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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 INTEREST IN GREEN CARBON FUND**

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

24 February 2016

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	5
<b>Appendix I — Financial Information of the Group</b> .....	I-1
<b>Appendix II — Valuation Report</b> .....	II-1
<b>Appendix III — General Information</b> .....	III-1

## DEFINITIONS

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

“Board”	the board of Directors
“BVI”	British Virgin Islands
“Carved-out Site”	a designated portion of the “U Center” project which is being developed on the Land with a gross floor area of approximately 49,737 square metres as agreed between SUD and the other parties to the Redemption Agreement
“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 Redemption in accordance with the terms of the Redemption Agreement
“connected person”	has the meaning given to it in the Listing Rules
“Departing GP” / “Xishen Fund Management”	喜神(天津)股權投資基金管理有限公司 (Xishen (Tianjin) Equity Investment Fund Management Co., Ltd.), a limited liability company established in the PRC, which was the general partner of Green Carbon Fund before the Completion
“Directors”	directors of the Company
“Existing Project”	SUD Longcheng and the “U Center” project
“Fuzhou Shenda”	福州申達金融服務外包有限公司 (Fuzhou Shenda Finance Services Outsourcing Co., Ltd.), a limited liability company established in the PRC, and a limited partner of Green Carbon Fund
“Green Carbon Fund”	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)), a limited liability partnership established in the PRC, of which SUD was a limited partner before the Completion
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

## DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Land”	a plot of land with a site area of approximately 87,327 square metres located in Meilong Town of Minhang District in the Shanghai City and is being developed by SUD Longcheng solely as “U Center”, and the land use rights of which are held by SUD Longcheng
“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
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Neo-China (Shanghai)”	Neo-China Real Estate (Shanghai) Limited, a company incorporated in the BVI and was a wholly-owned subsidiary of the Company prior to the disposal of its entire issued share capital by the Company in December 2015
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Redemption”	the redemption of SUD’s interest in Green Carbon Fund under the Redemption Agreement
“Redemption Agreement”	the agreement dated 8 January 2016 and entered into between SUD, Green Carbon Fund, the Departing GP and the Remaining Partners in relation to the Redemption
“Remaining Partners”	Fuzhou Shenda and Shanghai Shengeng
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Shengeng”	上海申庚實業發展有限公司 (Shanghai Shengeng Industrial Development Co., Ltd.), a limited liability company established in the PRC and the general partner of Green Carbon Fund immediately following the Redemption

## 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)
“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
“SUD”	上海城開(集團)有限公司 (Shanghai Urban Development (Holdings) Co., Ltd.), a company incorporated in the PRC with limited liability and is owned as to 59% by the Company
“SUD Longcheng”	上海城開集團龍城置業有限公司 (Shanghai Urban Development Group Longcheng Properties Co., Ltd.), a sino-foreign joint venture established in the PRC, and a subsidiary of the Company

*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.*

## DEFINITIONS

*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:*

Clarendon House,  
2 Church Street,  
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 INTEREST IN GREEN CARBON FUND

#### I. INTRODUCTION

Reference is made to the Company's announcement dated 8 January 2016, in which the Company announced that SUD (a non wholly-owned subsidiary of the Company), Green Carbon Fund, the Departing GP and the Remaining Partners entered into the Redemption Agreement pursuant to which Green Carbon Fund agreed to redeem the partnership interest held by SUD for a total amount of RMB1,668,000,000.

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

#### II. THE REDEMPTION AGREEMENT

The principal terms of the Redemption Agreement are summarised as follows:

**Date**

8 January 2016

## LETTER FROM THE BOARD

### **Parties**

- (1) SUD, a company owned as to 59% by the Company, and as a limited partner of Green Carbon Fund;
- (2) Green Carbon Fund, a limited partnership;
- (3) Xishen Fund Management, as the then general partner of Green Carbon Fund;
- (4) Fuzhou Shenda, as a limited partner of Green Carbon Fund; and
- (5) Shanghai Shengeng, as a limited partner of Green Carbon Fund.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Departing GP, the Remaining Partners and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Asset disposed of**

