarged issued share capital of the Target Company. The share charge will be released in full following full payment by the Purchaser of the Total Consideration. In the event that the Purchaser fails to pay the balance of the Total Consideration within 180 days from the date of the Agreement, the Seller is entitled to terminate the Agreement.

The consideration and the terms of the Agreement were arrived at after arm's length negotiations between the parties based on normal commercial terms with reference to, among other things, the original acquisition cost for the Project Company in the amount of RMB3,100,000,000, the unaudited net book value of the Target Group as of 31 December 2014 in the amount of RMB2,072,097,366 (without taking into account the Shareholders Loan) and the unaudited book value of the Shareholders Loan as of 31 December 2014 in the amount of RMB2,677,797,366.

III. FINANCIAL EFFECTS OF THE DISPOSAL ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

The Target Company is an investment holding company and its primary assets are the equity interest in the Project Company held through the BVI Company, the HK Company and WFOE.

The unaudited net losses before and after tax and extraordinary items attributable to the Target Company for each of the two years ended 31 December 2013 and 2014 were as follows:

	Unaudited net losses before taxation and extraordinary items	Unaudited net losses after taxation and extraordinary items
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
For the year ended 31 December 2013	(5,045)	(5,045)
For the year ended 31 December 2014	<u>(5,795)</u>	<u>(5,795)</u>

Purely based on the unaudited negative book value of the Target Group as of 31 December 2014 in the amount of approximately RMB605,700,000 (being the difference between RMB2,072,097,366 as the unaudited net book value of the Target Group (excluding the Shareholders Loan) and RMB2,677,797,366 as the unaudited book value of the Shareholders Loan) and the amount of consideration for the Sale Share being RMB422,202,634, the Company would record an unaudited estimated gain of

LETTER FROM THE BOARD

approximately RMB1,028,000,000 before taxation from the Disposal. However, it is expected that the ultimate gain that the Company will record may be different from the above stated gain given that there have been changes to the carrying value of the Target Group since 31 December 2014, being the date to which the last audited financial statements of the Group were made up.

Following Completion, the Target Group ceased to be subsidiaries of the Company. Accordingly the assets, liabilities and financial results of the Target Group will no longer be consolidated into the Group and the total assets and liabilities of the Group will be reduced by the assets and liabilities attributable to the Target Group. Assuming the Disposal had taken place on 30 June 2015, the unaudited pro forma consolidated total assets of the Group would be increased from approximately HK\$58,858.0 million to approximately HK\$59,936 million and the unaudited pro forma consolidated total liabilities of the Group would be decreased from approximately HK\$38,699.6 million to HK\$38,623 million respectively.

IV. LEGAL PROCEEDINGS IN RELATION TO THE GROUP'S ACQUISITION OF THE PROJECT COMPANY

As disclosed in the annual report of the Company for the financial year ended 31 December 2014, the Group acquired the Project Company from independent third parties in 2007. The Group is involved in certain legal proceedings initiated by one of the sellers for outstanding consideration under the original acquisition ("**Qi'ao Proceedings**"). Please refer to the section headed "Litigation" in Appendix III to this circular for further details of the Qi'ao Proceedings. Pursuant to the Agreement, the Purchaser undertakes to procure the settlement or withdrawal of the Qi'ao Proceedings. Subject to the settlement or withdrawal of the Qi'ao Proceedings, the Seller agrees to bear and pay to the Target Company certain amount in relation thereto.

The Directors are of the view that the terms of the Agreement, including the Seller's agreement to pay an agreed amount to the Target Company for the settlement or withdrawal of the Qi'ao Proceedings, are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Qi'ao Proceedings have been on-going regardless of whether the Disposal proceeded or not. As in any legal proceedings, the outcome of the Qi'ao Proceedings is uncertain and may be unfavourable to the Group. In addition, regardless of the outcome, the Qi'ao Proceedings could be time-consuming and expensive and would divert management's attention from the business and operation of the Group. Accordingly, the Directors are of the view that the payment of an agreed amount under the Agreement for the settlement or withdrawal of the Qi'ao Proceedings is in the interests of the Company and its Shareholders as a whole.

