

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Industrial Urban Development Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY**

EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND
NOTICE OF THE 2011 ANNUAL GENERAL MEETING OF THE COMPANY**

A notice convening an annual general meeting of Shanghai Industrial Urban Development Group Limited to be held at Boardroom III-IV, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 16 May 2011 at 10:00 a.m. is set out on pages 23 to 25 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.siud.com). If you are not able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Branch Share Registrar of the Company in Hong Kong, Tricor Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

11 April 2011

DEFINITIONS

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

“2011 AGM”	an annual general meeting of the Company to be held at Boardroom III–IV, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 16 May 2011 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 23 to 25 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Buyback Mandate”	as defined in paragraph 2(a) of the Letter from the Board;
“Bye-laws”	the bye-laws of the Company currently in force;
“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;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board;
“Latest Practicable Date”	31 March 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Remuneration Committee”	the remuneration committee of the Company;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“SIHL”	Shanghai Industrial Holdings Limited;
“SIIC”	Shanghai Industrial Investment (Holdings) Company Limited;

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 Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission in Hong Kong.

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)

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

Executive Directors:

Mr. Cai Yu Tian (*Chairman*)

Mr. Ni Jian Da (*President*)

Mr. Qian Shi Zheng

Mr. Zhou Jun

Mr. Yang Biao

Mr. Chen An Min

Mr. Jia Bo Wei

Independent Non-executive Directors:

Mr. Doo Wai-Hoi, William, J.P.

Dr. Wong Ying Ho, Kennedy, BBS, J.P.

Mr. Fan Ren Da, Anthony

Mr. Li Ka Fai, David

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head Office and

Principal Place of Business:

Suites 3005-7

30/F., Great Eagle Centre

23 Harbour Road

Wanchai

Hong Kong

11 April 2011

To the Shareholders

Dear Sir/Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY**

EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND**

NOTICE OF THE 2011 ANNUAL GENERAL MEETING OF THE COMPANY

1. INTRODUCTION

The purpose of this circular is to provide Shareholders with information in respect of the resolutions to be proposed at the 2011 AGM for (i) Buyback Mandate; (ii) Issuance Mandate; (iii) the extension of the Issuance Mandate by adding to it the nominal amount of issued Shares repurchased by the Company under the Buyback Mandate; and (iv) the re-election of the retiring Directors.

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 28 May 2010, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates will lapse at the conclusion of the 2011 AGM.

Ordinary resolutions will be proposed at the 2011 AGM to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount not exceeding 10% of the total nominal amount of the Company's issued share capital as at the date of passing of such resolution (i.e. an aggregate nominal amount of Shares not exceeding HK\$10,517,328.72 (equivalent to 262,933,218 Shares) on the basis that the existing issued share capital of the Company remains unchanged on the date of the 2011 AGM) (the "Buyback Mandate");
- (b) to allot, issue or deal with new Shares of an aggregate nominal amount not exceeding 20% of the total nominal amount of the Company's issued share capital as at the date of passing of such resolution (i.e. an aggregate nominal amount of Shares not exceeding HK\$21,034,657.48 (equivalent to 525,866,437 Shares) on the basis that the existing issued share capital of the Company remains unchanged on the date of the 2011 AGM) (the "Issuance Mandate"); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of issued Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the 2011 AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 4 and 5 of the notice of the 2011 AGM as set out on pages 23 to 25 of this circular. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular. Neither the explanatory statement nor the proposed granting of the Buyback Mandate has any unusual features.

3. EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Subject to the passing of the resolutions to grant the Issuance Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the 2011 AGM to extend the Issuance Mandate by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandates of an amount representing the aggregate nominal amount of the share capital of the Company

LETTER FROM THE BOARD

repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal amount of the issued share capital of the Company in issue on the date of passing the resolution for approving the Issuance Mandate.

4. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with the Bye-laws, Mr. Cai Yu Tian, Mr. Ni Jian Da, Mr. Qian Shi Zheng, Mr. Zhou Jun, Mr. Yang Biao and Mr. Chen An Min, all being executive Directors appointed on 5 July 2010, and Mr. Doo Wai-Hoi, William, Dr. Wong Ying Ho, Kennedy, Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David, all being independent non-executive Directors appointed on 5 July 2010, will retire from office, being eligible, offer themselves for re-election at the 2011 AGM.