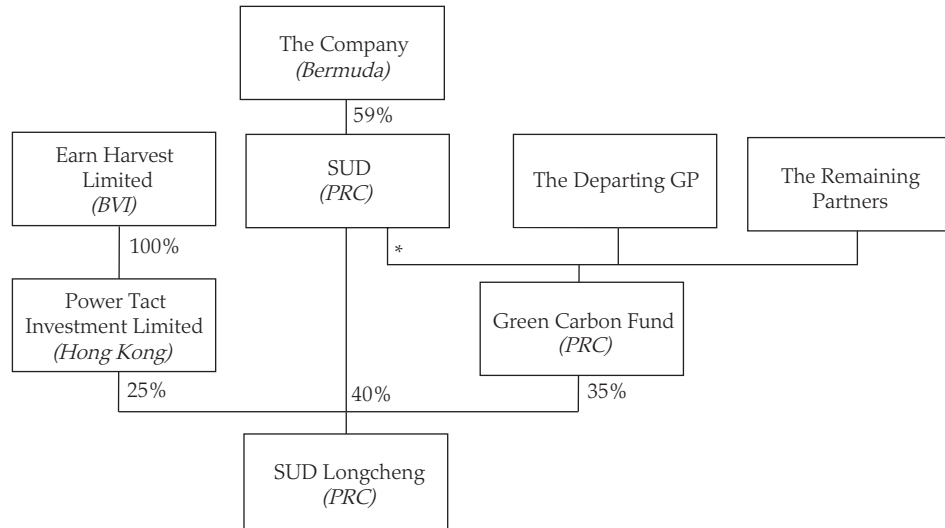
The asset disposed of under the Redemption relates to the partnership interest in Green Carbon Fund held by SUD. Green Carbon Fund is a limited liability partnership established in the PRC and of which SUD, prior to Completion, was a limited partner. Green Carbon Fund owns 35% of the registered capital of SUD Longcheng. SUD Longcheng is a sino-foreign joint venture established in the PRC and is owned as to 25% by Power Tact Investment Limited, 40% by SUD and 35% by Green Carbon Fund. The Company used to own Power Tact Investment Limited, but such interest was disposed of by the Company through the sale of its entire interest in Earn Harvest Limited, the holding company of Power Tact Investment Limited, in 2013. For further information about the disposal of the Group's interest in Earn Harvest Limited, please refer to the announcement of the Company dated 21 June 2013. SUD Longcheng has the land use rights to the Land which is located at Minhang District, Shanghai and is being developed as "U Center" with a total construction area of about 388,125 square metres comprising mixed-use properties including offices, commercial properties and a hotel. As of 30 June 2015, the future saleable gross floor area for this project was 242,010 square metres that were still under construction. It is expected that the development of this project will be completed by 2016 (in phases). Please also refer to the interim report of the Company for the six months ended 30 June 2015 for further details of the "U Center". As of 31 December 2015, the unaudited book value of the "U Center" was RMB2,100,000,000.



## LETTER FROM THE BOARD

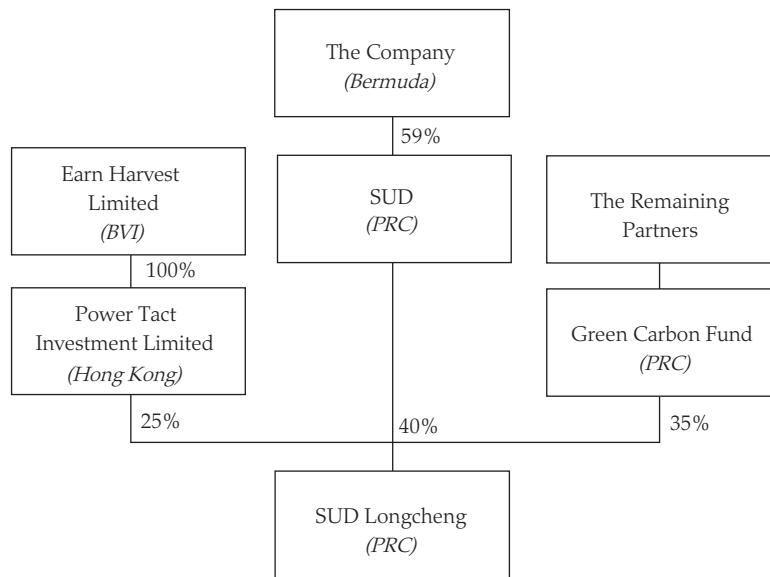
The following diagrams illustrate a simplified structure of Green Carbon Fund and SUD Longcheng before and after Completion:

### *Before Completion*



\* Prior to Completion, SUD was a limited partner of Green Carbon Fund.

