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上海實業控股有限公司
SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 363)



上海實業城市開發集團有限公司
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED

(formerly known as Neo-China Land Group (Holdings) Limited)

(Incorporated in Bermuda with limited liability)

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

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

- (1) VERY SUBSTANTIAL ACQUISITION
- (2) CONNECTED TRANSACTION
- (3) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION
- AND
- (4) APPLICATION FOR WHITEWASH WAIVER

Financial adviser to
Shanghai Industrial Holdings Limited
Deutsche Bank



Deutsche Bank AG, Hong Kong Branch

Financial adviser to
Shanghai Industrial Urban Development Group Limited

J.P.Morgan

J.P. Morgan Securities (Asia Pacific) Limited

THE TRANSACTIONS

On 14 April 2011, SIH (as the seller) and SIUD (as the buyer) entered into the Agreement pursuant to which SIUD has conditionally agreed to acquire, and SIH has conditionally agreed to sell, the Sale Share (representing the entire issued share capital of the Target Company) and the Shareholder's Loan. The aggregate consideration for the sale and purchase of the Sale Share and the Shareholder's Loan is HK\$5,640,545,824, which will be satisfied by the allotment and issue an aggregate of 2,014,480,651 Tranche A Consideration Shares at the issue price of HK\$2.80 per share.

On the same day, SIH (as the assignor) and SIUD (as the assignee) entered into the Deed pursuant to which SIH has conditionally assigned to SIUD all its right, title, benefits and advantage of and interest in the Dividend Receivable for a consideration of RMB395,300,000 (equivalent to approximately HK\$469,588,976), which will be satisfied by the allotment and issue of 167,710,349 Tranche B Consideration Shares at the issue price of HK\$2.80 per share.

The Consideration Shares will be allotted and issued under a specific mandate proposed to be obtained at the SGM. The Consideration Shares will rank equally among themselves and pari passu in all respects with the SIUD Shares in issue on the date of the allotment and issue of the Consideration Shares.

IMPLICATIONS OF THE TRANSACTION UNDER THE LISTING RULES

SIH

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transactions for SIH exceed 5% but less than 25%, the Transactions constitute a discloseable transaction of SIH under Chapter 14 of the Listing Rules. Accordingly, the Transactions are subject to reporting and announcement requirements of the Listing Rules.

SIUD

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transactions for SIUD exceeds 100%, the Transactions in aggregate constitute a very substantial acquisition for SIUD under Chapter 14 of the Listing Rules. SIH is a connected person of SIUD by virtue of its being a controlling shareholder of SIUD. Therefore the Transactions also constitute a connected transaction of SIUD and subject to the approval by the Independent SIUD Shareholders at the SGM. SIH and its associates are required to abstain from voting on the relevant resolutions to be proposed at the SGM to approve the Agreement, the Deed and the transactions contemplated thereunder.

In addition, the Transactions constitute a reverse takeover for SIUD under Rule 14.06(6)(b) of the Listing Rules, on the basis that the Transactions constitute a very substantial acquisition for SIUD under Chapter 14 of the Listing Rules and at the same time involve acquisitions of assets from SIH within 24 months of SIH gaining control (as defined under the Takeovers Code) of SIUD. Accordingly, under Rule 14.54 of the Listing Rules, SIUD will be treated as if it were a new listing applicant. The Transactions are therefore also subject to the approval by the Listing Committee of a new listing application to be made by SIUD. Such new listing application is required to comply with all the requirements under the Listing Rules, in particular the requirements under Chapters 8 and 9 of the Listing Rules. As at the date of this announcement, none of the relevant materials regarding the new listing application have been submitted to the Stock Exchange, and SIUD will initiate the new listing application process as soon as practicable. The Listing Committee may or may not grant its approval of the new listing application.

It is one of the conditions precedent to completion of the sale and purchase of the Sale Share and the Shareholder's Loan that the approval of the new listing application by the Listing Committee has been obtained, and the assignment of the Dividend Receivable will only become effective upon, inter alia, the Target Company becoming a wholly-owned subsidiary of SIUD. In the event that the approval for the new listing application is not granted by the Listing Committee, the Agreement and the Deed will not become unconditional and the Transactions will not proceed.

IMPLICATIONS OF THE TRANSACTIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, SIH and parties acting in concert with it hold 1,183,731,478 SIUD Shares, representing approximately 45.0% of the total SIUD Shares in issue. Immediately following the allotment and issue of the Consideration Shares to SIH, the shareholding of SIH and parties acting in concert with it will increase to approximately 70.0% of the total SIUD Shares in issue as enlarged by the allotment and issue of the Consideration Shares but before conversion or exercise of any outstanding Convertible Bonds, Warrants and share options outstanding as at the date of this announcement. Under Rule 26.1 of the Takeovers Code, SIH and parties acting in concert with it would be required to make an unconditional mandatory general offer for all the issued SIUD Shares not already owned or agreed to be acquired by SIH and parties acting in concert with it, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code has been obtained from the Executive.

