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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF 100% INTERESTS IN EARN HARVEST LIMITED

THE DISPOSAL

On 21 June 2013, the Seller, the Buyer and the Company entered into the Agreement pursuant to which the Buyer has agreed to (i) acquire the Sale Share, representing the entire issued share capital of Earn Harvest, and (ii) repay the Power Tact Loan. The total amount payable by the Buyer for the Sale Share and the repayment of the Power Tact Loan is RMB1,174,500,000. Further, the Buyer has agreed to repay or procure repayment of the Project Loan. The Company has provided certain undertakings to the Buyer.

LISTING RULES IMPLICATIONS

Given that one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Agreement exceeds 5% but none of such percentage ratios is 25% or above, the transactions contemplated under the Agreement constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

THE DISPOSAL

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The principal terms of the Agreement are set out below.

THE AGREEMENT

Date

21 June 2013

Parties

- (1) China Vision Enterprises Limited, a wholly-owned subsidiary of the Company, as the Seller
- (2) Earth & Gold International Holdings Limited, as the Buyer
- (3) The Company, in respect of certain undertakings

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Buyer and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

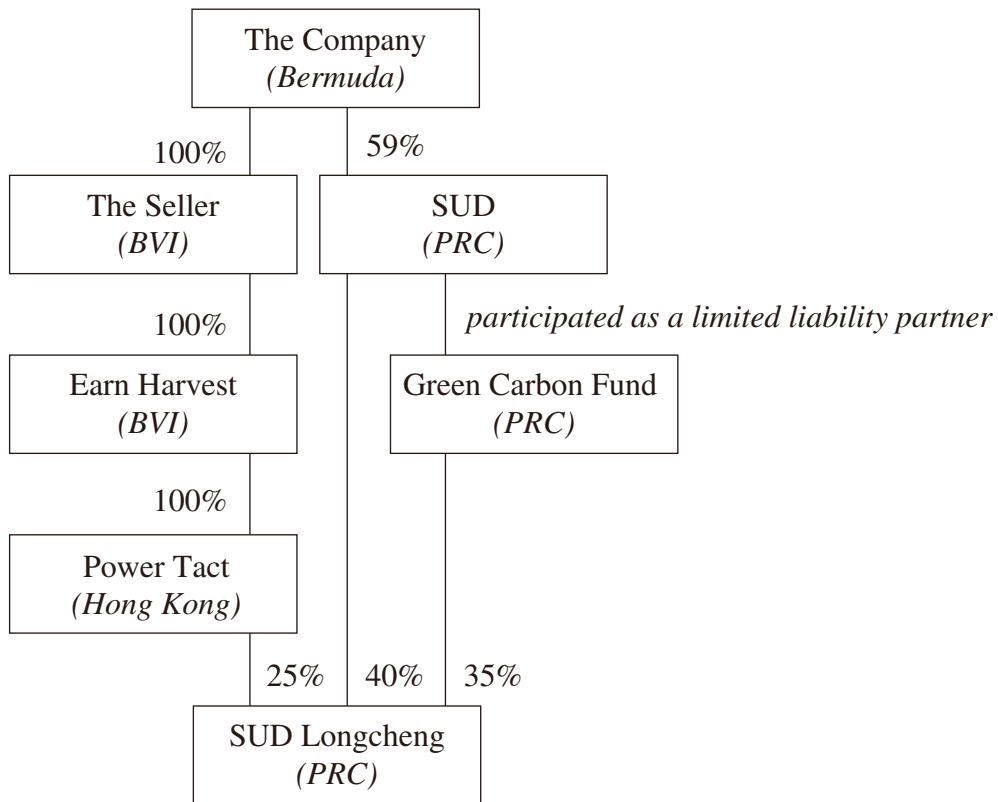
Asset being disposed of

The asset being disposed of is the Sale Share, representing the entire issued share capital of Earn Harvest. Earn Harvest is an investment holding company incorporated in the BVI, and is wholly owned by the Seller. Earn Harvest, through Power Tact, owns 25% of the registered capital of SUD Longcheng. In addition, the Buyer has agreed to repay or procure the repayment of the Power Tact Loan, being a shareholder's loan in the amount of RMB499,400,000 owed by Power Tact to the Company. Further, the Buyer has agreed to repay or procure the repayment of the Project Loan in the amount of RMB156,000,000.