As of the Latest Practicable Date, a consent summons has been filed with the High Court of Hong Kong to dismiss the claims and counterclaims and to discontinue the Qi'ao Proceedings. Pursuant to the consent summons, the plaintiff will be prohibited from taking out fresh proceedings against the defendants for the same, or substantially the same, cause of action or on the same, or substantially the same, subject matters.

LETTER FROM THE BOARD

V. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is a property developer in the PRC and is principally engaged in the businesses of property development, property investment and hotel operations in the PRC. During the past few years, the Group has been in the process of re-aligning its strategy to focus on property development projects in the Yangtze River Delta and prosperous cities, where the Group has a strong foothold. In addition, since the Company has been exploring different ways to unlock the true value of some of its projects that are booked at costs in its financial statements, the Disposal is beneficial to realise part of the hidden value of the Zhuhai Qi'ao Island Project.

The Company intends to use the proceeds from the Disposal to finance its existing property development projects, and potential new projects that may be identified in the future.

The Directors consider that the terms of the Agreement and the Disposal are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

VI. LISTING RULES IMPLICATIONS

Given that one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal under the Agreement exceed 25% but none of such percentage ratios is 75% or above, the Disposal constitutes a major transaction of the Company.

VII. SHAREHOLDERS' APPROVAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Disposal under the Agreement and therefore none of them is required to abstain from voting if a general meeting was to be convened to approve the Agreement and the Disposal. Pursuant to the Listing Rules, shareholders' approval is required for a major transaction. In this connection, the Company has obtained a written approval for the Agreement and the Disposal in accordance with Rule 14.44 of the Listing Rules from Smart Charmer Limited, a Shareholder holding 3,365,883,000 Shares, representing approximately 69.95% of the issued share capital of the Company as of the Latest Practicable Date. Smart Charmer Limited has the right to attend and vote at the general meeting (if convened) to approve the Agreement and the Disposal. As such, the Company is not required to convene a special general meeting to consider and approve the Agreement and the Disposal as permitted under Rule 14.44 of the Listing Rules.

VIII. RECOMMENDATION

Although no general meeting will be convened for approving the Agreement, the Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. Accordingly, if a general meeting was convened for approving the Agreement and the transactions contemplated therein, the Directors would have recommended the Shareholders to vote in favour of the Agreement and the transactions contemplated therein.

LETTER FROM THE BOARD

IX. FURTHER INFORMATION

Your attention is drawn to other parts of this circular, which contain further information on the Group, the Target Group and other information required to be disclosed under the Listing Rules.

Yours faithfully,
By order of the Board of
Shanghai Industrial Urban Development Group Limited
Ji Gang
Chairman

INDEBTEDNESS

As at the close of business on 31 December 2015, being the latest practicable date for the sole purpose of determining this statement of indebtedness of the Group prior to the date of this circular, the Group had total borrowings amounting to approximately HK\$24,505,999,000, details of which are as follow:

	<i>HK\$'000</i>
Bank borrowings	
– Secured and guaranteed	2,009,747
– Secured and unguaranteed	10,093,804
– Unsecured and guaranteed	312,873
– Unsecured and unguaranteed	<u>1,796,832</u>
	<u>14,213,256</u>
Other borrowings	
– Unsecured and unguaranteed	8,020,383
Amounts due to other related companies, unsecured and unguaranteed	492,895
Amounts due to non-controlling shareholders, unsecured and unguaranteed	1,611,876
Amounts due to former shareholders of the Company's former subsidiaries, unsecured and unguaranteed	<u>167,589</u>
Total	<u><u>24,505,999</u></u>

Mortgage and Charge

As at 31 December 2015, the bank borrowings of the Group of approximately:

- (a) HK\$2,009,747,000 were secured by an investment property and the entire issued share capital of a subsidiary of the Company and guaranteed by Xuhui District State-owned Assets Supervision and Administrative Committee (the "Xuhui SASAC"), a non-controlling shareholder of a subsidiary of the Company, to the extent of RMB70,000,000 (equivalent to approximately HK\$83,592,000) and an intermediate holding company of a non-controlling shareholder of a subsidiary of the Company, to the extent of US\$120,246,000 (equivalent to approximately HK\$937,919,000);
- (b) HK\$10,093,804,000 were secured by certain properties under development, properties held-for-sale, hotel properties, land use rights and investment properties of the Group located in the PRC, pledged bank deposits of the Group and trade receivables generated from operations of an investment property of the Group located in the PRC; and
- (c) HK\$312,873,000 were guaranteed by Xuhui SASAC to the extent of RMB262,000,000 (equivalent to HK\$312,873,000).