In accordance with the Bye-laws, Mr. Jia Bo Wei, being an executive Director, will retire from office by rotation and, being eligible, offer himself for re-election at the 2011 AGM.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of the above retiring Directors are set out in Appendix II to this circular.

5. 2011 AGM AND PROXY ARRANGEMENT

The notice of the 2011 AGM is set out on pages 23 to 25 of this circular. At the 2011 AGM, resolutions will be proposed to approve, *inter alia*, the granting of the Buyback Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the nominal amount of issued Shares repurchased pursuant to the Buyback Mandate and the re-election of the retiring Directors.

A form of proxy for use at the 2011 AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.siud.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, at the Branch Share Registrar of the Company in Hong Kong, Tricor Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the 2011 AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2011 AGM if you so wish and in such event, the proxy form shall be deemed to be revoked.

6. LISTING RULES REQUIREMENT

According to rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, the chairman of the 2011 AGM will therefore demand a poll for every resolution put to the vote of the 2011 AGM pursuant to Article 66 of the Bye-laws. The Company will announce the results of the poll in the manner prescribed under rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

7. 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 Company. 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.

8. RECOMMENDATION

The Directors consider that the granting of the Buyback Mandate, the granting/extension of the Issuance Mandate and the re-election of the retiring Directors are in the best interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2011 AGM.

9. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory statement on the Buyback Mandate) and Appendix II (Details of the retiring Directors proposed to be re-elected at the 2011 AGM) to this circular.

By Order of the Board
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED
Cai Yu Tian
Chairman of the Board

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2011 AGM in relation to the granting of the Buyback Mandate. Neither the explanatory statement nor the proposed granting of the Buyback Mandate has any unusual features.

1. REASONS FOR BUYBACK OF SHARES

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$105,173,287.56 divided into 2,629,332,189 Shares of HK\$0.04 each.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the 2011 AGM in respect of the granting of the Buyback Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the 2011 AGM, i.e. being 2,629,332,189 Shares, the Directors would be authorised under the Buyback Mandate to repurchase, during the period in which the Buyback Mandate remains in force, an aggregate nominal amount of Shares not exceeding HK\$10,517,328.72 (equivalent to 262,933,218 Shares), representing 10% of the aggregate nominal amount of the Shares in issue as at the date of the 2011 AGM.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws, the laws of Bermuda and/or any other applicable laws, as the case may be.

The Company is empowered by its Memorandum of Association and the Bye-laws to repurchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of the capital paid up on the relevant shares, or funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on a repurchase may only be paid out of the funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the Company.

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2010) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, the following substantial Shareholders are interested in 10% or more of the Company's issued shares:

Name of substantial shareholder	No. of shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
SIHL (note 1)	1,233,692,000 (long) (Note 3)	46.92%	52.13%
SIIC (note 2)	1,233,692,000 (long) (Note 3)	46.92%	52.13%
Invest Gain Limited (note 4)	222,156,995 (long)	8.45%	9.39%
	50,000,000 (short) (Note 3)	1.90%	2.11%
Mr. Li Song Xiao (note 4)	224,564,495 (long)	8.54%	9.49%
	50,000,000 (short) (Note 3)	1.90%	2.11%
Ms. Liu Hui (note 5)	224,564,495 (long)	8.54%	9.49%
	50,000,000 (short) (Note 3)	1.90%	2.11%

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

Notes:

1. These shares are held by Novel Good Limited, a wholly owned subsidiary of SIHL.
2. SIIC through its subsidiaries, namely Shanghai Investment Holdings Ltd., SIIC Capital (B.V.I.) Ltd., SIIC Treasury (B.V.I.) Ltd., Shanghai Industrial Financial (Holdings) Co. Ltd., South Pacific International Trading Ltd., The Tien Chu Ve-Tsin (Hong Kong) Co. Ltd., SIIC Trading Co. Ltd., SIIC CM Development Funds Ltd., Billion More Investments Ltd. and SIIC CM Development Ltd. held approximately 53% of the shares of SIHL. Therefore, SIIC is deemed or taken to be interested in the 1,233,692,000 shares held by SIHL for the purpose of the SFO.
3. These 50,000,000 Shares (short position) held by Invest Gain Limited was pledged to Novel Good Limited. Therefore, SIHL and SIIC are deemed or taken to be interested in these 50,000,000 Shares.
4. 222,156,995 shares are directly held by Invest Gain Limited, a company beneficially owned by Mr. Li Song Xiao.
5. Ms. Liu Hui was deemed to be interested in the interests/shares held beneficially by her spouse, Mr. Li Song Xiao.