### *After Completion*



## LETTER FROM THE BOARD

### Consideration

SUD's interest in Green Carbon Fund is being redeemed for a total amount of RMB1,668,000,000 and such amount is payable by Green Carbon Fund in cash according to the following schedule:

- (i) RMB1,098,000,000 . . . . . within five business days after signing of the Redemption Agreement
- (ii) RMB300,000,000 . . . . . on or before 31 March 2016
- (iii) RMB270,000,000 . . . . . on or before 30 June 2016

As of the Latest Practicable Date, SUD had received a total of RMB1,368,000,000 pursuant to the Redemption Agreement.

The terms of the Redemption Agreement including the redemption amount were arrived at after arm's length negotiations between the parties based on normal commercial terms with reference to the financial position of Green Carbon Fund at the time of Redemption and the value of the "U Center" project.

### Completion

Completion of the Redemption took place immediately following the signing of the Redemption Agreement. Following Completion, the Company ceased to consolidate the assets, liabilities and the results of Green Carbon Fund into its financial statements. However, SUD Longcheng will continue to be a subsidiary of the Company and the assets, liabilities and results of SUD Longcheng will continue to be consolidated into the financial statements of the Company, as the Company continues to be able to exert control over the composition of the board of SUD Longcheng.

### III. DEVELOPMENT OF A PORTION OF THE LAND BY GREEN CARBON FUND

Under the Redemption Agreement, the parties have agreed that, subject to compliance with all applicable PRC laws and all applicable governmental approvals having been obtained, Green Carbon Fund will be responsible for the development, including all development costs and expenses, and management of the Carved-out Site. Green Carbon Fund will be entitled to all income generated from the Carved-out Site (including but not limited to all income from the sale and leasing of properties built on the Carved-out Site) and will not be entitled to any income arising from the remaining portion of the Land. The Company will not be entitled to any income generated from the Carved-out Site. Such an agreement has been reached after arm's length negotiations between the parties. Following the Redemption as well as the disposal of Power Tact Investment Limited in 2013, the Company through SUD will be responsible for the development and management of a specific portion of the "U Center" of a gross floor area of 192,273 square metres which is being developed into offices and retail properties. As of 31 December 2015, such specific site was still under development, which is expected to be

<b>LETTER FROM THE BOARD</b>
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completed by 2016 (in phases). The designation and separation of the Carved-out Site would enable the Group to focus its resources and attention on the development and management of such specific portion of the project without any interference from other shareholders of SUD Longcheng (i.e Green Carbon Fund and Power Tact Investment Limited). On the basis of the above, the Directors consider that the designation and separation of the Carved-out Site are in the interest of the Company and the Shareholders as a whole.

The Carved-out Site has a gross floor area of approximately 49,737 square metres which is intended to be developed into hotel and retail properties. As of 31 December 2015, the Carved-out Site was still under development, which is expected to be completed in December 2016 (in phases). Please refer to the "Valuation Report" as set out in Appendix II to this circular for the value of the Carved-out Site as of 31 December 2015.

#### IV. FINANCIAL EFFECTS OF THE REDEMPTION

The audited net profit/(loss) before and after tax and extraordinary items attributable to Green Carbon Fund for each of the two years ended 31 December 2013 and 2014 were as follows. The financial information of Green Carbon Fund was prepared in accordance with the generally accepted accounting principles of the PRC (PRC GAAP).

	<b>Audited net profit/(loss) before taxation and extraordinary items (RMB'000)</b>	<b>Audited net profit/(loss) after taxation and extraordinary items (RMB'000)</b>
For the year ended 31 December 2013	9,112	9,112
For the year ended 31 December 2014	<u>(2)</u>	<u>(2)</u>

Based on the management accounts of Green Carbon Fund, the unaudited net profit before and after tax and extraordinary items attributable to Green Carbon Fund for the year ended 31 December 2015 were approximately RMB22,000 and RMB22,000, respectively, and the unaudited book value of Green Carbon Fund as of 30 June 2015 was approximately RMB1,015,000,000.

Purely based on the audited book value of Green Carbon Fund as of 31 December 2014 in the amount of approximately RMB735,000,000 and the redemption amount of RMB1,668,000,000, the Company would record an unaudited estimated gain of approximately RMB933,000,000 before taxation from the Redemption. 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 Green Carbon Fund since 31 December 2014, being the date to which the last audited financial statements of the Group were made up.