Contingent liabilities

As at 31 December 2015, the Group had the following contingent liabilities:

- (a) *Guarantees given to banks in respect of banking facilities utilised by an entity controlled by Xuhui SASAC*

As at 31 December 2015, the Company had entered into agreements with banks to provide corporate guarantees with respect to bank loans granted to an entity controlled by Xuhui SASAC. The maximum liability of the Company as at 31 December 2015 under such guarantees is the outstanding amount of the bank loans to the entity controlled by Xuhui SASAC of RMB166,000,000 (equivalent to approximately HK\$198,233,000).

- (b) *Guarantees given to a bank in respect of banking facilities utilised by an entity jointly held by a joint venture entity of the Group*

As at 31 December 2015, the Company had entered into agreements with a bank to provide corporate guarantees with respect to bank loans granted to an entity jointly held by a joint venture entity of the Group. The maximum liability of the Company as at 31 December 2015 under such guarantees is the outstanding amount of the bank loans to the an entity jointly held by a joint venture entity of the Group of RMB221,000,000 (equivalent to approximately HK\$263,912,000).

- (c) *Guarantees in respect of mortgage facilities of certain property buyers*

The Group has entered into agreements with certain banks with respect to mortgage loans provided to buyers of the Group's property units and has made deposits as security to and given guarantees on mortgage loans provided to the buyers by these banks under the agreements. Pursuant to the terms of guarantees, upon default in payments of mortgage instalments by these buyers, the Group is responsible to repay the remaining outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers, after netting off the pledged bank deposits, to the banks and the Group is entitled to take over the legal title and possession of the related properties. The pledged bank deposits and guarantees will be released when the property title deeds are pledged to banks as security for the respective mortgage loans, which generally take place within one year after the property title deeds are passed to the buyers. As at 31 December 2015, the total outstanding mortgages guaranteed by the Group were RMB1,849,318,000 (equivalent to approximately HK\$2,208,405,000).

- (d) *Warranty against defects of properties*

Properties purchased by buyers are provided with various warranties with terms ranging from one to two years against certain specified defects as stipulated by either the sale and purchase agreements of properties or the relevant PRC laws and regulations.

Except as disclosed above and in the section headed "LITIGATION" in Appendix III of this circular and apart from intra-group liabilities, the Group did not have, as at 31 December 2015, any other debt securities issued and outstanding, and authorised or otherwise created but unissued, terms loans, other borrowings and indebtedness, bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchases commitments, mortgages, charges, guarantees or other material contingent liabilities.

WORKING CAPITAL

Taking into account present financial resources available to the Group, the estimated net proceeds generated from the Disposal and in the absence of unforeseen circumstances, the Directors are of the opinion that the Group will have sufficient funds to meet its working capital requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this circular.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a property developer in the PRC and is principally engaged in the businesses of property development, property investment and hotel operations. The Disposal will increase sources of funding to accelerate the development of the Group's existing projects, and for acquisition of potential new projects. During the current financial year, the Directors expect that with cash and available credit facilities, the Group's financial position will remain stable and the Group's revenue of the current year will not be materially impacted after the Disposal. The Group will closely monitor the market situations and trends and will continue to strengthen its established markets. The Group will seek cooperation and development opportunities relating to the real estate industry with an aim of maximising the investment returns for its shareholders.

NO MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 December 2014 (being the date to which the latest published audited financial statements of the Group were made up).

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of market value in existing state of the piece of land located at Qi'ao Island, Zhuhai City (珠海市淇澳島) in China with a gross site area of approximately 2,215,516 square metres held by Neo-China Real Estate (Shanghai) Limited (the "Target Company") as at 31 December 2015.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

24 February 2016

The Directors
Shanghai Industrial Urban Development Group Limited
Suites 3003-3007, 30th Floor,
Great Eagle Centre,
23 Harbour Road,
Wanchai,
Hong Kong.

