
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 your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Industrial Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer 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.



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

DISCLOSEABLE AND CONNECTED TRANSACTION

ACQUISITION OF SHAREHOLDINGS IN SHANGHAI INDUSTRIAL DEVELOPMENT CO., LTD. AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to Shanghai Industrial Holdings Limited



**Independent financial adviser to the Independent Board Committee
and the Independent Shareholders**



KBC Bank N.V. Hong Kong Branch

A letter from the Board is set out on pages 5 to 14 of this circular, a letter from the Independent Board Committee to the Independent Shareholders is set out on page 15 of this circular, and a letter from KBC Bank, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 31 of this circular.

A notice convening the EGM of the Company to be held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Monday, 20 September 2010 at 3:00 p.m. is set out on pages 141 to 143 of this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or at any adjournment thereof) should you so desire.

2 September 2010



CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	5
2. The Equity Transfer Agreement	6
3. Reasons for and Benefits of the Acquisition	11
4. Principal Activities of the Group and the Vendor	12
5. Listing Rules Implications	12
6. EGM	13
7. Recommendations	13
8. Additional Information	14
Letter from the Independent Board Committee	15
Letter from KBC Bank	16
Appendix I – Valuation Report	32
Appendix II – General Information	136
EGM Notice	141

DEFINITIONS

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

Terms	Meaning
“Acquisition”	the acquisition of the Subject Shares by the Company through SI Properties Development from SIIC Shanghai pursuant to the Equity Transfer Agreement
“Agreed Exchange Rate”	the median rate of exchange of HK\$/US\$ (as the case may be) to RMB as announced by the People’s Bank of China on the date of payment of the relevant amount
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“CICC HKS”	China International Capital Corporation Hong Kong Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Company in respect of the Equity Transfer Agreement and the transactions contemplated thereunder
“Company”	Shanghai Industrial Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the date on which the transfer and registration procedures with China Securities Depository and Clearing Limited, Shanghai Branch in respect of the transfer of the Subject Shares are completed
“Consideration”	the consideration payable for the Subject Shares
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Monday, 20 September 2010 at 3:00 p.m. at which ordinary resolutions will be proposed to approve, if thought fit, inter alia, the Equity Transfer Agreement and the transactions contemplated thereunder

DEFINITIONS

“EGM Notice”	the notice for convening the EGM set out on pages 141 to 143 of this circular
“Equity Transfer Agreement”	the conditional agreement dated 16 August 2010 entered into between the Vendor, the Company and SI Properties Development in relation to the Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising the three independent non-executive Directors, namely, Dr. Lo Ka Shui, Prof. Woo Chia-Wei and Mr. Leung Pak To, Francis
“Independent Shareholders”	the Shareholders who are not prohibited under the Listing Rules from voting at the EGM to approve the Acquisition and the Equity Transfer Agreement
“Interim Period”	the period from the date of the execution of the Equity Transfer Agreement up to the Completion Date
“KBC Bank”	KBC Bank N.V., acting through its Hong Kong branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution registered for Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Equity Transfer Agreement and the transactions contemplated thereunder
“Latest Practicable Date”	30 August 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Neo-China”	Neo-China Land Group (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 563)

DEFINITIONS

“Permitted Period”	the 18-month period commencing on (i) the date of the shareholders’ meeting of SIDC at which the transfer of the Subject Shares pursuant to the Equity Transfer Agreement is approved; or (ii) the date of the EGM at which the transfer of the Subject Shares pursuant to the Equity Transfer Agreement is approved (whichever is later) or 31 March 2012 (whichever is earlier), as mentioned in the paragraph headed “Conditions” in the Letter from the Board
“PRC”	the People’s Republic of China (for the purposes of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the share(s) in the capital of the Company
“SIDC”	上海實業發展股份有限公司 (Shanghai Industrial Development Co., Ltd.), a joint stock limited liability company established under the laws of the PRC which is held as to 63.65% by the Vendor and is listed on A Shares Market of the Shanghai Stock Exchange (stock code: 600748)
“SIDC A Shares”	the RMB-denominated domestic A shares of SIDC
“SIIC”	Shanghai Industrial Investment (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the controlling Shareholder of the Company
“SIIC Shanghai”	上海上實(集團)有限公司 (SIIC Shanghai (Holding) Co., Ltd.), a company incorporated in the PRC with limited liability with SIIC as the authorized representative exercising state-owned shareholder’s right over it
“SI Properties Development”	S.I. Properties Development Limited, a company incorporated in Hong Kong with limited liability which is an indirect wholly-owned subsidiary of the Company
“State-owned Assets Administration Commission of Shanghai”	State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government

DEFINITIONS

“State-owned Assets Administration Commission of the State Council”	State-owned Assets Supervision and Administration Commission of the State Council
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Shares”	689,566,049 SIDC A Shares, representing approximately 63.65% of the issued share capital of SIDC, subject to adjustment mentioned in the paragraph headed “Consideration” in the Letter from the Board
“Vendor”	SIIC Shanghai
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America

In this circular, RMB has been converted to HK\$ at the rate of RMB0.8804 to HK\$1 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

LETTER FROM THE BOARD



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

Executive Directors:

Mr. Teng Yi Long (*Chairman*)

Mr. Cai Yu Tian (*Vice Chairman and Chief Executive Officer*)

Mr. Lu Ming Fang

Mr. Zhou Jie (*Executive Deputy CEO*)

Mr. Qian Shi Zheng (*Deputy CEO*)

Mr. Zhou Jun (*Deputy CEO*)

Mr. Qian Yi (*Deputy CEO*)

Registered office:

26th Floor

Harcourt House

39 Gloucester Road

Wanchai

Hong Kong

Independent Non-Executive Directors:

Dr. Lo Ka Shui

Prof. Woo Chia-Wei

Mr. Leung Pak To, Francis

2 September 2010

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

ACQUISITION OF SHAREHOLDINGS IN SHANGHAI INDUSTRIAL DEVELOPMENT CO., LTD. AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

On 16 August 2010, the Board announced that the Vendor, the Company and SI Properties Development entered into the Equity Transfer Agreement in relation to the Acquisition pursuant to which it was conditionally agreed that the Company shall through SI Properties Development acquire the Subject Shares from the Vendor at an aggregate consideration of RMB5,130,371,404.56 (equivalent to approximately HK\$5,827,319,000), which is subject to the final determination of the State-owned Assets Administration Commission of Shanghai and State-owned Assets Administration Commission of the State Council, on and subject to the terms and conditions of the Equity Transfer Agreement. As a strategic foreign investor, SI Properties Development is subject to the relevant provisions of the Ministry of Commerce of the PRC and is required to undertake not to dispose of the Subject Shares for a period of 3 years from the Completion Date.

LETTER FROM THE BOARD

SIIC, the controlling Shareholder, is authorized to operate SIIC Shanghai, a state-owned enterprise, and SIIC exercises the authority as the state-owned shareholder of SIIC Shanghai. As such, SIIC Shanghai is a connected person of the Company under the Listing Rules and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition is not less than 5% and the Consideration is not less than HK\$10,000,000, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition is not less than 5% but are less than 25%, the Acquisition also constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The main purposes of this circular are:

- (a) to provide you with the details of the Acquisition and the Equity Transfer Agreement;
- (b) to provide you with the letter of recommendation from the Independent Board Committee and the letter of advice from KBC Bank, the independent financial adviser, in respect of the Acquisition and the Equity Transfer Agreement;
- (c) to give the Shareholders the EGM Notice at which ordinary resolutions will be proposed to approve, inter alia, the Equity Transfer Agreement and the transactions contemplated thereunder; and
- (d) to set out other information as required by the Listing Rules.

2. THE EQUITY TRANSFER AGREEMENT

Date

16 August 2010

The parties

- (a) SIIC Shanghai as vendor
- (b) the Company as an indirect purchaser
- (c) SI Properties Development as the direct purchaser

LETTER FROM THE BOARD

SIIC, the controlling Shareholder, is authorized to operate SIIC Shanghai, a state-owned enterprise, and SIIC exercises the authority as the state-owned shareholder (國有股東) of SIIC Shanghai. SIIC Shanghai is therefore a connected person of the Company under the Listing Rules.

Interest to be acquired

Pursuant to the Equity Transfer Agreement, the Company will through SI Properties Development acquire from the Vendor the Subject Shares. The Subject Shares represent the entire direct interest of the Vendor in SIDC, and represent approximately 63.65% of the issued share capital of SIDC, as at the Latest Practicable Date.

As a strategic foreign investor, SI Properties Development is subject to the relevant provisions of the Ministry of Commerce and is required to undertake not to dispose of the Subject Shares for a period of 3 years from the Completion Date.

Information on SIDC

SIDC is a joint stock limited liability company established under the laws of the PRC. SIDC A Shares are listed on the Shanghai Stock Exchange (stock code: 600748) in September 1996. SIDC and its subsidiaries are principally engaged in the business of property development, property investment and management.

Set out below are the audited consolidated profit before and after taxation and minority interests of SIDC for the two years ended 31 December 2009:

	For the financial year ended	
	31 December	
	2009	2008
	<i>RMB</i>	<i>RMB</i>
Consolidated profit before taxation and minority interests	368,247,000 (equivalent to approximately HK\$418,272,000)	561,064,000 (equivalent to approximately HK\$637,283,000)
Consolidated profit after taxation and minority interests	244,500,000 (equivalent to approximately HK\$277,715,000)	363,325,000 (equivalent to approximately HK\$412,682,000)

The audited consolidated net asset value of SIDC as at 31 December 2009 was approximately RMB2,525,236,000 (equivalent to approximately HK\$2,868,283,000).

As part of the Subject Shares were acquired by the Vendor in consideration of the Vendor injecting its assets into SIDC, taking into account the then fair value of the assets injected as appraised by independent valuers for the purpose of the acquisition of

LETTER FROM THE BOARD

such part of the Subject Shares (which is higher than the then carrying cost of such assets in the books of the Vendor) as well as the transaction costs incurred by the Vendor in connection with such acquisition; and the carrying cost of the remaining part of the Subject Shares, the aggregate cost of the Subject Shares to the Vendor amounted to approximately RMB4,564,927,000 (equivalent to approximately HK\$5,185,060,000).

Consideration

The Consideration was determined at RMB7.44 (equivalent to approximately HK\$8.45) per Subject Share, which represents 90% of the arithmetic mean of the daily weighted average price of the SIDC A Shares quoted on the Shanghai Stock Exchange in the 30 trading days preceding the date of signing of the Equity Transfer Agreement and approximately 56.4% discount to the proforma asset value per SIDC A Share as at 31 December 2009 of approximately RMB17.07 (equivalent to approximately HK\$19.39) estimated with reference to the market value of the properties held by SIDC as at 30 June 2010 of RMB27,375,080,000 (equivalent to approximately HK\$31,093,912,000) as valued by DTZ Debenham Tie Leung Limited, an independent valuer, based on the direct comparison method and where appropriate, investment method. Based on the aforesaid consideration per Subject Share and a total of 689,566,049 SIDC A Shares, the Consideration amounted to RMB5,130,371,404.56 (equivalent to approximately HK\$5,827,319,000). The aforesaid amount of Consideration is subject to the final determination of the State-owned Assets Administration Commission of Shanghai and State-owned Assets Administration Commission of the State Council.

The consideration per Subject Share and the number of Subject Shares mentioned above may be adjusted pursuant to any event of exclusion of dividends or rights such as dividend declaration, bonus shares issue and capitalization issue etc. during the Interim Period. In the event that SIDC shall declare dividend or bonus or carry out any other event of exclusion of dividends during the Interim Period, the Vendor shall pay the amount of dividends attributable to the Subject Shares to the Company and SI Properties Development after the Completion Date in such manner to be separately agreed between the parties to the Equity Transfer Agreement. In the event that SIDC shall make bonus shares issue, capitalization issue etc. during the Interim Period, the number of Subject Shares under the Equity Transfer Agreement will be adjusted such that the Subject Shares to be transferred pursuant to the Equity Transfer Agreement shall be all the SIDC A Shares held by the Vendor after such event. The amount of Consideration, however, will not be adjusted pursuant to any of the aforesaid events.

The Consideration will be funded by internal resources and/or bank financing.

Within 5 business days after the date of execution of the Equity Transfer Agreement, the Company and SI Properties Development shall procure their bank in the PRC to issue a bank guarantee in favour of the Vendor guaranteeing the payment of the Consideration to the Vendor under the Equity Transfer Agreement. The amount covered by the bank guarantee shall be 30% of the amount of the Consideration.

LETTER FROM THE BOARD

Within 10 business days after the date on which all the conditions mentioned in paragraphs (a) to (h) below have been satisfied, the Company and SI Properties Development shall pay the Consideration in full (i) in Hong Kong dollars or United States dollars at the Agreed Exchange Rate; or (ii) with the approval of the relevant PRC department for administration of foreign exchange, in RMB by using RMB generated from investment in or outside the PRC by the Company and/or SI Properties Development and on the same date, the Vendor shall return the bank guarantee mentioned above to the Company or SI Properties Development as directed by SI Properties Development.

In the event that the Equity Transfer Agreement is terminated in accordance with its terms, the Vendor shall return the bank guarantee and forthwith refund the Consideration already paid to the Vendor to the Company and SI Properties Development.

Conditions

The Equity Transfer Agreement will become effective after it has been executed by the parties thereto and the following conditions (the “**Conditions**”) have been satisfied:

- (a) obtaining the approval of the transfer of the Subject Shares in accordance with the Equity Transfer Agreement from the respective boards of directors of SIIC Shanghai, SIDC, the Company and SI Properties Development;
- (b) obtaining the approval from the State-owned Assets Administration Commission of Shanghai to waive the information disclosure obligations of SIIC Shanghai in relation to its proposed transfer of the Subject Shares pursuant to the Equity Transfer Agreement;
- (c) the Vendor providing relevant information for and facilitating a due diligence investigation in connection with the Acquisition by the Company and SI Properties Development, and the Company and SI Properties Development having completed the due diligence investigation and being satisfied with the results thereof;
- (d) the passing of a resolution at a shareholders’ meeting of SIDC approving the transfer of the Subject Shares in accordance with the Equity Transfer Agreement;
- (e) the passing of an ordinary resolution by the Independent Shareholders at the EGM approving the Equity Transfer Agreement and the transactions contemplated thereunder in accordance with the relevant requirements of the Listing Rules;
- (f) obtaining the relevant approvals in respect of the transfer of the Subject Shares in accordance with the Equity Transfer Agreement from the State-owned Assets Administration Commission of the State Council in accordance with “Interim

LETTER FROM THE BOARD

Measures for transfer of shareholdings in listed companies by state-owned shareholders*” (《國有股東轉讓所持上市公司股份管理暫行辦法》) and other relevant laws and regulations in relation to state-owned asset administration (including the amendments to such provisions after the date of execution of the Equity Transfer Agreement (if applicable));

- (g) obtaining approval in respect of the strategic investment in SIDC by the Company and SI Properties Development from the Ministry of Commerce of the PRC in accordance with “Measures for Strategic Investment by Foreign Investors in listed companies*” (《外國投資者對上市公司戰略投資管理辦法》) and “Provisions on merger and acquisition of domestic enterprises by foreign investors*” (《關於外國投資者併購境內企業的規定》) and other relevant laws and regulations in relation to administration of foreign investment (including the amendments to such provisions after the date of execution of the Equity Transfer Agreement (if applicable)); and
- (h) the China Securities Regulatory Commission reviewing and agreeing with the “Acquisition Report*” (《收購報告書》) compiled by the Company or SI Properties Development in respect of the acquisition of the Subject Shares in accordance with the Equity Transfer Agreement and waiving the obligations of the Company or SI Properties Development and parties acting in concert with them to make a general offer to other shareholders of SIDC.

Pursuant to the Equity Transfer Agreement, no additional terms, conditions and restrictions preventing the transfer of the Subject Shares under the Equity Transfer Agreement or imposing material adverse impact on the operation of SIDC after such transfer should be attached to the approvals and waivers mentioned in paragraphs (a) to (h) above.

The parties to the Equity Transfer Agreement shall use their respective best endeavours to obtain the approvals and waivers as mentioned in paragraphs (f) to (h) above within the Permitted Period.

As at the Latest Practicable Date, the conditions mentioned in paragraphs (a) and (b) have been fulfilled.

Termination

In the event that the conditions mentioned in paragraphs (f) to (h) above are not satisfied within the Permitted Period through no fault on any of the parties to the Equity Transfer Agreement, the Equity Transfer Agreement may be terminated by the parties thereto by agreement in writing. The Equity Transfer Agreement may also be terminated by written agreement between the parties thereto under the following circumstances: (a) there is new requirement pursuant to or changes to applicable laws and regulations resulting in the Equity Transfer Agreement not in compliance with laws and regulations and the parties to the Equity Transfer Agreement are unable to reach a consensus on the amendments required to be made to the Equity Transfer Agreement pursuant to the new laws and regulations; or (b) the occurrence of any force majeure

LETTER FROM THE BOARD

event during the period between the signing of the Equity Transfer Agreement and Completion Date which results in the transfer of Subject Shares in accordance with the Equity Transfer Agreement being impossible.

If the Equity Transfer Agreement is terminated on the occurrence of any of the circumstances mentioned above, no party to the Equity Transfer Agreement shall have any liability to the other party, all or any rights and obligations under the Equity Transfer Agreement shall also lapse and the relevant provisions under the Equity Transfer Agreement shall cease to be binding on the parties (save in respect of, inter alia, the requirements on the Vendor to return the bank guarantee and refund the Consideration already paid to the Vendor to the Company or SI Properties Development, and any liabilities accrued as a result of any antecedent breaches).

Completion

Within 10 business days after the full payment of Consideration to the Vendor, the Vendor, the Company and SI Properties Development shall make applications to the Shanghai Stock Exchange and the China Securities Depository and Clearing Limited, Shanghai Branch for completing the transfer and registration procedures for the transfer of the Subject Shares. Completion shall take place on the Completion Date when the registration procedures in respect of the transfer of the Subject Shares have been completed.

With effect from the Completion Date, all the Subject Shares owned by and rights enjoyed by the Vendor as a shareholder of SIDC in accordance with the Company Law of the PRC and the articles of association of SIDC shall belong to SI Properties Development, who will be entitled to all the rights attached to the Subject Shares and subject to the corresponding obligations.

Profits and losses during the Interim Period

The profits or losses of SIDC during the Interim Period attributable to the Subject Shares shall belong to or be borne by the Company and SI Properties Development.

3. REASONS FOR AND BENEFITS OF THE ACQUISITION

Upon completion of its acquisition of substantial interest in Neo-China in June this year, the Company further seeks opportunities for expansion by acquiring a controlling stake in SIDC, an A-share company listed in the Shanghai Stock Exchange, from its parent company. Through the Acquisition, the Group would be able to rapidly expand the scope of its investment and strengthen the earning base of its real estate business. When taking into account the land resources of Neo-China and SIDC, the Group will be able to own a planned gross floor area of 22,180,000 square meters land reserve, ranking the top 10 in the PRC real estate industry.

In addition, potential intra-group competition with its parent group will much be eliminated. Also, if the Vendor obtains the construction land use right of the Chongming Island, the Vendor and its member companies will not engage in the development of such

LETTER FROM THE BOARD

land, while SIDC will have such priority. Accordingly, the Company can indirectly obtain the pre-emptive right of SIDC for developing such land project, thereby pursuing opportunities for injection of quality assets to the Group. In addition, we understand from the Vendor that in order to further support and speed up the progress of the land development project on Chongming Island, it is the Vendor's intention to, among others, (i) apply part of the Consideration to fund the cost to be incurred in the initial development stage of the infrastructure facilities relating to the said land development project; and (ii) offer favourable terms for the shareholder's loan granted by SIIC Shanghai to SIDC, including extending the repayment period and reducing the interest rates such that terms of such shareholder's loan will become more favourable to SIDC.

Upon completion of the Acquisition, the Group will own two listed platforms in both the PRC and Hong Kong and will be able to fully capitalize on its funding capabilities, which enables the Company to devise further strategic investment plans for the real estate segment. The Group will continue to consolidate its real estate investment and strive to develop itself into one of the most competitive integrated conglomerates in the real estate industry in the PRC, so as to achieve leaping development in the real estate business.

The Directors (including the independent non-executive Directors) are of the view that the Acquisition is conducted on normal commercial terms and in the ordinary and usual course of business of the Group; the terms of the Equity Transfer Agreement are fair and reasonable, and the entering into of the Equity Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

4. PRINCIPAL ACTIVITIES OF THE GROUP AND THE VENDOR

The Group is principally engaged in the business of infrastructure facilities, real estate and consumer products.

The Vendor is principally engaged in the business of investment holding.

5. LISTING RULES IMPLICATIONS

SIIC, the controlling Shareholder, is authorized to operate SIIC Shanghai, a state-owned enterprise, and SIIC exercises the authority as the state-owned shareholder (國有股東) of SIIC Shanghai. As such, SIIC Shanghai is a connected person of the Company under the Listing Rules and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are not less than 5% and the Consideration is not less than HK\$10,000,000, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, as the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are not less than 5% but are less than 25%, the Acquisition also constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

6. EGM

The Company will convene the EGM for the purpose of, inter alia, seeking approval from the Independent Shareholders on the Equity Transfer Agreement and the transactions contemplated thereunder. Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM must be taken by poll.

A notice convening the EGM to be held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Monday, 20 September 2010 at 3:00 p.m. is set out on pages 141 to 143 of this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or at any adjournment thereof) should you so desire.

As SIIC has a material interest in the Acquisition and the transactions contemplated under the Equity Transfer Agreement by reason of it being the state-owned shareholder of the Vendor, SIIC and its associates shall abstain from voting on the resolution to be proposed at the EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder, namely Ordinary Resolution No. 1 set out in the EGM Notice. As at the Latest Practicable Date, SIIC and its associates are interested in a total of 566,925,371 shares representing approximately 52.50% of the issued share capital of the Company. No Director has a material interest in the Acquisition and the transactions contemplated under the Equity Transfer Agreement and therefore no Director was required to abstain from voting on the relevant board resolutions approving the Equity Transfer Agreement and the Acquisition.

The Independent Board Committee has been established to advise the Independent Shareholders as to the Acquisition and KCB Bank has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition.

7. RECOMMENDATIONS

Your attention is drawn to:

- (a) the letter from the Independent Board Committee, the text of which is set out on page 15 of this circular; and
- (b) the letter from KBC Bank, the text of which is set out on pages 16 to 31 of this circular.

The Independent Shareholders are advised to read the aforesaid letters before deciding as to how to vote on the ordinary resolution to be proposed at the EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder, namely Ordinary Resolution No. 1 set out in the EGM Notice.

LETTER FROM THE BOARD

The Independent Board Committee, having taken into account the advice of KBC Bank, considers that the Acquisition is conducted on normal commercial terms and in the ordinary and usual course of business of the Group; the terms of the Equity Transfer Agreement are fair and reasonable in so far as the Independent Shareholders are concerned; and the entering into of the Equity Transfer Agreement is in the interests of the Company and the Shareholders as a whole. The Independent Board Committee therefore recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder, namely Ordinary Resolution No. 1 set out in the EGM Notice.

8. ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Shanghai Industrial Holdings Limited
TENG YI LONG
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

2 September 2010

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

ACQUISITION OF SHAREHOLDINGS IN SHANGHAI INDUSTRIAL DEVELOPMENT CO., LTD.

We refer to the circular dated 2 September 2010 issued by the Company (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider the Acquisition and the Equity Transfer Agreement and to advise the Independent Shareholders as to the fairness and reasonableness of the same. KBC Bank has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 14 of the Circular, and the letter from KBC Bank which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the Equity Transfer Agreement as set out on pages 16 to 31 of the Circular.

Having considered the terms of the Acquisition and the Equity Transfer Agreement and the advice of KBC Bank in relation thereto as set out on pages 16 to 31 of the Circular, we are of the opinion that the Acquisition is conducted on normal commercial terms and in the ordinary and usual course of business of the Group; the terms of the Equity Transfer Agreement are fair and reasonable in so far as the Independent Shareholders are concerned; and the entering into of the Equity Transfer Agreement is in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder, namely Ordinary Resolution No. 1 set out in the EGM Notice.

Yours faithfully,

Dr. Lo Ka Shui
Independent
Non-Executive Director

Prof. Woo Chia-Wei
Independent
Non-Executive Director

Mr. Leung Pak To, Francis
Independent
Non-Executive Director

LETTER FROM KBC BANK

The following is the full text of a letter received from KBC Bank setting out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



39/F., Central Plaza
18 Harbour Road
Hong Kong

2 September 2010

Dear Madam/Sir,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 63.65% EQUITY INTEREST IN SIDC

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Acquisition, details of which are set out in the section headed “Letter from the Board” of the circular of the Company dated 2 September 2010 (the “Circular”), of which this letter forms a part. Unless otherwise defined herein, terms used in this letter shall have the same meanings as those defined in the Circular.

On 16 August 2010, the Vendor, the Company and SI Properties Development, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement, pursuant to which the Vendor conditionally agreed to sell and the Group conditionally agreed to acquire the Subject Shares. Since SIIC, the controlling Shareholder, is authorised to operate the Vendor by exercising its authority as the state-owned shareholder of the Vendor, the Vendor is a connected person of the Company. As the applicable ratios in respect of the Acquisition are not less than 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. In addition, since the Consideration is not less than HK\$10,000,000, the Acquisition also constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Dr. Lo Ka Shui, Prof. Woo Chia-Wei and Mr. Leung Pak To, Francis, has been formed to advise the Independent Shareholders on the Acquisition and the terms of the Equity Transfer Agreement. We, KBC Bank, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Acquisition and the terms of the Equity Transfer Agreement as to whether (i) the Acquisition is conducted in the ordinary and usual course of business of the Group and on normal commercial terms; (ii) the terms of the Equity Transfer Agreement are fair and reasonable in so far as the Independent Shareholders are concerned; and (iii) the entering into of the Equity Transfer Agreement is in the interest of the Company and the Shareholders as a whole.