## LETTER FROM THE BOARD

Following Completion, the Company ceased to consolidate the assets, liabilities and the results of Green Carbon Fund into its financial statements. Accordingly the assets, the total assets and liabilities of the Group will be reduced by the assets and liabilities attributable to Green Carbon Fund. Assuming the Redemption 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\$59,972.2 million and the unaudited pro forma consolidated total liabilities of the Group will be remain unchanged at approximately HK\$38,699.6 million.

### V. REASONS FOR AND BENEFITS OF THE REDEMPTION

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. 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 Redemption presented a good opportunity to realise part of the hidden value of the “U Center” project. Following the Redemption, the Group continues to hold several large scale investment properties in the surrounding area. The Redemption helped optimise the strategic landscape of the Group’s investment properties and the sales proceeds from the Redemption would allow the Group to accelerate the development of its existing projects and to fund acquisition of any new projects that it may identify. The Redemption is purely a strategic deployment of the Group’s resources and an adjustment of its asset portfolio. The Group will adhere to its strategy of focusing its business on the Yangtze River Delta region and prosperous cities and increasing its investment in Shanghai in order to solidify its foundation for future development.

The Company intends to use the proceeds from the Redemption 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 Redemption Agreement and the Redemption are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### VI. INFORMATION ON THE DEPARTING GP AND THE REMAINING PARTNERS

The Departing GP is a limited liability company established in the PRC and is mainly engaged in custodial management of equity investment funds, investment and financing management and the relevant consultation services. Following Completion, the Departing GP ceased to be the general partner of Green Carbon Fund.

Each of the Remaining Partners is a limited liability company established in the PRC. Fuzhou Shenda is mainly engaged in financial and information technology services and their outsourcing arrangements, and Shanghai Shengeng is mainly engaged in real property development and operation, e-commerce and corporate management consultation. In May 2015, each of the Remaining Partners became a limited partner of Green Carbon Fund with a committed investment of RMB1,600,000,000 and RMB68,000,000 respectively. Pursuant to the agreement dated 6 May 2015 entered into

## LETTER FROM THE BOARD

between SUD, Green Carbon Fund, the Departing GP and the Remaining Partners, the Remaining Partners agreed to invest through Green Carbon Fund in new projects undertaken by Green Carbon Fund and not to participate in any existing projects of Green Carbon Fund. At the relevant time, the only project in which Green Carbon Fund invested was the Existing Project. In addition, the Remaining Partners agreed that they would not be entitled to any distribution of profits generated or to be generated from the Existing Project and likewise, they would not be responsible for any liabilities incurred in relation to the Existing Project. On this basis, Green Carbon Fund continued to be treated as a wholly-owned subsidiary of the Company (up to Completion) despite the admission of new limited partners. Following Completion, Green Carbon Fund will be responsible for the development and management of the Carved-out Site. Green Carbon Fund will be entitled to all income generated from the Carved-out Site (including but not limited to all income from the sale and leasing of properties built on the Carved-out Site).

### VII. LISTING RULES IMPLICATIONS

The Redemption constitutes a disposal by the Company of its interest in Green Carbon Fund. Given that one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Redemption exceed 25% but none of such percentage ratios is 75% or above, the Redemption constitutes a major transaction of the Company.

### VIII. 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 Redemption under the Redemption Agreement and therefore none of them is required to abstain from voting if a general meeting was to be convened to approve the Redemption Agreement and the Redemption. 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 Redemption Agreement and the Redemption 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 Redemption Agreement and the Redemption. As such, the Company is not required to convene a special general meeting to consider and approve the Redemption Agreement and the Redemption as permitted under Rule 14.44 of the Listing Rules.

### IX. RECOMMENDATION

Although no general meeting will be convened for approving the Redemption Agreement, the Directors (including the independent non-executive Directors) believe that the transactions contemplated under the Redemption 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 Redemption Agreement and the transactions contemplated therein, the Directors would have recommended the Shareholders to vote in favour of the Redemption Agreement and the transactions contemplated therein.