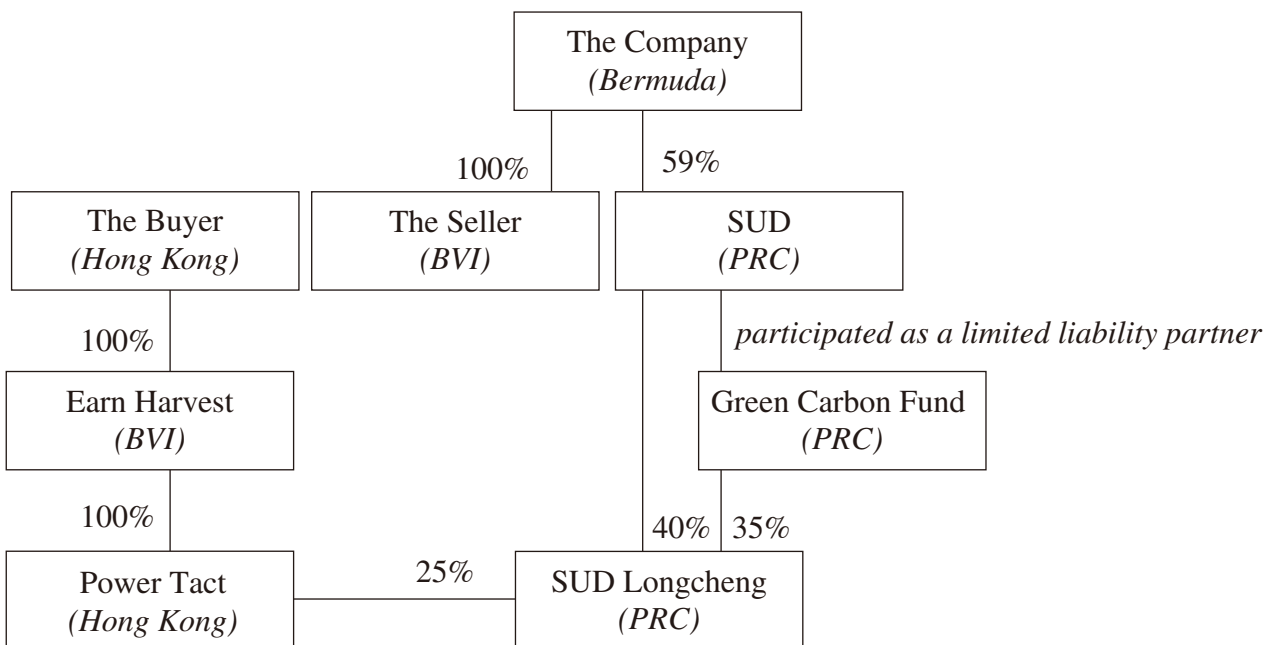
SUD Longcheng is a sino-foreign joint venture established on 30 November 2010 with a registered capital of RMB2,100,000,000 and owned as to 25% by Power Tact, 40% by SUD and 35% by Green Carbon Fund. SUD is a non wholly-owned subsidiary of the Company, and Green Carbon Fund is a limited liability partnership established in the PRC of which SUD is a limited liability partner. SUD Longcheng has the land use rights to the Land which is located at Minhang District, Shanghai and is intended to be developed as "U Centre" with a total construction area of about 510,000 square metres comprising mixed-use properties including offices, commercial properties and hotels.

The following diagrams illustrate a simplified shareholding structure of Earn Harvest and SUD Longcheng before and after Completion:

Before Completion



Immediately after Completion



Consideration

The total consideration of the Disposal is RMB1,174,500,000 and is payable by the Buyer in cash.

As at the date of this announcement, the Buyer has paid the Company the Earnest Money, being an amount of HK\$175,000,000 (equivalent to approximately RMB139,300,000), in order to proceed with negotiation with the Seller regarding the Disposal. Pursuant to the Agreement, the Earnest Money will be applied towards the settlement of the Consideration. The balance of the Consideration is payable according to the following schedule:

- (i) An amount equal to the difference between the Deposit and the Earnest Money within one business day from the date of the Agreement
- (ii) RMB200,000,000 on or before 30 September 2013
- (iii) RMB200,000,000 on or before 30 November 2013
- (iv) RMB300,000,000 on or before 31 March 2014
- (v) RMB274,500,000 on or before 30 June 2014

Further, the Buyer shall repay or procure the repayment of the Project Loan in the amount of RMB156,000,000 at the same time when the last payment of the Consideration referred to in item (v) above is made.