LETTER FROM KBC BANK

In formulating our recommendation, we have relied on the information and facts supplied to us by the Company. We have reviewed, among other things, (i) the Equity Transfer Agreement; (ii) the Circular; (iii) the annual reports of the Company (the “Financial Reports”); (iv) the annual reports of SIDC (the “SIDC Financial Reports”); (v) the valuation report (the “Valuation Report”) prepared by DTZ Debenham Tie Leung Limited (the “Valuer”) on the properties held by SIDC as at 30 June 2010; and (vi) the annual reports (the “Neo-China Financial Reports”) of Neo-China. We have assumed that all information and facts supplied to us by the Company are true, complete and accurate in all material aspects and we have relied on the same. Also, we have relied on the representations made by the management of the Company that having made all due enquiries and careful decisions, and to the best of their information, knowledge and belief, there is no other fact or representation or the omission of which would make any statement contained in the Circular, including this letter, misleading. We have also assumed that all information, statements and representations made or referred to in the Circular, which have been provided to us by the Company are true, complete and accurate in all material respects at the time they were made and continue to be so at the date of despatch of the Circular.

We consider that we have reviewed sufficient information to enable us to reach an informed view to provide us with a reasonable basis for our recommendation. We have no reason to suspect that any material facts have been omitted or withheld, nor are we aware of any facts or circumstances, which would render the information and the representations made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Company; nor have we conducted any independent in-depth investigation into the business and affairs of the Company and its respective associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, we have taken into account the following principal factors:

1. Background and development strategy of the Group

SIIC is a conglomerate controlled by the Shanghai Municipal Government which controls a number of listed (including the Company and SIDC) and unlisted companies in the PRC, Hong Kong and other territories such as North America, Europe, Asia Pacific and the Middle East. As the Hong Kong listed flagship of SIIC, the Group is engaged in three core businesses: real estate (including property investment, property

LETTER FROM KBC BANK

development and hotel operations), infrastructure facilities (including toll roads, sewage treatment and water supply) and consumer products (including the manufacture and sale of tobacco, printing of packaging materials and paper trading). Set out below are the operating results of the Group's continuing operations for the three years ended 31 December 2009.

	For the year ended 31 December					
	2007		2008		2009	
	HK\$'000 (Audited)	%	HK\$'000 (Audited)	%	HK\$'000 (Audited)	%
Turnover						
– Real estate	369,983	4.3%	2,961,994	39.7%	2,309,087	33.4%
– Consumer products	3,293,486	39.1%	3,551,309	47.7%	3,790,289	54.8%
– Infrastructure facilities	446,690	5.3%	938,802	12.6%	818,509	11.8%
– Medicine*	<u>4,322,141</u>	<u>51.3%</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>8,432,300</u>	<u>100.0%</u>	<u>7,452,105</u>	<u>100.0%</u>	<u>6,917,885</u>	<u>100.0%</u>
Profit contribution from each business segment						
– Real estate	58,720	4.0%	439,868	25.0%	730,982	21.9%
– Consumer products	966,150	66.4%	487,875	27.8%	1,880,656	56.3%
– Infrastructure facilities	256,056	17.6%	828,916	47.2%	729,372	21.8%
– Medicine*	<u>174,505</u>	<u>12.0%</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>1,455,431</u>	<u>100.0%</u>	<u>1,756,659</u>	<u>100.0%</u>	<u>3,341,010</u>	<u>100.0%</u>

Source: The Financial Reports

* The Group's medicine business was classified as discontinued business in 2009

The Group began its real estate business after completion of the acquisitions of 40% and 19% equity interest in Shanghai Urban Development (Holdings) Co., Ltd. ("Shanghai Urban Development") in July and December 2007 respectively, which together give the Group a controlling stake of 59% in Shanghai Urban Development. Since then, the Group's real estate business has expanded rapidly as evidenced by the substantial increase in both the turnover and the profit contribution to the Group to approximately HK\$2.31 billion and HK\$0.73 billion, respectively, representing an increase of approximately 5.2 and 11.4 times, respectively, from 2007. As at 31 December 2009, the Group had nine real estate projects located in Shanghai, Jiangsu, Anhui, Hunan and Chongqing with a total gross floor area ("GFA") of approximately 3.86 million square meters ("sq.m.").

As disclosed in the Financial Reports, the Group has adopted dual strategies of acquisition and divestment to streamline its business portfolio. During 2009, the Group, on one hand, divested of its non-core assets/business including the disposal of its investments in MicroPort Medical (Shanghai) Co., Ltd., Semiconductor Manufacturing International Corporation, Bright Dairy and Food Co., Ltd. and other pharmaceutical

LETTER FROM KBC BANK

assets for an aggregate consideration of approximately HK\$9 billion and, on the other hand, expanded its real estate and infrastructure utilities businesses through acquisitions, particularly from SIIC, such as the acquisitions of (i) four land parcels with a total site area of 1,698,500 sq.m. located in Qingpu District, Shanghai from SIIC for a consideration of approximately HK\$3.1 billion; (ii) the Hu-Yu Expressway (Shanghai Section) from SIIC, a constituent of the national highway network of the PRC linking Shanghai to Chongqing, for a consideration of approximately HK\$1.4 billion; and (iii) four prime residential blocks under development with a GFA of approximately 100,000 sq.m. located in Shanghai Bay, Xuhui District, Shanghai for a consideration of approximately HK\$2 billion.

In June 2010, the Company completed the acquisition of approximately 45.02% of the issued share capital of Neo-China, a company listed on the Stock Exchange, and became one of the top 20 real estate developers in the PRC. Following the acquisition of Neo-China, the total GFA of the Group has been increased by more than 10 million sq.m. (based on the Neo-China Financial Reports) and its geographical coverage has been significantly extended from 6 cities to 14 major cities in the PRC.

2. Reasons for and benefits of the Acquisition

(i) The Acquisition being in line with the Group's development strategy

Since the acquisition of Shanghai Urban Development, the expansion strategy of the Group's real estate business had been mainly through the acquisition of land parcels such as the acquisition of two parcels of land in Chongqing and Kunshan in 2008 through market tender and the acquisition of four lots of land parcels in Qingpu District of Shanghai from SIIC in 2009. However, it generally takes a relatively longer period of time for the Group to realise its investment in these property development projects due to the lengthy planning and construction periods and the future development scale of the Group's real estate business may be hindered by the availability of suitable land parcels. In order to shorten its investment period, expand its geographic coverage (hence land bank) and accelerate the overall development progress of its real estate business, the Group has been shifting its strategy from acquiring land parcels one by one to taking over real estate developers with a readily available and sizeable portfolio of property development projects as evidenced by the acquisition of Neo-China. As such, we consider that the Acquisition is a natural extension of the Group's development strategy in respect of its real estate business.

(ii) SIDC being a leading property development company in the PRC

SIDC, a Shanghai and Shenzhen 300 Index constituent stock, is a nationwide integrated property developer in the PRC. According to the SIDC Financial Reports, SIDC had 17 property development projects comprising residential, commercial and hotel properties with a total GFA of over 6 million sq.m. located

LETTER FROM KBC BANK

in eight major cities in the southern, eastern and northern regions of the PRC as at 31 December 2009. The impact of the Acquisition (in terms of GFA) on the Group's property portfolio is summarized as follows:

Region	The Group sq.m.	Neo-China sq.m.	Sub-total sq.m.	SIDC sq.m.	Total sq.m.	GFA % of total GFA %
Central						
– Changsha	202,425	992,335	1,194,760	–	1,194,760	5.7%
– Shenzhen	–	79,391	79,391	–	79,391	0.4%
– Zhuhai	–	770,000	770,000	–	770,000	3.7%
<i>Sub-total</i>	<u>202,425</u>	<u>1,841,726</u>	<u>2,044,151</u>	<u>–</u>	<u>2,044,151</u>	<u>9.8%</u>
Southwest						
– Chengdu	–	521,836	521,836	222,593	744,429	3.6%
– Chongqing	79,085	735,082	814,167	248,003	1,062,170	5.0%
– Dali	–	–	–	388,978	388,978	1.8%
<i>Sub-total</i>	<u>79,085</u>	<u>1,256,918</u>	<u>1,336,003</u>	<u>859,574</u>	<u>2,195,577</u>	<u>10.4%</u>
East						
– Hefei	445,551	–	445,551	–	445,551	2.1%
– Huzhou	–	–	–	490,953	490,953	2.3%
– Kunshan	404,913	–	404,913	–	404,913	1.9%
– Qingdao	–	–	–	772,900	772,900	3.7%
– Quanzhou	–	–	–	3,062,387	3,062,387	14.5%
– Shanghai	2,540,989	162,888	2,703,877	682,190	3,386,067	16.0%
– Wuxi	191,660	–	191,660	–	191,660	0.9%
<i>Sub-total</i>	<u>3,583,113</u>	<u>162,888</u>	<u>3,746,001</u>	<u>5,008,430</u>	<u>8,754,431</u>	<u>41.4%</u>
Northeast						
– Shenyang	–	216,215	216,215	–	216,215	1.0%
North						
– Beijing	–	964,957	964,957	–	964,957	4.6%
– Tianjin	–	2,763,778	2,763,778	498,218	3,261,996	15.5%
– Xian	–	3,205,699	3,205,699	–	3,205,699	15.2%
– Sanhe	–	433,333	433,333	–	433,333	2.1%
<i>Sub-total</i>	<u>–</u>	<u>7,367,767</u>	<u>7,367,767</u>	<u>498,218</u>	<u>7,865,985</u>	<u>37.4%</u>
Total	<u>3,864,623</u>	<u>10,845,514</u>	<u>14,710,137</u>	<u>6,366,222</u>	<u>21,076,359</u>	<u>100.0%</u>
	<i>(Note)</i>					
Number of projects	9	14	23	17	40	

Source: the Financial Reports, the Neo-China Financial Reports and the SIDC Financial Reports

Note: the figure does not include the GFA in respect of the four plots of land in Qingpu District acquired by the Group in 2009 pending the Group's planning, the relevant GFA of which was not available as at 31 December 2009

LETTER FROM KBC BANK

As illustrated above, prior to the acquisition of Neo-China, the Group's real estate business is primarily focused in Shanghai (which accounted for approximately 66% of the Group's total GFA as at 31 December 2009). Following the Acquisition, the Group will become one of the top 10 real estate developers in the PRC (from a top 20 real estate developer after the acquisition of Neo-China) and the geographical coverage of its property portfolio will be further extended from 14 cities (after the acquisition of Neo-China) to 18 cities, resulting in the total GFA being increased to over 21 million sq.m. (based on the latest audited reports of the Company, Neo-China and SIDC), representing an increase of approximately 43.3%. As mentioned above, SIDC had 17 property development projects as at 31 December 2009, the construction of which had been completed or were in development stage. The Acquisition will not only allow the Group to immediately enjoy the economic benefits derived from the sale of the completed projects but also provide the Group with a pipeline of property development projects for continuous development.

The properties developed by SIDC have received high regards in the market. For example, its "Qingdao SIIC – Hai Shang Hai" (青島上實•海上海), was awarded the "Qingdao Star Properties" and the "Qingdao Most Influential and Prominent Property" in 2009 and its "Shanghai Huangpu Xinyuan" was recognised as the "National Harmonious Suburb" in 2009. SIDC was also awarded as the "China Gold Award for Creativity in Property Management" for its property management business in 2009.

As disclosed in the section headed "Letter from the Board" of the Circular, SIDC has been granted the pre-emptive right by SIIC for developing the land parcel of approximately 85 square kilometers situated in the eastern side of Chongming Island, Shanghai. In addition, in order to further support and speed up the progress of the land development project on Chongming Island, SIIC Shanghai intends to, among others, (i) apply part of the Consideration to fund the cost to be incurred in the initial development stage of the infrastructure facilities relating to the said land development project; and (ii) offer favourable terms for the shareholder's loan granted by SIIC Shanghai to SIDC including extending the repayment period and reducing the interest rates such that the shareholder's loan will become more favourable to SIDC.

Chongming Island, which is the third largest island in the PRC with a total area of approximately 1,000 square kilometers, is close to Shanghai downtown and connected to Shanghai by the Shanghai Yangtze River Tunnel and Bridge opened in October 2009. Since the opening of the Shanghai Yangtze River Tunnel and Bridge in 2009 (which is located in the eastern region of Chongming Island and links Chongming Island with both Shanghai downtown and Jiangsu Province), the transportation convenience between Chongming Island with Shanghai and Jiangsu Province has been greatly enhanced and fostered significant growth in the tourism industry of Chongming Island. Moreover, the government has planned to further open Chongming Island for investments and develop Chongming Island into one of the national grade tourist centres in the PRC, particularly the eastern region of Chongming Island, where the abovementioned land development project

LETTER FROM KBC BANK

is situated. As such, we concur with the management of the Company that the obtaining of the pre-emptive right mentioned above will enable the Group to pursue opportunities for injection of quality assets in Chongming Island from SIIC to SIDC (and hence the Group).

(iii) SIDC's property development projects located in high growth potential cities

All of the property projects of SIDC are located in those affluent regions in the PRC with gross domestic product growth that either outpaces or is in line with the national GDP growth of the PRC:

	Growth of Gross Domestic Product (%)			
	2006	2007	2008	2009
Tianjin	14.5%	15.2%	16.5%	16.5%
Shanghai	12.7%	15.2%	9.7%	8.2%
Qingdao	15.7%	16.0%	13.2%	12.2%
Huzhou	14.0%	14.4%	10.6%	10.2%
Chengdu	13.8%	15.3%	12.1%	14.7%
Chongqing	12.2%	15.6%	14.3%	14.9%
Yunan	11.9%	12.5%	10.6%	12.1%
Quanzhou	15.0%	16.0%	14.1%	12.5%
<i>The PRC</i>	<i>11.6%</i>	<i>11.3%</i>	<i>10.9%</i>	<i>9.1%</i>

Source: Bureau of Statistics of the respective cities and province

Due to the continuous economic growth in the above cities during the past years, there has been an overall increase in the average selling prices of their commercialized properties from 2005 to 2009 between approximately 33% to 88% (or a compound annual growth rate of approximately 7.4% to 17.1%). Although the market was adversely impacted by the financial crisis in 2008, we note that the average selling prices of commercialized property in all of these cities/province strongly rebounded in 2009.

LETTER FROM KBC BANK

Set out below are the selling prices of the commercialised properties sold in the above cities/province from 2005 to 2009:

	Average selling prices of commercialized properties					Overall Increase/ (Decrease)
	2005 <i>RMB</i>	2006 <i>RMB</i>	2007 <i>RMB</i>	2008 <i>RMB</i>	2009 <i>RMB</i>	2005-2009 %
Tianjin	4,096	4,774	5,793	6,015	6,886	68.1%
Shanghai	6,842	7,196	8,361	8,255	12,840	87.7%
Qingdao	3,605	4,254	5,201	5,074	5,577	54.7%
Huzhou	2,794	3,346	3,863	4,156	5,065	81.3%
Chengdu	3,213	3,592	4,266	4,921	4,935	53.6%
Chongqing	2,135	2,270	2,722	2,786	3,442	61.2%
Yunan	2,198	2,345	2,499	2,681	2,931	33.3%
Quanzhou	3,042	3,144	3,525	3,862	4,633	52.3%
The PRC	3,168	3,367	3,864	3,800	4,695	48.2%

Source: Bureau of Statistics of the respective cities and province

In view of the recent rapid rise in the prices of residential properties in the PRC, the PRC government, in April 2010, announced a series of measures including raising the mortgage rates on second homes to 1.1 times the central bank's benchmark lending rate from the current 80% and restricting the PRC banks from approving loans for third home purchases. Although such measures have resulted in an immediate setback in both the share price of SIDC (and those of other PRC property developers as well) and the overall property prices in the PRC, we concur with the management of the Company that the implementation of such measures to slow down the over-heated property market will create a long term sustainable development of the property market and benefit those financially competent property developers (such as the Group).

LETTER FROM KBC BANK

(iv) *Historical financial performance of SIDC*

The operating results and financial positions of SIDC for the three years ended 31 December 2009 are summarized as follows:

	For the year ended 31 December			<i>Increase/ (Decrease) 2007-09</i>	For the six months ended 30 June		<i>Increase/ (Decrease) 2009-10</i>
	2007 <i>RMB'000</i> (Audited)	2008 <i>RMB'000</i> (Audited)	2009 <i>RMB'000</i> (Audited)		2009 <i>RMB'000</i> (Unaudited)	2010 <i>RMB'000</i> (Unaudited)	
Turnover*	2,079,643	1,769,394	2,157,888	3.8%	1,028,808	1,365,291	32.7%
Gross Profit	431,279	631,197	627,738	45.6%	250,621	460,898	83.9%
Operating Profit	174,239	549,735	328,296	88.4%	146,772	397,983	171.2%
Net Profit	91,129	364,127	244,500	168.3%	101,276	164,643	62.6%
			(Note)				
Gross Margin	20.7%	35.7%	29.1%		24.3%	33.8%	
Operating Margin	8.4%	31.1%	15.2%		14.3%	29.1%	
Net Profit Margin	4.4%	20.6%	11.3%		9.8%	12.1%	

*: net of relevant business tax and other related taxes

Source: SIDC Financial Reports

The turnover of SIDC has been maintained at a level of over RMB1.7 billion throughout 2007 to 2009. Although its turnover dropped by approximately 15% in 2008 from 2007 as a result of the financial turmoil which occurred in the third quarter of 2008, the impact of which on the PRC economy continued into the first quarter of 2009, SIDC's turnover was increased by more than 20% from 2008 to 2009. During the said three-year period, SIDC's net profit was increased by more than 160% and nevertheless maintained growth each year (if the profit derived from non-recurring business activities for the year ended 31 December 2008 were taken out). In addition, for the six months ended 30 June 2010, SIDC's revenue and net profit were increased by more than 30% and 60% from the corresponding period in 2009, respectively. As stated in the SIDC Financial Reports, the management of SIDC targets to continue to focus on the development of property projects comprising medium-high end residential properties which command higher profit margins, particularly in the regions of Bohai Bay, Yangtze Delta and the areas surrounding Chengdu and Quanzhou, with a view to achieving a turnover of RMB2.8 billion and a gross profit of RMB1 billion in 2010.

LETTER FROM KBC BANK

(v) Elimination of competition with other SIIC group companies

As a conglomerate with investments in a wide spectrum of businesses, SIIC, from time to time and depending on the economic environment and market sentiment, reviews its investment portfolio/vehicles and devise investment strategies to optimise its investment return. SIDC has been an important arm of SIIC to develop its real estate business in the PRC. For example, during 2006 and 2008, SIIC injected a number of property assets/businesses into SIDC in exchange for shares of SIDC. Following the Acquisition, SIDC will become a subsidiary of the Company and the Company will become the principal listed real estate flagship of SIIC. We are of the view that the substantial elimination of intra-group competition amongst the SIIC group companies resulting from the Acquisition will benefit the Group's real estate business in the PRC by obtaining the strong support from SIIC including having more opportunities of acquiring quality real estate assets from SIIC.

Given the strategy of the Group to focus its resources on the real estate business and the leading position of SIDC in the PRC's property market, together with the facts that following the Acquisition, the Group will be able to (i) substantially increase its property portfolio and extend its geographical coverage (the Group will become one of the top 10 property developers in the PRC from a top 20 property developer in the PRC after the acquisition of Neo-China); (ii) obtain a listed platform in the PRC which will allow the Group to gain access to the PRC capital market and thus a greater flexibility in its future fund raising planning; and (iii) collaborate the resources (both financial and management expertise) of the Group and SIDC to achieve greater economy of scale and management efficiency, we are of the view that the Acquisition is conducted in the ordinary and usual course of the business of the Group and is in the interest of the Company and the Shareholders as a whole.

3. Payment Terms of the Consideration

The Company and SI Properties Development have procured their bank in the PRC to issue a bank guarantee in the amount of 30% of the Consideration in favour of the Vendor to guarantee the payment of the Consideration to the Vendor under the Equity Transfer Agreement within 5 business days after the execution of the Equity Transfer Agreement and such bank guarantee were provided to the Vendor as at the Latest Practicable Date. The Consideration shall be paid in full by the Company and SI Properties Development to the Vendor within 10 business days after the date on which all the conditions precedent under the Equity Transfer Agreement have been satisfied. Within 10 business days after the full payment of the Consideration to the Vendor, the Vendor, the Company and SI Properties Development shall make applications to the Shanghai Stock Exchange and the China Securities Depository and Clearing Limited for completing the transfer and registration procedures for the transfer of the Subject Shares.

LETTER FROM KBC BANK

Having considered that (i) the bank guarantee, which shall be returned to the Company and SI Properties Development upon full payment of the Consideration or in the event of termination of the Equity Transfer Agreement, merely serves as a deposit to the Vendor for the Acquisition; and (ii) the application of transfer of the Subject Shares will take place soon after the full payment of the Consideration, we are of the view that the payment terms under the Equity Transfer Agreement are on normal commercial terms and are fair and reasonable.

4. Consideration

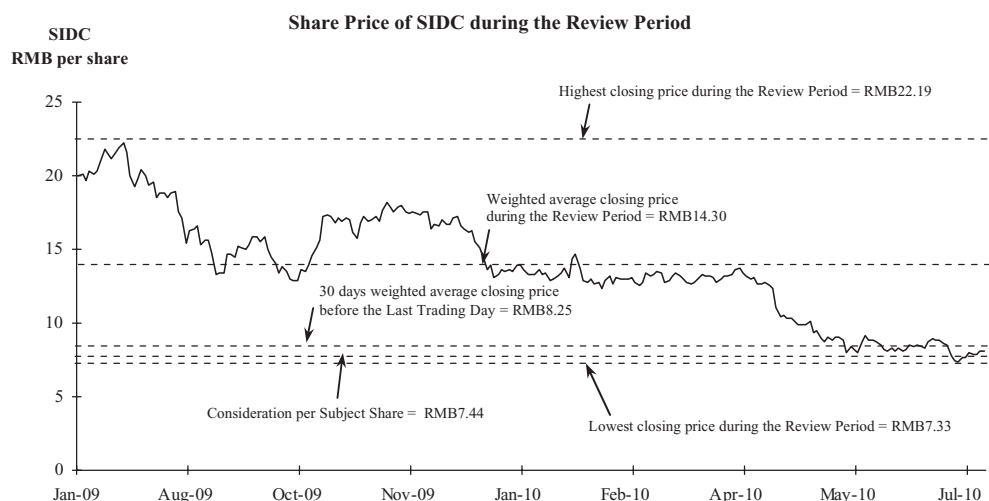
The consideration per Subject Share

The Consideration was RMB5,130.4 million (or RMB7.44 per Subject Share). The consideration per Subject Share of RMB7.44 also represents a discount of 10% (being the maximum discount allowed under the relevant PRC regulations for the transfer of the Subject Shares to a foreign investor (i.e. the Group)) to the arithmetic mean of the daily weighted average price of the SIDC A Shares as quoted on the Shanghai Stock Exchange for the 30 trading days preceding the date of signing of the Equity Transfer Agreement and:

- (i) a discount of approximately 8.5% to the closing price of RMB8.13 per SIDC A Share as quoted on the Shanghai Stock Exchange on 9 July 2010, being the last trading day (the “Last Trading Day”) prior to the release of SIDC’s announcement relating to the Acquisition;
- (ii) a discount of approximately 9.8% to the weighted average closing price of approximately RMB8.25 per SIDC A Share as quoted on the Shanghai Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 47.9% to the weighted average closing price of approximately RMB14.30 per SIDC A Share as quoted on the Shanghai Stock Exchange during the one-year period from 10 July 2009 up to and including the Last Trading Day (the “Review Period”); and
- (iv) a premium of approximately 219.3% over the net asset value per SIDC A Share of approximately RMB2.33 (based on the audited net asset value attributable to the shareholders of SIDC of approximately RMB2,525 million and a total of approximately 1,083.4 million SIDC A Shares) as at 31 December 2009;

LETTER FROM KBC BANK

The chart below illustrates the closing prices of SIDC A Shares during the Review Period:



Source: Bloomberg

We have reviewed and discussed with the Valuer regarding the methodology of, and the basis and assumptions adopted for the valuation of the market value (the “Valuation”) of the properties held by SIDC as at 30 June 2010 which is primarily the direct comparison approach by making reference to the comparable sales evidence available in the relevant market. For the properties under development of SIDC, the Valuer has also taken into account the relevant construction cost incurred up to 30 June 2010 (which amounted to approximately RMB1,256.6 million according to the Valuation Report). We consider that such methodology (including the inclusion of the construction cost incurred for properties under development) a reasonable approach to reflect the market value of the properties held by SIDC. We note that SIDC has adopted the cost method to account for the value of its property projects in its financial statements, which only reflect the historical costs incurred for its properties, and, if the Valuation (before the relevant potential tax impact) has been taken into account, the value per SIDC A Share will actually be approximately RMB17.07 (the “Pro-forma Value) per SIDC A Share and the consideration per Subject Share of RMB7.44 represents a discount of approximately 56.4% to the Pro-forma Value.

During the Review Period, the SIDC A Shares were traded within the range of RMB7.33 and RMB22.19 and the weighted average closing price was approximately RMB14.30 during the Review Period. We note that the Consideration of RMB7.44 per Subject Share is (i) at discount of approximately 9.8% to the weighted average closing price of the SIDC A Shares for the last 30 consecutive trading days up to and including the Last Trading Day; (ii) close to the lowest closing price of RMB7.33 of the SIDC A Shares during the Review Period; and (iii) at a substantial discount of approximately 48% to the weighted average closing price of the SIDC A Shares during the Review Period.