An application has therefore been made by SIH to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted, will be subject to, among other things, (i) approval of the Independent SIUD Shareholders in respect of the Whitewash Waiver at the SGM where voting on the relevant resolutions shall be taken by poll; (ii) SIH and parties acting in concert with it not having acquired any voting rights of SIUD in the six months prior to the date of this announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of SIUD in relation to the Transactions under the Agreement and the Deed; and (iii) SIH and parties acting in concert with it not having any acquisitions or disposals of voting rights of SIUD between the date of this announcement and Completion unless with the prior consent of the Executive.

Should SIH and parties acting in concert with it hold more than 50% of the enlarged issued share capital of SIUD upon Completion, they may increase their shareholding in SIUD further without triggering any further general offer obligation under the Takeovers Code.

The Executive may or may not grant the Whitewash Waiver. It is one of the conditions precedent to completion of the sale and purchase of the Sale Share and the Shareholder's Loan that the Whitewash Waiver has been obtained, and the assignment of the Dividend Receivable will only become effective upon, inter alia, the Target Company becoming a wholly-owned subsidiary of SIUD. In the event that the Whitewash Waiver is not granted by the Executive or approved by the Independent SIUD Shareholders, the Agreement and the Deed will not become unconditional and the Transactions will not proceed.

GENERAL

It should be noted that the Transactions are subject to a number of conditions, which may or may not be fulfilled. In addition, the approval of the new listing application to be made by SIUD and the Whitewash Waiver may or may not be granted. Respective shareholders of SIUD and SIH and potential investors should exercise caution when they deal or contemplate dealing in the shares or other securities of SIUD or SIH.

On 14 April 2011, SIH (as the seller) and SIUD (as the buyer) entered into the Agreement pursuant to which SIUD has conditionally agreed to acquire, and SIH has conditionally agreed to sell, the Sale Share (representing the entire issued share capital of the Target Company) and the Shareholder's Loan. On the same day, SIH (as the assignor) and SIUD (as the assignee) entered into the Deed pursuant to which SIH has conditionally assigned to SIUD all its right, title, benefits and advantage of and interest in the Dividend Receivable. Details of the Transactions under the Agreement and the Deed are set out below:

THE TRANSACTIONS

The Agreement

Date: 14 April 2011

Parties

- (1) SIH (as the seller); and
- (2) SIUD (as the buyer).

SIH is an investment holding company and its shares are listed on the Main Board of the Stock Exchange. As at the date of this announcement, SIH indirectly holds 1,183,692,000 SIUD Shares, representing approximately 45.0% of the total issued share capital of SIUD. As SIH controls the financial and operating decisions of SIUD, the financial results of SIUD are consolidated into those of SIH in compliance with applicable Hong Kong Financial Reporting Standards, and accordingly SIUD is accounted for as a subsidiary of SIH. Further information on SIH is set out in the section headed "Information on SIH" below.

Subject matter

SIUD has conditionally agreed to acquire from SIH

- (i) the Sale Share, which represents 100% of the issued share capital of the Target Company, free from any mortgage, charge (fixed or floating), pledge, lien, hypothecation, trust, right of set off or other third party right or interest, together with all accrued benefits and rights attached to the Sale Share with effect from the Completion Date; and

- (ii) the Shareholder's Loan, being all the shareholder's loans that will be outstanding and owing by the Target Company to SIH as at the Completion Date.

The Target Company is an investment holding company. Upon completion of the Restructuring Plan, the Target Company will indirectly own 59% equity interest in Shanghai Urban Development. Shanghai Urban Development is primarily engaged in the business of property development in the PRC. Further information on the Target Group is set out in the section headed "Information on the Target Group" below.

Conditions precedent

Completion of the sale and purchase of the Sale Share and the Shareholder's Loan is conditional upon the satisfaction (or, if applicable, the waiver) of certain conditions precedent. Such conditions precedent include the following:

- (a) the approval of Independent SIUD Shareholders at the SGM of (i) the Agreement and the transactions contemplated under the Agreement, including but not limited to the sale and purchase of the Sale Share and the Shareholder's Loan; (ii) the issue of Tranche A Consideration Shares; (iii) the Whitewash Waiver; and (iv) if applicable, any Continuing Connected Transactions, having been obtained;
- (b) if required, all necessary consents from the holders of the US\$400 million 9.75% Senior Notes Due 2014 of SIUD and the holders Convertible Bonds for the entering into or the implementation or completion of the transactions contemplated under the Agreement and any other deed or agreement pursuant to which additional shares in the capital of SIUD will be issued to SIH having been obtained;
- (c) all consents (includes any approval, authorisation, permission, licence, waiver, order or exemption in any jurisdiction including but not limited to Hong Kong, the PRC and the BVI) necessary for the entering into or the implementation or completion of the transactions contemplated under the Agreement and any other deed or agreement pursuant to which additional shares in the capital of SIUD will be issued to SIH by SIUD, SIH and/or any member of the Target Group or for the performance of their respective obligations under the Agreement having been obtained on terms satisfactory to SIH or SIUD (as the case may be), and all filings with any relevant governmental or regulatory authorities and other relevant third parties in Hong Kong, the PRC, the BVI or elsewhere which are required or appropriate for the entering into and the implementation or completion of the transactions contemplated under the Agreement and any other deed or agreement pursuant to which additional shares in the capital of SIUD will be issued to SIH having been completed;
- (d) the Listing Committee having granted (either unconditionally or subject only to conventional conditions) the listing and permission to deal in Tranche A Consideration Shares on the Main Board of the Stock Exchange and such permission not subsequently being revoked or withdrawn;

- (e) the Whitewash Waiver having been granted by the Executive (either unconditionally or subject only to conventional conditions (i.e. approval of Independent SIUD Shareholders at the SGM and there being no disqualifying transactions as set out in the Takeovers Code)) to SIH and such waiver not having been revoked or withdrawn;
- (f) the Restructuring Plan having been duly completed and all necessary approvals required for the implementation of the Restructuring Plan having been obtained;
- (g) SIUD having completed the due diligence review of the legal, financial and business affairs of the Target Group and the results of such review being reasonably satisfactory to SIUD;
- (h) Deloitte Touche Tohmatsu having completed the audit of and issued an unqualified opinion on the consolidated financial statements of the Target Group in accordance with the requirements of the Listing Rules;
- (i) SIUD having received an opinion issued by AllBright Law Offices, the PRC legal adviser to SIUD, in respect of the PRC members of the Target Group and other PRC legal issues and in the form and substance satisfactory to SIUD;
- (j) approval in principle by the Listing Committee of the new listing application by SIUD having been granted and not having been revoked or withdrawn; and
- (k) any applicable waiting periods for a response from the Ministry of Commerce of the PRC in relation to the anti-trust filing in connection with the transactions contemplated by the Agreement having expired or been terminated and/or any anti-trust consent or approval having been obtained on an unconditional basis pursuant to the provisions of any laws or regulations in the PRC.

The conditions precedent set out in (b) and (g) above may be waived by SIUD and the condition precedent set out in (k) above may be jointly waived by both SIH and SIUD. None of the other conditions precedent set out above may be waived by any party.

If any of the conditions precedent set out above has not been fulfilled (or, if applicable, waived) on or before 30 September 2011 (or such later date as may be agreed between SIH and SIUD), the Agreement will terminate with immediate effect.

Consideration

The aggregate consideration for the sale and purchase of the Sale Share and the Shareholder's Loan is HK\$5,640,545,824 (equivalent to approximately RMB4,748,211,475), which will be satisfied by the allotment and issue of 2,014,480,651 Tranche A Consideration Shares at the issue price of HK\$2.80 per share. The consideration was determined after arm's length negotiations between SIUD and SIH with reference to SIH's aggregate acquisition cost of its 59% equity interest in Shanghai Urban Development in the amount of approximately RMB4,108,827,700 (equivalent to approximately HK\$4,881,002,257) and taking into account the amount of dividends declared by Shanghai Urban Development.

Completion

Completion of the sale and purchase of the Sale Share and the Shareholder's Loan is scheduled to take place within five business days after all the conditions precedent to which completion is subject have been fulfilled (or, if applicable, waived).

The Deed

Date: 14 April 2011

Parties

- (1) SIH (as the assignor); and
- (2) SIUD (as the assignee).

Subject matter

SIH as legal and beneficial owner has conditionally assigned to SIUD all its right, title, benefits and advantage of and interest in the Dividend Receivable to SIUD.

Conditions precedent

The assignment of the Dividend Receivable is conditional upon the satisfaction of the following conditions precedent:

- (a) the approval of Independent SIUD Shareholders at the SGM of the Deed and the transactions contemplated under the Deed, including but not limited to the assignment of the Dividend Receivable and the issue of Tranche B Consideration Shares having been obtained;
- (b) the Target Company becoming a wholly-owned subsidiary of SIUD; and
- (c) the Listing Committee having granted (either unconditionally or subject only to conventional conditions) the listing and permission to deal in Tranche B Consideration Shares on the Main Board of the Stock Exchange and such permission not subsequently being revoked or withdrawn.