In the event that any part of the Consideration due in 2013 and 2014 remains outstanding for more than 30 or 60 days (as the case may be), the Seller shall have the right to forfeit the Deposit, enforce the Share Charges and terminate the Agreement.

The Consideration and the terms of the Agreement were arrived at after arm's length negotiations between the Seller, the Buyer and the Company based on normal commercial terms with reference to the value of the Land of the "U Centre" project.

Conditions precedent

The obligations of the Seller to proceed with the Disposal under the Agreement are subject to the following conditions having been fulfilled (or waived by the Seller):

- (i) the representations, warranties and undertakings given by the Buyer as set out in the Agreement remain true, complete and accurate at the date of Completion;
- (ii) the Seller has received from the Buyer (a) shareholders' or board resolutions authorising the entering into of the Agreement by the Buyer; (b) corporate authorisation for the Buyer's signatory to the Agreement; and (c) identification documents of the Buyer's signatory;
- (iii) the Buyer has paid the Deposit; and
- (iv) the Buyer has agreed on the forms of the Share Charges.

The obligations of the Buyer to proceed with the Disposal under the Agreement are subject to the following conditions having been fulfilled (or waived by the Buyer):

- (i) the representations, warranties and undertakings given by the Seller as set out in the Agreement remain true, complete and accurate at the date of Completion;
- (ii) the Seller has provided all necessary assistance to the Buyer in completing its due diligence on Earn Harvest, Power Tact and SUD Longcheng;
- (iii) the Buyer has received from the Seller shareholders' or board resolution authorising the entering into of the Agreement by the Seller;
- (iv) no event has occurred or is likely to occur which, in the Buyer's opinion, may have a material adverse effect on Earn Harvest;
- (v) in the Buyer's opinion, there has been no substantive change to the business of Earn Harvest up to the date of Completion; and
- (vi) the Seller has complied with its undertakings to carry on the business of Earn Harvest in its ordinary and usual course during the period from the date of the Agreement to Completion.

The Buyer has confirmed that it has completed its due diligence on Earn Harvest, Power Tact and SUD Longcheng by the date of the Agreement.

Completion

Completion is scheduled to take place no later than 28 June 2013.

Undertakings by the Company

The Company undertakes to the Buyer that (i) it will procure that SUD and SUD Longcheng will carry out the arrangements in relation to the development of the Land as agreed in the Agreement and (ii) it will remain responsible for any indebtedness of Earn Harvest, Power Tact and SUD Longcheng that are incurred prior to Completion and which have not been disclosed to the Buyer.

Share Charges

The payment obligations of the Buyer under the Agreement in respect of the Consideration will be secured by the Share Charges to be executed by the Buyer and Earn Harvest at Completion in favour of the Seller over the entire issued share capital of each of Earn Harvest and Power Tact, respectively. The Share Charges will be discharged following full payment by the Buyer of the Consideration.

Right of first refusal

The Buyer has granted the Seller a right of first refusal to acquire the Sale Share at a consideration to be agreed upon if any of the following events shall occur on or before 31 December 2015:

- (i) there is a change in the share capital or the controller of the Buyer; or
- (ii) there is a change to the Buyer's effective control of 25% interest in SUD Longcheng (other than any change arising from a transfer between Mr. Liang Yan Feng, the legal representative of the holding company of the Buyer, and his close relatives or a transfer between the Buyer and its wholly-owned subsidiary or holding company).

DEVELOPMENT OF A PORTION OF THE LAND BY THE BUYER

Subject to compliance with all applicable PRC laws and all applicable governmental approvals having been obtained, the parties have agreed that the Buyer will be responsible for the development, including all development costs and expenses, and management of a designated portion of the Land with an area of approximately 21,600 square metres (the "designated site"). The Buyer will be entitled to all income generated from the designated site (including but not limited to all income from the sale and leasing of properties built on the designated site). Power Tact shall not be entitled to any income arising from the remaining portion of the Land.