LETTER FROM KBC BANK

Comparable Companies

Given that the market capitalization of SIDC was approximately RMB10 billion as at the Latest Practicable Date, we have, to the best of our knowledge, identified 8 companies (the “Comparable Companies”) which are listed on either the Shanghai or Shenzhen Stock Exchanges and are engaged in property development in the PRC with market capitalization within the range of approximately RMB7.5 to 12 billion and their share price performances are summarised as follows:

Company	Stock Code	Market Capitalisation (RMB' billion)	Closing price as at the Latest Practicable Date (RMB)	Price-to-book ratio (Note 2)
Shanghai Stock Exchange				
– Yun Nan Metropolitan Real Estate Development Co., Ltd.	600239	11.1	17.52	3.79
– Zhuhai Huafa Industrial Co., Ltd.	600325	9.6	11.80	1.82
– Shanghai Jinqiao Export Processing Zone Development Co., Ltd.	600639	8.8	9.50	2.62
– Beijing Vantone Real Estate Co., Ltd.	600246	8.1	6.67	2.81
Shenzhen Stock Exchange				
– Milord Real Estate Development Group Co., Ltd.	000667	9.5	3.70	1.94
– Rong An Property Co., Ltd.	000517	8.2	7.71	4.73
– Tianjin Jinbin Development Co., Ltd.	000897	7.9	4.89	3.73
– Shunfa Hengye Corporation	000631	7.6	7.27	5.05
			Mean:	3.31
			Median:	3.27
			High:	5.05
			Low:	1.82
SIDC	600748		7.44	3.19
		(Consideration per Subject Share)		(Note 1)

Source: based on the latest financial reports of the respective Comparable Companies and Bloomberg

Notes:

1. based on the net asset value attributable to the shareholders of SIDC as at 31 December 2009 of approximately RMB2,525 million stated in the SIDC Financial Reports and the consideration per Subject Share
2. the Comparable Companies have stated their properties at cost except Zhuhai Huafa Industrial Co., Ltd. and Tianjin Jinbin Development Co., Ltd (where their investment properties are stated at fair values)

LETTER FROM KBC BANK

Since the Consideration per Subject Share (a) is (i) close to the lowest closing price of RMB7.33 of the SIDC A Shares during the Review Period; and (ii) at a substantial discount of approximately 47.9% to the weighted average closing price of the SIDC A Shares during the Review Period; (b) implies a price-to-book ratio of (i) approximately 3.19 times based on the net asset value per SIDC A Share as at 31 December 2009, which is within the range of the price-to-book ratios of the Comparable Companies; and (ii) approximately 0.44 times based on the Pro-forma Value, we consider that the Consideration is fair and reasonable in so far as the Independent Shareholders are concerned.

5. Financial effect of the Acquisition

(i) Earnings

Following completion of the Acquisition, SIDC will become a 63.65%-owned subsidiary of the Company and its financial results will be consolidated into the Group's accounts. Based on the consolidated audited net profit of SIDC of approximately RMB244.5 million for the year ended 31 December 2009, the Group's earnings per share will be increased by approximately 6% to HK\$2.8 per share of the Group resulting from the Acquisition. In addition, since the investment properties of SIDC will be stated at their fair value in the Group's financial statements after the Acquisition under the Hong Kong Financial Standards, it is expected that the earnings per share of the Group are expected to be further enhanced by the increase in the fair value of these properties. However, as the Consideration may be funded by internal resources and/or bank financing as stated in the section headed "Letter from the Board" of the Circular, the above-mentioned positive impact on the earnings per share of the Company as a result of the Acquisition may be partially offset by the potential finance cost to be incurred by the Group if part or all of the Consideration is to be funded by bank borrowings.

(ii) Net asset value

Since SIDC and the Company are under the common control of SIIC, the Company will apply merger accounting for the Acquisition whereby the excess of the Consideration over the net asset value attributable to the Subject Shares will be recognized in the Group's merger reserve. It is expected that the Group's net asset value will be largely improved by the difference between their future selling prices and the then book value of the SIDC's properties (except for investment properties which are stated at their fair value in the Group's consolidated financial statements).

(iii) Gearing ratio and working capital

According to the Financial Reports, the Group had total interest-bearing borrowings of approximately HK\$13.6 billion, total cash and cash equivalents of approximately HK\$10.5 billion and total capital of approximately HK\$34.1 billion

LETTER FROM KBC BANK

(being the aggregate of the equity attributable to shareholders of approximately HK\$24.9 billion and the minority interest of HK\$9.2 billion) as at 31 December 2009. As such, the gearing ratio of the Group (expressed as a percentage of the Group's total interest-bearing borrowings over the aggregate of its total capital and total interest-bearing borrowing) was approximately 28.6%. After taking into account the equity and interest-bearing borrowings of SIDC as at 31 December 2009, the Group's gearing ratio will be increased to approximately 38% after the Acquisition.

Having considered that (i) SIDC has a profit generating track record since 2008; (ii) SIDC has begun to record positive cash inflow since 2009; (iii) the Group will have a controlling influence over SIDC's financial management and policies; (iv) the substantial cash inflow generated from the Group's businesses; and (v) the Group has in place ample cash on hand and unutilized banking facilities, together with the financial benefits to be realized by the Group from the Acquisition, we consider that the increase in the gearing ratio of the Group is acceptable.

CONCLUSION AND RECOMMENDATION

Having considered the principal factors referred to above, in particular:

- (i) the acquisition of SIDC, a leading property development company with a diversified property portfolio, in terms of geographical locations and types of properties, will enable the Group to become a top 10 property developer in the PRC and is in line with the Group's strategy of achieving a leaping development on its core real estate business;
- (ii) the Consideration represents a price-to-book ratio of approximately 3.19 times based on the net asset value per SIDC A Share as at 31 December 2009, which is within the range of those of the Comparable Companies, and a price-to-book ratio of approximately 0.44 times based on Pro-forma Value;
- (iii) the terms of the Equity Transfer Agreement are fair and reasonable; and
- (iv) the Acquisition will have an overall positive financial impact on the Group,

LETTER FROM KBC BANK

We are of the view that (i) the Acquisition is conducted on normal commercial terms and in the ordinary and usual course of business of the Company; (ii) the terms of the Equity Transfer Agreement are fair and reasonable in so far as the Independent Shareholders are concerned; and (iii) the entering into of the Equity Transfer Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Acquisition.

Yours faithfully,

For and on behalf of
KBC Bank N.V. Hong Kong Branch

Kenneth Chan
Head of Corporate Finance, Greater China

Gaston Lam
Corporate Finance

The following is the text of a letter, summary of valuations and valuation certificates prepared for the purpose of incorporation in this circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of market values of the Properties held in the PRC as at 30 June 2010.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

2 September 2010

The Directors
Shanghai Industrial Holdings Limited
26th Floor, Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

Dear Sirs,

Instructions, Purpose & Date of Valuation

In accordance with your (the “Company”) instruction for us to carry out the valuation of the market value of the properties (“Properties”) held by Shanghai Industrial Development Co., Ltd. (the “SIDC”) and its subsidiaries (together “SIDC Group”) in the People’s Republic of China (the “PRC”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the market values of the Properties in existing state as at 30 June 2010 (the “date of valuation”).

Definition of Market Value

Our valuation of each of the Property represents its market value which in accordance with The HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors is defined as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

Valuation Basis and Assumption

Our valuations of the Properties exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the Properties situated in the PRC, with reference to the PRC legal opinion of the legal adviser, Yuan Tai Law Offices (源泰律師事務所), we have prepared our valuation on the basis that transferable land use rights in respect of the Properties for its specific term at nominal annual land use fee have been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by SIDC Group, regarding the title to the Properties and the interests in the Properties. In valuing the Properties, with reference to the PRC legal opinion, we have prepared our valuation on the basis that the owners have enforceable title to the Properties and have free and uninterrupted rights to use, occupy or assign the Properties for the whole of the unexpired terms as granted.

No allowance has been made in our valuations for any charges, pledges or amounts owing on the Properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

According to financial information of SIDC Group, for indicate purpose and based on prevailing rules and information available as at the Latest Practicable Date, the potential tax liability which would arise on the disposal of the Properties in the PRC are PRC business tax (approximately 5%) and PRC land appreciation tax (approximately 30%-60% of the appreciation amount), if any. According to our established practice, in the course of our valuation, we have neither verified nor taken into account such tax liability. The precise tax implication will be subject to prevailing rules and regulation at the time of disposal.

The Properties in Group I held by SIDC Group for sale, a potential tax liability attributable to the SIDC Group estimated to be approximately RMB391,000,000 would arise if such Properties were to be sold at the amount of valuations. Depending on the sale status, there is likelihood of such liability referred to in above being crystallised.

The Properties in Group II, III, IV and V are held by SIDC Group for investment, under development, future development and owner-occupation purposes respectively, the likelihood of the relevant tax liabilities being crystallized is remote in near future.

Method of Valuation

In valuing the Properties in Group I, IV and V, which are held by SIDC Group for sale, future development and owner-occupation in the PRC respectively, we have adopted the Direct Comparison Approach assuming sale of the Property in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales evidence as available in the relevant market.

In valuing the Properties in Group II, which are held by SIDC Group for investment in the PRC, we have adopted the Direct Comparison Approach assuming sale of the Property in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales evidence as available in the relevant market, and where appropriate, we have also valued the Properties by Income Approach by capitalizing the rental income derived from the existing tenancies with due provision for the reversionary income potential of the Property.

In valuing the Properties in Group III, which are held by SIDC Group under development in the PRC, we have valued them on the basis that they will be developed and completed in accordance with SIDC Group's latest development proposal provided to us. In arriving at our opinion of value, we have adopted the Direct Comparison Approach by making reference to comparable sales evidence as available in the relevant market and where appropriate, we have also taken into account the estimated total and expended construction costs.

In valuing the Properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institutes of Surveyors.

Source of Information

We have relied to a very considerable extent on the information given by SIDC Group and the opinion of the PRC legal adviser as to PRC laws. We have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of properties, completion dates of building, construction cost, particulars of occupancy, development scheme, site and floor areas and all other relevant matters.

Dimension, measurements and areas included in this valuation report are based on the information provided to us and are therefore only approximation. We have had no reason to doubt the truth and accuracy of the information provided to us by SIDC Group which is material to the valuation. We were also advised that no material facts have been omitted from the information supplied.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

Title Investigation

We have been provided by SIDC Group with copies or extracts of documents. However, we have not searched the original documents to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

Site Inspection

We have inspected the exterior, and wherever possible, the interior of the Properties. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not able to report whether the Properties are free of rot, infestation and any other structural defects; no tests were carried out to any of the services. Moreover, we have not carried out any soil investigations to determine the suitability of the

soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

Currency

Unless otherwise stated, all sums stated in our valuations are in Renminbi, the official currency of the PRC.

We attach herewith a summary of valuations and valuation certificates.

Yours faithfully,
for and on behalf of
DTZ Debenham Tie Leung Limited
Philip C Y Tsang
Registered Professional Surveyor (GP)
China Real Estate Appraiser
MSc, MRICS, MHKIS
Director

Note: Mr. Philip C Y Tsang is a Registered Professional Surveyor who has over 17 years' experience in the valuation of properties in the PRC.

Contributing Valuation Manager – Ms. Pauline P L Chow is a Surveyor of MRICS and MHKIS who has over 3 years' experience in the valuation of properties in the PRC.

Contributing PRC valuers of various DTZ PRC Offices with professional qualifications include, but not limited to, China Real Estate Appraiser, China Land Valuer and MRICS.

SUMMARY OF VALUATIONS

Property	Market Value in existing state as at 30 June 2010 <i>RMB</i>	SIDC Group's attributable interest <i>%</i>	Market Value in existing state as at 30 June 2010 attributable to SIDC Group <i>RMB</i>
Group I – Properties held by SIDC Group for sale in the PRC			
1. The unsold portion of Dali Plaza, North of Xiangjiang Road, Qingdao Economic & Technological Development Area (Huangdao Area), Qingdao, Shandong Province, the PRC	219,000,000	76	166,440,000
2. The unsold portion of Phase 1 of Sea Melody, North of Xingsheng Road, Xiaguan Town, Dali, Yunnan Province, the PRC	101,000,000	75	75,750,000
3. The unsold portion of Phases 1 and 2 of Laiyinxiaozhen, junction of Zeyang Road and Liuxia Road, Yangliuqing Town, Xiqing District, Tianjin, the PRC	404,400,000	100	404,400,000
4. The unsold portion of Qingdao Laoshan Project, North of Hong Kong East Road, Laoshan District, Qingdao, Shandong Province, the PRC	466,900,000	55	256,795,000

Property	Market Value in existing state as at 30 June 2010 <i>RMB</i>	SIDC Group's attributable interest %	Market Value in existing state as at 30 June 2010 attributable to SIDC Group <i>RMB</i>
5. The unsold portion of Belle River Villa, Lane 999 Fuxing Road, Zhujiajiao Town, Qingpu District, Shanghai, the PRC	334,000,000	100	334,000,000
6. The unsold portion of Jin Xiu Sen Lin, junction of Gong Jin Road and Guang Hua Street, Wen Jiang District, Chengdu, Sichuan Province, the PRC	26,820,000	100	26,820,000
7. The unsold portion of Shuitian Garden, No. 123, North of Tongxing Road, Tongjiayi Town, Beibei District, Chongqing, the PRC	3,100,000	50	1,550,000
8. The unsold portion of Sintra Emerald, No. 4 Cuiyuan Road, Daoli District, Harbin, Heilongjiang Province, the PRC	2,480,000	100	2,480,000
9. The unsold portion of the Langqinshuan, No. 504 Youyi Road, Daoli District, Harbin, Heilongjiang Province, the PRC	457,700,000	100	457,700,000

Property	Market Value in existing state as at 30 June 2010 <i>RMB</i>	SIDC Group's attributable interest %	Market Value in existing state as at 30 June 2010 attributable to SIDC Group <i>RMB</i>
10. The unsold portion of Phase 1 of Huangpuxinyuan, Lane 333 Liyuan Road, Huangpu District, Shanghai, the PRC	33,300,000	100	33,300,000
11. The unsold portion of Jade Buddha City, No. 3 Lane 1112 Jiangning Road, Putuo District, Shanghai, the PRC	11,000,000	51	5,610,000
12. The unsold portion of Phase 2 of Huangpuxinyuan, No. 1130 Tibet Road South, Huangpu District, Shanghai, the PRC	25,200,000	100	25,200,000
<hr/>			
sub-total of Group I in RMB:	<u>2,084,900,000</u>		<u>1,790,045,000</u>

Group II – Properties held by SIDC Group for investment in the PRC

13. The unsold portion of Phase 2 of Huangpuxinyuan, No. 1130 and Nos. 1-2, Lane 1108 Tibet Road South, Huangpu District, Shanghai, the PRC	381,700,000	100	381,700,000
---	-------------	-----	-------------

Property	Market Value in existing state as at 30 June 2010 <i>RMB</i>	SIDC Group's attributable interest %	Market Value in existing state as at 30 June 2010 attributable to SIDC Group <i>RMB</i>
14. The unsold portion of Hi Shanghai, Lane 568 Feihong Road and Nos. 950, 970 & 990 Dalian Road, Yangpu District, Shanghai, the PRC	628,400,000	100	628,400,000
15. The unsold portion of levels 4, 6, 9, 30 and 32, Golden Bell Plaza, No. 98 Huaihai Road Central, Luwan District, Shanghai, the PRC	303,200,000	100	303,200,000
16. The unsold portion of levels 1-3, 5, 8, 12-13, 17-20, 22-28, 33, 37-40, 44-45 and 148 car parking spaces, Golden Bell Plaza, No. 98 Huaihai Road Central, Luwan District, Shanghai, the PRC	1,284,440,000	90	1,155,996,000
17. The unsold portion of levels 5-8, 18, 25, 28 and 32, Shanghai Industrial Investment Building, No. 18 Caoxi Road North, Xuhui District, Shanghai, the PRC	182,600,000	100	182,600,000

Property	Market Value in existing state as at 30 June 2010 <i>RMB</i>	SIDC Group's attributable interest %	Market Value in existing state as at 30 June 2010 attributable to SIDC Group <i>RMB</i>
18. The unsold portion of levels 4-8, 11, 13-14, 20-22, 24, 29, 36-38, 40 and 223 car parking spaces, Shanghai Industrial Investment Building, No. 18 Caoxi Road North, Xuhui District, Shanghai, the PRC	446,640,000	74	330,513,600
19. The unsold portion of Gaoyang Building, No. 815 Dongdaming Road, Hongkou District, Shanghai, the PRC	222,500,000	100	222,500,000
20. The unsold portion of Gaoyang Hotel, No. 879 Dongdaming Road, Hongkou District, Shanghai, the PRC	68,600,000	100	68,600,000
21. The unsold portion of Blocks 1-9, No. 1111 Shangchuan Road, Pudong New Area, Shanghai, the PRC	126,000,000	100	126,000,000
22. The unsold portion of levels 3-5, Block 2, No. 235 Zhongshan Road North, Zhabei District, Shanghai, the PRC	15,100,000	100	15,100,000

Property	Market Value in existing state as at 30 June 2010 <i>RMB</i>	SIDC Group's attributable interest %	Market Value in existing state as at 30 June 2010 attributable to SIDC Group <i>RMB</i>
23. The unsold portion of Jinxu Garden, No. 68, 4 Section, Renminnan Road, Wuhou District, Chengdu, Sichuan Province, the PRC	17,000,000	40	6,800,000
24. The unsold portion of Jinxu Garden, No. 46, 4 Section, Renminnan Road, Wuhou District, Chengdu, Sichuan Province, the PRC	1,100,000	85	935,000
sub-total of Group II in RMB:	<u>3,677,280,000</u>		<u>3,422,344,600</u>

Group III – Properties held by SIDC Group under development in the PRC

25. Phase 2 of Belle River Villa, Lane 999 Fuxing Road, Zhujiajiao Town, Qingpu District, Shanghai, the PRC	542,000,000	100	542,000,000
26. Shanghai Bay, No. 228 Luzhou Road, Zhujiajiao Town, Qingpu District, Shanghai, the PRC	5,850,000,000	100	5,850,000,000

Property	Market Value in existing state as at 30 June 2010 <i>RMB</i>	SIDC Group's attributable interest %	Market Value in existing state as at 30 June 2010 attributable to SIDC Group <i>RMB</i>
27. Changhai Building, No. 1078 Jiangning Road, Putuo District, Shanghai, the PRC	604,000,000	51	308,040,000
28. Dongfangguoji Villa, junction of Jingsi Road and Weisi Road, East Area of Huzhou, Huzhou, Zhejiang Province, the PRC	423,000,000	100	423,000,000
29. Portion of Phase 1, Phase 2 of Sea Melody, North of Xingsheng Road, Xiaguan Town, Dali, Yunnan Province, the PRC	504,000,000	75	378,000,000
30. Shengshijiangnan, West of Aijianyihuan Road, Daoli District, Harbin, Heilongjiang Province, the PRC	2,076,000,000	100	2,076,000,000
31. Hurun Plaza, Land No. HD48, Hudongfenqu, Huzhou, Zhejiang Province, the PRC	66,400,000	100	66,400,000

Property	Market Value in existing state as at 30 June 2010 <i>RMB</i>	SIDC Group's attributable interest %	Market Value in existing state as at 30 June 2010 attributable to SIDC Group <i>RMB</i>
32. Tower A, Gongti No.3, No. 3 West Gongti Road, Dongcheng District, Beijing, the PRC	660,000,000	100	660,000,000
sub-total of Group III in RMB:	10,725,400,000		10,303,440,000

Group IV – Properties held by SIDC Group for future development in the PRC

33. Phases 3 and 4, Laiyinxiaozhen, junction of Zeyang Road and Liuxia Road, Yangliuqing Town, Xiqing District, Tianjin, the PRC	623,000,000	100	623,000,000
34. Phase 1, Qingdao International Beer City, North of Hong Kong East Road, East of Haier Road, Laoshan District, Qingdao, Shandong Province, the PRC	4,000,000,000	100	4,000,000,000
35. Hotel portion of Qingdao Laoshan Project, North of Hong Kong East Road, East of Songling Road, Laoshan District, Qingdao, Shandong Province, the PRC	257,000,000	55	141,350,000

Property	Market Value in existing state as at 30 June 2010 <i>RMB</i>	SIDC Group's attributable interest %	Market Value in existing state as at 30 June 2010 attributable to SIDC Group <i>RMB</i>
36. Shangshi Hujun Garden, Nos. 1 & 4 residential land parcel (BLD19-4, BLD32-1), Huzhou, Zhejiang Province, the PRC	150,000,000	100	150,000,000
37. Shangshi Holiday Inn, Xishan Village, Balidian, Huzhou, Zhejiang Province, the PRC	233,000,000	100	233,000,000
38. Plot 2007-05, HD36, 37, 38, South of Xishanyang and North of Wuxing Road, Balidianzhen, Huzhou, Zhejiang Province, the PRC	179,000,000	100	179,000,000
39. Plot 2007-03, Land BLD 22-3/4, Xishan Village, Balidianzhen, Huzhou, Zhejiang Province, the PRC	190,000,000	100	190,000,000
40. Shuitian Garden No. 123, North of Tongxing Road, Tongjiayi Town, Beibei District, Chongqing, the PRC	106,000,000	50	53,000,000

Property	Market Value in existing state as at 30 June 2010 <i>RMB</i>	SIDC Group's attributable interest %	Market Value in existing state as at 30 June 2010 attributable to SIDC Group <i>RMB</i>
41. Qingdao Tangdaowan Project, South of Binhai Road, East of Tangdao Bay, Qingdao, Shandong Province, the PRC	1,800,000,000	100	1,800,000,000
42. East to Shifujingquanxi Road, West, North to Donghai Zonghe Road, South to Yanhaidatongdao inside redline, Donghai Tantuzhengli Project, Donghai Zutuan, Fengze District, Quanzhou, Fujian Province, the PRC	3,300,000,000	100	3,300,000,000
sub-total of Group IV in RMB:	10,838,000,000		10,669,350,000

Property	Market Value in existing state as at 30 June 2010 <i>RMB</i>	SIDC Group's attributable interest %	Market Value in existing state as at 30 June 2010 attributable to SIDC Group <i>RMB</i>
Group V – Properties held by SIDC Group for owner-occupation in the PRC			
43. Portion of Shuitian Garden, No. 123, North of Tongxing Road, Tongjiayi Town, Beibei District, Chongqing, the PRC	23,400,000	50	11,700,000
44. Portion of Jinxiushanzhuang, Renhe Town, Yubei District; Chongqing, the PRC	6,500,000	40	2,600,000
45. Portion of Jinxiu Garden, No. 46, 4 Section, Renminnan Road, Wuhou District, Chengdu, Sichuan Province, the PRC	8,200,000	85	6,970,000
46. Portion of Nos. 104-106 Haichao Road, Shanghai, the PRC	11,400,000	100	11,400,000
sub-total of Group V in RMB:	49,500,000		32,670,000
Grand total:	27,375,080,000		26,217,849,600

VALUATION CERTIFICATE

Group I – Properties held by SIDC Group for sale in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
1. The unsold portion of Dali Plaza, North of Xiangjiang Road, Qingdao Economic & Technological Development Area (Huangdao Area), Qingdao, Shandong Province, the PRC	<p>Dali Plaza is a mixed development erected on a parcel of land with a total site area of approximately 23,051.30 sq m.</p> <p>The property was completed in 2007.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold retail portion with a total gross floor area of 18,316.00 sq m.</p> <p>The land use rights of the Property have been granted for a term of 50 years from 9 September 2004 to 8 September 2054 for commercial, office and residential use.</p>	The property is vacant.	<p>RMB219,000,000</p> <p>(76% interest attributable to SIDC Group: RMB166,440,000)</p>

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2004)212 dated 21 November 2004, the land use rights of the Property, comprising a total site area of approximately 23,051.30 sq m, have been granted to Qingdao Shanghai Industrial City Development Co., Ltd. (青島上實城市發展有限公司), a 76% owned subsidiary of SIDC, for a term of 50 years from 9 September 2004 to 8 September 2054 for commercial, office and residential use.
- (2) According to six Construction Works Completion Examination Certificates Nos. 2007-142 to 2007-147 all dated 15 October 2007, the development with a total gross floor area of 117,500.00 sq m was completed.
- (3) According to Pre-sale Permit for Commodity Housing No. 01220 dated 28 June 2006, Qingdao Shanghai Industrial City Development Co., Ltd. (青島上實城市發展有限公司) was permitted to pre-sale of the Property with a total gross floor area of 67,993.95 sq m.

As advised, the Property with a total gross floor area of 18,316.00 sq m is part of the said gross floor area in Notes (2) and (3).

- (4) According to Business Licence No. 370211018024124, Qingdao Shanghai Industrial City Development Co., Ltd. (青島上實城市發展有限公司) was established as a limited liability company with a registered capital of RMB30,000,000 operating on 21 June 2004.

- (5) According to the PRC legal opinion:–
- (i) All mentioned certificates and permits are legal, valid and enforceable under the PRC laws;
 - (ii) The Property is not subject to any pledge; and
 - (iii) Qingdao Shanghai Industrial City Development Co., Ltd. (青島上實城市發展有限公司) has right to occupy, use, lease, sales and pledge the Property.
- (6) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	No
Construction Works Completion Examination Certificate	Yes
Pre-sale Permit for Commodity Housing	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
2. The unsold portion of Phase 1 of Sea Melody, North of Xingsheng Road, Xiaguan Town, Dali, Yunnan Province, the PRC	<p>Sea Melody is a residential and commercial development erected on two parcels of land with a total site area of approximately 292,123.22 sq m.</p> <p>The Property was completed in 2009.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold residential portion with a total gross floor area of 13,484.88 sq m.</p> <p>The land use rights of the Property have been granted for various terms due to expire on 28 June 2045 and 28 June 2075 for commercial and residential use respectively.</p>	The Property is currently vacant.	<p>RMB101,000,000</p> <p>(75% interest attributable to SIDC Group: RMB75,750,000)</p>

Notes:

- (1) According to two Certificates for the Use of State-owned Land, the land use rights of the Property, comprising a total site area of approximately 292,123.22 sq m, have been granted to Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司), a 75% owned subsidiary of SIDC:—

Date of Issue	Certificate No.	Location	Approximate Site Area (sq m)	Use	Expiry Date
24 August 2006	(2006)05091	North of Xingsheng Road, Xiaguan Town, Dali	242,527.87	Commercial and town single residential	Commercial: 28 June 2045 Residential: 28 June 2075
24 August 2006	(2006)05090	North of Xingsheng Road, Xiaguan Town, Dali	49,595.35	Commercial and town single residential	Commercial: 28 June 2045 Residential: 28 June 2075
Total			292,123.22		

- (2) According to 2 Building Ownership Certificates, a total gross floor area of 2,239.95 sq m is held by Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司):-

Certificate No.	Location	Gross Floor Area (sq m)	Use
20097776	No. 2 Jinguandadao, Xiaguan Town, Dali	177.30	Residential
20105209	No. 2 Jinguandadao, Xiaguan Town, Dali	2,062.65	N/A
		Total	2,239.95

In the course of our valuation, we have assumed that the Building Ownership Certificate with a gross floor area of 11,244.93 sq m will be issued in due course.

- (3) According to two Construction Works Completion Examination Certificates Nos. (2009)39 and (2009)59 dated 13 June 2009 and 22 September 2009 respectively, the development with a total gross floor area of 110,395.50 sq m was completed.
- (4) According to three Pre-sale Permits for Commodity Housing, Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) was permitted to pre-sale of the Property with a total gross floor area of 97,408.57 sq m

Certificate No.	Date of Issue	Gross Floor Area (sq m)
2008-07	18 April 2008	31,157.00
2008-020	11 December 2008	44,824.00
2009-08	7 August 2009	21,427.57
		Total
		97,408.57

As advised, the Property with a total gross floor area of 13,484.88 sq m is part of the said total gross floor area in Notes (3) & (4).