On the basis of the current shareholding of the Company, an exercise of the Repurchase Mandate in full will result in SIHL and SIIC becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. In any event, the Directors do not intend to exercise the Repurchase Mandate to an extent which will trigger off the mandatory offer requirement pursuant to the rules of the Takeover Code or which will reduce the aggregate amount of the share capital of the Company in public hands to below 25%.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE
--

7. MARKET PRICES OF SHARES

During each of the previous 12 months, the highest and lowest prices at which the Shares on Stock Exchange prior to the Latest Practicable Date were as follows:

Month	Trade Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
April	suspended	suspended
May	suspended	suspended
June	3.450	2.620
July	3.140	2.680
August	3.010	2.630
September	4.150	2.690
October	4.140	3.470
November	4.400	3.000
December	3.440	2.840
2011		
January	3.470	2.850
February	3.150	2.500
March	2.790	2.220

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

Pursuant to the Listing Rules, details of the Directors who will retire and stand for re-election at the 2011 AGM according to the Bye-laws are provided below.

(1) Mr. Cai Yu Tian (“Mr. Cai”)

Position and Experience

Mr. Cai, aged 61, is the executive Director and chairman of the Company. He is also the vice-chairman, chief executive officer and an executive director of SIHL (stock code: 363), and an executive Director and the president of SIIC. Concurrently, he is also the chairman of Shanghai Urban Development (Holdings) Co. Ltd., Shanghai SIIC South Pacific Hotel Co. Ltd. and General Water of China Co., Ltd., and the non-executive chairman of Asia Water Technology Ltd. (a company listed in Singapore). Mr. Cai obtained a master’s degree from East China Normal University with major in world economics, and was a research associate. Mr. Cai was the chief executive officer of Zhong Hua Enterprises Co. During the period from September 1987 to November 2005, he had been the deputy director and the Director of the Shanghai Municipal Housing Administration Bureau, the director of the Shanghai Municipal Housing and Land Administration Bureau and the director of the Shanghai Municipal Housing, Land and Resources Administration Bureau respectively. Mr. Cai has more than 20 years’ experience in real estate, economic and administrative management.

Save as disclosed above, Mr. Cai has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Cai has not been appointed for any specific term but is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Relationships

As far as the Directors are aware, Mr. Cai does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Cai held 9,000,000 share options granted by the Company under the share option scheme adopted on 12 December 2002, which entitle him to subscribe for 9,000,000 Shares. Save as disclosed above, Mr. Cai is not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Director’s emoluments

There is no service contract entered into between Mr. Cai and the Company. Mr. Cai is currently not entitled to any director fee but is subject to review by the Remuneration Committee.

(2) Mr. Ni Jian Da (“Mr. Ni”)*Position and Experience*

Mr. Ni, aged 47, is an executive Director and president and a member of the Nomination Committee of the Company. He is also a deputy chief executive officer of SIHL (stock code: 363) and a director and president of Shanghai Urban Development (Holdings) Co. Ltd. He graduated from Shanghai University and La Trobe University of Australia with a master’s degree in business administration. Mr. Ni was the general manager of Shanghai Xuhui Real Estate Management Co. Ltd., a deputy general manager of Shanghai Urban Development (Holdings) Co. Ltd. and the general manager of the real estate department of China Huayuan Group Ltd., and has more than 20 years’ professional experience in real estate, economics and management. Mr. Ni was elected a member of the Shanghai Municipal People’s Congress in 2003, and was honored as one of the 25 Chinese Entrepreneurs with Most Reforming Ideas, among the Top Ten Persons of the Year elected by the 2006 China International Real Estate and Archi-tech Fair, one of the 2007 Boao Forum-Most Influential Persons in China’s Real Estate Industry in 20 Years and one of the Top Ten Entrepreneurs in the Shanghai Real Estate Sector in 18 Years in 2005. He was the vice chairman of Shanghai Youth Federation and is currently the chairman of Shanghai Young Entrepreneurs Association and the vice chairman of the Shanghai Real Estate Association.

Save as disclosed above, Mr. Ni has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Ni has been appointed for a term of 3 years and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Relationships

As far as the Directors are aware, Mr. Ni does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Ni held 8,000,000 share options granted by the Company under the share option scheme adopted on 12 December 2002, which entitle him to subscribe for 8,000,000 Shares. Save as disclosed above, Mr. Ni is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director’s emoluments

There is a service contract entered into between Mr. Ni and the Company. Mr. Ni is entitled to a director fee of HK\$225,000 per month and a discretionary bonus which is determined by the Remuneration Committee and the Board by reference to his responsibilities and performance and the prevailing market conditions.