**LETTER FROM THE BOARD**

**X. FURTHER INFORMATION**

Your attention is drawn to other parts of this circular, which contain further information on the Group, Green Carbon Fund 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	1,796,832
	<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	167,589
	<u>167,589</u>
<b>Total</b>	<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 approximately 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 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 to 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 Redemption 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 Redemption 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 Redemption. 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 Carved-out Site (the “Property”) held by Shanghai Urban Development Group Longcheng Properties Co., Ltd. (上海城開集團龍城置業有限公司) (“SUD Longcheng”) in the PRC 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 held by SUD Longcheng 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 SUD Longcheng in the PRC, with reference to the PRC Legal opinion of the legal adviser, King & Wood Mallesons, 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 19 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 are held by SUD Longcheng under development in the PRC, we have valued them on the basis that they will be developed and completed in accordance with the Company's latest development proposal provided to us. In arriving at our opinion of value of the land, we have adopted the Direct Comparison Approach by making reference to comparable sales evidence as available in the relevant market and where appropriate, we have also taken into account the estimated total and expended construction costs.

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, construction cost, 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, Mr. Eric Fan (MRICS, CREA, CPV) 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 SUD Longcheng under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2015
A designated portion of U Center, west of Wanyuan Road, south of Gumei West Road, Minhang District, Shanghai, the PRC	<p>U Center is a mixed-use properties including 3 office buildings, 7 buildings in the commercial area and a 5-star hotel erected on a parcel of land with a site area of 87,327 sq m. The Property comprises 2 buildings in the commercial area and a 5-star hotel. 2 buildings in the commercial area has been completed in January 2016 and a 5-star hotel is under construction.</p> <p>According to the information provided by the Company, the Property comprises 13,613.59 sq m gross floor area of commercial area and a planned gross floor area of 36,123.12 sq m of a 5-star hotel.</p> <p>The Property is located at west of Wanyuan Road, south of Gumei West Road in Shanghai. Developments nearby are mainly commercial and residential development. According to the Company, the Property is planned for commercial uses; there is no environmental issues and litigation dispute; there is no plan for renovation or change the use of the Property.</p> <p>The land use rights of the Property have been granted for a term from 22 March 2011 to 21 March 2051 for commercial and office use.</p>	Commercial area of the Property was currently vacant and a 5-star hotel is under construction and is scheduled to be completed in December 2016.	RMB1,100,000,000

*Notes:*

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2016)005170 dated 21 January 2016, the land use rights of U Center, comprising a total site area of approximately 87,327 sq m, for a term from 22 March 2011 to 21 March 2051 for commercial and office use and the building ownership rights of portion of commercial area of U Center, comprising a gross floor area of approximately 41,614.84 sq m, have been vested to Shanghai Urban Development Group Longcheng Properties Co., Ltd. (上海城開集團龍城置業有限公司). The Property is part of the said gross floor area.

- (2) According to Land Use Rights Grant Contract No. (2010)88 dated 30 December 2010 its Supplement Contract Nos. (2011)50 dated 15 March 2011 and (2012)14 dated 26 April 2012:

(i)	Grantee	:	Shanghai Urban Development Group Longcheng Properties Co., Ltd. (上海城開集團龍城置業有限公司)
(ii)	Location	:	Land P1, 0455 Jiefang, Meilong Town
(iii)	Site Area	:	87,326.6 sq m
(iv)	Land Use	:	Commercial, office
(v)	Plot Ratio	:	3.7
(vi)	Land Premium	:	RMB2,429,000,000
(vii)	Land Use Term	:	40 years for commercial use and 50 years for office use
(viii)	Building Covenant	:	To complete the construction before 29 December 2015

- (3) According to Planning Permit for Construction Use of Land No. (2011)EA31011220111503 dated 11 October 2011, the construction site of land with a total site area of 87,327 sq m is in compliance with the requirements of urban planning requirement.

- (4) According to 2 Planning Permits for Construction Works, the construction works of the Property, comprising a total gross floor area of approximately 75,896.22 sq m, was in compliance with the requirement of urban planning and was permitted to be developed with the development scheme:

Permit No.	Issue Date	Gross Floor Area (sq m)
(2013)FA31011220130487	26 November 2012	39,773.07
(2013)FA31011220130510	10 December 2013	36,123.15
	<b>Total</b>	<b>75,896.22</b>

The Property is part of the said gross floor area.