- (5) According to Business Licence No. 532901000003050, Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) was established as a limited liability company with a registered capital of RMB10,000,000 for a valid operation period from 26 May 2005 to 26 May 2025.
- (6) According to the information provided by SIDC, the book cost of the Property is approximately RMB69,000,000.
- (7) According to the PRC legal opinion:-
- (i) Above mentioned Building Ownership Certificates are protected by PRC law, Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) is a legal registered owner and protected by the PRC law;
 - (ii) Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) has right to occupy, use and lease the Property.

- (iii) Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) has fully settled all the land premium of the Property;
 - (iv) All mentioned certificates and permits are legal, valid and enforceable under the PRC laws;
 - (v) The Property is not subject to any pledge; and
 - (vi) Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) has right to pre-sale the Property according to the Pre-sale Permit for Commodity Housing.
- (8) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:—

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes (Partly)
Construction Works Completion Examination Certificates	Yes
Pre-sale Permit for Commodity Housing	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
3. The unsold portion of Phases 1 and 2 of Laiyinxiaozhen, junction of Zeyang Road and Liuxia Road, Yangliuqing Town, Xiqing District, Tianjin, the PRC	<p>Laiyinxiaozhen is a commercial and residential development erected on two parcels of land with a total site area of approximately 375,960.89 sq m.</p> <p>The Property was completed in 2005.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold commercial portion with a total gross floor area of 7,979.51 sq m and pre-sold residential portion with a total gross floor area of 60,154.27 sq m.</p> <p>The land use rights of the Property have been granted for various terms due to expire on 5 January 2073 and 11 December 2073 for residential use.</p>	The Property is currently vacant.	<p>RMB404,400,000</p> <p>(100% interest attributable to SIDC Group: RMB404,400,000)</p>

Notes:

- (1) According to two Certificates for the Use of State-owned Land, the land use rights of the Property, comprising a total site area of approximately 375,960.89 sq m, have been granted to Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司), a 100% owned subsidiary of SIDC:—

Certificate No.	Approximate Site Area (sq m)	Use	Expiry Date
(2004)003	258,000.60	Residential	5 January 2073
(2004)161	117,960.29	Residential	11 December 2073
Total	375,960.89		

- (2) According to fifty six Building Ownership Certificates, a total gross floor area of 7,979.51 sq m is held by Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司) for commercial and non-residential use.
- (3) According to forty Pre-sale Permits for Commodity Housing, Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司) was permitted to pre-sale of the Property with a total gross floor area of 119,693.62 sq m

As advised, the Property with a total gross floor area of 68,133.78 sq m is part of the said total gross floor area in Note (3).

- (4) According to the information provided by SIDC, the pre-sold residential portion with a total gross floor area of 60,154.27 sq m was pre-sold at a consideration of approximately RMB331,000,000. In the course of our valuation, we have taken into account the above said consideration.
- (5) According to Business Licence No.120111000014309, Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司) was established as a limited liability company with a registered capital of RMB75,000,000 for a valid operation period from 23 May 2003 to 22 May 2023.
- (6) According to the PRC legal opinion:–
 - (i) Above mentioned Building Ownership Certificates are protected by PRC law, Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司) is a legal registered owner and protected by the PRC law;
 - (ii) Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司) has right to occupy, use and lease the Property;
 - (iii) Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司) has fully settled all the land premium of the Property;
 - (iv) All mentioned certificates and permits are legal, valid and enforceable under the PRC laws; and
 - (v) The Property is not subject to any pledge.
- (7) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes
Pre-sale Permit for Commodity Housing	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
4. The unsold portion of Qingdao Laoshan Project, North of Hong Kong East Road, Laoshan District, Qingdao, Shangdong Province, the PRC	<p>Qingdao Laoshan Project is a residential and hotel development erected on a parcel of land with a total site area of approximately 43,163.70 sq m (including the site area of Property No. 35).</p> <p>The Property was completed in January 2010.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold residential portion with a total gross floor area of approximately 2,498.33 sq m and sold portion of approximately 14,291.00 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 24 May 2055 for commercial, finance and residential use.</p>	The Property is currently vacancy.	<p>RMB466,900,000</p> <p>(55% interest attributable to SIDC Group: RMB256,795,000)</p>

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2005)082, the land use rights of the Property, comprising a total site area of approximately 43,163.70 sq m, have been granted to Qingdao Shanghai Industrial Real Estate Co., Ltd. (青島上實地產有限公司), a 55% owned subsidiary of SIDC, for a term due to expire on 24 May 2055 for commercial finance and residential use.
- (2) According to Construction Works Completion Examination Certificate No. 2010001 dated 20 January 2010, the development with a total gross floor area of 86,607.77 sq m was completed.
- (3) According to Pre-sale Permit for Commodity Housing No. (2009)008, Qingdao Shanghai Industrial Real Estate Co., Ltd. (青島上實地產有限公司) was permitted to pre-sale the Property with a total gross floor area of 66,236.66 sq m.
- (4) According to the information provided by SIDC, the sold portion with a total gross floor area of 14,291.00 sq m was sold at a consideration of approximately RMB404,000,000. We are advised that the said sold portion is still on the book of SIDC. In the course of our valuation, we have taken into account the above said consideration.
- (5) According to Business Licence No. 370200400131243, Qingdao Shanghai Industrial Real Estate Co., Ltd. (青島上實地產有限公司) was established as a limited liability company with a registered capital of USD3,620,000 for a valid operation period from 12 November 2004 to 12 November 2044.
- (6) According to the PRC legal opinion:—
 - (i) Qingdao Shanghai Industrial Real Estate Co., Ltd. (青島上實地產有限公司) has fully settled all the land premium of the Property;

- (ii) Qingdao Shanghai Industrial Real Estate Co., Ltd. (青島上實地產有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (iii) Qingdao Shanghai Industrial Real Estate Co., Ltd. (青島上實地產有限公司) has right to use, lease, transfer and pledge the Property;
 - (iv) The Property is not subject to any pledge; and
 - (v) All mentioned certificates and permits are legal, valid and enforceable under the PRC laws.
- (7) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:—

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	No
Construction Works Completion Examination Certificate	Yes
Pre-sale Permit for Commodity Housing	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
5. The unsold portion of Belle River Villa, Lane 999 Fuxing Road, Zhujiajiao Town, Qingpu District, Shanghai, the PRC	<p>Belle River Villa is a large-scale villa development erected on a parcel of land with a total site area of approximately 315,072.00 sq m.</p> <p>Phase 1 of Belle River Villa was completed in 2009.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold portion of 11 blocks of detached villa with a total gross floor area of 6,630.65 sq m and sold portion with a total gross floor area of 684.19 sq m.</p> <p>The land use rights of the Property have been granted for a term of 70 years from 20 January 2003 to 19 January 2073 for residential use.</p>	The Property is currently vacant.	<p>RMB334,000,000</p> <p>(100% interest attributable to SIDC Group: RMB334,000,000)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2010)008817 dated 29 June 2010, the land use rights and building ownership rights of Belle River Villa, comprising a total site area of 315,072.00 sq m and gross floor area of 15,173.13 sq m, have been vested in Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司), a 100% owned subsidiary of SIDC, for a term of 70 years from 20 January 2003 to 19 January 2073 for residential use.

- (2) According to Pre-sale Permit for Commodity Housing (2009)0000277, Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司) was permitted to pre-sale the Property with a total gross floor area of 15,021.52 sq m (underground gross floor area 3,173.69 sq m).

As advised, the Property with a total gross floor area of 7,314.84 sq m is part of the said total gross floor area in Notes (1) & (2).

- (3) According to the information provided by SIDC, the sold portion with a total gross floor area of 684.19 sq m was sold at a consideration of approximately RMB29,000,000. We are advised that the said sold portion is still on the book of SIDC. In the course of our valuation, we have taken into account the above said consideration.

- (4) According to Business Licence No. 310229000699947, Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司) was established as a limited liability company with a registered capital of RMB250,000,000 for a valid operation period from 19 February 2003 to 18 February 2023.

- (5) According to the PRC legal opinion:–
- (i) Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司) has fully settled all the land premium of the Property;
 - (ii) All mentioned certificates and permits are legal, valid and enforceable under the PRC laws and Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司) is the registered land owner;
 - (iii) Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司) has right to occupy, use, sales and lease the Property;
 - (iv) The Property is pledged to a bank. The transfer and further pledge of the Property is subject to the consent from the bank; and
 - (v) Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司) has right to pre-sale the Property according to the Pre-sale Permit for Commodity Housing.
- (6) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Shanghai Certificate of Real Estate Ownership	Yes
Pre-sale Permit for Commodity Housing	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
6. The unsold portion of Jin Xiu Sen Lin, junction of Gong Jin Road and Guang Hua Street, Wen Jiang District, Chengdu, Sichuan Province, the PRC	<p>Jin Xiu Sen Lin is a composite commercial and residential development erected on two parcels of land with a total site area of approximately 123,263.33 sq m.</p> <p>The Property was completed in 2009.</p> <p>According to the information provided by SIDC Group, the Property comprise unsold 298 car parking spaces with a total gross floor area of 9,514.95 sq m.</p> <p>The land use rights of the Property have been granted for a term of due to expire on 2 December 2045 and 2 December 2075 for commercial and residential use respectively.</p>	The Property is currently vacant.	<p>RMB26,820,000</p> <p>(100% interest attributable to SIDC Group: RMB26,820,000)</p>

Notes:

- (1) According to two Certificates for the Use of State-owned Land, the land use rights of the Property, comprising a total site area of 123,263.33 sq m, have been vested in Chengdu Shanghai Industrial Zhide Co., Ltd. (成都上實置地有限公司), a 100% owned subsidiary of SIDC, for a term of due to expire on 2 December 2045 and 2 December 2075 respectively for commercial and residential use.

Certificate No.	Approximate Site Area (sq m)	Use	Expiry Date
(2006)402	120,000.00	Commercial and residential	Commercial: 2 December 2045 Residential: 2 December 2075
(2006)271	3,263.33	Commercial and residential	Commercial: 2 December 2045 Residential: 2 December 2075
Total	123,263.33		

- (2) According to sixteen Building Ownership Certificates, a total gross floor area of 23,239.66 sq m, have been vested in Chengdu Shanghai Industrial Zhide Co., Ltd. (成都上實置地有限公司) for car park use.

As advised, the Property with a total gross floor area of 9,514.95 sq m is part of the said total gross floor area in Note (2).

- (3) According to the information provided by SIDC, the book cost of the Property is approximately RMB21,000,000.
- (4) According to Business Licence No. 5101231801003, Chengdu Shanghai Industrial Zhide Co., Ltd. (成都上實置地有限公司) was established as a limited liability company with a registered capital of RMB8,950,000 operating on 28 March 2006.
- (5) According to the PRC legal opinion:–
- (i) Above mentioned Building Ownership Certificates are protected by the PRC law;
 - (ii) The Property is not subject to any pledge; and
 - (iii) Chengdu Shanghai Industrial Zhide Co., Ltd. (成都上實置地有限公司) has rights to occupy, use, transfer, lease, sales and pledge the Property.
- (6) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
7. The unsold portion of Shuitian Garden, No. 123, North of Tongxing Road, Tongjiayi Town, Beibei District, Chongqing, the PRC	<p>Shuitian Garden is a residential development erected on a parcel of land with a total site area of approximately 1,900.77 sq m.</p> <p>The Property was completed in 2008.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold 57 car parking spaces with a total gross floor area of 2,009.35 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 23 October 2048 for residential and other commercial use.</p>	The Property is currently vacant.	<p>RMB3,100,000</p> <p>(50% interest attributable to SIDC Group: RMB1,550,000)</p>

Notes:

- (1) According to nine Real Estate Title Certificates, a total car park area of approximately 2,009.35 sq m is held by Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司), a 50% owned subsidiary of SIDC:—

Certificate No.	Land Use	Site Area (sq m)	Building Use	Gross Floor Area (sq m)	Expiry Date
107(2007)09754	Residential	47.77	Non-residential	280.45	23 October 2048
107(2007)09755	Residential	47.77	Non-residential	280.45	23 October 2048
107(2007)09752	Residential	47.77	Non-residential	280.45	23 October 2048
107(2007)04185	Car park	2.41	Non-residential	558.71	23 October 2048
107(2007)04200	Car park	98.45	Non-residential	576.69	23 October 2048
107(2009)54916	Other commercial	723.60	Other	758.12	23 October 2048
107(2007)53536	Other commercial	933.00	Other	913.27	23 October 2048
107041189	N/A	N/A	Non-residential	532.10	N/A
107025405	N/A	N/A	Non-residential	3,123.80	N/A
Total		<u>1,900.77</u>		<u>7,304.04</u>	

As advised, the total car park area is 2,009.35 sq m, in which the car park area of 700.91 sq m (12 lots) are shared by Real Estate Title Certificate Nos. 107(2007)09754, 107(2007)09455 and 107(2007)09752; the car park area of 255.41 sq m (7 lots), 200.67 sq m (9 lots), 562.98 sq m (21 lots) and 289.38 sq m (8 lots) are for Real Estate Title Certificate No. 107(2007)04185, 107(2007)04200, 107(2007)53536 and 107041189 respectively.

- (2) According to the information provided by SIDC, the book cost of the Property is approximately RMB2,000,000.
- (3) According to Business Licence No. 500000400008825, Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司) was established as a limited liability company with a registered capital of USD\$41,940,000 for a valid operation period from 23 September 1994 to 22 September 2044.
- (4) According to the PRC legal opinion:–
 - (i) Above mentioned Real Estate Title Certificates are protected by the PRC law and Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司) is a legal registered owner and protected by the PRC law;
 - (ii) The Property is not subject to any pledge; and
 - (iii) Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司) has rights to occupy, use, pledge and lease the Property under the PRC laws.
- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Real Estate Title Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
8. The unsold portion of Sintra Emerald, No. 4 Cuiyuan Road Daoli District Harbin, Heilongjiang Province, the PRC	<p>Sintra Emerald is a residential development erected on a parcel of land with a total site area of approximately 11,100.00 sq m.</p> <p>The Property was completed in 2008.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold residential with a total gross floor area of 242.94 sq m.</p> <p>The land use rights of the Property have been granted for a term of due to expire on 29 August 2076 and 29 August 2046 for residential and commercial use respectively.</p>	The Property is currently vacant.	<p>RMB2,480,000</p> <p>(100% interest attributable to SIDC Group: RMB2,480,000)</p>

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2008)47, the land use rights of the Property, comprising a total site area of approximately 11,110.00 sq m, have been granted to Harbin Aida Investment Co., Ltd. (哈爾濱愛達投資置業有限公司) (the former owner) for a term due to expire on 29 August 2076 and 29 August 2046 for residential and commercial use respectively.
- (2) According to two Building Ownership Certificates, a total gross floor area of approximately 242.94 sq m have been vested in Harbin Shanghai Industrial Investment Co., Ltd. (哈爾濱上實投資有限公司), a 100% owned subsidiary of SIDC:-

Certificate No.	Room No.	Gross Floor Area (sq m)
0901019224	28-3 Unit 1	121.47
0901019072	1-3 Unit 1	121.47
Total		242.94

- (3) According to the information provided by SIDC, the book cost of the Property is approximately RMB2,000,000.
- (4) According to Business Licence No. 230100100039705 (1-1), Harbin Shanghai Industrial Investment Co., Ltd. (哈爾濱上實投資有限公司) was established as a limited liability company with a registered capital of RMB10,000,000 for a valid operation period from 31 March 2010 to 7 January 2029.
- (5) According to the PRC legal opinion:-
- (i) All the mentioned certificates are legal, valid and enforceable under the PRC laws and Harbin Shanghai Industrial Investment Co., Ltd. (哈爾濱上實投資有限公司) is a legal registered owner;

- (ii) The Property is not subject to any pledge; and
- (iii) Harbin Shanghai Industrial Investment Co., Ltd. (哈爾濱上實投資有限公司) has right to occupy, use, transfer, sale, lease and pledge the Property.
- (6) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:—

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
9. The unsold portion of the Langqinshuian, No. 504 Youyi Road Daoli District, Harbin, Heilongjiang Province, the PRC	<p>Langqinshuian is a residential development erected on a parcel of land with a total site area of approximately 9,527.30 sq m.</p> <p>The Property was completed in 2010.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold residential portion with a total gross floor area of 22,078.34 sq m and sold portion with a total gross floor area of 15,186.56 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 1 June 2076 and 1 June 2046 for residential and commercial use respectively.</p>	The Property is currently vacant.	<p>RMB457,700,000</p> <p>(100% interest attributable to SIDC Group: RMB457,700,000)</p>

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2008)46, the land use rights of the Property, comprising a total site area of approximately 9,527.30 sq m, have been granted to Harbin Aida Investment Co., Ltd. (哈爾濱愛達投資置業有限公司) (the former owner) for a term due to expire on 1 June 2076 and 1 June 2046 for residential and commercial use respectively.
- (2) According to one hundred and thirty one Building Ownership Certificates, a total gross floor area of approximately 22,078.34 sq m, have been vested in Harbin Shanghai Industrial Investment Co., Ltd. (哈爾濱上實投資有限公司), a 100% owned subsidiary of SIDC, for residential use.
- (3) According to the information provided by SIDC, the sold portion with a total gross floor area of 15,186.56 sq m was sold at a consideration of approximately RMB186,100,000. We are advised that the said sold portion is still on the book of SIDC. In the course of our valuation, we have taken into account the above said consideration.
- (4) According to the information provided by SIDC, the book cost of the Property is approximately RMB203,000,000.
- (5) According to Business Licence No. 230100100039705 (1-1), Harbin Shanghai Industrial Investment Co., Ltd. (哈爾濱上實投資有限公司) was established as a limited liability company with a registered capital of RMB10,000,000 for a valid operation period from 31 March 2010 to 7 January 2029.
- (6) According to the PRC legal opinion:—
 - (i) All the mentioned certificates are legal, valid and enforceable under the PRC laws; Harbin Shanghai Industrial Investment Co., Ltd. (哈爾濱上實投資有限公司) is the registered owner of the Property;

- (ii) The Property is not subject to any pledge; and
- (iii) Harbin Shanghai Industrial Investment Co., Ltd. (哈爾濱上實投資有限公司) has right to occupy, use, transfer, sale, lease and pledge the Property.
- (7) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
10. The unsold portion of Phase 1 of Huangpuxinyuan, Lane 333 Liyuan Road, Huangpu District, Shanghai, the PRC	<p>Phase 1 of Huangpuxinyuan is a residential development erected on a parcel of land with a total site area of approximately 38,635.00 sq m.</p> <p>The Property was completed in 2004.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold 2 retail units with a total gross floor area of 809.74 sq m and unsold 31 car parking spaces with a total gross floor area of 925.47 sq m.</p> <p>The land use rights of the Property have been granted for a term of 70 years from 22 June 1999 to 21 June 2069 for residential use.</p>	The Property is currently vacant.	<p>RMB33,300,000</p> <p>(100% interest attributable to SIDC Group: RMB33,300,000)</p>

Notes:

- (1) According to two Shanghai Certificates of Real Estate Ownership, the land use rights of the Property, have been vested in Shanghai Industrial Nankai Real Estate Co., Ltd. (上海上實南開地產有限公司), a 100% owned subsidiary of SIDC:—

Certificate No.	Land Use	Site Area (sq m)	Building Use	Gross Floor Area (sq m)	Expiry Date
(2002)005214	Residential	38,635.00	Residential	809.74	21 June 2069
(2004)011679	Residential	N/A	Other	925.47	21 June 2069
Total		38,635.00		1,735.21	

- (2) According to Business Licence No. 310000400143851, Shanghai Industrial Nankai Real Estate Co., Ltd. (上海上實南開地產有限公司) was established as a limited liability company with a registered capital of RMB223,674,453 for a valid operation period from 5 April 1996 to 4 April 2016.

- (3) According to the PRC legal opinion:–
- (i) Above mentioned Shanghai Certificate of Real Estate Ownerships are protected by the PRC laws and Shanghai Industrial Nankai Real Estate Co., Ltd. (上海上實南開地產有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (ii) Shanghai Industrial Nankai Real Estate Co., Ltd. (上海上實南開地產有限公司) has rights to occupy, use, lease and pledge the Property; and
 - (iii) The Property is not subject to any pledge.
- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
11. The unsold portion of Jade Buddha City, No. 3 Lane 1112 Jiangning Road, Putuo District, Shanghai, the PRC	<p>Jade Buddha City is a composite development erected on a parcel of land with a total site area of approximately 21,440.00 sq m.</p> <p>The Property was completed in 1995.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold 60 car parking spaces with a total gross floor area of 2,233.20 sq m.</p> <p>The land use rights of the Property have been granted for a term from 1 December 1992 to 30 November 2062 for residential use.</p>	The Property is currently vacant.	<p>RMB11,000,000</p> <p>(51% interest attributable to SIDC Group: RMB5,610,000)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2009)006344 dated 24 March 2009, the land use rights of the Property, comprising a total site area of approximately 21,440.00 sq m and a total gross floor area of approximately 3,089.26 sq m, have been vested in Shanghai Changhai Real Estate Development Ltd. (上海長海房地產發展有限公司), a 51% owned subsidiary of SIDC, for a term of 70 years from 1 December 1992 to 30 November 2062 for residential use.

As advised, the Property with a total gross floor area of 2,233.20 sq m is part of the said total gross floor area in Note (1).

- (2) According to Business Licence No. 310000400018935, Shanghai Changhai Real Estate Development Ltd. (上海長海房地產發展有限公司) was established as a limited liability company on 7 August 1992 with a registered capital of RMB147,797,799 for a valid operation period from 7 August 1992 to 6 August 2042.
- (3) According to the PRC legal opinion:—
- (i) Above mentioned Shanghai Certificate of Real Estate Ownerships is legal, valid and protected by the PRC laws;
 - (ii) The Property is not subject to any pledge; and
 - (iii) Shanghai Changhai Real Estate Development Ltd. (上海長海房地產發展有限公司) has rights to occupy, use, transfer, lease and pledge the Property.

- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
12. The unsold portion of Phase 2 of Huangpuxinyuan, No. 1130 Tibet Road South, Huangpu District, Shanghai, the PRC	<p>Phase 2 of Huangpuxinyuan is a residential development erected on a parcel of land with a total site area of approximately 13,556.00 sq m.</p> <p>The Property was completed in 2007.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold 115 car parking spaces.</p> <p>The land use rights of the Property have been granted for a term of 50 years from 8 November 2000 to 9 November 2050 for composite use.</p>	The Property is currently vacant.	<p>RMB25,200,000</p> <p>(100% interest attributable to SIDC Group: RMB25,200,000)</p>

Notes:

- (1) According to a Shanghai Certificate of Real Estate Ownership No. (2009)000240 dated 20 January 2009, the land use rights of the Property, comprising a total site area of 13,566.00 sq m and a total gross floor area of 25,496.97 sq m, have been vested in Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司), a 100% owned subsidiary of SIDC, for a term of 50 years from 8 November 2000 to 9 November 2050 for composite use.

As advised, the Property with 115 car parking spaces is part of the said total gross floor area in Note (1).

- (2) According to Business Licence No. 310101000194702, Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司) was established as a limited liability company with a registered capital of RMB5,000,000 for a valid operation period from 24 July 1998 to 23 July 2018.

- (3) According to the PRC legal opinion:—

- (i) Above mentioned Shanghai Certificate of Real Estate Ownerships are protected by the PRC laws and Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司) is the registered owner of the Property and protected by the PRC laws;
- (ii) Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司) has right to occupy, use and lease the Property; and
- (iii) The Property is pledged to a bank. The transfer or further pledging is subject to the consent from the bank.

- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Group II – Properties held by SIDC Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
13. The unsold portion of Phase 2 of Huangpuxinyuan, No. 1130 and Nos. 1-2, Lane 1108 Tibet Road South, Huangpu District, Shanghai, the PRC	<p>Phase 2 of Huangpuxinyuan is a residential development erected on a parcel of land with a total site area of approximately 13,566.00 sq m.</p> <p>The Property was completed in 2007.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold retail portion with a total gross floor area of 15,332.93 sq m (including special use area of 371.43 sq m) and 134 car parking spaces.</p> <p>The land use rights of the Property have been granted for a term of 50 years from 8 November 2000 to 9 November 2050 for composite commercial, residential and office use.</p>	<p>The Property with a gross floor area of 18,000 sq m has been leased to a tenant with the expiry date on 31 August 2025 at a total monthly rent of approximately RMB999,000, subject to a rent increase of 3% every year, exclusive of management fee.</p>	<p>RMB381,700,000</p> <p>(100% interest attributable to SIDC Group: RMB381,700,000)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2009)000240 dated 20 January 2009, the land use rights of the Property, have been vested in Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司), a 100% owned subsidiary of SIDC:–

Land Use	Site Area (sq m)	Building Use	Gross Floor Area (sq m)	Expiry Date
Composite commercial, residential and office	13,566.00	Commercial and other	Commercial: 14,961.50 Special use: 371.43 Car park: 10,164.04	8 November 2050
Total	13,566.00		25,496.97	

As advised, the Property with a total gross floor area of 15,332.93 sq m and 134 car parking spaces are part of the said total gross floor area in Note (1).