Dear Sirs,

INSTRUCTIONS, PURPOSE & VALUATION DATE

In accordance with the instructions from Shanghai Industrial Urban Development Group Limited (the "Company") for us to carry out the valuation of the market value of the property ("Property") held by the Target Company in the People's Republic of China (the "PRC"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the market value of the Property in existing state as at 31 December 2015 (the "valuation date").

DEFINITION OF MARKET VALUE

Our valuation of the Property represent its Market Value. The definition of Market Value adopted in The HKIS Valuation Standards 2012 Edition follows the International Valuation Standards published by the International Valuation Standards Council ("IVSC"). Market Value is defined by the IVSC as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION BASIS & ASSUMPTIONS

Our valuation of the Property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback

arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the Property held by the Target Company in the PRC, with reference to the PRC Legal opinion of the legal adviser, Zhong Lun Law Firm, we have prepared our valuation on the basis that transferable land use rights in respect of the Property for its specific term at nominal annual land use fee has been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the Company and the PRC legal opinion of the Company's legal adviser, dated 18 February 2016, regarding the titles to the Property and the interests in the Property. In valuing the Property, we have prepared our valuation on the basis that the owners have enforceable title to the Property and has free and uninterrupted rights to use, occupy or assign the Property for the whole of the unexpired terms as granted.

No allowance has been made in our valuation for any charges, pledges or amounts owing on the Property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is valued on the basis that the Property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

METHOD OF VALUATION

In valuing the Property, which is held by the Target Company for future development in PRC, we have adopted the Direct Comparison Approach by making reference to comparable sales evidence as available in the relevant market. As per the Announcement of the Company dated 28 September 2015; we understand the Company and its subsidiaries holding the Property entered into the Agreement with De Rong Group Limited (德融集團有限公司); in the course of our valuation, we have also considered the consideration.

In valuing the Property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institutes of Surveyors.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Company and the opinion of the PRC legal adviser as to PRC laws. We have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of Property, particulars of occupancy, development scheme, site and floor areas and all other relevant matters.

Dimension, measurements and areas included in this valuation report are based on the information provided to us and are therefore only approximation. We have no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised that no material facts have been omitted from the information supplied.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

TITLE INVESTIGATION

We have been provided by the Company with copies or extracts of documents. However, we have not searched the original documents to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

SITE INSPECTION

Our DTZ PRC Office valuer, Ms Candy Gan (8 years' experience in the valuation of properties in the PRC) of Shenzhen office has inspected the exterior and, wherever possible, the interior of the Property in January 2016. However, we have not carried out any soil investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that its aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor area of the Property and we have assumed that the areas shown on the copies of documents handed to us are correct.

CURRENCY

Unless otherwise stated, all sums stated in our valuation is in Renminbi, the official currency of the PRC.

We attach herewith a valuation certificate.

Yours faithfully,
For and on behalf of
DTZ Debenham Tie Leung Limited
Philip C Y Tsang
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
MSc, MHKIS
Director

Note: Mr. Philip C Y Tsang is Registered Professional Surveyor who has over 23 years' experience in the valuation of properties in the PRC.

VALUATION CERTIFICATE

Property held by the Target Company for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2015
Lot No. A0203001, east side of Qi'ao East Line Road, Qi'ao Island, Tangjia High-tech Zone, Zhuhai, Guangdong Province, the PRC	<p>The Property comprises a parcel of land with a site area of 2,215,516.28 sq m.</p> <p>According to the information provided by the Company, the Property will be developed into a composite residential/tourism development with a total gross floor area of 1,090,000 sq m in which saleable gross floor area of approximately 770,000 sq m for real estate ancillary development (Please see note (8) below).</p> <p>The Property is located at Qi'ao Island, Tangjia High-tech Zone, Zhuhai. The surrounding area of the Property is coastline, mangrove area, local villager houses and mountains. According to the Company, the Property is used for composite residential/tourism use; there is no environmental issues and litigation dispute; there is no plan for renovation, to dispose of or change the use of the Property.</p> <p>The land use rights of the Property have been granted for various terms due to expire on 30 November 2074 for residential use and 30 November 2044 for tourism use.</p>	The Property is currently vacant pending development.	RMB3,100,000,000

