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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement on the next page. A copy of the announcement is available on the website of the Singapore Exchange of Securities Trading Limited at www.sgx.com.

By order of the Board

Shanghai Industrial Urban Development Group Limited

Chan Kin Chu, Harry

Company Secretary

Hong Kong, 15 November 2012

As at the date of this announcement, the board of director of the Company comprises Mr. Ni Jianda, Mr. Ji Gang, Mr. Zhou Jun, Mr. Yang Biao and Mr. Chen Anmin as executive directors and Mr. Doo Wai-Hoi, William, J.P., Dr. Wong Ying Ho, Kennedy, BBS, J.P., Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David as independent non-executive directors.

ANNOUNCEMENT

Shanghai Industrial Urban Development Group Limited (formerly known as Neo-China Group (Holdings) Limited) (the “**Company**”) today announces a solicitation of consents (the “**Consent Solicitation**”) to make proposed amendments to and obtain waivers of (the “**Proposals**”) certain provisions of the indenture dated as of 23 July 2007 by and among the Company, the Subsidiary Guarantors named therein and Citibank N.A., London Branch, as trustee, governing the Company’s US\$400,000,000 9.75% senior notes due 2014 (CUSIP No. 64045PAA5, ISIN US64045PAA57, Common Code No. 031215668 (Rule 144A) and CUSIP No. G6419EAB0, ISIN USG6419EAB05, Common Code No. 031215757 (Regulation S)) (the “**Notes**”), as supplemented by a supplemental indenture dated as of 9 November 2011 (the “**First Supplemental Indenture**”), a supplemental indenture dated as of 17 November 2011 (the “**Second Supplemental Indenture**”) and a supplemental indenture dated as of 23 November 2011 (the “**Third Supplemental Indenture**”, and such indenture as supplemented by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the “**Indenture**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the meanings set forth in the Indenture.

As more fully described in the Consent Solicitation Statement dated 15 November 2012 (the “**Consent Solicitation Statement**”), the principal purposes of the Consent Solicitation are to obtain consents from registered holders (the “**Holders**”) of the Notes (i) as to amendments to certain provisions under the Indenture to give us flexibility to (a) pursue potential disposition of assets that are no longer useful to us and (b) borrow U.S. dollars or Hong Kong dollars outside of China through the pledging of one or more of the Company’s bank accounts denominated in Renminbi in China (or the borrowing of Renminbi in China through the pledging of one or more bank accounts (denominated in U.S. dollars or Hong Kong dollars) located outside of China) and refinance such borrowing; and (ii) as to amendments to certain provisions and waivers under the Indenture with respect to the Cross Guarantee Agreement. A consenting Holder must consent to the Proposals in their entirety and may not consent selectively with respect to any individual component thereof.

ASSET DISPOSITION

The definition of “Asset Disposition” in the Indenture is broad and could include the disposition of undeveloped land or non-completed developments that the Company no longer intend to develop, or all or substantially all of the Capital Stock of a Restricted Subsidiary which owns such undeveloped land or non-completed developments. Any Asset Sale that constitutes an Asset Disposition cannot be made unless the Company could Incur at least US\$1.00 of Indebtedness under the Fixed Charge Coverage Ratio after giving pro forma effect to such Asset Disposition. The Company believes that the definition of Asset Disposition unnecessarily restricts its ability to dispose of certain assets that the Company believes no longer fit with its business strategy. Certain of these assets were acquired prior to Shanghai Industrial Holdings Limited (“**SIH**”), a company incorporated under the laws of Hong Kong and the controlling shareholder of the Company, acquired its approximately 45% interest in the Company in June 2010. Since SIH became the Company’s controlling shareholder, and

following the Company's acquisition of Shanghai Urban Development (Holdings) Co., Ltd. ("**Shanghai Urban Development**") in November 2011, the Company's principal business strategy has been to focus on property developments in the Yangtze River Delta region and leverage the strengths of SIH to secure larger market shares. Therefore, the Company is soliciting the consent of Holders to amend the definition of "Asset Disposition".

BANK DEPOSIT SECURED INDEBTEDNESS

As all of the Company's material assets are located in China and substantially all of its revenue is derived from its operations within China, the Company's ability to service the Notes depends in part on its ability to exchange Renminbi into U.S. dollars. Currently, the Company's ability to transfer cash from China for use outside China is subject to regulatory approvals from various PRC governmental authorities, including the State Administration for Foreign Exchange. The Company is proposing to amend the Indenture so that it will have the flexibility to enter into contractual arrangements with independent third parties on normal commercial terms to Incur Indebtedness that is secured by a pledge of one or more bank accounts of the Company or a Restricted Subsidiary to in effect exchange U.S. dollars or Hong Kong dollars into Renminbi, or vice versa. Therefore, the Company is soliciting the consent of Holders to amend the "Limitation on Indebtedness and Disqualified or Preferred Stock" covenant. The Company is also seeking consent to amend the definition of "Permitted Refinancing Indebtedness" so that it can refinance such Bank Deposit Secured Indebtedness.