- (2) According to Business Licence No. 310101000194702, Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司) was established as a limited liability company with a registered capital of RMB5,000,000 for a valid operation period from 24 July 1998 to 23 July 2018.
- (3) According to the PRC legal opinion:–
- (i) Above mentioned Shanghai Certificate of Real Estate Ownerships are protected by the PRC laws and Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (ii) Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司) has right to occupy, use and lease the Property; and
 - (iii) The Property is pledged to a bank. The transfer or further pledging is subject to the consent from the bank.
- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser are as follows:–

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
14. The unsold portion of Hi Shanghai, Lane 568 Feihong Road and Nos. 950, 970 & 990 Dalian Road, Yangpu District, Shanghai, the PRC	<p>Hi Shanghai is a composite commercial and office development erected on three parcels of land with a total site area of approximately 80,360.00 sq m.</p> <p>The Property was completed in between 2004 to 2007.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold various retail units, an office unit, a cinema and a club house with a total gross floor area of approximately 22,027.22 sq m and 532 car parking spaces with a total gross floor area of approximately 21,615.03 sq m</p> <p>The land use rights of the Property have been granted for a term of 50 years from 20 September 2002 to 19 September 2052 for commercial and office use.</p>	<p>The Property with a gross floor area of 22,027.22 sq m has been leased to various tenants with the latest expiry date on 28 February 2025 at a total monthly rent of approximately RMB1,652,000, exclusive of management fee, certain tenancy is subject to a rent increase of 3% every year commencing from year 3 to year 10 and subject to rent review by further mutual agreement thereafter.</p> <p>The car parking spaces are licensed on hourly or monthly basis.</p>	<p>RMB628,400,000</p> <p>(100% interest attributable to SIDC Group: RMB628,400,000)</p>

Notes:

- (1) According to thirty two Shanghai Certificates of Real Estate Ownership, the land use rights of the Property, comprising a total gross floor area of 43,642.25 sq m, have been vested in Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司), a 100% owned subsidiary of SIDC:-

Certificate No.	Date of Issue	Unit	Use	Gross Floor Area (sq m)
(2008) 005946	17 March 2008	Level 1-2, No. 46	Commercial	247.07
(2008) 005962	17 March 2008	Level 1-2, No. 45	Commercial	413.06
(2008) 005971	17 March 2008	Level 1-3, No. 43	Commercial	1,000.52
(2008) 005969	17 March 2008	Level 1-2, No. 42	Commercial	1,059.32
(2008) 005940	17 March 2008	Level 1-3, No. 39	Commercial	581.10
(2008) 005960	17 March 2008	No. 36	Commercial	506.27
(2008) 005951	17 March 2008	Level 1-3, No. 35	Commercial	530.68
(2008) 005950	17 March 2008	Level 1-2, No. 33	Commercial	234.55
(2008) 005953	17 March 2008	Level 1-2, No. 32	Commercial	250.12
(2008) 005944	17 March 2008	Level 1-3, No. 31	Commercial	431.18
(2008) 005959	17 March 2008	Level 1-2, No. 18	Commercial	319.68
(2008) 005970	17 March 2008	Level 1-2, No. 17	Commercial	360.06
(2008) 005961	17 March 2008	Level 1-2, No. 16	Commercial	279.58
(2008) 005958	17 March 2008	Level 1-2, No. 13	Commercial	432.69

Certificate No.	Date of Issue	Unit	Use	Gross Floor Area (sq m)
(2008) 005957	17 March 2008	Level 1, No. 12	Commercial	180.87
(2008) 005966	17 March 2008	No. 11	Commercial	134.43
(2008) 005943	17 March 2008	Level 1, No. 10	Commercial	148.85
(2008) 005964	17 March 2008	Level 2, No. 9_1	Commercial	171.60
(2008) 005948	17 March 2008	Level 1, No. 8	Commercial	156.99
(2008) 005955	17 March 2008	Level 1, No. 7	Commercial	176.90
(2008) 005963	17 March 2008	Level 1, No. 6	Commercial	157.61
(2008) 005973	17 March 2008	Level 2-3, No. 5	Commercial	358.01
(2008) 005949	17 March 2008	Level 1, No. 3	Commercial	428.67
(2008) 005965	17 March 2008	Level 2-3, No. 9_2	Commercial	244.18
(2008) 005967	17 March 2008	Level 1-2, No. 47	Commercial	338.60
(2008) 005972	17 March 2008	Level 1-2, No. 19	Commercial	308.48
(2008) 005942	17 March 2008	Level 1-2, No. 37	Commercial	656.16
(2008) 005968	17 March 2008	Level 1, No. 48	Commercial	362.47
(2009) 024883	15 October 2009	Nos. 950, 970 & 990	Commercial Office	7,941.32 749.43
(2009) 024859	14 October 2009	Ground Floor Car Park	Car Park	114.81
(2009) 024885	15 October 2009	Ground Floor Car Park, No. 27_28	Car Park Club House	9,517.40 1,255.01
(2009) 024876	14 October 2009	Zone 1 and 2, 600 Lane No. 1_2, No. 49, Ground Floor Car Park, 568 Lane	Cinema Car Park	1,611.76 11,982.82
Total				<u>43,642.25</u>

(2) According to Business Licence No. 310000000047164, Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) was established as a limited liability company with a registered capital of RMB1,083,370,873 operating on 19 September 1996.

(3) According to the PRC legal opinion:—

(i) Above mentioned Shanghai Certificates of Real Estate Ownership are protected by the PRC laws and Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) is the registered owner of the Property and protected by the PRC laws;

(ii) Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) has right to occupy, use, transfer, lease and pledge the Property; and

(iii) The Property is not subject to any pledge.

(4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser—

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
15. The unsold portion of levels 4, 6, 9, 30 and 32, Golden Bell Plaza, No. 98 Huaihai Road Central, Luwan District, Shanghai, the PRC	<p>Golden Bell Plaza is a 45-storey composite development erected on a parcel of land with a total site area of approximately 5,791.00 sq m.</p> <p>The Property was completed in 1999.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold portion of levels 4, 6, 9, 30 and 32 of Golden Bell Plaza with a total gross floor area of approximately 12,269.70 sq m.</p> <p>The land use rights of the Property have been granted for a term from 25 March 2003 to 17 May 2048 for composite use.</p>	<p>The Property with a gross floor area of 12,269.70 sq m has been leased to various tenants with the latest expiry date on 31 March 2020 at a total monthly rent of approximately RMB1,709,000, exclusive of management fee, certain tenancies are subject to a rent increase of 6% every 2 years.</p>	<p>RMB303,200,000</p> <p>(100% interest attributable to SIDC Group: RMB303,200,000)</p>

Notes:

- (1) According to five Shanghai Certificates of Real Estate Ownership, the land use rights of the Property, comprising a total site area of 5,791.00 sq m and a total gross floor area of 12,269.70 sq m, have been vested in Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司), a 100% owned subsidiary of SIDC, for a term from 25 March 2003 to 17 May 2048 for commercial office use:—

Certificate No.	Date of Issue	Unit	Use	Gross Floor Area (sq m)
(2003) 003724	2 April 2003	3001	Office	1,279.87
(2003) 004008	8 April 2003	901	Commercial	2,858.00
(2003) 004119	9 April 2003	601	Commercial	2,649.45
(2003) 006707	23 September 2003	3201	Office	1,188.96
(2003) 008364	3 December 2003	401	Commercial	4,293.42
Total				<u>12,269.70</u>

- (2) According to Business Licence No. 310000000047164, Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) was established as a limited liability company with a registered capital of RMB1,083,370,873 operating on 19 September 1996.

- (3) According to the PRC legal opinion:–
- (i) Above mentioned Shanghai Certificates of Real Estate Ownership are protected by the PRC laws and Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (ii) Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) has right to occupy, use, transfer, lease and pledge the Property; and
 - (iii) Portion of the Property is pledged to a bank. The transfer or further pledging is subject to the consent from the bank.
- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser–

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
16. The unsold portion of levels 1-3, 5, 8, 12-13, 17-20, 22-28, 33, 37-40, 44-45 and 148 car parking spaces, Golden Bell Plaza, No. 98 Huaihai Road Central, Luwan District, Shanghai, the PRC	<p>Golden Bell Plaza is a 45-storey composite development erected on a parcel of land with a site area of approximately 5,791.00 sq m.</p> <p>The Property was completed in 1999.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold portion of levels 1-3, 5, 8, 12-13, 17-20, 22-28, 33, 37-40 and 44-45 of Golden Bell Plaza with a total gross floor area of approximately 42,340.66 sq m and 148 car parking spaces (including 57 sold car parking spaces) with a total gross floor area of approximately 8,009.04 sq m.</p> <p>The land use rights of the Property have been granted / allocated for a term for commercial and office use.</p>	<p>The property with a gross floor area of 35,044.43 sq m has been leased to various tenants with the latest expiry date on 31 December 2025 at a total monthly approximately RMB5,970,000, exclusive of management fee, certain tenancy is subject to a rent increase of 5% every 3 years.</p> <p>The car parking spaces are licensed on hourly or monthly basis.</p>	<p>RMB1,284,440,000</p> <p>(90% interest attributable to SIDC Group: RMB1,155,996,000)</p>

Notes:

- (1) According to five Shanghai Certificates of Real Estate Ownership, the land use rights of the Property, comprising a total site area of 5,791.00 sq m and a total gross floor area of 29,054.32 sq m have been vested in Shanghai Golden Bell Commercial Co., Ltd. (上海金鐘商業發展有限公司), a 90% owned subsidiary of SIDC, for a term from 19 November 2003 to 18 November 2043 for commercial and office use:-

Certificate No.	Date of Issue	Unit	Use	Gross Floor Area (sq m)
(2003) 007834	12 November 2003	301	Commercial	4,306.00
(2006) 002403	28 July 2006	2001	Office	2,742.62
(2000) 100154	15 September 2000	1207-1209 (partly), 1301, 1302 and level 33	Office	2,249.46
(2003) 003550	5 December 2006	1701, 1801, 1901 and 801	Commercial	11,593.97
(2000) 100155	15 September 2000	Levels 22-26, 28, 37-39	Office	8,162.27
Total				29,054.32

According to Shanghai Certificate of Real Estate Ownership, the land use rights of the Property, comprising a total gross floor area of approximately 21,295.38 sq m, have been allocated to Shanghai Golden Bell Commercial Co., Ltd. (上海金鐘商業發展有限公司) for composite use:-

Certificate No.	Date of Issue	Unit	Use	Gross Floor Area (sq m)
(2003) 008062	13 November 2003	101, 201, 501, 12A, 12C, 12J, 12L, 12M, 12O, 2701, 4001, 4401, 4501, Open 01-03 Open Space on G/F, 301-304 Basement, 1F-2F Basement Car Park (partly)	Office/Retail Car Park	13,286.34 8,009.04
Total				<u>21,295.38</u>

- (2) According to the information provided by SIDC, the 57 sold car parking spaces were sold at a consideration of approximately RMB17,130,000. We are advised that the said sold portion is still on the book of SIDC. In the course of our valuation, we have taken into account the above said consideration.
- (3) According to Business Licence No. 310103000029202, Shanghai Golden Bell Commercial Co., Ltd. (上海金鐘商業發展有限公司) was established as a limited liability company with a registered capital of RMB41,000,000 for a valid operation period from 14 July 1993 to 28 January 2028.
- (4) According to the PRC legal opinion:-
- (i) Above mentioned Shanghai Certificates of Real Estate Ownership are protected by the PRC laws and Shanghai Golden Bell Commercial Co., Ltd. (上海金鐘商業發展有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (ii) Shanghai Golden Bell Commercial Co., Ltd. (上海金鐘商業發展有限公司) has right to occupy, use, transfer, lease and pledge the Property;
 - (iii) Portion of the Property is pledged to a bank. The transfer or further pledging is subject to the consent from the bank; and
 - (iv) Portion of the Property are obtained by means of allocation, Shanghai Golden Bell Commercial Co., Ltd. (上海金鐘商業發展有限公司) is required to pay the land premium before transferring that portion of the Property.
- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser-

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
17. The unsold portion of levels 5-8, 18, 25, 28 and 32, Shanghai Industrial Investment Building, No. 18 Caoxi Road North, Xuhui District, Shanghai, the PRC	<p>Shanghai Industrial Investment Building is a 40-storey composite development erected on a parcel of land with a site area of approximately 6,133.00 sq m.</p> <p>The Property was completed in 1996.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold portion of levels 5-8, 18, 25, 28 and 32 of Shanghai Industrial Investment Building with a total gross floor area of approximately 10,088.56 sq m.</p> <p>The land use rights of the Property have been granted for a term from 28 March 2003 to 28 November 2044 for composite use.</p>	<p>The Property with a gross floor area of 10,088.56 sq m has been leased to various tenants with the latest expiry date on 31 December 2014 at a total monthly rent of approximately RMB1,116,000, exclusive of management fee.</p>	<p>RMB182,600,000</p> <p>(100% interest attributable to SIDC Group: RMB182,600,000)</p>

Notes:

- (1) According to twenty six Shanghai Certificates of Real Estate Ownership, the land use rights of the Property, comprising a total gross floor area of 10,088.56 sq m, have been vested in Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司), a 100% owned subsidiary of SIDC, for a term from 28 March 2003 to 28 November 2044 for composite use:-

Certificate No.	Date of Issue	Unit	Use	Gross Floor Area (sq m)
(2005) 013699	30 March 2005	Level 6	Commercial	1,553.36
(2005) 013700	30 March 2005	Level 8	Commercial	1,532.07
(2005) 013701	30 March 2005	Level 5	Commercial	1,553.36
(2005) 013702	30 March 2005	Level 7	Commercial	1,532.06
(2003) 004024-004027, 004028-004031, 004074- 004079, 004081-004084 and 004086-004090	9 April 2003	Levels 18, 25, 28 & 32	Office	3,917.71
Total				<u>10,088.56</u>

- (2) According to Business Licence No. 310000000047164, Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) was established as a limited liability company with a registered capital of RMB1,083,370,873 operating on 19 September 1996.

- (3) According to the PRC legal opinion:–
- (i) Above mentioned Shanghai Certificates of Real Estate Ownership are protected by the PRC laws and Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (ii) Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) has right to occupy, use, transfer, lease and pledge the Property; and
 - (iii) The Property under Shanghai Certificates of Real Estate Ownership Nos. (2003) 004024-04027, 004028-004031, 004075-004079, 004081-004084, 004086-004090 and (2005)013699-013702 are pledged to a bank. The transfer or further pledging is subject to the consent from the bank.
- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser–

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
18. The unsold portion of levels 4-8, 11, 13-14, 20-22, 24, 29, 36-38, 40 and 223 car parking spaces, Shanghai Industrial Investment Building, No. 18 Caoxi Road North, Xuhui District, Shanghai, the PRC	<p>Shanghai Industrial Investment Building is a 40-storey composite development erected on a parcel of land with a site area of approximately 6,133.00 sq m.</p> <p>The Property was completed in 1996.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold portion of levels 4-8, 11, 13-14, 20-22, 24, 29, 36-38 and 40 of Shanghai Industrial Investment Building with a total gross floor area of approximately 14,461.81 sq m and 223 car parking spaces with a total gross floor area of approximately 8,810.73 sq m.</p> <p>The land use rights of the Property have been granted for a term from 15 December 2003 to 28 November 2044 for office and car park use.</p>	<p>The Property with a gross floor area of 13,894.13 sq m has been leased to various tenants with the latest expiry date on 28 February 2014 at a total monthly rent of approximately RMB2,220,000, exclusive of management fee.</p> <p>The car parking spaces are licensed on hourly or monthly basis.</p>	<p>RMB446,640,000</p> <p>(74% interest attributable to SIDC Group: RMB330,513,600)</p>

Notes:

- (1) According to four Shanghai Certificates of Real Estate Ownership, the land use rights of the Property, comprising a total gross floor area of approximately 23,272.54 sq m, have been vested in Shanghai SIIC Development Ltd. (上海實業開發有限公司), SIDC owned 32.27% interest of Shanghai SIIC Development Ltd. (上海實業開發有限公司), for a term from 15 December 2003 to 28 November 2044 for composite use:—

Certificate No.	Date of Issue	Unit	Use	Gross Floor Area (sq m)
(2006) 021892	7 September 2006	Level 36	Office	1,043.24
(2004) 000123	15 December 2003	24A	Office	215.25
(2004) 000125	15 December 2003	24H	Office	123.32
(2003) 004621	22 April 2003	Levels 4-8 (L8: partly), 11E-G, 13E-G, 14G, 20E&G, 21G, 22F/G, 29F, levels 37-38 and 40	Office Car Park	13,080.00 8,810.73
Total				23,272.54

As advised, SIDC ultimately owns 74% interest in the Property.

- (2) According to Business Licence No. 310000400003605, Shanghai SIIC Development Ltd. (上海實業開發有限公司) was established as a limited liability company on 14 September 1988 with a registered capital of USD18,750,000 for a valid operation period from 14 September 1988 to 13 November 2044.
- (3) According to the PRC legal opinion:–
- (i) Above mentioned Shanghai Certificates of Real Estate Ownership are protected by the PRC laws and Shanghai SIIC Development Ltd. (上海實業開發有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (ii) Shanghai SIIC Development Ltd. (上海實業開發有限公司) has right to occupy, use, transfer, lease and pledge the Property; and
 - (iii) The Property is pledged to a bank. The transfer or further pledging is subject to the consent from the bank.
- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser–

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
19. The unsold portion of Gaoyang Building, No. 815 Dongdaming Road, Hongkou District, Shanghai, the PRC	<p>Gaoyang Building is a multi-storey office development erected on a parcel of land with a site area of approximately 11,994.00 sq m.</p> <p>The Property was completed in 1990's.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold office units with a total gross floor area of approximately 26,668.00 sq m.</p> <p>The land use rights of the Property have been granted for a term from 17 March 2003 to 5 March 2053 for office use.</p>	<p>The Property with a gross floor area of 19,994.69 sq m has been leased to various tenants with the latest expiry date on 30 June 2014 at a total monthly rent of approximately RMB980,000, exclusive of management fee.</p> <p>The remaining portion of the Property with a total gross floor area of 6,673.31 sq m is currently vacant.</p>	<p>RMB222,500,000</p> <p>(100% interest attributable to SIDC Group: RMB222,500,000)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2003)005113 dated 21 March 2003, the land use rights and building ownership rights of the Property, comprising a total gross floor area of 26,668.00 sq m, have been vested in Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司), a 100% owned subsidiary of SIDC, for a term from 17 March 2003 to 5 March 2053 for office use
- (2) According to Business Licence No. 310000000047164, Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) was established as a limited liability company with a registered capital of RMB1,083,370,873 operating on 19 September 1996.
- (3) According to the PRC legal opinion:—
 - (i) Above mentioned Shanghai Certificate of Real Estate Ownership is protected by the PRC laws and Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) is the registered owner of the Property and is protected by the PRC laws;
 - (ii) Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) has right to occupy, use, transfer, lease and pledge the Property; and
 - (iii) The Property is pledged to a bank. The transfer or further pledging is subject to the consent from the bank.

- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser-

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
20. The unsold portion of Gaoyang Hotel, No. 879 Dongdaming Road, Hongkou District, Shanghai, the PRC	<p>Gaoyang Hotel is a 5-storey hotel development erected on a parcel of land with a site area of approximately 986.00 sq m.</p> <p>The Property was completed in 1990's.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold portion with a total gross floor area of approximately 3,847.00 sq m.</p> <p>The land use rights of the Property have been allocated for tourist use.</p>	<p>The Property with a gross floor area of 3,288 sq m has been leased to various tenants with the latest expiry date on 30 June 2018 at a total monthly rent of approximately RMB351,000, exclusive of management fee.</p> <p>The remaining portion of the Property with a total gross floor area of 559.00 sq m is currently vacant.</p>	<p>RMB68,600,000</p> <p>(100% interest attributable to SIDC Group: RMB68,600,000)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2001)008324 dated 30 October 2001, the land use rights and building ownership rights of the Property, comprising a total gross floor area of 3,847.00 sq m, have been allocated to Shanghai Gaoyang Binguan Co., Ltd. (上海高陽賓館有限公司), a 100% owned subsidiary of SIDC, for tourist use.
- (2) According to Business Licence No. 310000400001884, Shanghai Gaoyang Binguan Co., Ltd. (上海高陽賓館有限公司) was established as a limited liability company with a registered capital of RMB40,000,000 for a valid operation period from 29 November 1986 to 28 November 2034.
- (3) According to the PRC legal opinion:-
 - (i) Above mentioned Shanghai Certificate of Real Estate Ownership is protected by the PRC laws and Shanghai Gaoyang Binguan Co., Ltd. (上海高陽賓館有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (ii) Shanghai Gaoyang Binguan Co., Ltd. (上海高陽賓館有限公司) has right to occupy, use, transfer, lease and pledge the Property;
 - (iii) The Property is not subject to any pledge; and
 - (iv) As the Property is obtained by means of allocation, Shanghai Gaoyang Binguan Co., Ltd. (上海高陽賓館有限公司) is required to pay the land premium before transferring the Property.
- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser-

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
21. The unsold portion of Blocks 1-9, No. 1111 Shangchuan Road, Pudong New Area, Shanghai, the PRC	<p>The Property is an industrial development erected on a parcel of land with a site area of approximately 36,142.00 sq m.</p> <p>The Property was completed in between 1998 and 2006.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold 9 blocks buildings with a total gross floor area of approximately 40,207.89 sq m.</p> <p>The land use rights of the Property have been granted for a term from 25 February 2008 to 6 March 2056 for industrial use.</p>	<p>The Property with a gross floor area of 40,207.89 sq m has been leased to a tenant with the expiry date on 14 December 2022 at a total monthly rent of approximately RMB625,000 from 15 December 2007 to 14 December 2010, RMB667,000 from 15 December 2010 to 14 December 2014, RMB708,000 from 15 December 2014 to 14 December 2017 and subject to a rent review by further mutual agreement thereafter, exclusive of management fee.</p>	<p>RMB126,000,000</p> <p>(100% interest attributable to SIDC Group: RMB126,000,000)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2008)018626 dated 11 March 2008, the land use rights and building ownership rights of the Property, comprising a total site area of 36,142.00 sq m and a total gross floor area of 40,207.89 sq m, have been vested in Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司), a 100% owned subsidiary of SIDC, for a term from 25 February 2008 to 6 March 2056 for industrial use.
- (2) According to the information provided by SIDC, the book cost of the Property is approximately RMB126,000,000.
- (3) According to Business Licence No. 310000000047164, Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) was established as a limited liability company with a registered capital of RMB1,083,370,873 operating on 19 September 1996.
- (4) According to the PRC legal opinion:—
 - (i) Above mentioned Shanghai Certificate of Real Estate Ownership is protected by the PRC laws and Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (ii) Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司) has right to occupy, use, transfer, lease and pledge the Property; and
 - (iii) The Property is not subject to any pledge.

- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser-

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
22. The unsold portion of levels 3-5, Block 2, No. 235 Zhongshan Road North, Zhabei District, Shanghai, the PRC	<p>The Property is a composite development erected on a parcel of land with a site area of approximately 1,549.00 sq m.</p> <p>The Property was completed in 1990's.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold portion with a total gross floor area of approximately 1,545.30 sq m.</p> <p>The land use rights of the Property have been allocated for industrial use.</p>	<p>The Property with a gross floor area of 1,434 sq m has been leased to two tenants with the latest expiry date on 15 October 2012 at a total monthly rent of approximately RMB44,000, exclusive of management fee.</p>	<p>RMB15,100,000</p> <p>(100% interest attributable to SIDC Group: RMB15,100,000)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership, the land use rights and the building ownership rights of the Property, comprising a total site area of approximately 1,549.00 sq m and a total gross floor area of approximately 1,545.30 sq m, have been allocated to Shanghai Huangguan Real Estate Co., Ltd. (上海皇冠房地產有限公司), a 100% owned subsidiary of SIDC:–

Certificate No.	Issued Date	Unit	Use	Gross Floor Area (sq m)
(1998) 001275	7 April 1998	Block 2, Level 3-5 Block 3, Level 1	Commercial Office	1,433.80 111.50
		Total		1,545.30

- (2) According to Business Licence No. 310110000432225, Shanghai Huangguan Real Estate Co., Ltd. (上海皇冠房地產有限公司) was established as a limited liability company with a registered capital of RMB10,000,000 for a valid operation period from 30 September 1992 to 16 December 2046.
- (3) According to the PRC legal opinion:–
- (i) Above mentioned Shanghai Certificate of Real Estate Ownership is protected by the PRC laws and Shanghai Huangguan Real Estate Co., Ltd (上海皇冠房地產有限公司) is the registered owner of the Property and is protected by the PRC laws;
 - (ii) Shanghai Huangguan Real Estate Co., Ltd (上海皇冠房地產有限公司) has right to occupy, use, transfer, lease and pledge the Property;
 - (iii) The Property is not subject to any pledge; and

- (iv) As the Property is obtained by means of allocation, Shanghai Huangguan Real Estate Co., Ltd. (上海皇冠房地產有限公司) is required to pay the land premium before transferring the Property.
- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser-

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
23. The unsold portion of Jinxiu Garden, No.68, 4 Section, Renminnan Road, Wuhou District, Chengdu, Sichuan Province, the PRC	<p>The Property is a composite commercial and residential development erected on a parcel of land with a site area of approximately 116,964.16 sq m (including the site area of Property No. 24).</p> <p>The Property was completed in 2002.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold 179 car parking spaces with a total gross floor area of approximately 5,981.86 sq m.</p> <p>The land use rights of the Property have been granted for a various terms for residential use (see Note (2)).</p>	The Property is licensed on hourly or monthly basis.	<p>RMB17,000,000</p> <p>(40% interest attributable to SIDC Group: RMB6,800,000)</p>

Notes:

- (1) According to nine Building Ownership Certificates, the building ownership rights of the Property, comprising a total gross floor area of 29,306.34 sq m, have been vested in Chengdu Huaxin International City Development Co., Ltd. (成都華新國際城市發展有限公司), a 40% owned subsidiary of SIDC, for car park and residential use.

As advised, the Property with a total gross floor area of 5,981.86 sq m is part of the said total gross floor area in Note (1).

- (2) According to four Certificates for the Use of State-owned Land, the land use rights of the Property, comprising a total site area of 116,964.16 sq m, have been vested in Chengdu Huaxin International City Development Co., Ltd. (成都華新國際城市發展有限公司):-

Certificate No.	Date of Issue	Approximate Site Area (sq m)	Use	Land Use Term /Expiry Date
(1997)296	19 November 1997	86,999.14	Residential	70 years
(1999)708	30 December 1999	15,390.98	Residential	29 December 2069
(2002)327	10 April 2002	9,852.37	Residential	14 May 2070
(2004)857	10 April 2002	4,721.67	Residential	9 August 2070
Total		<u>116,964.16</u>		

- (3) According to Business Licence No. 510100400010175, Chengdu Huaxin International City Development Co., Ltd. (成都華新國際城市發展有限公司) was established as a limited liability company with a registered capital of USD5,000,000 for a valid operation period from 28 August 1992 to 27 August 2042.