(3) Mr. Qian Shi Zheng (“Mr. Qian”)*Position and Experience*

Mr. Qian, aged 58, is an executive Director. He is an executive director and a deputy chief executive officer of SIHL (Stock code: 363). He is also a vice president of SIIC, and a director of Shanghai Urban Development (Holdings) Co. Ltd.. He graduated from Fudan University with a master’s degree in economics and a doctorate degree in management and had taught at Fudan University. He joined SIIC in January 1998 and had been the chief accountant and the general manager of the internal audit department of SIIC. Currently, he is an independent non-executive director of Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd. (stock code: 1157) and Lonking Holdings Limited (stock code: 3339) and the vice chairman of Haitong Securities Co. Ltd. (a company listed in the Shanghai Stock Exchange). He has over 20 years’ experience in the theory and practice of finance and accounting.

Save as disclosed above, Mr. Qian has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Qian has not been appointed for any specific term but is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Relationships

As far as the Directors are aware, Mr. Qian does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Qian held 7,000,000 share options granted by the Company under the share option scheme adopted on 12 December 2002, which entitle him to subscribe for 7,000,000 Shares. Save as disclosed above, Mr. Qian is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director’s emoluments

There is no service contract entered into between Mr. Qian and the Company. Mr. Qian is currently not entitled to any director fee but is subject to review by the Remuneration Committee.

(4) Mr. Zhou Jun (“Mr. Zhou”)*Position and Experience*

Mr. Zhou, aged 42, is an executive Director and a member of the Investment Committee of the Company. He is also an executive director and a deputy chief executive officer of SIHL (Stock code: 363). He is also a vice president of SIIC and the chairman of Shanghai Galaxy Investment Co., Ltd., Shanghai Hu-Ning Expressway (Shanghai Section) Co., Ltd., Shanghai Luqiao Development Co. Ltd., Shanghai Industrial Management (Shanghai) Limited (上海實業管理(上海)有限公司), United Run Tong Water Company Limited (聯合潤通水務股份有限公司), Shanghai Shen-Yu Development Co., Ltd., and a director of Shanghai Urban Development (Holdings) Co. Ltd., Shanghai Industrial Investment (Shanghai) Limited (上海實業投資(上海)有限公司) and General Water of China Co., Ltd., and a non-executive director of Asia Water Technology Ltd. (a company listed in Singapore). He graduated from Nanjing University and Fudan University with a bachelor and a master degree respectively in economics (international finance), and is a member of the Shanghai Municipal People’s Congress. He worked for Guotai Securities Co. Ltd. (now Guotai Junan Securities Co.) before joining Shanghai Industrial Investment (Holdings) Co. Limited in April 1996. He held the positions of a deputy general manager of SIIC Real Estate Holdings (Shanghai) Co. Ltd., deputy general manager of Shanghai United Industrial Co., Ltd. (now Shanghai Pharmaceutical Co., Ltd.) and general manager of the strategic department of SIIC. Mr. Zhou has more than 10 years’ professional experience in securities, finance, real estate and project planning.

Save as disclosed above, Mr. Zhou has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Zhou has not been appointed for any specific term but is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Relationships

As far as the Directors are aware, Mr. Zhou does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Zhou held 7,000,000 share options granted by the Company under the share option scheme adopted on 12 December 2002, which entitle him to subscribe for 7,000,000 Shares. Save as disclosed above, Mr. Zhou is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

APPENDIX II DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2011 AGM

Director's emoluments

There is no service contract entered into between Mr. Zhou and the Company. Mr. Zhou is currently not entitled to any director fee but is subject to review by the Remuneration Committee.

(5) Mr. Yang Biao (“Mr. Yang”)

Position and Experience

Mr. Yang, aged 47, is an executive Director. He is the vice-chairman of Shanghai Urban Development (Holdings) Co., Ltd. He was also an independent non-executive director of Grand Field Group Holdings Limited (stock code: 115) during the period from 25 June 2008 to 3 September 2009. Mr. Yang had taught at Shanghai Normal University and was a deputy director of the Audit Bureau of Xuhui District in Shanghai and a Director of the Xuhui District State-owned Assets Administrative Committee. He has many years of teaching, administration and management experience.