Notes:

- (1) The Property comprises site area of 2,215,516.28 sq m; of which a site area of 2,015,131.23 sq m is registered in the Real Estate Title Certificate; whilst the remaining land 200,385.05 sq m site area which is currently occupied by army and villagers would be further registered after the related process has been completed. In the course of our valuation, we have valued on the basis that the Real Estate Title Certificate of the 200,385.05 sq m site area will be issued to Zhuhai City Qi Zhou Island Movie Town Company Limited (珠海市淇洲島影視城有限公司) in due course.
- (2) According to Real Estate Title Certificate No. 0100159103, the land use rights of the Property, comprising a site area of 2,015,131.23 sq m (Under red-line plan, the site area is 2,215,516.28 sq m. A site area of 2,015,131.23 sq m is registered, but the remaining land 200,385.05 sq m site area which is currently occupied by army and villagers would be further registered after the related process has been completed.), have been vested in Zhuhai City Qi Zhou Island Movie Town Company Limited (珠海市淇洲島影視城有限公司) for terms due to expire on 30 November 2074 for residential use and 30 November 2044 for tourism use.
- (3) According to Construction Land Approval Letter No. (2006)113 dated 8 September 2006, the land nature of the construction sites of land with a site area of 2,215,516.28 sq m is granted and the land premium is RMB227,500,000.

- (4) According to Construction Land Planning Permit No. (2006)086 dated 6 September 2006, the construction site of a parcel of land with a site area of 2,215,516.28 sq m is in compliance with urban planning requirements.
- (5) According to Zhuhai City Land Resources Bureau Letter No. (2003)396 dated 15 December 2003, the plot ratio for real estate ancillary development is less than or equal to 2 on the 20% site area designated for real estate ancillary development.
- (6) According to Zhuhai City Land Resources Bureau Letter No. (2005)30 dated 11 March 2005, consent was given to designated 20% site within the 2.2 sq km (2,200,000 sq m) for real estate ancillary development without extra land premium.
- (7) According to Zhuhai City Land Management Leading Group Reply Letter No. (2005)184 dated 18 November 2005, 110,000 sq m gross floor area quota was transferred to the other land.
- (8) According the Interim Report of the Company dated 17 August 2015, the Property is planned with a total gross floor area of 1,090,000 sq m in which 770,000 sq m is saleable gross floor area. However, we are only provided with certain government approval letters for 770,000 sq m saleable gross floor area; we thus value the Property based on 770,000 sq m with approval reference.
- (9) According to Business Licence No. 440400400007208, Zhuhai City Qi Zhou Island Movie Town Company Limited (珠海市淇洲島影視城有限公司) was established as a limited liability company on 13 December 1995 with a registered capital of RMB90,000,000 (with a paid-up capital of RMB90,000,000) for a valid operation period from 13 December 1995 to 6 November 2036.
- (10) According to the PRC Legal Opinion:
- (i) Zhuhai City Qi Zhou Island Movie Town Company Limited (珠海市淇洲島影視城有限公司), is legally established under the PRC law. A 100% interest of Zhuhai City Qi Zhou Island Movie Town Company Limited (珠海市淇洲島影視城有限公司) has been changed to De Rong Group Limited (德融集團有限公司) currently;
 - (ii) Zhuhai City Qi Zhou Island Movie Town Company Limited (珠海市淇洲島影視城有限公司) has obtained Land Use Rights Grant Contract and has fully settled all land premium;
 - (iii) Zhuhai City Qi Zhou Island Movie Town Company Limited (珠海市淇洲島影視城有限公司) has right to use, transfer, lease and mortgage the land use rights of the Property. Zhuhai City Qi Zhou Island Movie Town Company Limited (珠海市淇洲島影視城有限公司) possesses the land Lot No. A0203001 with a site area of 2,215,516.28 sq m and obtained the Real Estate Title Certificate with a registered site area of 2,015,131.23 sq m; the remaining land 200,385.05 sq m site area would be further registered after the related process has been completed; and
 - (iv) Zhuhai City Qi Zhou Island Movie Town Company Limited (珠海市淇洲島影視城有限公司) has obtained Construction Land Planning Permit, but has not obtained Construction Work Planning Permit and Construction Work Commencement Permit.
- (11) The status of title and grant of major certificates, approvals and licences in accordance with the information provided by the Company are as follows:
- | | |
|---------------------------------------|-----|
| Real Estate Title Certificate | Yes |
| Land Use Rights Grant Contract | Yes |
| Construction Land Approval Letter | Yes |
| Construction Land Planning Permit | Yes |
| Construction Work Planning Permit | No |
| Construction Work Commencement Permit | No |
| Business Licence | Yes |