- (4) According to the PRC legal opinion:–
- (i) Above mentioned Building Ownership Certificates are protected by the PRC laws;
 - (ii) Chengdu Huaxin International City Development Co., Ltd. (成都華新國際城市發展有限公司) has right to occupy, use, transfer, lease, sale and pledge the Property; and
 - (iii) The Property is not subject to any pledge.
- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser–

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
24. The unsold portion of Jinxiu Garden, No. 46, 4 Section, Renminnan Road, Wuhou District, Chengdu, Sichuan Province, the PRC	<p>The Property is a composite commercial and residential development erected on a parcel of land with a site area of approximately 86,999.14 sq m (including the site area of Property No. 23).</p> <p>The Property was completed in 1995.</p> <p>According to the information provided by SIDC Group, the Property comprises unsold 3 commercial units with a total gross floor area of approximately 127.43 sq m.</p> <p>The land use rights of the Property have been granted for a term of 70 years from 19 November 1997 to 18 November 2067 for residential use.</p>	The Property with a gross floor area of 127.43 sq m has been leased to various tenants under the process of renew tenancy procedure.	<p>RMB1,100,000</p> <p>(85% interest attributable to SIDC Group: RMB935,000)</p>

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (1997)296 dated 19 November 1997, the land use rights of the Property, comprising a total site area of 86,999.14 sq m, have been granted to Chengdu Huaxin International City Development Co., Ltd. (成都華新國際城市發展有限公司), for a term of 70 years for residential use.

As advised, no Certificate for the Use of State-owned Land will be applied in name of Chengdu Industrial Jinxiu Property Services Co., Ltd. (成都上實錦綉物業服務有限公司).

- (2) According to three Building Ownership Certificates, the building ownership rights of the Property, comprising a total gross floor area of 127.43 sq m, have been vested in Chengdu Industrial Jinxiu Property Services Co., Ltd. (成都上實錦綉物業服務有限公司), a 85% owned subsidiary of SIDC:-

Certificate No.	Date of Issue	Use	Gross Floor Area (sq m)
2009659	10 August 2009	Commercial	27.09
2007135	6 August 2009	Commercial	27.09
2007137	6 August 2009	Commercial	73.25
Total			127.43

- (3) According to Business Licence No. 510100000042919, Chengdu Industrial Jinxiu Property Services Co., Ltd. (成都上實錦綉物業服務有限公司) was established as a limited liability company with a registered capital of RMB5,000,000 operating on 23 October 2001.

- (4) According to the PRC legal opinion:–
- (i) Above mentioned Building Ownership Certificates are protected by the PRC laws and Chengdu Industrial Jinxiu Property Services Co., Ltd. (成都上實錦綉物業服務有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (ii) Chengdu Industrial Jinxiu Property Services Co., Ltd. (成都上實錦綉物業服務有限公司) has right to occupy, use, transfer and lease the Property; and
 - (iii) The Property is not subject to any pledge.
- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser–

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Group III – Properties held by SIDC Group under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
25. Phase 2 of Belle River Villa, Lane 999 Fuxing Road, Zhujiajiao Town, Qingpu District, Shanghai, the PRC	<p>Belle River Villa is a large-scale villa development erected on a parcel of land with a total site area of approximately 315,072.00 sq m.</p> <p>According to the information provided by SIDC Group, the Property will be developed into a large-scale villa development with a planned total gross floor area of approximately 32,409.22 sq m (including basement area of 3,911.00 sq m).</p> <p>The land use rights of the Property have been granted for a term of 70 years from 20 January 2003 to 19 January 2073 for residential use.</p>	<p>The Property is under construction, portion of the Property is constructed to superstructure and portion of the Property is a vacant land. The Property is scheduled to be completed in 2011 by phases.</p>	<p>RMB542,000,000</p> <p>(100% interest attributable to SIDC Group: RMB542,000,000)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2010)008817 dated 29 June 2010, the land use rights and building ownership of Belle River Villa, comprising a total site area of 315,072 sq m have been vested in Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司), a 100% owned subsidiary of SIDC, for a term of 70 years from 20 January 2003 to 19 January 2073 for residential use.
- (2) According to Grant Contract of Land Use Rights No. (2003)9 dated 20 January 2003:–
 - (i) Grantee : SIIC Shanghai (Holdings) Co., Ltd. (上海上實(集團)有限公司), Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司)
 - (ii) Site Area : 315,073 sq m
 - (iii) Land Use : Residential
 - (iv) Plot Ratio : ≤0.14
 - (v) Land Premium : RMB31,192,227
 - (vi) Land Use Term : 70 years
- (3) According to Planning Permit for Construction Use of Land No. (2003)0611 dated 13 November 2003, the construction site of land with a total site area of 334,905.00 sq m is in compliance with the requirements of urban planning requirement.

- (4) According to four Planning Permits for Construction Works No. (2004)0253 dated 25 August 2004, (2004)0391 dated 25 December 2004, (2005)18050725F01455 dated 20 July 2005 and (2006)18060127F00300 dated 26 January 2006, the Property has been permitted for the construction with a total gross floor area of approximately 13,244.00 sq m (underground gross floor area of 3,911.00 sq m).
- (5) According to five Permit for Commencement of Construction Works No. 0301QP0297D02 dated 2 September 2004, 0301QP0297D03 dated 20 September 2004, 0301QP0297D04 dated 11 January 2005, 0301QP0297D07 dated 7 February 2006 and 0301QP0297D06 dated 2 August 2005, the construction works of the Property was in compliance with the requirement of work commencement and was permitted to be developed with a total gross floor area of approximately 14,938.00 sq m (underground gross floor area of 3,911.00 sq m).
- (6) According to the information provided by SIDC Group, the estimated total construction cost to complete the development is approximately RMB613,100,000; a construction cost of approximately RMB170,500,000 has been expended for the development of the Property as at 30 June 2010. In the course of our valuation, we have taken into account the above expended construction cost.
- (7) The Estimated Market Value as if completed of the proposed development as at 30 June 2010 was approximately RMB1,072,000,000.
- (8) According to Business Licence No. 310229000699947, Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司) was established as a limited liability company on 19 February 2003 with a registered capital of RMB250,000,000 for a valid operation period from 19 February 2003 to 18 February 2023.
- (9) According to the PRC legal opinion:—
- (i) Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司) has obtained valid Grant Contract of Land Use Rights and has fully settled all the land premium of the Property;
 - (ii) Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司) has obtained valid permits and certificates and Shanghai Lake City Co., Ltd. (上海上實湖濱新城發展有限公司) is the registered land owner;
 - (iii) The Property is pledged to a bank. The transfer of the Property is subject to the consent from the bank; and
 - (iv) The Property is not subject to the situation of expropriating the idle land fee or revoke the land without compensation because of the idle land.
- (10) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:—

Shanghai Certificate of Real Estate Ownership	Yes
Grant Contract of Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes (Partly)
Planning Permit for Construction Works	Yes (Partly)
Permits for Commencement of Construction Works	Yes (Partly)
Pre-sale Permit for Commodity Housing	No
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
26. Shanghai Bay, No. 228 Luzhou Road, Zhujiajiao Town, Qingpu District, Shanghai, the PRC	<p>Shanghai Bay is a large-scale villa/townhouse development erected on two parcels of land with a total site area of approximately 808,572.30 sq m.</p> <p>According to the information provided by SIDC Group, the Property will be developed into a large-scale villa/townhouse development with a planned total gross floor area of approximately 534,300.00 sq m (including basement area of 129,600.00 sq m).</p> <p>The land use rights of the Property have been granted for a term of 70 years from 20 January 2003 to 19 January 2073 for residential use.</p>	<p>The Property is under construction, portion of the Property is constructed to superstructure and portion of the Property is a vacant land. The Property is scheduled to be completed in 2016 by phases.</p>	<p>RMB5,850,000,000</p> <p>(100% interest attributable to SIDC Group: RMB5,850,000,000)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2008)011945 dated 3 December 2008, the land use rights of the Property, comprising a total site area of 808,572.30 sq m, have been vested in Shanghai Fengzezhiye Co., Ltd. (上海豐澤置業有限公司), a 100% owned subsidiary of SIDC, for a term of 70 years from 20 January 2003 to 19 January 2073 for residential use.
- (2) According to two Grant Contracts of Land Use Rights dated 13 November 2005, the land use rights of the Property have been granted to SIIC Shanghai Holdings Co., Ltd. (上海上實(集團)有限公司) for residential use:-

Contract No.	Land Use Term	Site Area (sq m)	Land Premium (RMB)
(2005) 25	70 years	488,358	81,311,674
(2005) 29	70 years	320,214	53,315,664
Total		808,572	134,627,338

- (3) According to three Planning Permits for Construction Use of Land Nos. (2004) 0078 dated 18 March 2004, (2004) 0113 and (2004) 0119 dated 23 March 2004, the construction site of land with a total site area of 804,500.00 sq m is in compliance with the requirements of urban planning requirement.
- (4) According to two Planning Permits for Construction Works Nos. (2009)FA31011820091898 and (2009)FA31011820091900 dated 26 August 2009, the Property has been permitted for the construction with a total gross floor area of approximately 85,586.00 sq m (underground gross floor area of 29,583.00 sq m).

- (5) According to two Permit for Commencement of Construction Works Nos. 09ZIQP0008D01 dated 23 September 2009 and 09ZIQP0003D01 dated 28 September 2009, the construction works of the Property was in compliance with the requirement of work commencement and was permitted to be developed with a total gross floor area of approximately 85,586.00 sq m (underground gross floor area of 29,583.00 sq m).
- (6) According to the information provided by SIDC Group, the estimated total construction cost to complete the development is approximately RMB2,691,700,000; a construction cost of approximately RMB82,100,000 has been expended for the development of the Property as at 30 June 2010. In the course of our valuation, we have taken into account the above expended construction cost.
- (7) The Estimated Market Value as if completed of the proposed development as at 30 June 2010 was approximately RMB7,971,000,000.
- (8) According to Business Licence No. 310229001306167, Shanghai Fengzezhiye Co., Ltd. (上海豐澤置業有限公司) was established as a limited liability company on 24 June 2008 with a registered capital of RMB30,000,000 for a valid operation period from 24 June 2008 to 23 June 2018.
- (9) According to the PRC legal opinion:—
- (i) Shanghai Fengzezhiye Co., Ltd. (上海豐澤置業有限公司) has obtained valid Grant Contract of Land Use Rights and has fully settled all the land premium of the Property;
 - (ii) Shanghai Fengzezhiye Co., Ltd. (上海豐澤置業有限公司) has obtained valid permits and certificates and Shanghai Fengzezhiye Co., Ltd. (上海豐澤置業有限公司) is the registered land owner; and
 - (iii) The Property is not subject to any pledge.
- (10) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:—
- | | |
|--|-----|
| Shanghai Certificate of Real Estate Ownership | Yes |
| Grant Contract of Land Use Rights | Yes |
| Planning Permit for Construction Use of Land | Yes |
| Planning Permit for Construction Works | Yes |
| Permits for Commencement of Construction Works | Yes |
| Business Licence | Yes |

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
27. Changhai Building, No. 1078 Jiangning Road, Putuo District, Shanghai, the PRC	<p>Changhai Building is a high-rise office development erected on a parcel of land with a total site area of approximately 6,255.00 sq m.</p> <p>According to the information provided by SIDC Group, the Property will be developed into a high-rise office development with a planned total gross floor area of approximately 34,716.22 sq m (including basement area of 7,711.00 sq m).</p> <p>The land use rights of the Property have been granted for a term from 1 December 1992 to 30 November 2042 for commercial composite use.</p>	<p>The Property is under construction and constructed to superstructure and scheduled to be completed in 2010.</p>	<p>RMB604,000,000</p> <p>(51% interest attributable to SIDC Group: RMB308,040,000)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2008)013204 dated 6 June 2008, the land use rights of the Property, comprising a total site area of 6,255 sq m, have been vested in Shanghai Changhai Real Estate Development Ltd. (上海長海房地產發展有限公司), a 51% owned subsidiary of SIDC, for a term from 1 December 1992 to 30 November 2042 for commercial composite use.
- (2) According to Grant Contract of Land Use Rights No. (1992)48 dated 15 July 1992:–
 - (i) Grantee : Hong Kong Shanghai Industrial Co., Ltd.
(香港上海實業有限公司)
Shanghai Putuoqu Integrated Urban Development Company
(上海市普陀區城市建設綜合開發公司)
 - (ii) Site Area : 34,314.00 sq m
 - (iii) Land Use : Commercial, office, residential
 - (iv) Plot Ratio : Public facilities: 8, Residential: 3.9
 - (v) Land Premium : USD8,899,200
 - (vi) Land Use Term : 50 years (70 years for residential tower)
- (3) According to Planning Permit for Construction Works No. (2007)07070517F01358 dated 16 May 2007, the Property has been permitted for the construction with a total gross floor area of approximately 34,716.22 sq m.
- (4) According to Permit for Commencement of Construction Works No. 9801PT0008 D04 dated 2 July 2007, the construction works of the Property was in compliance with the requirement of work commencement and was permitted to be developed with a total gross floor area of approximately 34,716.00 sq m.

- (5) According to the information provided by SIDC Group, the estimated total construction cost to complete the development is approximately RMB246,000,000; a construction cost of approximately RMB180,000,000 has been expended for the development of the Property as at 30 June 2010. In the course of our valuation, we have taken into account the above expended construction cost.
- (6) The Estimated Market Value as if completed of the proposed development as at 30 June 2010 was approximately RMB657,000,000.
- (7) According to Business Licence No. 310000400018935, Shanghai Changhai Real Estate Development Ltd. (上海長海房地產發展有限公司) was established as a limited liability company on 7 August 1992 with a registered capital of RMB147,797,799 for a valid operation period from 7 August 1992 to 6 August 2042.
- (8) According to the PRC legal opinion:—
- (i) Shanghai Changhai Real Estate Development Ltd. (上海長海房地產發展有限公司) has obtained valid Grant Contract of Land Use Rights and has fully settled all the land premium of the Property;
 - (ii) Shanghai Changhai Real Estate Development Ltd. (上海長海房地產發展有限公司) has obtained valid permits and certificates and is the registered land owner; and
 - (iii) The Property is pledged to a bank. The transfer of the Property is subject to the consent from the bank.
- (9) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:—

Shanghai Certificate of Real Estate Ownership	Yes
Grant Contract of Land Use Rights	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
28. Dongfangguoji Villa, junction of Jingsi Road and Weisi Road, East Area of Huzhou, Zhejiang Province, the PRC	<p>The Property is a town mix residential development erected on a parcels of land with a site area of approximately 62,951.00 sq m.</p> <p>According to the information provided by SIDC Group, the Property will be developed into a town mixed residential development with a planned total gross floor area of approximately 64,573.83 sq m (including basement area of 7,468.22 sq m).</p> <p>The land use rights of the Property have been granted for a term due to expire on 29 June 2077 for town mixed residential use.</p>	<p>The Property is under construction and constructed to superstructure and scheduled to be completed in December 2010.</p>	<p>RMB423,000,000</p> <p>(100% interest attributable to SIDC Group: RMB423,000,000)</p>

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2007)16-12577 dated 7 August 2007, the land use rights of the Property, comprising a total site area of 62,951.00 sq m, have been granted to Huzhou Hufengzhiye Co., Ltd. (湖州湖峰置业有限公司), a 100% owned subsidiary of SIDC, for a term due to expire on 29 June 2077 for town mixed residential use.
- (2) According to Grant Contract of Land Use Rights No. (2007)06 dated 30 June 2007:–

(i)	Grantee	:	Huzhou Hufengzhiye Co., Ltd. (湖州湖峰置业有限公司)
(ii)	Site Area	:	62,951.00 sq m
(iii)	Land Use	:	Residential (including service apartment), commercial
(iv)	Plot Ratio	:	1.0
(v)	Land Premium	:	RMB63,200,000
(vi)	Land Use Term	:	70 years for residential 40 years for commercial
- (3) According to Planning Permit for Construction Use of Land No. 330501200900040 dated 24 June 2009, the construction site of land with a total site area of 65,346.00 sq m is in compliance with the requirements of urban planning requirement.
- (4) According to Planning Permit for Construction Works No. 330501200900087 dated 2 September 2009, the Property has been permitted for the construction with the development scheme with a total gross floor area of approximately 64,573.83 sq m (underground gross floor area of 7,468.25 sq m).
- (5) According to Permit for Commencement of Construction Works No. 230511200909090101 dated 9 September 2009, the construction works of the Property was in compliance with the requirement of work commencement and was permitted to be developed with a total gross floor area of approximately 64,573.82 sq m.

- (6) According to two Pre-sale Permits for Commodity Housing, Huzhou Hufengzhiye Co., Ltd. (湖州湖峰置業有限公司) was permitted to pre-sale of the Property with a total gross floor area of 60,360.00 sq m

Certificate No.	Date of Issue	Gross Floor Area (sq m)
(2009)032	15 February 2009	32,769.00
(2010)009	16 March 2010	27,591.00
Total		60,360.00

- (7) According to the information provided by SIDC Group, 20,394 sq m has been pre-sold at a total consideration of approximately RMB122,749,300 as at 30 June 2010. In the course of our valuation, we have taken into account the said pre-sold consideration.
- (8) According to the information provided by SIDC Group, the estimated total construction cost to complete the development is approximately RMB249,000,000; a construction cost of approximately RMB127,000,000 has been expended for the development of the Property as at 30 June 2010. In the course of our valuation, we have taken into account the above expended construction cost.
- (9) The Estimated Market Value as if completed of the proposed development as at 30 June 2010 was approximately RMB584,000,000.
- (10) According to Business Licence No. 330500000010093, Huzhou Hufengzhiye Co., Ltd. (湖州湖峰置業有限公司) was established as a limited liability company with a registered capital of RMB20,000,000 for a valid operation period from 6 February 2007 to 5 February 2027.
- (11) According to the PRC legal opinion:–
- (i) Huzhou Hufengzhiye Co., Ltd. (湖州湖峰置業有限公司) has obtained valid Grant Contract of Land Use Rights and has fully settled all the land premium of the Property;
 - (ii) Huzhou Hufengzhiye Co., Ltd. (湖州湖峰置業有限公司) has obtained valid permits and certificates and is the registered land owner; and
 - (iii) The Property is not subject to any pledge.
- (12) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Pre-sale Permits for Commodity Housing	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
29. Portion of Phase 1, Phase 2 of Sea Melody, North of Xingsheng Road, Xiaguan Town, Dali, Yunnan Province, the PRC	<p>Sea Melody is a large-scale composite commercial and residential development erected on a parcel of land with a site area of approximately 175,056.27 sq m.</p> <p>The Property comprises commercial portion of Phase 1 with a gross floor area of approximately 2,514.86 sq m and a car parking space and whole of Phase 2.</p> <p>According to the information provided by SIDC Group, Phase 2 of Sea Melody will be developed into a composite commercial and residential development with a planned total gross floor area of approximately 197,273.10 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 28 June 2045 and 28 June 2075 for commercial and residential use respectively.</p>	<p>The Property is under construction, portion of the Property is constructed to basement, portion of the Property is constructed to superstructure. The Property is scheduled to be completed in 2013.</p>	<p>RMB504,000,000</p> <p>(75% interest attributable to SIDC Group: RMB378,000,000)</p>

Notes:

- (1) According to two Certificates for the Use of State-owned Land, the land use rights of the Sea Melody with a total site area of 292,123.22 sq m, have been granted to Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司), a 75% owned subsidiary of SIDC:—

Certificate No.	Location	Date of Issue	Approximate Site Area (sq m)	Use	Expiry Date
(2006)05091	North of Xingsheng Road, Xiaguan Town, Dali	24 August 2006	242,527.87	Commercial and town single residential	Commercial: 28 June 2045 Residential: 28 June 2075
(2006)05090	North of Xingsheng Road, Xiaguan Town, Dali	24 August 2006	49,595.35	Commercial and town single residential	Commercial: 28 June 2045 Residential: 28 June 2075
Total			<u>292,123.22</u>		

As advised, the Property with a site area of 175,056.27 sq m is part of the said land in Note (1).

(2) According to Grant Contract of Land Use Rights No. (2005)74 dated 28 June 2005:–

(i)	Grantee	:	Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司)
(ii)	Site Area	:	293,780.80 sq m
(iii)	Land Use	:	Commercial, residential
(iv)	Plot Ratio	:	≤ 1.8 (As per the PRC legal opinion, maximum gross floor area: 528,805.44 sq m)
(v)	Land Premium	:	RMB109,484,220
(vi)	Land Use Term	:	40 years for commercial due to expire on 28 June 2045 70 years for residential due to expire on 28 June 2075

(3) According to Planning Permit for Construction Use of Land No. 2006038 dated 20 November 2006, the construction site of land with a total site area of 29.212 hm is in compliance with the requirements of urban planning requirement.

(4) According to eighteen Planning Permits for Construction Works, the Property has been permitted for the construction with the development scheme with a total gross floor area of approximately 200,718.18 sq m:–

Certificate No.	Date of Issue	Construction Scale (sq m)
2009-148	30 August 2009	46,323.00
2010-003	7 January 2010	24,415.00
2010-004	7 January 2010	12,022.20
2010-005	7 January 2010	12,042.80
2010-006	7 January 2010	9,947.60
2010-007	7 January 2010	9,933.20
2010-008	7 January 2010	9,125.70
2010-009	7 January 2010	8,811.00
2010-010	7 January 2010	6,344.20
2010-011	7 January 2010	6,318.10
2010-012	7 January 2010	6,344.20
2010-013	7 January 2010	7,861.90
2010-014	7 January 2010	6,867.60
2010-015	7 January 2010	7,396.40
2010-016	7 January 2010	6,127.70
2010-017	7 January 2010	511.30
2010-018	7 January 2010	1,044.20
2010-019	7 January 2010	19,282.08
Total		200,718.18

(5) According to three Permits for Commencement of Construction Works, the construction works of the Property was in compliance with the requirement of work commencement and was permitted to be developed with a total gross floor area of approximately 158,996.30 sq m:–

Certificate No.	Date of Issue	Construction Scale (sq m)
532900200911186401	18 November 2009	46,323.00
532901201004163501	16 April 2010	64,385.30
532901201007127501	12 July 2010	48,288.00
Total		158,996.30

- (6) According to three Pre-sale Permits for Commodity Housing, Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) was permitted to pre-sale of the Property with a total gross floor area of 46,360.20 sq m.
- (7) According to the information provided by SIDC Group, 14,531.90 sq m has been pre-sold at a total consideration of approximately RMB92,786,664 as at 30 June 2010. In the course of our valuation, we have taken into account the said pre-sold consideration.
- (8) According to the information provided by SIDC Group, the estimated total construction cost to complete the development is approximately RMB724,000,000; a construction cost of approximately RMB89,000,000 has been expended for the development of the Property as at 30 June 2010. In the course of our valuation, we have taken into account the above expended construction cost.
- (9) The Estimated Market Value as if completed of the proposed development as at 30 June 2010 was approximately RMB1,249,000,000.
- (10) According to Business Licence No. 532901000003050, Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) was established as a limited liability company on 26 May 2005 with a registered capital of RMB10,000,000 for a valid operation period from 26 May 2005 to 26 May 2025.
- (11) According to the PRC legal opinion:–
- (i) Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) has obtained valid Grant Contract of Land Use Rights and has fully settled all the land premium of the Property;
 - (ii) Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) has obtained valid permits and certificates and (大理上實城市發展有限公司) is the registered land owner;
 - (iii) The Property is not subject to any pledge;
 - (iv) Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) has right to pre-sale the Property according to the Pre-sale Permit for Commodity Housing; and
 - (v) Dali Shanghai Industrial Urban Development Co., Ltd. (大理上實城市發展有限公司) is not subject to the legal risk of idle land because of the delay to commence construction was due to delay in handling land by the government.
- (12) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–
- | | |
|--|-----|
| Certificate for the Use of State-owned Land | Yes |
| Grant Contract of Land Use Rights | Yes |
| Planning Permit for Construction Use of Land | Yes |
| Planning Permit for Construction Works | Yes |
| Permits for Commencement of Construction Works | Yes |
| Pre-sale Permit for Commodity Housing | Yes |
| Business Licence | Yes |

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
30. Shengshijiangnan, West of Aijianyihuan Road, Daoli District, Harbin, Heilongjiang Province, the PRC	<p>The Property is a residential development erected on a parcel of land with a site area of approximately 42,110.00 sq m.</p> <p>According to the information provided by SIDC Group, the Property will be developed into a residential development with a planned total gross floor area of approximately 239,534.17 sq m (including basement area of 24,258.55 sq m).</p> <p>The land use rights of the Property have been granted for a term due to expire on 18 November 2077 and 18 November 2047 for residential and commercial use respectively.</p>	<p>The Property is under construction and constructed to superstructure and scheduled to be completed in December 2010.</p>	<p>RMB2,076,000,000</p> <p>(100% interest attributable to SIDC Group: RMB2,076,000,000)</p>

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2008)69 dated 4 September 2008, the land use rights of the Property, comprising a total site area of 42,110 sq m, has been granted to Harbin Shangshi Co., Ltd. (哈爾濱上實置業有限公司), a 100% owned subsidiary of SIDC, for a term due to expire on 18 November 2077 and 18 November 2047 for residential and commercial use respectively.
- (2) According to Grant Contract of Land Use Rights dated 30 June 2008:–
 - (i) Grantee : Harbin Shangshi Co., Ltd.
(哈爾濱上實置業有限公司)
 - (ii) Site Area : 42,110 sq m
 - (iii) Land Use : Commercial and residential
 - (iv) Plot Ratio : 4.95 (As per the PRC legal opinion, maximum gross floor area is 208,444.5 sq m)
 - (v) Land Premium : RMB559,587,100
 - (vi) Land Use Term : Residential due to expire on 18 November 2077
Commercial due to expire on 18 November 2047
- (3) According to Planning Permit for Construction Use of Land No. (2007)85 dated 12 June 2007, the construction site of land with a total site area of 42,110.00 sq m is in compliance with the requirements of urban planning requirement.
- (4) According to Planning Permits for Construction Works No. (2008)13 dated 20 March 2008, the Property has been permitted for the construction with the development scheme with a total gross floor area of approximately 234,069.02 sq m.