Save as disclosed above, Mr. Yang has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Yang has been appointed for a term of 3 years and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Relationships

As far as the Directors are aware, Mr. Yang does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Yang held 7,000,000 share options granted by the Company under the share option scheme adopted on 12 December 2002, which entitle him to subscribe for 7,000,000 Shares. Save as disclosed above, Mr. Yang is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

There is a service contract entered into between Mr. Yang and the Company. Mr. Yang is entitled to a director fee of HK\$187,500 per month and a discretionary bonus which is determined by the Remuneration Committee and the Board by reference to his responsibilities and performance and the prevailing market conditions.

(6) Mr. Chen An Min (“Mr. Chen”)*Position and Experience*

Mr. Chen, aged 60, is an executive Director. He is a director and executive vice president of Shanghai Urban Development (Holdings) Co. Ltd.. He is also a director of China Haisum Engineering Co., Ltd. (a company listed in the Shenzhen Stock Exchange). He is designated a senior economist. He was the vice chairman of Shanghai Xingye Housing Co., Ltd. and a director of Ningbo Fubang Precision Industry Group Stock Co., Ltd. He has over 30 years of experience in the construction and property development industry.

Save as disclosed above, Mr. Chen has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Chen has been appointed for a term of 3 years and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Relationships

As far as the Directors are aware, Mr. Chen does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Chen held 7,000,000 share options granted by the Company under the share option scheme adopted on 12 December 2002, which entitle him to subscribe for 7,000,000 Shares. Save as disclosed above, Mr. Chen is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director’s emoluments

There is a service contract entered into between Mr. Chen and the Company. Mr. Chen is entitled to a director fee of HK\$187,500 per month and a discretionary bonus which is determined by the Remuneration Committee and the Board by reference to his responsibilities and performance and the prevailing market conditions.

(7) Mr. Jia Bo Wei (“Mr. Jia”)*Position and Experience*

Mr. Jia, aged 44, is an executive Director of the Company. Other than the aforementioned, Mr. Jia does not hold any other positions in the Company or in any member of the Group. He has extensive experience in finance and management. Mr. Jia graduated from the monetary banking department of Xin Jiang Finance Institute and earned his post-graduate qualification in 2000. In

2003, he obtained a master degree in business administration from Guanghai Management School of Peking University. Mr. Jia has 25 years of working experience. Before joining the Company, he worked as the general manager and a director for Suntime International Wine Co., Ltd. (a trading company whose shares are listed as A shares in the Shanghai Stock Exchange).

Save as disclosed above, Mr. Jia has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Jia has not been appointed for any specific term but is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Relationships

As far as the Directors are aware, Mr. Jia does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Jia held 7,000,000 share options granted by the Company under the share option scheme adopted on 24 September 2010, which entitle him to subscribe for 7,000,000 Shares. Save as disclosed above, Mr. Jia is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

There is no service contract entered into between Mr. Jia and the Company. Mr. Jia is entitled to receive a director fee of HK\$187,500 per month and a discretionary bonus, which is determined by the Remuneration Committee and the Board by reference to his responsibilities and performance and the prevailing market conditions.

(8) Mr. Doo Wai-Hoi, William, J.P. ("Mr. Doo")

Position and Experience

Mr. Doo, aged 66, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee of the Company. He is a non-executive director and the vice-chairman of New World China Land Limited (stock code: 917), a non-executive director and the deputy chairman of NWS Holdings Limited (stock code: 659), an executive director of Lifestyle International Holdings Limited (stock code: 1212), an independent non-executive director of The Bank of East Asia, Limited (stock code: 23) and he was also an executive director of Haitong International Securities Group Limited until 13 January 2010 (stock code: 665), all being public companies listed in Hong Kong. He is also a director of New World Hotels (Holdings) Limited and Fung Seng Diamond Company Limited. Mr. Doo has served as a

Governor of the Canadian Chamber of Commerce in Hong Kong since 1995. In addition, he is a Member of the Standing Committee of the Eleventh Chinese People's Political Consultative Conference in Shanghai, and the Convener of the Shanghai Committee in Hong Kong and Macau. In June 2005, he was appointed as the Honorary Consul of the Kingdom of Morocco in Hong Kong.