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

INTERESTS OF DIRECTORS

As of the Latest Practicable Date, the interests and short positions of the Directors, including the chief executive of the Company, in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or pursuant to the Model Code, were as set out below.

Long positions in the shares and underlying shares of the Company

Name of Directors	Capacity	Number of Shares held	Number of underlying Shares held subject to options granted ⁽¹⁾	Approximate % of the issued share capital of the Company
Ji Gang	Beneficial owner	150,000	–	0.00%
Zhou Jun	Beneficial owner	–	7,000,000	0.15%
Yang Biao	Beneficial owner	–	7,000,000	0.15%
Ye Weiqi	Beneficial owner	–	6,000,000	0.12%
Huang Fei	Beneficial owner	–	6,000,000	0.12%
Doo Wai-Hoi, William, J.P.	Beneficial owner	–	1,000,000	0.02%
Fan Ren Da, Anthony	Beneficial owner	–	1,000,000	0.02%
Li Ka Fai, David	Beneficial owner	–	1,000,000	0.02%

Note:

- (1) These interests represent the interests in the underlying Shares in respect of share options granted by the Company to these Directors as beneficial owners.

Long positions in the shares and underlying shares of associated corporations

Name of Directors	Name of associated corporations	Capacity	Total number of shares held	Total number of underlying shares subject to options granted ⁽¹⁾	Approximate % of interest in the corporation
Ji Gang	SIHL	Beneficial owner	–	350,000	0.03%
Zhou Jun	SIHL	Beneficial owner	195,000	600,000	0.07%
Yang Jianwei	SIHL	Beneficial owner	–	280,000	0.03%
Ji Gang	SPH	Beneficial owner	50,000	–	0.01%

Note:

- (1) These interests represent the interests in the underlying shares of SIHL in respect of the share options (which are unlisted and physically settled equity derivatives) granted by SIHL under its share option scheme.

Save as disclosed above, as of the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As of the Latest Practicable Date, persons (other than the Directors and the chief executive of the Company) who had interests and short positions in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange, were as set out below.

Name of substantial shareholders	Capacity	Number of Shares held	Approximate % of the issued share capital of the Company
SIHL	Held by controlled corporation	3,415,883,000(L) ⁽²⁾⁽³⁾	70.99%
SIIC	Held by controlled corporation	3,427,983,000(L) ⁽²⁾⁽³⁾⁽⁴⁾	71.25%

Notes:

- (1) L denotes long positions.
- (2) 3,365,883,000 Shares were held by Smart Charmer Limited. 50,000,000 Shares are deemed to be held by Novel Good Limited under the pledge described in note 3 below. Smart Charmer Limited and Novel Good Limited are both wholly-owned subsidiaries of SIHL.
- (3) These interests include 50,000,000 Shares (short positions) held by Invest Gain Limited (a company beneficially and wholly owned by Mr. Li Song Xiao who ceased to be a substantial shareholder of the Company during the year ended 31 December 2011) which are pledged to Novel Good Limited. Therefore, SIHL and SIIC are deemed or taken to be interested in these 50,000,000 Shares.
- (4) SIIC through its subsidiaries, namely Shanghai Investment Holdings Limited, SIIC Capital (B.V.I.) Limited, SIIC Treasury (B.V.I.) Limited, Shanghai Industrial Financial (Holdings) Company Limited, South Pacific International Trading Limited, SIIC Trading Company Limited, The Tien Chu Ve Tsin (Hong Kong) Company Limited, Billion More Investments Limited, SIIC CM Development Funds Limited, South Pacific Hotel (Hong Kong) Limited and SIIC CM Development Limited held approximately 58.13% of the shares of SIHL. Therefore, SIIC is deemed or taken to be interested in the 3,415,883,000 shares held by SIHL for the purpose of the SFO. Separately, 12,100,000 Shares were held by SIIC Trading Company Limited, a subsidiary of SIIC.
- (5) Mr. Ji Gang is a director of SIIC. Mr. Zhou Jun is an executive director and Deputy CEO of SIHL and an executive director and Vice President of SIIC.