CROSS GUARANTEE AGREEMENT

In November 2011, the Company obtained the consent of Holders to, among other things, permit it to Incur the Acquired Indebtedness in respect of the Cross Guarantee Agreement, which was transferred to the Company as part of its acquisition of the Target Group. Under the Cross Guarantee Agreement, Shanghai Urban Development and Shanghai Xuhui State-owned Assets Management Co., Ltd. ("**State-owned Management Company**") have agreed to guarantee each other's obligations in respect of the loans and credit facilities which they may respectively obtain from financial institutions from time to time in order to meet their respective funding needs, up to a limit of RMB1,200 million. As of 31 October 2012, the total amount of loans and credit facilities obtained by Shanghai Urban Development in respect of which guarantees were provided by State-owned Management Company was approximately RMB333 million, and the total amount of loans and credit facilities obtained by State-owned Management Company in respect of which guarantees were provided by Shanghai Urban Development was approximately RMB316 million. As of 31 October 2012, given that the amount guaranteed by State-owned Management Company exceeded the amount guaranteed by Shanghai Urban Development (in each case pursuant to the Cross Guarantee Agreement), the Company believes that the net effect of the arrangements under the Cross Guarantee Agreement is currently credit-enhancing for the Company. The Cross Guarantee Agreement has existed between Shanghai Urban Development and State-owned Management Company since 2002, but it only became relevant to the Company when the Company acquired a majority interest in Shanghai Urban Development in 2011. The Cross Guarantee

Agreement will expire on 31 December 2012. Shanghai Urban Development and State-owned Management Company are considering amending the Cross Guarantee Agreement to extend its term for another three years (such that the Cross Guarantee Agreement, as amended, will expire on 31 December 2015) and reduce the guarantee limit thereunder from RMB1,200 million to RMB400 million. Such amendments to the Cross Guarantee Agreement would otherwise be prohibited by the terms of the Indenture. Therefore, the Company is seeking amendments to the Indenture that would permit Shanghai Urban Development to enter into a supplemental agreement to the Cross Guarantee Agreement.

The Company is soliciting consents from Holders as of 5:00 p.m., New York City time, on 14 November 2012. The Consent Solicitation will expire at 5:00 p.m., New York City time, on 28 November 2012, unless extended or earlier terminated by the Company. Subject to the terms and conditions of this Consent Solicitation, the Company will make a cash payment of US\$5.00 to each Holder for each US\$1,000 in principal amount of Notes (the “**Consent Fee**”) in respect of which such holder has validly delivered (and has not validly revoked) a consent (a “**Consent**”) with respect to the Proposals prior to the expiration of the Consent Solicitation. The Company’s obligation to accept Consents and pay the Consent Fee is conditioned on, among other things, there being validly delivered unrevoked Consents from the Holders of not less than a majority in aggregate principal amount of the outstanding Notes.

For a detailed statement of the terms and conditions of the Consent Solicitation and the Proposals, Holders should refer to the Consent Solicitation Statement and related documents. The Consent Solicitation Statement will be distributed electronically to the Holders by Bondholder Communications Group LLC, the Information and Tabulation Agent for the Consent Solicitation, or it can be accessed on www.bondcom.com/shanghai. The Company has engaged BOCI Asia Limited to act as the Solicitation Agent for the Consent Solicitation. Questions from Holders regarding the Consent Solicitation or requests for additional copies of the Consent Solicitation Statement, the Consent Form or other related documents should be directed to Bondholder Communications Group LLC, the Information and Tabulation Agent for the Consent Solicitation, at 28 Throgmorton Street, London EC2N 2AN, United Kingdom, or 46th Floor, 30 Broad Street, New York, NY 10004, USA, attn: Sofia Irman (telephone: +44 207 382 4580 (London) or +1 212 809 2663 (New York)) (email: sirman@bondcom.com) or the Solicitation Agent for the Consent Solicitation, BOCI Asia Limited, attn: Samson Lee, at 26th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong (telephone +852-3988-6910).

This announcement is not a solicitation of consent with respect to any Notes. The Consent Solicitation is being made solely by the Consent Solicitation Statement, dated 15 November 2012, and related documents, which set forth a detailed description of the terms of the Consent Solicitation.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this press release comes are required to inform themselves about, and to observe, any such restrictions.

Forward-looking statements in this announcement, including, among others, those statements relating to the Transactions and the Consent Solicitation, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve risks, uncertainties and assumptions and are difficult to predict with any precision. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Notes, changes in the business and financial condition of the Company and its subsidiaries, changes in the property industry, and changes in the debt markets in general.

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

15 November 2012