FINANCIAL EFFECTS OF THE DISPOSAL

Based on the management accounts of Earn Harvest, Earn Harvest recorded an unaudited consolidated profit of approximately HK\$23,900,000 (equivalent to approximately RMB19,000,000) and HK\$5,600,000 (equivalent to approximately RMB4,500,000) for the year ended 31 December 2011 and 2012, respectively, and its unaudited consolidated net asset value as at 31 December 2012 was approximately HK\$660,000,000 (equivalent to approximately RMB525,000,000).

It is expected that, upon Completion, the Company will record an estimated gain of approximately HK\$733,700,000 (equivalent to approximately RMB584,000,000), being the difference between the Consideration and the unaudited consolidated net asset value of Earn Harvest as at 31 December 2012 of approximately HK\$660,000,000 (equivalent to approximately RMB525,000,000). The actual gain or loss to be recorded by the Company is subject to audit.

Upon Completion, Earn Harvest and Power Tact will cease to be subsidiaries of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The principal activities of the Group are property development and property investment in the PRC. Following the Company's acquisition of 59% interest in SUD in November 2011, the Company participates in the project of "U Centre" via its interest in SUD as well as its interest in Earn Harvest. Since the Company has been exploring different ways to unlock the true value of some of its projects that are booked at costs in its financial statements, the Disposal is beneficial to realise part of the hidden value of this particular "U Centre" project. Besides, the Disposal will increase sources of funding to accelerate the development of the Group's existing projects, and for acquisition of potential new projects. The Company considers that the Disposal presented the Group with a good opportunity to achieve the above objectives.

USE OF PROCEEDS

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

The Directors consider that the terms of the Agreement and the transactions contemplated thereunder (including but not limited to the Disposal) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE BUYER

The Buyer is a company incorporated in Hong Kong with limited liability. The principal business of the Buyer is investment holding.

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DEFINITIONS

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

“Agreement”	the agreement dated 21 June 2013 entered into between the Seller, the Buyer and the Company in relation to, among other things, the Disposal
“Buyer”	Earth & Gold International Holdings Limited (中庚國際集團有限公司), a company incorporated in Hong Kong with limited liability
“BVI”	the British Virgin Islands
“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 of Hong Kong Limited
“Completion”	completion of the Disposal in accordance with the terms of the Agreement
“connected person”	has the meaning given to it in the Listing Rules
“Consideration”	the consideration for the Sale Share (including the agreement to repay the Power Tact Loan) in the aggregate amount of RMB1,174,500,000
“Deposit”	an aggregate amount of RMB200,000,000 (inclusive of the Earnest Money)
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Share pursuant to the terms of the Agreement
“Earn Harvest”	Earn Harvest Limited, a company incorporated in the BVI with limited liability
“Earnest Money”	an amount of HK\$175,000,000 (equivalent to approximately RMB139,300,000) paid by the Buyer to the Company as earnest money to proceed with negotiation with the Seller regarding the Disposal
“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 Shanghai Urban Development is a limited liability partner

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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 SUD Longcheng intends to develop the site into “U Centre”, and the land use rights of which are held by SUD Longcheng
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Power Tact”	Power Tact Investment Limited, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of Earn Harvest
“Power Tact Loan”	a shareholder’s loan owed by Power Tact to the Company in the amount of RMB499,400,000
“PRC”	the People’s Republic of China and for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Project Loan”	such portion of the shareholder’s loan owed by SUD Longcheng to the Group attributable to Earn Harvest in the amount of RMB156,000,000
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share”	one share of US\$1.00 in the issued share capital of Earn Harvest, representing the entire issued share capital of Earn Harvest
“Seller”	China Vision Enterprises Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Share Charges”	the share charges to be executed by the Buyer and Earn Harvest at Completion in favour of the Seller over the entire issued share capital of each of Earn Harvest and Power Tact to secure the payment obligations of the Buyer under the Agreement

“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 purposes of this announcement, the exchange rate of HK\$1.00 = RMB0.7960 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at the above rate or at any other rates or at all.

The English names of Chinese entities included in this announcement are unofficial translations of their Chinese names and are included for identification purposes only.

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

Hong Kong, 21 June 2013

As at the date of this announcement, the Board comprises Mr. Ni Jianda, Mr. Ji Gang, Mr. Zhou Jun, Mr. Yang Jianwei, Mr. Yang Biao, Ms. Huang Fei and Mr. Ye Weiqi 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.