Save as disclosed above, Mr. Doo has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Doo has been appointed for a term of 3 years and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Relationships

As far as the Directors are aware, Mr. Doo does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Doo held 1,000,000 share options granted by the Company under the share option scheme adopted on 12 December 2002, which entitle him to subscribe for 1,000,000 Shares. Save as disclosed above, Mr. Doo is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

There is a service contract entered into between Mr. Doo and the Company. Mr. Doo is entitled to an annual director fee of HK\$380,000, which is determined by the Remuneration Committee and the Board by reference to his responsibilities and performance and the prevailing market conditions.

(9) Dr. Wong Ying Ho, Kennedy (“Dr. Wong”)

Position and Experience

Dr. Wong, BBS, J.P., aged 48, is an independent non-executive Director, the chairman of the Nomination Committee and a member of the Audit Committee of the Company. He is a solicitor, China Appointed Attesting Officer and a director of the China Law Society. He is the Managing Partner of Philip K.H. Wong, Kennedy Y.H. Wong & Co., Solicitors & Notaries. Dr. Wong is also an executive director of Hong Kong Resources Holdings Company Limited (stock code: 2882), an independent non-executive director of Asia Cement (China) Holdings Corporation (stock code: 743), China Overseas Land & Investment Limited (stock code: 688), Goldlion Holdings Limited (stock code: 533), and was also an non-executive director of International Financial Network

Holdings Limited (now known as “First China Financial Network Holdings Limited”) (stock code: 8123) until 11 July 2008 and Qin Jia Yuan Media Services Company Limited (stock code: 2366) until 29 November 2010; and an independent non-executive director of Great Wall Technology Company Limited (stock code: 74) until 18 June 2010, all being public companies listed on the Stock Exchange. Dr. Wong is also a director of Pacific Alliance Asia Opportunity Fund Limited, Bohai Industrial Investment Fund Management Company Limited and Hong Kong Airlines Limited, all of which are listed companies or multi-national companies with substantial investments in the PRC or Asia. Dr. Wong is a National Committee Member of the Chinese People’s Political Consultative Conference. He is also a member of the Election Committee of Hong Kong responsible for electing Hong Kong’s Chief Executive and a deputy convener of the New Century Forum. He is also a cofounder of the Hong Kong Legal Forum. Dr. Wong served on Hong Kong’s legislature from 1996 to 1998 and was selected as one of the Ten Outstanding Young Persons of Hong Kong in 1998 and one of the Ten Outstanding Young Persons of the World in 2003.

Save as disclosed above, Dr. Wong has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Length of service

Dr. Wong has been appointed for a term of 3 years and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Relationships

As far as the Directors are aware, Dr. Wong does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Dr. Wong held 1,000,000 share options granted by the Company under the share option scheme adopted on 12 December 2002, which entitle him to subscribe for 1,000,000 Shares. Save as disclosed above, Dr. Wong is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director’s emoluments

There is a service contract entered into between Dr. Wong and the Company. Dr. Wong is entitled to an annual director fee of HK\$380,000, which is determined by the Remuneration Committee and the Board by reference to his responsibilities and performance and the prevailing market conditions.

(10) Mr. Fan Ren Da, Anthony (“Mr. Fan”)*Position and Experience*

Mr. Fan, aged 51, is an independent non-executive Director, the chairman of the Investment Committee, a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. He is the chairman and managing director of AsiaLink Capital Limited. His expertise lies in the field of general management, corporate finance, mergers and acquisitions, venture capital, company consolidation and restructuring. Mr. Fan held senior positions in a number of international financial institutions and was the managing director of a public company listed on the Stock Exchange. Mr. Fan received his master of business administration degree from the University of Dallas in the United States of America and is now a doctor of philosophy candidate in Shanghai Jiao Tong University. Mr. Fan is an independent non-executive director of Hong Kong Resources Holdings Company Limited (stock code: 2882), Uni-President China Holdings Limited (stock code: 220), Raymond Industrial Limited (stock code: 229), Chinney Alliance Group Limited (stock code: 385), Renhe Commercial Holdings Company Limited (stock code: 1387) and CITIC Resources Holdings Limited (stock code: 1205), all are public companies listed on the Hong Kong Stock Exchange. Mr Fan is also the independent director of Shenzhen World Union Properties Consultancy Company Limited (stock code: 002285), a company listed on the Shenzhen Stock Exchange.