The assignment of the Dividend Receivable will become effective on the date when the above conditions precedent have been fulfilled, i.e. the Completion Date.

Consideration

The consideration for the assignment of the Dividend Receivable is RMB395,300,000 (equivalent to approximately HK\$469,588,976), which will be satisfied by the allotment and issue of 167,710,349 Tranche B Consideration Shares at the issue price of HK\$2.80 per share. The consideration was determined after arm's length negotiations between SIUD and SIH with reference

to the amount of the face value of the Dividend Receivable of RMB395,300,000 (equivalent to approximately HK\$469,588,976) as at the date of the Deed.

The total consideration for the Sale Share and the Shareholder's Loan, and the assignment of the Dividend Receivable represents a discount of approximately 39.7% to the adjusted appraised value of the Target Group of approximately HK\$10.1 billion (equivalent to approximately RMB8.5 billion), which is based on the preliminary appraised value of all the properties attributable to the Target Group as at 28 February 2011 and is derived as follows:

- (a) the preliminary appraised value of all the properties of Shanghai Urban Development attributable to the Target Group as at 28 February 2011. Such preliminary appraised value includes the reference value given to those properties with no land use right;
- (b) less the interest-bearing bank and other borrowings of Shanghai Urban Development attributable to the Target Group as at 31 December 2010; and
- (c) plus the aggregate value of cash and cash equivalents and pledged bank deposits of Shanghai Urban Development attributable to the Target Group as at 31 December 2010.

The Consideration Shares, being the aggregate of Tranche A Consideration Shares and Tranche B Consideration Shares, to be allotted and issued by SIUD to SIH pursuant to the Agreement and the Deed represent (i) approximately 83.0% of the total SIUD Shares in issue as at the date of this announcement; and (ii) approximately 45.4% of the total SIUD Shares in issue as enlarged by the allotment and issue of the Consideration Shares but before conversion or exercise of any Convertible Bonds, Warrants and share options outstanding as at the date of this announcement. Further details on the effect of the Transactions on the shareholding structure of SIUD are set out in the section headed "Effect of the Transactions on the Shareholding Structure of SIUD" below.

The Consideration Shares will be allotted and issued under a specific mandate proposed to be obtained at the SGM on the Completion Date. The Consideration Shares will rank equally among themselves and *pari passu* in all respects with the SIUD Shares in issue on the date of the allotment and issue of the Consideration Shares.

The issue price of HK\$2.80 for each Consideration Share represents:

- (a) a discount of approximately 3.8% to the closing price of the SIUD Shares of HK\$2.910 per SIUD Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 3.6% to the average of the closing price of the SIUD Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including Last Trading Day of approximately HK\$2.906 per share;
- (c) a premium of approximately 0.2% to the average of the closing price of the SIUD Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of approximately HK\$2.795 per share; and

- (d) a premium of approximately 8.5% to the average of the closing price of the SIUD Shares as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day of approximately HK\$2.580 per share.

The issue price of HK\$2.80 for each Consideration Share also represents a premium of approximately 3.3% to the net asset value per share of SIUD as of 31 December 2010.

SIUD will bear the capital gain tax in the PRC arising from the sale of the Sale Share and the Shareholder's Loan, and the withholding tax in the PRC in respect of the payment of the Dividend Receivable to be paid by Shanghai Urban Development subject to an aggregate cap of RMB85,000,000 (equivalent to approximately HK\$100,974,103). Save for the above, each party will bear its own tax resulting from the Transactions.

APPLICATION FOR LISTING

SIUD will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares to be allotted and issued pursuant to the Agreement and the Deed.

EFFECT OF THE TRANSACTIONS ON THE SHAREHOLDING STRUCTURE OF SIUD

The following table illustrates the shareholding structure of SIUD (a) as at the date of this announcement; and (b) upon issue and allotment of the Consideration Shares but before conversion or exercise of any Convertible Bonds, Warrants and share options outstanding as at the date of this announcement:

	As at the date of this announcement		Upon allotment and issue of the Consideration Shares but before conversion or exercise of any outstanding Convertible Bonds, Warrants and share options	
	<i>Number of SIUD Shares</i>	<i>Approximate %</i>	<i>Number of SIUD Shares</i>	<i>Approximate %</i>
SIH (<i>Note 1</i>)	1,183,692,000	45.0	3,365,883,000	70.0
Deutsche Bank AG (<i>Note 2</i>)	39,478	0.0	39,478	0.0
<i>SIH and parties acting in concert with it</i>	1,183,731,478	45.0	3,365,922,478	70.0
Li Song Xiao (<i>Note 3</i>)	224,564,495	8.5	224,564,495	4.6
Other SIUD Shareholders	1,221,036,216	46.5	1,221,036,216	25.4
Total	2,629,332,189	100.0	4,811,523,189	100.0

Notes:

1. *These SIUD Shares are legally owned by Novel Good Limited, a wholly-owned subsidiary of SIH. This figure has not included the 50,000,000 SIUD Shares that are charged to Novel Good Limited, as further detailed in the section "Information required under the Takeovers Code" below.*
2. *Deutsche Bank AG, Hong Kong Branch is the financial adviser to SIH in relation to the Transactions, and is deemed to be acting in concert with SIH for Takeover Code purposes. Deutsche Bank AG was interested in 39,478 SIUD Shares, out of which, 18,000 SIUD Shares were the underlying shares of a swap executed by Deutsche Bank AG and its counterparties.*
3. *2,407,500 SIUD Shares are held by Mr. Li Song Xiao, and the remaining 222,156,995 SIUD Shares are held by Invest Gain Limited, a company incorporated in the BVI and wholly owned by Mr. Li Song Xiao.*
4. *To the best knowledge of the directors of SIUD having made all reasonable enquiries, Xuhui SAAC and its associates do not hold any SIUD Shares as at the date of this announcement.*

INFORMATION ON THE TARGET GROUP

The Target Company

As a condition precedent to completion of the sale and purchase of the Sale Share and the Shareholder's Loan under the Agreement, SIH will complete an internal reorganisation to inject its 59% equity interest in Shanghai Urban Development into a Hong Kong holding company. The internal reorganisation involves the following steps:

- (a) The Target Company was incorporated in the BVI on 19 January 2011 as a BVI business company authorised to issue a maximum of 50,000 ordinary shares with a par value of US\$1.00 each. On 9 March 2011, one ordinary share was allotted and issued to SIH at par for cash. The Target Company is wholly owned by SIH.
- (b) Joy Century was incorporated in Hong Kong on 22 February 2011 as a company with limited liability with an authorised share capital of HK\$10,000 divided into 10,000 ordinary shares of par value HK\$1.00 each. One issued ordinary share, representing the entire issued share capital of Joy Century, is held by the Target Company. Joy Century is wholly owned by the Target Company.
- (c) On 30 March 2011, SIH entered into an equity transfer agreement with Joy Century whereby SIH agreed to transfer its 59% equity interest in Shanghai Urban Development to Joy Century for an amount in HK\$ which is equivalent to RMB4,108,827,700. The transfer is pending completion upon receiving the necessary consents and approvals in respect of such transfer.
- (d) To facilitate the settlement of the consideration for the acquisition of the 59% equity interest in Shanghai Urban Development from SIH to Joy Century under the equity transfer agreement, SIH provided the Shareholder's Loan to the Target Company which upon completion of the Restructuring Plan is expected to amount to the equivalent of approximately RMB4,108.8 million (equivalent to approximately HK\$4,881.0 million).

Each of the Target Company and Joy Century is an investment holding company.

Shanghai Urban Development

Business carried on by Shanghai Urban Development

Shanghai Urban Development is primarily engaged in the business of property development in the PRC. It was established in 1996 as a state-owned enterprise and in July 2007 it was converted to a Sino-foreign equity joint venture company following the acquisition by SIH of a 40% equity interest in it. In December 2007, SIH acquired a further 19% equity interest in Shanghai Urban Development from Xuhui SAAC. Since then, Shanghai Urban Development has been a subsidiary of SIH and its results and financial position have been audited for inclusion in SIH's consolidated financial statements. As at the date of this announcement, Shanghai Urban Development has a registered capital of RMB3.2 billion and is owned as to 41% by Xuhui SAAC and as to 59% by SIH. As at the end of 2010, Shanghai Urban Development and its subsidiaries together owned 11 property development projects mainly in five regions in the PRC, namely Shanghai, Jiangsu, Anhui, Hunan and Chongqing, with a total land area of approximately 2,386,100 square metres and a planned total gross floor area of approximately 4,528,500 square metres. Based on the announcement of 2010 annual results of SIH dated 30 March 2011, sales realised by Shanghai Urban Development and its subsidiaries in 2010 amounted to HK\$4,276 million with sales area realised of 108,890 square metres. A presale amount of HK\$2,094 million was recorded during 2010 with contribution from projects including Urban Cradle in Shanghai, Royal Villa in Kunshan, Toscana in Changsha, Rose Town City Villa in Hefei and Ivy Aroma Town in Chongqing. In addition, Shanghai Urban Development also recorded total rental income of approximately HK\$146 million in 2010 from its investment properties of approximately 77,000 square metres which mainly comprised of Urban Development International Tower, Huimin Commercial Tower and other retail properties. For further information on the business carried on by Shanghai Urban Development, please refer to the annual report of SIH for the financial year ended 31 December 2010 despatched to the Shareholders of SIH on 13 April 2011.