- (5) According to Permit for Commencement of Construction Works No. 1101MH0067D03 310112201110210719 dated 17 December 2013, the construction works of the Property was in compliance with the requirement of work commencement and was permitted to be developed with a gross floor area of approximately 328,478.70 sq m. The Property is part of the said gross floor area.
- (6) According to the information provided by the Company, the estimated total construction cost to complete the development is approximately RMB560,000,000; a construction cost of approximately RMB409,000,000 has been expended for the development of the Property as at valuation date. In the course of our valuation, we have taken into account the above expended construction cost.
- (7) The estimated market value as if completed of the proposed development as at valuation date was approximately RMB1,413,000,000.
- (8) According to Business Licence No. 00000002201511040023, Shanghai Urban Development Group Longcheng Properties Co., Ltd. (上海城開集團龍城置業有限公司) was established as a limited liability company with a registered capital of RMB2,100,000,000 for a valid operation period from 30 November 2010 to 29 November 2060.
- (9) According to the PRC legal opinion:-
- (i) Shanghai Urban Development Group Longcheng Properties Co., Ltd. (上海城開集團龍城置業有限公司) has obtained Shanghai Certificate of Real Estate Ownership, Shanghai Urban Development Group Longcheng Properties Co., Ltd. (上海城開集團龍城置業有限公司) has land use rights and building ownership rights of the Property;

- (ii) Shanghai Urban Development Group Longcheng Properties Co., Ltd. (上海城開集團龍城置業有限公司) has obtained Land Use Rights Grant Contract and has fully settled the land premium;
  - (iii) Shanghai Urban Development Group Longcheng Properties Co., Ltd. (上海城開集團龍城置業有限公司) has right to use, transfer, lease and pledge the land use rights of the Property;
  - (iv) The Property is subject to a mortgage in favour of Bank of China Shanghai Xuhui Branch (中國銀行股份有限公司上海市徐匯支行), China Construction Bank Shanghai Xuhui Branch (中國建設銀行股份有限公司上海徐匯支行) and Industrial Bank Shanghai Branch (興業銀行股份有限公司上海分行); and
  - (v) The Property has not been completed, Shanghai Urban Development Group Longcheng Properties Co., Ltd. (上海城開集團龍城置業有限公司) may undertake the possibility of overdue liability for breach of building covenant.
- (10) The status of the title and grant of major approvals and licence in accordance with the information provided by the Company and the opinion of the PRC legal adviser:-

Shanghai Certificate of Real Estate Ownership	Yes
Land Use Rights Grant Contract and its supplement contract	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
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 <sup>(1)</sup>	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**

<b>Name of Directors</b>	<b>Name of associated corporations</b>	<b>Capacity</b>	<b>Total number of shares held</b>	<b>Total number of underlying shares subject to options granted<sup>(1)</sup></b>	<b>Approximate % of interest in the corporation</b>
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.

<b>Name of substantial shareholders</b>	<b>Capacity</b>	<b>Number of Shares held</b>	<b>Approximate % of the issued share capital of the Company</b>
SIHL	Held by controlled corporation	3,415,883,000(L) <sup>(2)(3)</sup>	70.99%
SIIC	Held by controlled corporation	3,427,983,000(L) <sup>(2)(3)(4)</sup>	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 Neo-China (Shanghai) 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 珠海市淇州島影視城有限公司 (Zhuhai City Qi Zhou Island Movie Town Company Limited) (a wholly-owned subsidiary of Neo-China (Shanghai)) (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. As disclosed in the announcement of the Company dated 28 December 2015, Neo-China Land Group (China) Ltd (a wholly-owned subsidiary of the Company) as the seller and De Rong Group Limited (an independent third party) as the purchaser entered into an agreement in relation to the sale and purchase of the entire issued share capital of Neo-China (Shanghai) on 28 December 2015. Pursuant to this agreement, the purchaser undertakes to procure the settlement or withdrawal of the Qi’ao Proceedings mentioned above. Subject to the settlement or withdrawal of the Qi’ao Proceedings, the seller agrees to bear and pay to Neo-China (Shanghai) 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:

<b>Name</b>	<b>Qualification</b>
DTZ Debenham Tie Leung Limited	Valuer
King & Wood Mallesons	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 SUD, Green Carbon Fund, the Departing GP and the Remaining Partners, pursuant to which each of the Remaining Partners 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 and a supplemental agreement both dated 28 December 2015 entered into between Neo-China Land Group (China) Ltd as the seller and De Rong Group Limited as the purchaser, relating to, among other things, the sale and purchase of the entire issued share capital of Neo-China Real Estate (Shanghai) Limited and the assumption of certain loans for a total consideration of RMB3,100,000,000.
- (i) The Redemption 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 King & Wood Mallesons referred to in the paragraph headed "Experts" in this appendix;
- (f) the circular of the Company dated 24 February 2016 in relation to its disposal of Zhuhai Qi'ao Island Project to an independent third party, which constitutes a major transaction of the Company; and
- (g) this circular.