Save as disclosed herein, as at the Latest Practicable Date, the Company had not been notified by any persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As of the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interest in business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' SERVICE CONTRACTS

As of the Latest Practicable Date, none of the Directors had or was proposed to have a service contract with any member of the Group other than contracts expiring or determinable by the employer within one year without the payment of compensation other than the statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS/ARRANGEMENTS

As of the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group since 31 December 2014, being the date to which the latest published audited accounts of the Company were made up; and
- (b) none of the Directors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date which is significant in relation to the business of the Group.

LITIGATION

The Company and the Target Company are defendants to a claim by a third party regarding non-payment of RMB128,296,800 which was part of the purchase price payable for the acquisition of the Project Company (i.e. the Qi'ao Proceedings). The third party claim also includes liquidated damage which amounted to approximately HK\$275,000,000 up to 25 July 2012 and which is to be accumulated at a daily rate of approximately HK\$162,000 thereafter until settlement. Under the Agreement, the Purchaser undertakes to procure the settlement or withdrawal of the Qi'ao Proceedings. Subject to the settlement or withdrawal of the Qi'ao Proceedings, the Seller agrees to bear and pay to the Target Company certain amount in relation thereto (the "Amount"). If the plaintiff sues the Group again on the same matter after the withdrawal of the Qi'ao Proceedings, the Purchaser agrees to bear the entire legal risk and responsibility in relation thereto. On the basis of the above, as at 31 December 2015, the Directors are of the view that the Group will not be obliged to pay any additional sum in excess of the Amount as a result of the Qi'ao Proceedings. Therefore, no provision has been made for any amount in excess of the Amount by the Group as at 31 December 2015. As of the Latest Practicable Date, a consent summons has been filed with the High Court of Hong Kong to dismiss the claims and counterclaims and to discontinue the Qi'ao Proceedings. Pursuant to the consent summons, the plaintiff will be prohibited from taking out fresh proceedings against the defendants for the same, or substantially the same, cause of action or on the same, or substantially the same, subject matters.

Except as disclosed above, as of the Latest Practicable Date, no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

EXPERTS

The following is the qualification of the experts who have provided its opinion or advice, which are contained in this circular:

Name	Qualification
DTZ Debenham Tie Leung Limited	Valuer
Zhong Lun Law Firm	PRC lawyers

Each of the experts has given and has not withdrawn its written consent to the issue of this circular, with the inclusion therein of its letter and/or report or the references to its name in the form and context in which it appears.

As of the Latest Practicable Date, none of the experts had any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group and none of them had any interest, either direct or indirect, in any assets which had since 31 December 2014, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date and are or may be material:

- (a) The framework agreement dated 6 August 2014 and entered into among the Company, 博時資本管理有限公司 (Bosera Capital Management Co., Ltd.), 中置(北京)企業管理有限公司 (Zhongzhi (Beijing) Enterprise Management Co., Ltd.), 上海雅閣麗星裝飾有限公司 (Shanghai Yage Lixing Zhuangshi Co., Ltd.), 天津市億嘉合置業有限公司 (Tianjin Yijiahe Real Estate Co., Ltd.), and 五礦置業有限公司 (Minmetals Real Estate Co., Ltd.) relating to, among other things, the sale and purchase of the entire issued share capital of Well Kingdom Investment Ltd for a consideration of RMB336,000,000 (the “**Framework Agreement**”).
- (b) The agreement dated 25 September 2014 and entered into among Advantage World Investment Limited, the Company, Shing Kwan Investment (Singapore) Pte Ltd, Eastlake Corporation, Universal Global Invest Limited, Pearlking Developments Ltd., Smoothly Capital Limited, Huntington Development Ltd. and Multi-United Investment Inc., in relation to, among other things, the sale and purchase of the entire issued share capital of Continental Land Development Limited and the assignment of certain shareholders’ loans owed by Continental Land Development Limited for a total consideration of US\$579,300,000.

