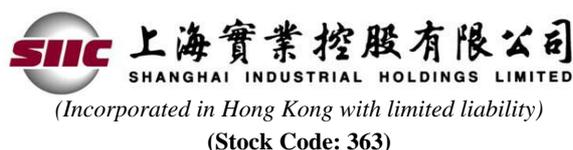


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## JOINT ANNOUNCEMENT

### DESPATCH OF CIRCULAR

Financial adviser to  
Shanghai Industrial Holdings Limited



Deutsche Bank AG, Hong Kong Branch

Financial adviser to  
Shanghai Industrial Urban Development Group Limited

**J.P.Morgan**

J.P. Morgan Securities (Asia Pacific) Limited

Reference is made to the joint announcements made by SIH and SIUD dated 14 April 2011 (the “**Announcement**”) and 30 September 2011, respectively, and the announcements of SIUD dated 5 May 2011, 17 May 2011 and 30 June 2011, respectively. Unless otherwise stated, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

### DESPATCH OF CIRCULAR

The board of SIUD is pleased to announce that a circular containing, among other things, (i) further details of the Transactions; (ii) further information about the Whitewash Waiver; (iii) the recommendation of the independent board committee of SIUD in relation to the Transactions; (iv) a letter of advice from the independent financial adviser to the independent board committee of SIUD and the Independent SIUD Shareholders in relation to the Transactions and the Whitewash Waiver; (v) financial information of the Target Group and of the Group; (vi) a property valuation of each of the Target Group and the Group; and (vii) the notice of the SGM was despatched to the Shareholders on 31 October 2011.

**It should be noted that the Transactions are subject to a number of conditions, which may or may not be fulfilled. It is one of the conditions precedent to completion of the sale and purchase of the Sale Share and the Shareholder’s Loan that the approval of Independent SIUD Shareholders at the SGM has been obtained, and the assignment of the Dividend Receivable will only become effective upon, inter alia, the Target Company becoming a wholly-owned subsidiary of the Company. In addition, the approval of SIUD’s new listing application and the Whitewash Waiver may or may not be granted. In the event that the**

approval for the new listing application is not granted by the Listing Committee, the Agreement and the Deed will not become unconditional and the Transactions will not proceed. Respective shareholders of SIUD and SIH and potential investors should exercise caution when they deal or contemplate dealing in the shares or other securities of SIUD or SIH.

By Order of the Board  
**Shanghai Industrial Holdings Limited**  
**Yee Foo Hei**  
*Company Secretary*

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

Hong Kong, 31 October 2011

*As at the date of this announcement, the board of SIH comprises Mr. Teng Yi Long, Mr. Cai Yu Tian, Mr. Lu Ming Fang, Mr. Zhou Jie, Mr. Qian Shi Zheng, Mr. Zhou Jun and Mr. Qian Yi as executive directors and Dr. Lo Ka Shui, Prof. Woo Chia-Wei and Mr. Leung Pak To, Francis as independent non-executive directors.*

*As at the date of this announcement, the board of SIUD comprises Mr. Cai Yu Tian, Mr. Ni Jianda, Mr. Qian Shi Zheng, Mr. Zhou Jun, Mr. Yang Biao, Mr. Chen Anmin and Mr. Jia Bowei as executive directors and Mr. Doo Wai-Hoi, William, J.P., Dr. Wong Ying Ho, Kennedy, BBS, J.P., Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David as independent non-executive directors.*

*The directors of SIH jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those in relation to SIUD) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those in relation to SIUD) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The directors of SIUD jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those in relation to SIH and the Target Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those in relation to SIH and the Target Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*