SIH's aggregate acquisition cost of its 59% equity interest in Shanghai Urban Development was approximately RMB4,108,827,700 (equivalent to approximately HK\$4,881,002,257), which includes the additional capital injection of RMB409,460,000 in cash into Shanghai Urban Development by SIH in early March 2011.

Financial information on Shanghai Urban Development

The audited net asset value attributable to the 59% equity interest in Shanghai Urban Development held by SIH as shown in the consolidated financial statement of SIH as at 31 December 2010 prepared in accordance with the Hong Kong Financial Reporting Standards was RMB4.58 billion.

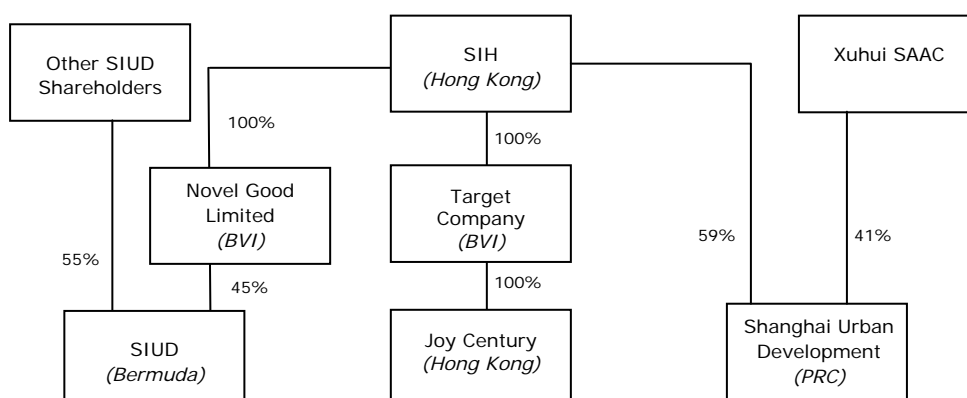
The audited net asset value of Shanghai Urban Development (including net assets value attributable to non-controlling interests) as at 31 December 2010 was approximately RMB6.04 billion. The audited net profits before and after taxation of Shanghai Urban Development for the respective periods were as follows:

	For the year ended 31 December			
	2009		2010	
		(equivalent to approximately		(equivalent to approximately
	(RMB '000)	HK\$ '000)	(RMB '000)	HK\$ '000)
Net profits before taxation	918,096	1,090,634	936,444	1,112,431
Net profits after taxation	480,007	570,215	506,107	601,220

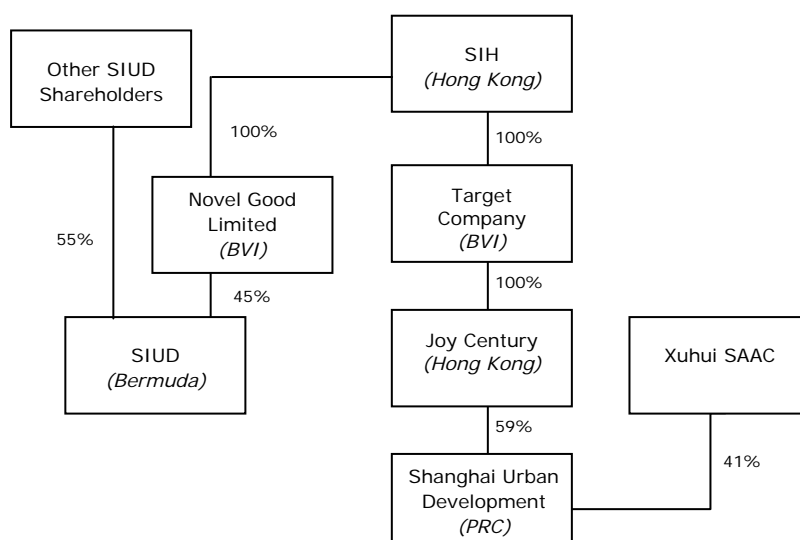
Ownership structure of the Target Group and SIUD

Set out below is the ownership structure of the Target Group and SIUD as at the date of this announcement, upon completion of the Restructuring Plan and immediately after Completion:

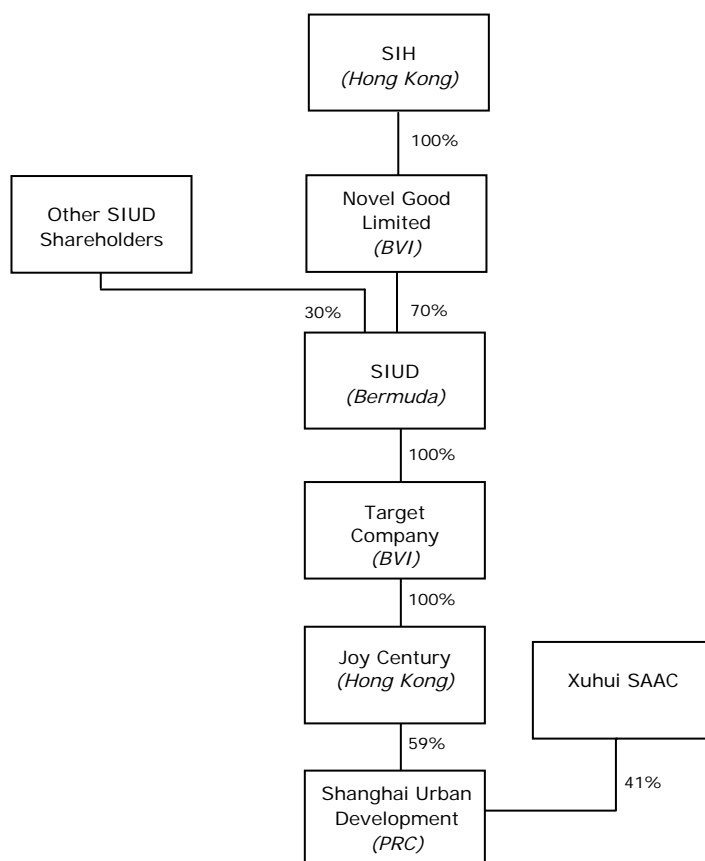
As at the date of this announcement



Upon completion of the Restructuring Plan



Immediately after Completion



INFORMATION ON SIUD GROUP

SIUD Group is one of the leading property developers in the PRC. SIUD Group principally engages in the businesses of property development, property investment and hotel operations. LR14.58(2)

INFORMATION ON SIH

SIH and its subsidiaries are principally engaged in the business of infrastructure facilities, estate and consumer products. LR14.58(2)

REASONS FOR THE TRANSACTIONS

The respective board of directors of SIH and SIUD (excluding all the independent non-executive directors of SIUD, who will give their opinion based on the recommendation from the independent financial adviser to be appointed) consider the Transactions to be in the interests of both SIH and SIUD as well as their respective shareholders taken as a whole for the following reasons:

- (a) the Transactions will effect a reorganisation of SIH to consolidate its PRC property development business under the same platform thereby enlarging its operating scale and creating synergy effect;

- (b) the Transactions will enhance operating efficiency and improve core competitiveness of SIUD through sharing of management expertise and optimising asset portfolio of SIH's property development business; and
- (c) the Transactions will increase potential debt and equity investors' awareness of SIH and SIUD by enhancing the corporate clarity of both companies in respect of their real estate businesses, and create a more efficient funding platform for SIH by improving SIUD's credit profile.

The directors of SIH (including all the independent non-executive directors) are of the view that the terms of the Agreement and the Deed, which have been agreed after arm's length negotiations between SIUD and SIH, are on normal commercial terms and such terms are fair and reasonable, and in the interests of SIH and the shareholders of SIH as a whole.

The directors of SIUD (excluding all the independent non-executive directors, who will give their opinion based on the recommendation from the independent financial adviser to be appointed) are of the view that the terms of the Agreement and the Deed, which have been agreed after arm's length negotiations between SIUD and SIH, are on normal commercial terms and such terms are fair and reasonable, and in the interests of SIUD and the SIUD Shareholders as a whole.

Immediately after Completion, (i) SIUD will continue to be a subsidiary of SIH; and (ii) members of the Target Group will continue to be subsidiaries of SIH through SIH's holding in SIUD, and the assets, liabilities and results of SIUD and the Target Group will continue to be consolidated into the financial statements of SIH. As such, the Transactions will be treated as an intra-group transaction between SIH and SIUD, and SIH is expected to record no gain or loss from the Transactions, before taking into account the estimated expenses and taxation in relation to the Transactions.

IMPLICATIONS OF THE TRANSACTIONS UNDER THE LISTING RULES

SIH

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transactions for SIH exceed 5% but less than 25%, the Transactions constitute a discloseable transaction of SIH under Chapter 14 of the Listing Rules. Accordingly, the Transactions are subject to reporting and announcement requirements of the Listing Rules.

SIUD

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transactions for SIUD exceeds 100%, the Transactions constitute a very substantial acquisition for SIUD under Chapter 14 of the Listing Rules. SIH is a connected person of SIUD by virtue of its being a controlling shareholder of SIUD. Therefore the Transactions also constitutes a connected transaction of SIUD and subject to the approval by the Independent SIUD Shareholders at the SGM. SIH and its associates are required to abstain from voting on the relevant resolutions to be proposed at the SGM to approve the Agreement, the Deed and the transactions contemplated thereunder.