- (c) The joint venture agreement dated 25 September 2014 and entered into among the Company, Keychina Investment Limited, Advantage World Investment Limited, Prestige Land Investments Limited and Nan Fung Investment China Holdings Limited in relation to the formation of the joint venture between Keychina Investment Limited and Prestige Land Investments Limited with an initial total capital commitment of US\$579,300,000 and the subscription of 49 shares in Advantage World Investment Limited by Prestige Land Investments Limited for an aggregate subscription price of US\$49.
- (d) The supplemental framework agreement dated 12 December 2014 and entered into among the Company, the other parties to the Framework Agreement and Rise Success Group Limited (as the new purchaser) relating to, among other things, the assignment by 博時資本管理有限公司 (Bosera Capital Management Co., Ltd.) of its rights and obligations under the Framework Agreement to Rise Success Group Limited.
- (e) The supplemental agreement dated 9 February 2015 and entered into between 上海城開(集團)有限公司 (Shanghai Urban Development (Holdings) Co., Ltd.) and 上海徐匯國有資產投資經營有限公司 (Shanghai Xuhui State-owned Assets Management Co., Ltd.) relating to, among other things, the extension of the term of the cross guarantee agreement dated 26 December 2002 and entered into between the same parties and as amended by its supplemental agreements (the “**Cross Guarantee Agreement**”) for another two years so that it ends on 31 December 2017, and changing the maximum amount of guarantee from RMB400,000,000 to RMB332,000,000.
- (f) The share transfer agreement dated 10 February 2015 and entered into among Neo-China Investment Ltd. as the seller, Basic Urban Development Co. Limited as the purchaser and 河北富邦實業有限公司 (Hebei Fubang Industrial Co. Ltd.) as the guarantor, relating to, among other things, the sale and purchase of entire issued share capital of Bold Eagle Investment Ltd. for a total consideration of RMB940,000,000.
- (g) The agreement dated 6 May 2015 and entered into between 上海城開(集團)有限公司 (Shanghai Urban Development (Holdings) Co., Ltd.) (“**SUD**”), 城開綠碳(天津)股權投資基金合夥企業(有限合夥) (Urban Development Green Carbon (Tianjin) Equity Investment Fund (Limited Partnership)), 喜神(天津)股權投資基金管理有限公司 (Xishen (Tianjin) Equity Investment Fund Management Co., Ltd.), 福州申達金融服務外包有限公司 (Fuzhou Shenda Finance Services Outsourcing Co., Ltd.) and 上海申庚實業發展有限公司 (Shanghai Shengeng Industrial Development Co., Ltd.) (collectively, the “**partnership parties**”), pursuant to which each of 福州申達金融服務外包有限公司 (Fuzhou Shenda Finance Services Outsourcing Co., Ltd.) and 上海申庚實業發展有限公司 (Shanghai Shengeng Industrial Development Co., Ltd.) became a limited partner of Green Carbon Fund with a committed investment of RMB1,600,000,000 and RMB68,000,000, respectively.

- (h) The agreement dated 8 January 2016 entered into between the partnership parties in relation to the redemption of SUD's interest in Green Carbon Fund for a redemption amount of RMB1,668,000,000.
- (i) The Agreement.

MISCELLANEOUS

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, and the principal place of business in Hong Kong is at Suites 3003–3007, 30th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.
- (b) The company secretary of the Company is Mr. Chan Kin Chu, Harry, who is a solicitor of the High Court of Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this circular shall prevail over its Chinese text in case of inconsistency.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum of association and the bye-laws of the Company;
- (b) the contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (c) the audited consolidated financial statements of the Company for the two years ended 31 December 2013 and 2014;
- (d) the property valuation report prepared by DTZ Debenham Tie Leung Limited as set out in Appendix II to this circular;
- (e) the written consents from DTZ Debenham Tie Leung Limited and Zhong Lun Law Firm referred to in the paragraph headed "Experts" in this appendix; and
- (f) this circular.