- (5) According to nine Permits for Commencement of Construction Works dated 16 May 2008, the construction works of the Property was in compliance with the requirement of work commencement and was permitted to be developed with a total gross floor area of approximately 234,066.00 sq m.
- (6) According to the information provided by SIDC Group, 41,249.09 sq m has been pre-sold at a total consideration of approximately RMB412,544,227 as at 30 June 2010. In the course of our valuation, we have taken into account the said pre-sold consideration.
- (7) According to the information provided by SIDC Group, the estimated total construction cost to complete the development is approximately RMB727,000,000; a construction cost of approximately RMB574,000,000 has been expended for the development of the Property as at 30 June 2010. In the course of our valuation, we have taken into account the above expended construction cost.
- (8) The Estimated Market Value as if completed of the proposed development as at 30 June 2010 was approximately RMB2,407,000,000.
- (9) According to Business Licence No. 230102100145960(1-1), Harbin Shangshi Co., Ltd. (哈爾濱上實置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 10 January 2008 to 9 January 2028.
- (10) According to the PRC legal opinion:—
- (i) Harbin Shangshi Co., Ltd. (哈爾濱上實置業有限公司) has obtained valid Grant Contract of Land Use Rights and has fully settled all the land premium of the Property;
 - (ii) Harbin Shangshi Co., Ltd. (哈爾濱上實置業有限公司) has obtained valid permits and certificates and is the registered land owner; and
 - (iii) The Property is not subject to any pledge.
- (11) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:—
- | | |
|--|-----|
| Certificate for the Use of State-owned Land | Yes |
| Grant Contract of Land Use Rights | Yes |
| Planning Permit for Construction Use of Land | Yes |
| Planning Permit for Construction Works | Yes |
| Permits for Commencement of Construction Works | Yes |
| Pre-sale Permit for Commodity Housing | Yes |
| Business Licence | Yes |

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
31. Hurun Plaza, Land No. HD48, Hudongfenqu, Huzhou, Zhejiang Province, the PRC	<p>The Property is a composite office and commercial development erected on a parcel of land with a site area of approximately 13,661.00 sq m.</p> <p>According to the information provided by SIDC Group, the Property will be developed into a composite office and commercial development with a planned total gross floor area of approximately 27,322.00 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 28 December 2047 for commercial use.</p>	<p>Part of the Property, with a gross floor area of 6,589 sq m, is under construction and constructed to superstructure. The remaining site is vacant and is scheduled to be completed in December 2012.</p>	<p>RMB66,400,000</p> <p>(100% interest attributable to SIDC Group: RMB66,400,000)</p>

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2008)1-1497 dated 1 February 2008, the land use rights of the Property, comprising a total site area of 13,661.00 sq m, has been granted to Huzhou Hurun Construction Management Co., Ltd. (湖州湖潤建設管理有限公司), a 100% owned subsidiary of SIDC, for a term due to expire on 28 December 2047 for commercial use.
- (2) According to Grant Contract of Land Use Rights No. (2007)56 dated 29 December 2007:–

(i) Grantee	:	Huzhou Hurun Construction Management Co., Ltd. (湖州湖潤建設管理有限公司)
(ii) Site Area	:	13,661.00 sq m
(iii) Land Use	:	Commercial, office
(iv) Plot Ratio	:	1.8 – 2.0 (As per the PRC legal opinion, maximum gross floor area is 27,322 sq m)
(v) Land Premium	:	RMB17,367,700
(vi) Land Use Term	:	40 years
- (3) According to Planning Permit for Construction Use of Land No. 330501200900057 dated 1 July 2009, the construction site of land with a total site area of 13,660.90 sq m is in compliance with the requirements of urban planning requirement.
- (4) According to Planning Permit for Construction Works No. 33050120100004, the Property has been permitted for the construction with a total gross floor area of approximately 6,626.98 sq m.
- (5) According to Permit for Commencement of Construction Works No. 330511200912180201 dated 18 December 2009, the construction works of the Property was in compliance with the requirement of work commencement and was permitted to be developed with a gross floor area of approximately 6,626.98 sq m.

- (6) According to the information provided by SIDC Group, the estimated total construction cost to complete the development is approximately RMB86,000,000; a construction cost of approximately RMB34,000,000 has been expended for the development of the 6,598.00 sq m of the Property as at 30 June 2010. In the course of our valuation, we have taken into account the above expended construction cost.
- (7) The Estimated Market Value as if completed of the proposed 6,598.00 sq m development as at 30 June 2010 was approximately RMB46,186,000.
- (8) According to Business Licence No.330503000005539, Huzhou Hurun Construction Management Co., Ltd. (湖州湖潤建設管理有限公司) was established as a limited liability company with a registered capital of RMB1,000,000 for a valid operation period from 19 December 2007 to 18 December 2027.
- (9) According to the PRC legal opinion:–
- (i) Huzhou Hurun Construction Management Co., Ltd. (湖州湖潤建設管理有限公司) has obtained valid Grant Contract of Land Use Rights and has fully settled all the land premium of the Property;
 - (ii) Huzhou Hurun Construction Management Co., Ltd. (湖州湖潤建設管理有限公司) has obtained valid permits and certificates and is the registered land owner;
 - (iii) The Property is not subject to any pledge; and
 - (iv) Huzhou Hurun Construction Management Co., Ltd. (湖州湖潤建設管理有限公司) is not subject to the legal risk of idle land because of the delay to commence construction because government approval to postpone the development has been issued.
- (10) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–
- | | |
|---|-----|
| Certificate for the Use of State-owned Land | Yes |
| Grant Contract of Land Use Rights | Yes |
| Planning Permit for Construction Use of Land | Yes |
| Planning Permit for Construction Works | Yes |
| Permit for Commencement of Construction Works | Yes |
| Business Licence | Yes |

VALUATION CERTIFICATE

	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010								
32.	Tower A, Gongti No.3, No. 3 West Gongti Road, Dongcheng District, Beijing, the PRC	<p>The Property is a composite apartment and commercial development. The Property was completed in 2006 and is pending for Completion and Acceptance of Construction Works.</p> <p>The Property comprises 85 apartment units, 7 commercial units and 50 car parking spaces of Tower A with a total gross floor area of approximately 25,905.29 sq m:-</p> <table><tr><th>Use</th><th>Approximate Gross Floor Area (sq m)</th></tr><tr><td>Apartment</td><td>22,095.44</td></tr><tr><td>Commercial</td><td><u>3,809.85</u></td></tr><tr><td>Total:</td><td><u><u>25,905.29</u></u></td></tr></table> <p>Car parking space 50 lots</p> <p>The land use rights of the Property have been granted for a term due to expire on 9 December 2073 for apartment use.</p>	Use	Approximate Gross Floor Area (sq m)	Apartment	22,095.44	Commercial	<u>3,809.85</u>	Total:	<u><u>25,905.29</u></u>	The Property is currently vacant.	RMB660,000,000 (100% interest attributable to SIDC Group: RMB660,000,000)
Use	Approximate Gross Floor Area (sq m)											
Apartment	22,095.44											
Commercial	<u>3,809.85</u>											
Total:	<u><u>25,905.29</u></u>											

Notes:

- (1) According to Beijing Commodity Housing Pre-sale Contract No. BF-2005-0116 dated 12 June 2006 entered into between Beijing Shijizhongji Real Estate Development Co., Ltd. (北京世紀中基房地產開發有限公司) (Party A) and Shanghai Industrial Nankai Real Estate Co., Ltd. (上海上實南開地產有限公司) (Party B), a 100% owned subsidiary of SIDC, Party B agree to purchase the property with a gross floor area of 26,000 sq m for a total consideration of RMB478,000,000.

As advised, the Property with a total gross floor area of 25,905.29 sq m is part of the said gross floor area in Note (1).

- (2) According to the Civil Judgments Nos. (2009)2650 and (2009)1069 issued by Beijing Municipal Higher People's Court (北京市高級人民法院), Shanghai Industrial Nankai Real Estate Co., Ltd. (上海上實南開地產有限公司) owned the possession of 92 units and 50 car parking spaces.
- (3) According to Business Licence No. 310000400143851, Shanghai Industrial Nankai Real Estate Co., Ltd. (上海上實南開地產有限公司) was established as a limited liability company with a registered capital of RMB223,674,453 for a valid operation period from 5 April 1996 to 4 April 2016.

- (4) According to the PRC legal opinion:–
- (i) The Property is not subject to any pledge;
 - (ii) Shanghai Industrial Nankai Real Estate Co., Ltd. (上海上實南開地產有限公司) has obtained valid Commodity Housing Pre-sale Contract. According to the Civil Judgments issued by Beijing Municipal Higher People's Court, Shanghai Industrial Nankai Real Estate Co., Ltd (上海上實南開地產有限公司) owned 92 units and 50 lots of car parking spaces; and
 - (iii) Shanghai Industrial Nankai Real Estate Co., Ltd. (上海上實南開地產有限公司) has no obstacle to obtain the related title document if Beijing Shijizhongji Real Estate Development Co., Ltd. (北京世紀中基房地產開發有限公司) has fulfilled the obligation of Beijing Municipal Higher People's Court Civil Judgement (北京市高級人民法院民事裁定書).
- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	No
Grant Contract of Land Use Rights	No
Planning Permit for Construction Use of Land	No
Planning Permit for Construction Works	No
Permits for Commencement of Construction Works	No
Commodity Housing Pre-sale Contract	Yes
Business Licence	Yes

We are advised that the related title document will be applied in name of Shanghai Industrial Nankai Real Estate Co., Ltd (上海上實南開地產有限公司) in due course.

VALUATION CERTIFICATE

Group IV – Properties held by SIDC Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
33. Phases 3 and 4 of Laiyinxiaozhen, junction of Zeyang Road and Liuxia Road, Yangliuqing Town, Xiqing District, Tianjin, the PRC	<p>Laiyinxiaozhen comprises two parcels of land with a total site area of approximately 375,960.89 sq m.</p> <p>According to the information provided by SIDC Group, the Property is proposed to be developed into a residential development with a planned total gross floor area of approximately 300,000.00 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 5 January 2073 and 11 December 2073 for residential use.</p>	<p>The Property is currently vacant and pending for development.</p>	<p>RMB623,000,000</p> <p>(100% interest attributable to SIDC Group: RMB623,000,000)</p>

Notes:

- (1) According to two Certificates for the Use of State-owned Land, the land use rights of the development, comprising a total site area of approximately 375,960.89 sq m, have been granted to Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司), a 100% owned subsidiary of SIDC:–

Certificate No.	Approximate Site Area (sq m)	Use	Expiry Date
(2004) 003	258,000.60	Residential	5 January 2073
(2004) 161	117,960.29	Residential	11 December 2073
Total	375,960.89		

- (2) According to Grant Contract of Land Use Rights No. 1 dated 12 December 2003:–

(i)	Grantee	:	Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司)
(ii)	Site Area	:	117,960.29 sq m
(iii)	Land Use	:	Residential
(iv)	Plot Ratio	:	≤ 1.2
(v)	Land Grant Fee	:	RMB7,904,080
(vi)	Land Use Term	:	70 years

According to Grant Contract of Land Use Rights No. 2 dated 28 September 2003:–

(i)	Grantee	:	Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司)
(ii)	Site Area	:	258,000.60 sq m
(iii)	Land Use	:	Residential
(iv)	Plot Ratio	:	≤ 1.2
(v)	Land Grant Fee	:	RMB17,286,600
(vi)	Land Use Term	:	70 years

As advised, the Property with a site area of 240,500 sq m is part of the said land in Note (1) & (2)

- (3) According to Business Licence No.120111000014309, Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司) was established as a limited liability company with a registered capital of RMB75,000,000 for a valid operation period from 23 May 2003 to 22 May 2023.
- (4) According to the PRC legal opinion:–
- (i) Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司) has fully settled all the land premium of the Property;
- (ii) Tianjin Zhongtian Xingye Real Estate Development Co., Ltd. (天津市中天興業房地產開發有限公司) is the registered owner of the Property; and
- (iii) The Property is not subject to any pledge; and
- (iv) The construction has been carried out by phases, it is not considered as idle land.
- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
34. Phase 1, Qingdao International Beer City, North of Hong Kong East Road, East of Haier Road, Laoshan District, Qingdao, Shandong Province, the PRC	<p>The Property comprises a parcel of land with a site area of approximately 227,674.70 sq m.</p> <p>According to the information provided by SIDC Group, the Property is proposed to be developed into a composite development with a planned total gross floor area of approximately 630,000 sq m (including basement area of 180,000 sq m).</p> <p>The land use rights of the Property have been granted for a term due to expire on 30 December 2056 for composite use.</p>	<p>The Property is currently vacant and pending for development.</p>	<p>RMB4,000,000,000</p> <p>(100% interest attributable to SIDC Group: RMB4,000,000,000)</p>

Notes:

- (1) According to Real Estate Title Certificate No. 20073701, the land use rights of the Property, comprising a total site area of 227,674.70 sq m, have been vested in Shanghai Industrial Development (Qingdao) Investment Co., Ltd. (上實發展(青島)投資開發有限公司), a 100% owned subsidiary of SIDC, for a term due to expire on 30 December 2056 for composite use.
- (2) According to Grant Contract of Land Use Rights No. (2006) 24 dated 31 December 2006:–
 - (i) Grantee : Shanghai Industrial Development (Qingdao) Investment Co., Ltd.
(上實發展(青島)投資開發有限公司)
 - (ii) Site Area : 227,674.70 sq m
 - (iii) Land Use : Composite
 - (iv) Plot Ratio : ≤ 2.0 (As per the PRC legal opinion, maximum gross floor area is 455,349.40 sq m)
 - (v) Land Grant Fee : RMB736,000,000
 - (vi) Land Use Term : 50 years
- (3) According to Planning Permit for Construction Use of Land No. 370200201005001 dated 22 January 2010, the construction site of a parcel of land with a total site area of 227,674.70 sq m is in compliance with the requirements of urban planning requirement.
- (4) According to Business Licence No. 370212018075020, Shanghai Industrial Development (Qingdao) Investment Co., Ltd. (上實發展(青島)投資開發有限公司) was established as a limited liability company with a registered capital of RMB350,000,000 for a valid operation period from 22 December 2006 to 20 December 2026.
- (5) According to the PRC legal opinion:–
 - (i) Shanghai Industrial Development (Qingdao) Investment Co., Ltd. (上實發展(青島)投資開發有限公司) has fully settled all the land premium of the Property;

- (ii) Shanghai Industrial Development (Qingdao) Investment Co., Ltd. (上實發展(青島)投資開發有限公司) is the registered owner of the Property;
 - (iii) The Property is not subject to any pledge; and
 - (iv) The delay in construction is due to the handing over of land, it is not considered as idle land legal risk.
- (6) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Real Estate Title Certificate	Yes
Grant Contract of Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Business License	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
35. Hotel portion of Qingdao Laoshan Project, North of Hong Kong East Road, East of Songling Road, Laoshan District, Qingdao, Shandong Province, the PRC	<p>Qingdao Laoshan Project is a residential and hotel development, comprises a parcel of land with a site area of approximately 43,163.70 sq m (including the site area of Property No. 4).</p> <p>According to the information provided by SIDC Group, the Property is proposed to be developed into a hotel development with a planned total gross floor area of approximately 40,000.00 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 24 May 2055 for commercial finance and residential use.</p>	The Property is currently vacant and pending for development.	<p>RMB257,000,000</p> <p>(55% interest attributable to SIDC Group: RMB141,350,000)</p>

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2005)082, the land use rights of the Property, comprising a total site area of approximately 43,163.70 sq m, have been granted to Qingdao Shanghai Industrial Real Estate Co., Ltd. (青島上實地產有限公司), a 55% owned subsidiary of SIDC, for a term due to expire on 24 May 2055 for commercial finance and residential use.
- (2) According to Grant Contract of Land Use Rights No. (2002)30 dated 30 June 2002 and Transfer Contract of Land Use Rights dated 28 June 2005:–
 - (i) Grantee : Qingdao Shanghai Industrial Real Estate Co., Ltd. (青島上實地產有限公司)
 - (ii) Site Area : 49,675.20 sq m (in which 43,163.70 sq m is granted land)
 - (iii) Land Use : Commercial
 - (iv) Land Grant Fee : RMB28,962,849.41
 - (v) Land use Term : 40 years
- (3) According to Planning Permit for Construction Use of Land No. (2006)30 dated 31 August 2006, the construction site of a parcel of land with a total site area of 43,163.70 sq m is in compliance with the requirements of urban planning requirement.
- (4) According to Business Licence No. 370200400131243, Qingdao Shanghai Industrial Real Estate Co., Ltd. (青島上實地產有限公司) was established as a limited liability company with a registered capital of USD3,620,000 for a valid operation period from 12 November 2004 to 12 November 2044.
- (5) According to the PRC legal opinion:–
 - (i) Qingdao Shanghai Industrial Real Estate Co., Ltd. (青島上實地產有限公司) has fully settled all the land premium of the Property;

- (ii) Qingdao Shanghai Industrial Real Estate Co., Ltd. (青島上實地產有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (iii) The Property is not subject to any pledge; and
 - (iv) The delay in construction is due to the change in project planning, it is not considered as idle land legal risk.
- (6) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Transfer Contract of Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Business License	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
36. Shangshi Hujun Garden, Nos. 1 & 4 residential land parcel (BLD 19-4, BLD 32-1) Huzhou, Zhejiang Province, the PRC	<p>The Property comprises a parcel of land with a site area of approximately 85,555.00 sq m.</p> <p>According to the information provided by SIDC Group, the Property is proposed to be developed into residential/ composite development with a planned total gross floor area of approximately 85,555.00 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 29 June 2077 for residential use.</p>	<p>The Property is currently vacant and pending for development.</p>	<p>RMB150,000,000</p> <p>(100% interest attributable to SIDC Group: RMB150,000,000)</p>

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2007)1-12688, the land use rights of the Property, comprising a total site area of 85,555.00 sq m, have been vested in Huzhou Hujunzhiye Co., Ltd. (湖州湖峻置業有限公司), a 100% owned subsidiary of SIDC, for a term due to expire on 29 June 2077 for residential use.
- (2) According to Grant Contract of Land Use Rights No. (2007)09.
 - (i) Grantee : Huzhou Hujunzhiye Co., Ltd. (湖州湖峻置業有限公司)
 - (ii) Site Area : 85,555.00 sq m
 - (iii) Land Use : Residential
 - (iv) Plot Ratio : 1.0 (As per the PRC legal opinion, maximum gross floor area is 85,555 sq m)
 - (v) Land Grant Fee : RMB89,200,000
 - (vi) Land Use Term : 40 years
- (3) According to Planning Permit for Construction Use of Land No. 330501201000006 dated on 22 January 2010, the construction site of a parcel of land with a total site area of 85,562.00 sq m is in compliance with the requirements of urban planning requirement.
- (4) According to Business Licence No.330500000010116(1-1), Huzhou Hujunzhiye Co., Ltd. (湖州湖峻置業有限公司) was established as a limited liability company with a registered capital of RMB20,000,000 for a valid operation period from 6 February 2007 to 5 February 2027.
- (5) According to the PRC legal opinion:–
 - (i) Huzhou Hujunzhiye Co., Ltd. (湖州湖峻置業有限公司) has fully settled all the land premium of the Property;
 - (ii) Huzhou Hujunzhiye Co., Ltd. (湖州湖峻置業有限公司) is the registered owner of the Property and protected by the PRC laws;

- (iii) The Property is not subject to any pledge; and
- (iv) The delay in construction is due to the resettlement works by the government, it is not considered as idle land legal risk.
- (6) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Permits for Commencement of Construction Works	No
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
37. Shangshi Holiday Inn, Xishan Village, Balidian, Huzhou, Zhejiang Province, the PRC	<p>The Property comprises a parcel of land with a site area of approximately 116,458.00 sq m.</p> <p>According to the information provided by SIDC Group, the Property is proposed to be developed into a commercial development with a planned total gross floor area of approximately 131,200.00 sq m (including non-plot ratio gross floor area of 38,033.60 sq m).</p> <p>The land use rights of the Property have been granted for a term due to expire on 29 June 2047 for commercial use.</p>	<p>The Property is currently vacant and pending for development.</p>	<p>RMB233,000,000</p> <p>(100% interest attributable to SIDC Group: RMB233,000,000)</p>

Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2007)16-12589, the land use rights of the Property, comprising a total site area of 116,458.00 sq m, have been vested in Huzhou Huyuan Investment Development Co., Ltd. (湖州湖源投資發展有限公司), a 100% owned subsidiary of SIDC, for a term due to expire on 29 June 2047 for commercial use.
- (2) According to Grant Contract of Land Use Rights No. (2007)07 dated 30 June 2007:–
 - (i) Grantee : Huzhou Huyuan Investment Development Co., Ltd. (湖州湖源投資發展有限公司)
 - (ii) Site Area : 116,458.00 sq m
 - (iii) Land Use : Commercial
 - (iv) Plot Ratio : 0.8 (As per the PRC legal opinion, maximum gross floor area is 93,166.4 sq m)
 - (v) Land Grant Fee : RMB90,200,000
 - (vi) Land Use Term : 40 years
- (3) According to Planning Permit for Construction Use of Land No. 330501201000005 dated 20 January 2010, the construction site of a parcel of land with a total site area of 116,458.00 sq m is in compliance with the requirements of urban planning requirement.
- (4) According to Business Licence No. 330500000010077(1/1), Huzhou Huyuan Investment Development Co., Ltd. (湖州湖源投資發展有限公司) was established as a limited liability company with a registered capital of RMB20,000,000 for a valid operation period from 6 February 2007 to 5 February 2027.
- (5) According to the PRC legal opinion:–
 - (i) Huzhou Huyuan Investment Development Co., Ltd. (湖州湖源投資發展有限公司) has fully settled all the land premium of the Property;

- (ii) Huzhou Huyuan Investment Development Co., Ltd. (湖州湖源投資發展有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (iii) The Property is not subject to any pledge; and
 - (iv) The delay in construction is due to the resettlement works by the government, it is not considered as idle land legal risk.
- (6) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:—

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
38. Plot 2007-05 HD36, 37, 38, South of Xishanyang and North of Wuxing Road, Balidianzhen, Huzhou, Zhejiang Province, the PRC	<p>The Property comprises three parcels of land with a total site area of approximately 112,356.00 sq m.</p> <p>According to the information provided by SIDC Group, the Property is proposed to be developed into a commercial development with a planned total gross floor area of approximately 89,884.80 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 29 June 2047 for commercial use.</p>	The Property is currently vacant and pending for development.	<p>RMB179,000,000</p> <p>(100% interest attributable to SIDC Group: RMB179,000,000)</p>

Notes:

- (1) According to three Certificates for the Use of State-owned Land, the land use rights of the development, comprising a total site area of 112,356.00 sq m, have been granted to Huzhou Hubing Investment Development Co., Ltd. (湖州湖濱投資發展有限公司), a 100% owned subsidiary of SIDC:-

Certificate No.	Location	Site Area (sq m)	Use	Expiry Date
(2007) 16-13276	North Wuxing Avenue, Balidian, Huzhou	33,869.00	Commercial	29 June 2047
(2007) 16-13277	North Wuxing Avenue, Balidian, Huzhou	36,916.00	Commercial	29 June 2047
(2007) 16-13278	North Wuxing Avenue, Balidian, Huzhou	41,571.00	Commercial	29 June 2047
Total		112,356.00		

- (2) According to Grant Contract of Land Use Rights No. (2007)10 dated 30 June 2007:-

(i)	Grantee	:	Huzhou Hubing Investment Development Co., Ltd. (湖州湖濱投資發展有限公司)
(ii)	Site Area	:	112,356.00 sq m
(iii)	Land Use	:	Commercial
(iv)	Plot Ratio	:	0.8 (As per the PRC legal opinion, maximum gross floor area is 89,884.8 sq m)
(v)	Land Grant Fee	:	RMB88,200,000
(vi)	Land Use Term	:	40 years for commercial use 70 years for residential use

- (3) According to Business Licence No. 330500000010108 (1/1), Huzhou Hubing Investment Development Co., Ltd. (湖州湖濱投資發展有限公司) was established as a limited liability company with a registered capital of RMB20,000,000 for a valid operation period from 6 February 2007 to 5 February 2027.
- (4) According to the PRC legal opinion:–
- (i) Huzhou Hubing Investment Development Co., Ltd. (湖州湖濱投資發展有限公司) has fully settled all the land premium of the Property;
 - (ii) Huzhou Hubing Investment Development Co., Ltd. (湖州湖濱投資發展有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (iii) The Property is not subject to any pledge; and
 - (iv) The delay in construction is due to the resettlement works by the government, it is not considered as idle land legal risk.
- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–
- | | |
|---|-----|
| Certificate for the Use of State-owned Land | Yes |
| Grant Contract of Land Use Rights | Yes |
| Business Licence | Yes |

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
39. Plot 2007-03, Land BLD 22-3/4, Xishan Village, Balidianzhen, Huzhou, Zhejiang Province, the PRC	<p>The Property comprises a parcel of land with a site area of approximately 117,785.00 sq m.</p> <p>According to the information provided by SIDC Group, the Property is proposed to be developed into a commercial development with a planned total gross floor area of approximately 94,000.00 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 29 June 2047 for commercial use.</p>	<p>The Property is currently vacant and pending for development.</p>	<p>RMB190,000,000</p> <p>(100% interest attributable to SIDC Group: RMB190,000,000)</p>

Notes:

- (1) According to two Certificates for the Use of State-owned Land, the land use rights of the Property, comprising a total site area of 117,785.00 sq m, have been granted to Huzhou Huhong Investment Development Co., Ltd. (湖州湖鴻投資發展有限公司), a 100% owned subsidiary of SIDC:-

Certificate No.	Location	Site Area (sq m)	Use	Expiry Date
(2007)16-12691	Xishan Village, Balidian, Huzhou	65,549.00	Commercial	29 June 2047
(2007)16-12692	Xishan Village, Balidian, Huzhou	52,236.00	Commercial	29 June 2047
Total		117,785.00		

- (2) According to Grant Contract of Land Use Rights No. (2007)08 dated 30 June 2007.

(i)	Grantee	:	Huzhou Huhong Investment Development Co., Ltd. (湖州湖鴻投資發展有限公司)
(ii)	Site Area	:	151,002.00 sq m (in which 117,785.00 sq m is granted land)
(iii)	Land Use	:	Commercial
(iv)	Plot Ratio	:	0.8 (As per the PRC legal opinion, maximum gross floor area is 94,228.00 sq m)
(v)	Land Grant Fee	:	RMB75,200,000
(vi)	Land Use Term	:	40 years

- (3) According to Business Licence No. 330500000010085(1/1), Huzhou Huhong Investment Development Co., Ltd. (湖州湖鴻投資發展有限公司) was established as a limited liability company with a registered capital of RMB20,000,000 for a valid operation period from 6 February 2007 to 5 February 2027.