Save as disclosed above, Mr. Fan has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Fan has been appointed for a term of 3 years and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Relationships

As far as the Directors are aware, Mr. Fan does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Fan held 1,000,000 share options granted by the Company under the share option scheme adopted on 12 December 2002, which entitles him to subscribe for 1,000,000 Shares. Save as disclosed above, Mr. Fan is not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

There is a service contract entered into between Mr. Fan and the Company. Mr. Fan is entitled to an annual director fee of HK\$380,000, which is determined by the Remuneration Committee and the Board by reference to his responsibilities and performance and the prevailing market conditions.

(11) Mr. Li Ka Fai, David (“Mr. Li”)*Position and Experience*

Mr. Li, aged 56, is an independent non-executive Director and the chairman of the Audit Committee of the Company. He is currently the deputy managing partner of Li, Tang, Chen & Co. CPA (Practising). He is also a fellow of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, United Kingdom as well as The Institute of Chartered Secretaries and Administrators, United Kingdom and an associate member of The Institute of Chartered Accountants in England and Wales. He is an independent director and chairman of the audit committee of China Vanke Co., Ltd., a company listed on the Shenzhen Stock Exchange, an independent non-executive director and chairman of the audit committee of China-Hongkong Photo Products Holdings Limited, an independent non-executive director, chairman of the audit committee and member of the remuneration committee of Cosmopolitan International Holdings Limited, an independent non-executive director, member of the audit committee and member of the remuneration committee of AVIC International Holding (HK) Limited (formerly known as CATIC International Holdings Limited), an independent non-executive director, member of the audit committee and member of the remuneration committee of China Merchants Holdings (International) Company Limited and an independent non-executive director, chairman of the audit committee, member of the remuneration committee and member of the nomination committee of Goldlion Holdings Limited, all of which are listed on the Stock Exchange.

Save as disclosed above, Mr. Li has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

Length of service

Mr. Li has been appointed for a term of 3 years and is subject to retirement and reelection at the annual general meeting of the Company in accordance with the Bye-laws.

Relationships

As far as the Directors are aware, Mr. Li does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Li held 1,000,000 share options granted by the Company under the share option scheme adopted on 12 December 2002, which entitles him to subscribe for 1,000,000 Shares. Save as disclosed above, Mr. Li is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

There is a service contract entered into between Mr. Li and the Company. Mr. Li is entitled to an annual director fee of HK\$380,000, which is determined by the Remuneration Committee and the Board by reference to his responsibilities and performance and the prevailing market conditions.

Save as disclosed, there is no information which is discloseable nor are/were Mr. Cai, Mr. Ni, Mr. Qian, Mr. Zhou, Mr. Yang, Mr. Chen, Mr. Jia, Mr. Doo, Dr. Wong, Mr. Fan and Mr. Li involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Cai, Mr. Ni, Mr. Qian, Mr. Zhou, Mr. Yang, Mr. Chen, Mr. Jia, Mr. Doo, Dr. Wong, Mr. Fan and Mr. Li that need to be brought to the attention of the Shareholders.

NOTICE OF THE 2011 AGM



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)

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

NOTICE IS HEREBY GIVEN that an annual general meeting of Shanghai Industrial Urban Development Group Limited (the “Company”) will be held at Boardroom III–IV, M/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 16 May 2011, Monday at 10:00 a.m. for the following purposes:

1. To consider and receive the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors of the Company for the year ended 31 December 2010;
2. To re-elect directors of the Company (the “Directors”) and to authorise the board of directors of the Company (the “Board”) to fix the Directors’ remuneration;
3. To re-appoint auditors and to authorise the Board to fix their remuneration; and
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in general meetings; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held.”;

NOTICE OF THE 2011 AGM

5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) any issue of shares of the Company on the exercise of the outstanding subscription rights or conversion rights attaching to any securities which are convertible into shares of the Company from time to time;
 - (iii) the exercise of options granted under a share option scheme of the Company; and
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and this approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in general meetings; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and

NOTICE OF THE 2011 AGM

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”;

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT conditional upon the passing of resolutions set out in items 4 and 5 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the shares purchased by the Company pursuant to the mandate referred to in the resolution set out in item 4 of the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

By Order of the Board
Shanghai Industrial Urban Development Group Limited
Cai Yu Tian
Chairman

Hong Kong, 11 April 2011

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. In relation to the ordinary resolutions set out in items 4, 5 and 6 of the above notice, the Directors wish to state that they have no immediate plan to repurchase any existing shares or issue any new shares of the Company.
4. The votes to be taken at the meeting for the resolutions will be by way of poll.