- (4) According to the PRC legal opinion:–
- (i) Huzhou Huhong Investment Development Co., Ltd. (湖州湖鴻投資發展有限公司) has fully settled all the land premium of the Property;
 - (ii) Huzhou Huhong Investment Development Co., Ltd. (湖州湖鴻投資發展有限公司) is the registered owner of the Property and protected by the PRC laws;
 - (iii) The Property is not subject to any pledge; and
 - (iv) The delay in construction is due to the resettlement works by the government, it is not considered as idle land legal risk.
- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–
- | | |
|---|-----|
| Certificate for the Use of State-owned Land | Yes |
| Grant Contract of Land Use Rights | Yes |
| Business Licence | Yes |

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
40. Shuitian Garden No. 123, North of Tongxing Road, Tongjiayi Town, Beibei District, Chongqing, the PRC	<p>The Property comprises a parcel of land with a site area of approximately 76,764.10 sq m.</p> <p>According to the information provided by SIDC Group, the Property is proposed to be developed into a composite residential and commercial development with a planned total gross floor area of approximately 74,372.29 sq m.</p> <p>The land use rights of the Property have been granted for various terms (see note (1)),</p>	<p>The Property is currently vacant and pending for development.</p>	<p>RMB106,000,000</p> <p>(50% interest attributable to SIDC Group: RMB53,000,000)</p>

Notes:

- (1) According to two Certificates for the Use of State-owned Land, the land use rights of the Property, comprising a total site area of 33,014.5 sq m, have been vested in Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司), a 50% owned subsidiary of SIDC:—

Certificate No.	Location	Approximate Site Area (sq m)	Uses	Expiry Date
(2003)02695	Jindoucun Tuan Bao She, Tongjiayizhen, Chongqing	18,902.20	Residential	26 March 2053
(2003)02732	Jindoucun Tuan Bao She, Tongjiayizhen, Chongqing	14,112.30	Residential	25 March 2053
Total		33,014.5		

- (2) According to Real Estate Title Certificate No. 107(D2009)00001, the land use rights of the Property, comprising a total site area of 43,749.6 sq m, have been vested in Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司) for a term due on 11 March 2053 for residential use.
- (3) According to Grant Contract of Land Use Rights No. (1998)156 dated 6 October 1998:—

(i)	Grantee	:	Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司)
(ii)	Site Area	:	322,016 sq m
(iii)	Land Use	:	Development land parcel
(iv)	Land Grant Fee	:	RMB2,082,100
(v)	Land Use Term	:	50 years

According to Grant Contract of Land Use Rights No. (2002)005 dated 20 July 2002:–

- | | | | |
|-------|----------------|---|---|
| (i) | Grantee | : | Chongqing Huaxin International Realty Co., Ltd.
(重慶華新國際實業有限公司) |
| (ii) | Site Area | : | 13,497 sq m |
| (iii) | Land Use | : | Composite |
| (iv) | Land Grant Fee | : | RMB101,200 |
| (v) | Land Use Term | : | 50 years |

According to Grant Contract of Land Use Rights No. (2003)110 dated 25 March 2003:–

- | | | | |
|-------|----------------|---|---|
| (i) | Grantee | : | Chongqing Huaxin International Realty Co., Ltd.
(重慶華新國際實業有限公司) |
| (ii) | Site Area | : | 14,112.28 sq m |
| (iii) | Land Use | : | Residential |
| (iv) | Plot Ratio | : | 2.5 |
| (v) | Land Grant Fee | : | RMB91,200 |
| (vi) | Land Use Term | : | 50 years |

According to Grant Contract of Land Use Rights No. (2003)116 dated 25 March 2003:–

- | | | | |
|-------|----------------|---|---|
| (i) | Grantee | : | Chongqing Huaxin International Realty Co., Ltd.
(重慶華新國際實業有限公司) |
| (ii) | Site Area | : | 18,902.15 sq m |
| (iii) | Land Use | : | Residential |
| (iv) | Plot Ratio | : | 2.5 |
| (v) | Land Grant Fee | : | RMB122,200 |
| (vi) | Land Use Term | : | 50 years |

As advised, the Property with a total site area of 76,764.10 sq m is part of the said total site area in Note (3).

- (4) According to Business Licence No. 500000400008825, Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司) was established as a limited liability company with a registered capital of USD\$41,940,000 for a valid operation period from 23 September 1994 to 22 September 2044.
- (5) According to the PRC legal opinion:–
- | | |
|-------|---|
| (i) | Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司) has fully settled the land premium and is the registered owner of the Property under the PRC laws; |
| (ii) | All mentioned certificates and permits are legal, valid and enforceable under the PRC laws; |
| (iii) | The Property is not subject to any pledge; and |
| (iv) | The construction has been carried out by phases, it is not considered as idle land. |
- (6) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	Yes
Real Estate Title Certificate	Yes
Grant Contract of Land Use Rights	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
41. Qingdao Tangdaowan Project, South of Binhai Road, East of Tangdao Bay, Qingdao, Shandong Province, the PRC	<p>The Property comprises three parcels of land with a site area of approximately 335,790.00 sq m.</p> <p>According to the information provided by SIDC Group, the Property is proposed to be developed into a commercial development with a planned total gross floor area of approximately 429,930.00 sq m.</p> <p>The land use rights of the Property have been granted for various terms due to expire on 16 January 2048, 17 January 2048 and 9 May 2057 for hotel, commercial and residential use respectively.</p>	<p>The Property is currently vacant and pending for development.</p>	<p>RMB1,800,000,000</p> <p>(100% interest attributable to SIDC Group: RMB1,800,000,000)</p>

Notes:

- (1) According to three Real Estate Title Certificates, the land use rights of the Property, comprising a total site area of 335,790.00 sq m, have been vested in Qingdao Shanghai Industrial Ruiouzhaye Co., Ltd. (青島上實瑞歐置業有限公司), a 100% owned subsidiary of SIDC:-

Certificate No.	Approximate Site Area (sq m)	Use	Expiry Date
20086803	90,424.00	Hotel	16 January 2048
20086801	91,033.00	Commercial	17 January 2048
200711574	154,333.00	Residential	9 May 2057
Total	335,790.00		

- (2) According to Grant Contract of Land Use Rights No. (2007) 004 dated 10 May 2007.

(i)	Grantee	:	Qingdao Shanghai Industrial Ruiouzhaye Co., Ltd. (青島上實瑞歐置業有限公司)
(ii)	Site Area	:	154,333.00 sq m
(iii)	Land Use	:	Residential
(iv)	Plot Ratio	:	< 1.2
(v)	Land Grant Fee	:	RMB538,929,090
(vi)	Land Use Term	:	50 years

According to Grant Contract of Land Use Rights No. (2008)008 dated 17 January 2008.

- (i) Grantee : Qingdao Shanghai Industrial Ruiouzhaye Co., Ltd.
(青島上實瑞歐置業有限公司)
- (ii) Site Area : 181,457 sq m (Land parcel 1: 91,033 sq m, Land parcel 2: 90,424 sq m)
- (iii) Land Use : Commercial, hotel
- (iv) Plot Ratio : ≤ 1.35 (Land parcel 1: ≤ 0.7 , Land parcel 2: ≤ 2.0)
- (v) Land Grant Fee : RMB276,322,776
- (vi) Land Use Term : 40 years

- (3) According to Business Licence No. 370200400159600, Qingdao Shanghai Industrial Ruiouzhaye Co., Ltd. (青島上實瑞歐置業有限公司) was established as a limited liability company with a registered capital of RMB500,000,000 for a valid operation period from 25 April 2007 to 25 April 2027..

- (4) According to the PRC legal opinion:—

- (i) Qingdao Shanghai Industrial Ruiouzhaye Co., Ltd. (青島上實瑞歐置業有限公司) has fully settled all the land grant fee of the Property;
- (ii) Qingdao Shanghai Industrial Ruiouzhaye Co., Ltd. (青島上實瑞歐置業有限公司) is the registered owner of the Property and protected by the PRC laws;
- (iii) The Property is not subject to any pledge; and
- (iv) The delay in construction is due to the continuous changing of planning scheme of the government, it is not considered as idle land legal risk.

- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:—

Real Estate Title Certificate	Yes
Grant Contract of Land Use Rights	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
42. East to Shifujingguanxi Road, West, North to Donghai Zonghe Road, South to Yanhaidatongdao inside redline, Donghai Tantuzhengli Project, Donghai Zutuan, Fengze District, Quanzhou, Fujian Province, the PRC	<p>The Property comprises two parcel of land with a total site area of approximately 313,338.00 sq m.</p> <p>According to the information provided by SIDC Group, the Property is proposed to be developed into commercial and residential development with a planned total gross floor area of approximately 1,441,354.80 sq m.</p> <p>The land use rights of the property have been granted for a term of 40 years, 50 years and 70 years for commercial, composite and residential use respectively.</p>	<p>The Property is currently vacant and pending for development.</p>	<p>RMB3,300,000,000</p> <p>(100% interest attributable to SIDC Group: RMB3,300,000,000)</p>

Notes:

- (1) According to three Certificates for the Use of State-owned Land, the land use rights of the Property, comprising a total site area of 170,133.00 sq m have been vested in Quanzhou Shanghai Industrial Investment Co., Ltd. (泉州市上實投資發展有限公司), a 100% owned subsidiary of SIDC:

Certificate No.	Approximate Site Area (sq m)	Use	Expiry Date
(2010) 200284	58,369.00	Commercial,	Commercial: 30 June 2050
(2010) 200285	55,421.00	residential and	Residential: 30 June 2080
(2010) 200286	56,343.00	composite	Composite: 30 June 2060
Total	<u>170,133.00</u>		

In the course of our valuation, we have assumed that the Certificate for the Use of State-owned Land of the site area of 143,205.00 sq m will be issued in due course.

- (2) According to Grant Contract of Land Use Rights No. (2008)1 dated 12 January 2008:

(i)	Grantee	:	Quanzhou Shanghai Industrial Investment Co., Ltd. (泉州市上實投資發展有限公司)
(ii)	Site Area	:	170,133.00 sq m
(iii)	Land Use	:	Commercial composite
(iv)	Plot Ratio	:	<4.5 (As per the PRC legal opinion, maximum gross floor area is 765,598.5 sq m)
(v)	Land Grant Fee	:	RMB1,207,673,700
(vi)	Land Use Term	:	40 years for commercial use 70 years for residential use 50 years for composite use

According to Grant Contract of Land Use Rights No. (2008)4 dated 30 July 2008:

(i)	Grantee	:	Quanzhou Shanghai Industrial Investment Co., Ltd. (泉州市上實投資發展有限公司)
(ii)	Site Area	:	143,205.00 sq m
(iii)	Land Use	:	commercial composite
(iv)	Plot Ratio	:	≤4.5 (As per the PRC legal opinion, maximum gross floor area is 644,422.50 sq m)
(v)	Land Grant Fee	:	RMB924,256,300
(vi)	Land Use Term	:	40 years for commercial use 70 years for residential use 50 years for composite use

- (3) According to Business Licence No. 350500100008918, Quanzhou Shanghai Industrial Investment Co., Ltd. (泉州市上實投資發展有限公司) was established as a limited liability company with a registered capital of RMB300,000,000 for a valid operation period from 28 December 2007 to 27 December 2027.

- (4) According to the PRC legal opinion:–

- (i) Quanzhou Shanghai Industrial Investment Co. Ltd. (泉州市上實投資發展有限公司) has fully settled all the land premium of the Property and protected by the PRC laws;
- (ii) Quanzhou Shanghai Industrial Investment Co. Ltd. (泉州市上實投資發展有限公司) is the registered owner of the Property;
- (iii) All the title documents are valid on 30 June 2010;
- (iv) The Property is not subject to any pledge; and
- (v) The building covenant has not lapsed.

- (5) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Planning Permit for Construction Works	No
Permits for Commencement of Construction Works	No
Business Licence	Yes

VALUATION CERTIFICATE

Group V – Properties held by SIDC Group for owner-occupation in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
43. Portion of Shuitian Garden, No. 123, North of Tongxing Road, Tongjiaxi Town, Beibei District, Chongqing, the PRC	Shuitian Garden is a residential and commercial development completed in between 2007 and 2008. According to the information provided by SIDC Group, the Property comprises commercial portion with a total gross floor area of 3,123.80 sq m. The land use rights of the Property have been granted for an unspecified terms for commercial use.	The Property is currently occupied by SIDC Group.	RMB23,400,000 (50% interest attributable to SIDC Group: RMB11,700,000)

Notes:

- (1) According to Real Estate Title Certificate No. (107)025405 dated 12 August 2002, the building ownership rights of the Property, comprising a total gross floor area of approximately 3,123.80 sq m, have been granted to Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司), a 50% owned subsidiary of SIDC, for an unspecified terms for commercial use.
- (2) According to Business Licence No. 500000400008825, Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司) was established as a limited liability company on 23 September 1994 with a registered capital of USD41,940,000 for a valid operation period from 23 September 1994 to 22 September 2044.
- (3) According to the PRC legal opinion:–
 - (i) Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司) is the registered owner of the Property and protected by the PRC law;
 - (ii) Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司) has obtained valid certificate;
 - (iii) Chongqing Huaxin International Realty Co., Ltd. (重慶華新國際實業有限公司) has rights to occupy, use, pledge and lease the Property; and
 - (iv) The Property is not subject to any pledge.
- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
44. Portion of Jinxiushanzhuang, Renhe Town, Yubei District; Chongqing, the PRC	<p>The Property comprises 85 car parking spaces completed in 1990.</p> <p>The land use rights of the Property have been granted or an unspecified term for car park use.</p>	The Property is currently occupied by SIDC Group.	<p>RMB6,500,000</p> <p>(40% interest attributable to SIDC Group: RMB2,600,000)</p>

Notes:

- (1) According to 3 Building Ownership Certificates, the building ownership of the Property is held by Chongqing Xinyuan International City Development Co., Ltd. (重慶華新園國際城市發展有限公司), a 40% owned subsidiary of SIDC:

Certificate No.	Use	Gross Floor Area (sq m)
(112) 002584	Car park	3,998.59
(112) 06116	Car park	1,480.98
(112) 002585	Car park	854.04
Total		6,333.61

As advised, the Property with 85 car parking spaces is part of the said total gross floor area in Note (1).

- (2) According to Business Licence No. 510100400010175, Chongqing Xinyuan International City Development Co., Ltd. (重慶華新園國際城市發展有限公司) was established as a limited liability company on 28 August 1992 with a registered capital of USD5,000,000 for a valid operation period from 28 August 1992 to 27 August 2042.
- (3) According to the PRC legal opinion:—
- (i) Chongqing Xinyuan International City Development Co., Ltd. (重慶華新園國際城市發展有限公司) is the registered owner of the Property and the ownership is recognised by the PRC laws;
 - (ii) Chongqing Xinyuan International City Development Co., Ltd. (重慶華新園國際城市發展有限公司) has rights to use, lease, transfer, and pledge the Property under the PRC laws;
 - (iii) The Property is not subject to any pledge; and
 - (iv) The Building Ownership Certificates are valid on 30 June 2010.
- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:—
- | | |
|---|-----|
| Certificate for the Use of State-owned Land | No |
| Building Ownership Certificate | Yes |
| Business Licence | Yes |

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
45. Portion of Jinxiu Garden, No. 46, 4 Section, Renminnan Road, Wuhou District, Chengdu, Sichuan Province, the PRC	<p>The Property comprises 7 unsold retail units with a total gross floor area of 1,227.77 sq m completed in 1995.</p> <p>The land use rights of the Property have been granted for an unspecified term for commercial use.</p>	<p>The Property is currently owner-occupied.</p>	<p>RMB8,200,000</p> <p>(85% interest attributable to SIDC Group: RMB6,970,000)</p>

Notes:

- (1) According to seven Building Ownership Certificates, the building ownership of the Property, comprising a total gross floor area of 1,227.77 sq m, have been vested in Chengdu Industrial Jinxiu Property Services Co., Ltd. (成都上實錦綉物業服務有限公司), a 85% owned subsidiary of SIDC:—

Certificate No.	Use	Gross Floor Area (sq m)
2007125	Commercial	44.89
2007138	Commercial	86.95
2007131	Commercial	160.15
2007128	Commercial	27.09
2007140	Commercial	267.12
2007127	Commercial	614.48
2007139	Commercial	27.09
Total		1,227.77

- (2) According to Business Licence No. 510100000042919, Chengdu Industrial Jinxiu Property Services Co., Ltd. (成都上實錦綉物業服務有限公司) was established as a limited liability company with a registered capital of RMB5,000,000 operating on 23 October 2001.
- (3) According to the PRC legal opinion:—
- (i) Chengdu Industrial Jinxiu Property Services Co., Ltd. (成都上實錦綉物業服務有限公司) is the registered owner of the Property and the ownership is recognised by the PRC laws;
- (ii) Chengdu Industrial Jinxiu Property Services Co., Ltd. (成都上實錦綉物業服務有限公司) has rights to use, lease, transfer and pledge the Property under the PRC laws; and
- (iii) The Building Ownership Certificates are valid on 30 June 2010.
- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:—

Certificate for the Use of State-owned Land	No
Building Ownership Certificate	Yes
Business Licence	Yes

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2010
46. Portion of Nos. 104-106 Haichao Road, Shanghai, the PRC	<p>The Property comprises 3 retail units with a total gross floor area of approximately 474.30 sq m and completed in 1996.</p> <p>The land use rights of the Property have been granted for an unspecified term for residential use.</p>	The Property is currently occupied by SIDC Group.	<p>RMB11,400,000</p> <p>(100% interest attributable to SIDC Group: RMB11,400,000)</p>

Notes:

- (1) According to Shanghai Certificate of Real Estate Ownership No. (2005)008588 dated 10 October 2005, the building ownership rights of the Property, comprising a total gross floor area of 474.30 sq m, have been granted to Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司), a 100% owned subsidiary of SIDC, for an unspecified term for commercial use.
- (2) According to Business Licence No. 310101000194702, Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司) was established as a limited liability company on 24 July 1998 with a registered capital of RMB5,000,000 for a valid operation period from 24 July 1998 to 23 July 2018.
- (3) According to the PRC legal opinion:–
 - (i) Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司) is the registered owner of the Property and the ownership is recognised by the PRC laws;
 - (ii) Shanghai Industrial Nankai Real Estate Marketing Co., Ltd. (上海上實南開房地產營銷有限公司) has right to use, occupy and lease the Property under the PRC laws;
 - (iii) The Property is subject to a pledge. The transfer or further pledging is subject to the consent from the bank; and
 - (iv) The Shanghai Certificate of Real Estate Ownership is valid on 30 June 2010
- (4) The status of the title and grant of major approvals and licence in accordance with the information provided by SIDC Group and the opinion of the PRC legal adviser:–

Shanghai Certificate of Real Estate Ownership	Yes
Business Licence	Yes

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquires, 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.

2. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the shares and underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Interests in shares of the Company

Name of Director	Capacity	Nature of interests	Number of issued shares held	Approximate percentage of total issued share capital
Cai Yu Tian	Beneficial owner	Personal	722,000	0.07%
Lu Ming Fang	Beneficial owner	Personal	586,000	0.05%
Zhou Jie	Beneficial owner	Personal	333,000	0.03%
Qian Shi Zheng	Beneficial owner	Personal	679,000	0.06%
Zhou Jun	Beneficial owner	Personal	195,000	0.02%
Lo Ka Shui	Beneficial owner	Personal	1,487,539 ^(Note 2)	0.14%

Notes:

- All interests stated above represented long positions.
- Of which, 520,979 shares are physically settled options.

- (b) As at the Latest Practicable Date, so far as was known to the Directors, the interests and short positions of the persons (not being a Director or chief executive of the Company) in the shares and underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of Shareholder	Capacity	Number of issued shares held	Approximate percentage of total issued share capital
SIIC	Interests held by controlled corporations	566,925,371 ^(Note)	52.50%

Note: SIIC through its wholly-owned 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 VeTsin (Hong Kong) Co. Ltd., SIIC Trading Co. Ltd., SIIC CM Development Funds Ltd., Billion More Investments Ltd., and SIIC CM Development Ltd. held 466,644,371 Shares, 80,000,000 Shares, 8,770,000 Shares, 5,092,000 Shares, 2,701,000 Shares, 1,798,000 Shares, 1,161,000 Shares, 389,000 Shares, 360,000 Shares and 10,000 Shares respectively, and is accordingly deemed to be interested in the respective Shares held by the aforementioned companies.

- (c) As at the Latest Practicable Date, so far as was known to the Directors, the following Directors were also directors or employees of SIIC:

Name of Director	Position held in SIIC
Mr. Teng Yi Long	Executive Director and Chairman
Mr. Cai Yu Tian	Executive Director and President
Mr. Lu Ming Fang	Executive Director
Mr. Zhou Jie	Executive Director and Executive Vice President
Mr. Qian Shi Zheng	Vice President
Mr. Zhou Jun	Vice President

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, none of the Directors or chief executive of the Company had any interests or short positions in any shares or underlying shares or interests in debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

2. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group (excluding contracts expiring or determinable by any relevant member of the Group within one year without payment of compensation, other than statutory compensation).

3. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2009, being the date to which the latest published audited accounts of the Group were made up.

4. DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting which was significant in relation to the business of the Group.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as was known to the Directors, none of the Directors and their respective associates had interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

6. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there was not any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited accounts of the Company were made up.

7. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinions or advice in this circular:

Name	Qualification
DTZ Debenham Tie Leung Limited	Property valuers
KBC Bank	KBC Bank N.V., acting through its Hong Kong branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution registered for Type 6 (advising on corporate finance) regulated activities under the SFO
Yuan Tai Law Offices	PRC lawyers

As at the Latest Practicable Date, each of the experts named above:

- (a) did not have any shareholding directly or indirectly in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and
- (b) did not have any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2009, being the date to which the latest published audited accounts of the Group were made up.

Each of the experts named above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, report, opinion and/or valuation certificate (as the case may be) and the references to its name in the form and context in which they respectively appear.

8. GENERAL

- (a) The registered office of the Company is at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.
- (b) The share registrar and transfer office of the Company is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Mr. Leung Lin Cheong who is a Fellow of The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Chartered Secretaries, The Chartered Institute of Management Accountants and the Hong Kong Institute of Certified Public Accountants.

- (d) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the Company's registered office in Hong Kong at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong up to and including the date of the EGM:

- (a) the Equity Transfer Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out on page 15 of this circular;
- (c) the letter from KBC Bank, the text of which is set out on pages 16 to 31 of this circular;
- (d) the written consents referred to in the section headed "Experts and Consents" in this Appendix.

EGM NOTICE



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Shanghai Industrial Holdings Limited (the “**Company**”) will be held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong, on Monday, 20 September 2010 at 3:00p.m. for the purpose of considering, and if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the equity transfer agreement dated 16 August 2010 (the “**Equity Transfer Agreement**”), a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification) entered into between SIIC Shanghai (Holding) Co., Ltd. as vendor, the Company as an indirect purchaser and S.I. Properties Development Limited as the direct purchaser for the acquisition of the Subject Shares (as defined in the circular of the Company dated 2 September 2010 relating to the acquisition of shareholdings in Shanghai Industrial Development Co., Ltd., a copy of which is produced to the meeting marked “B” and initialed by the chairman of the meeting for the purpose of identification) and all transactions contemplated under or referred to in the Equity Transfer Agreement and any other agreements or documents in connection therewith be and are hereby approved, confirmed and/or ratified; and
- (b) any one director of the Company, or any one director and countersigned by the secretary of the Company if the affixation of the common seal is necessary, be and is/are hereby authorized for and on behalf of the Company to execute all such other documents and agreements and do all such acts and things as he or they may in his or their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or give effect to the Equity Transfer Agreement and the transactions contemplated thereunder and all matters incidental to, ancillary to or in connection with the Equity Transfer Agreement and/or any further agreement or document as mentioned in paragraph (a) of this resolution and/or the transactions contemplated thereunder and all other matters incidental thereto, including

EGM NOTICE

agreeing and making any modifications, amendments, waivers, variations or extensions of the Equity Transfer Agreement and/or any further agreement or document as mentioned in paragraph (a) of this resolution and/or the transactions contemplated thereunder.”

2. “**THAT** approval be and is hereby granted to refresh the Subsidiary Scheme Mandate Limit (as defined in the circular of the Company dated 2 September 2010 relating to the refreshment of the Subsidiary Scheme Mandate Limit, a copy of which is produced to the meeting marked “C” and initialed by the chairman of the meeting for the purpose of identification) to a new 10% limit provided that the total number of shares of HK\$0.04 each in the share capital of Neo-China Land Group (Holdings) Limited (“**Neo-China Shares**”) which may be issued upon the exercise of all options to be granted under the share option scheme adopted by Neo-China Land Group (Holdings) Limited (“**Neo-China**”) on 12 December 2002 (“**Neo-China Share Option Scheme**”) and any other share option schemes of Neo-China shall not exceed 10% of the total number of Neo-China Shares in issue as at the date of approval of the refreshment of the Subsidiary Scheme Mandate Limit by the shareholders of Neo-China, and options previously granted under the Neo-China Share Option Scheme and any other share option schemes of Neo-China (including those outstanding, cancelled, lapsed or exercised) shall not be counted for the purpose of calculating the Subsidiary Scheme Mandate Limit.”

By order of the Board
Shanghai Industrial Holdings Limited
Leung Lin Cheong
Company Secretary

Hong Kong, 2 September 2010

Registered office:
26th Floor, Harcourt House
39 Gloucester Road
Wanchai, Hong Kong

Notes:

- (1) A shareholder entitled to attend and vote at the extraordinary general meeting (the “**EGM**”) is entitled to appoint one or more proxies to attend and on a poll, vote on his behalf. The proxy need not be a shareholder of the Company.
- (2) Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share, shall alone be entitled to vote in respect thereof.
- (3) The Register of Members of the Company will be closed from Friday, 17 September 2010 to Monday, 20 September 2010, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend the EGM, all transfers accompanied by the relevant share certificate must be lodged with the Company’s Share Registrar, Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong by 4:30 p.m. on Thursday, 16 September 2010.

EGM NOTICE

- (4) A form of proxy for use at the EGM is enclosed with the circular to the shareholders.
- (5) The instrument appointing a proxy must be in writing under the hand of the appointer or attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
- (6) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the registered office of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM (or any adjournment thereof, as the case may be).
- (7) Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the EGM. If such shareholder attends the EGM, his form of proxy will be deemed to have been revoked.
- (8) The ordinary resolutions set out above will be determined by way of a poll.
- (9) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English language version shall prevail.