In addition, the Transactions constitute a reverse takeover for SIUD under Rule 14.06(6)(b) of the Listing Rules, on the basis that the Transactions constitute a very substantial acquisition for SIUD under Chapter 14 of the Listing Rules and at the same time involve acquisitions of assets from SIH within 24 months of SIH gaining control (as defined under the Takeovers Code) of SIUD. Accordingly, under Rule 14.54 of the Listing Rules, SIUD will be treated as if it were a new listing applicant. The Transactions are therefore also subject to the approval by the Listing Committee of a new listing application to be made by SIUD. Such new listing application is required to comply with all the requirements under the Listing Rules, in particular the requirements under Chapters 8 and 9 of the Listing Rules. As at the date of this announcement, none of the relevant materials regarding the new listing application have been submitted to the Stock Exchange, and SIUD will initiate the new listing application process as soon as practicable. The Listing Committee may or may not grant its approval of the new listing application.

It is one of the conditions precedent to completion of the sale and purchase of the Sale Share and the Shareholder's Loan that the approval of the new listing application by the Listing Committee has been obtained, and the assignment of the Dividend Receivable will only become effective upon, inter alia, the Target Company becoming a wholly-owned subsidiary of SIUD. In the event that the approval for the new listing application is not granted by the Listing Committee, the Agreement and the Deed will not become unconditional and the Transactions will not proceed.

IMPLICATIONS OF THE TRANSACTIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, SIH and parties acting in concert with it hold 1,183,731,478 SIUD Shares, representing approximately 45.0% of the total SIUD Shares in issue. Immediately following the allotment and issue of the Consideration Shares to SIH, the shareholding of SIH and parties acting in concert with it will increase to approximately 70.0% of the total SIUD Shares in issue as enlarged by the allotment and issue of the Consideration Shares but before conversion or exercise of any Convertible Bonds, Warrants and share options outstanding as at the date of this announcement. Under Rule 26.1 of the Takeovers Code, SIH and parties acting in concert with it would be required to make an unconditional mandatory general offer for all the issued SIUD Shares not already owned or agreed to be acquired by SIH and parties acting in concert with it, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code has been obtained from the Executive.

An application has therefore been made by SIH to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted, will be subject to, among other things, (i) approval of the Independent SIUD Shareholders in respect of the Whitewash Waiver at the SGM where voting on the relevant resolutions shall be taken by poll; (ii) SIH and parties acting in concert with it not having acquired any voting rights of SIUD in the six months prior to the date of this announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of SIUD in relation to the Transactions under the Agreement and the Deed; and (iii) SIH and parties acting in concert with it not having any acquisitions or disposals of voting rights of SIUD between the date of this announcement and Completion unless with the prior consent of the Executive.

Should SIH and parties acting in concert with it hold more than 50% of the enlarged issued share capital of SIUD upon Completion, they may increase their shareholding in SIUD further without triggering any further general offer obligation under the Takeovers Code.

The Executive may or may not grant the Whitewash Waiver. It is one of the conditions precedent to completion of the sale and purchase of the Sale Share and the Shareholder's Loan that the Whitewash Waiver has been obtained, and the assignment of the Dividend Receivable will only become effective upon, inter alia, the Target Company becoming a wholly-owned subsidiary of SIUD. In the event that the Whitewash Waiver is not granted by the Executive or approved by the Independent SIUD Shareholders, the Agreement and the Deed will not become unconditional and the Transactions will not proceed.

The Agreement, the Deed and the transactions contemplated thereunder and the Whitewash Waiver are subject to approval by the Independent SIUD Shareholders (who are permitted to vote under the Listing Rules and the Takeovers Code) at the SGM. SIH, parties acting in concert with it and their respective associates together with those who are interested in, or involved in, the Agreement, the Deed and the Whitewash Waiver are required to abstain from voting on the Agreement and the Deed (including the Transactions and the issue of the Consideration Shares) and the Whitewash Waiver at the SGM.

Further, all directors of SIUD who are involved in the negotiations of the Agreement and the Deed or who hold directorships in both SIH and SIUD are required to abstain from voting on the Agreement and the Deed (including the Transactions and the issue of the Consideration Shares) and the Whitewash Waiver at the SGM. Mr. Cai Yu Tian, Mr. Qian Shi Zheng and Mr. Zhou Jun, each an executive director of SIUD, are directors of SIH. Mr. Cai Yu Tian, Mr. Qian Shi Zheng, Mr. Ni Jian Da, Mr. Yang Biao, Mr. Chen An Min and Mr. Jia Bo Wei, all being the executive directors of SIUD, were involved in negotiations of the Agreement and the Deed. Mr. Cai Yu Tian, Mr. Qian Shi Zheng, Mr. Zhou Jun, Mr. Ni Jian Da, Mr. Yang Biao, Mr. Chen An Min and Mr. Jia Bo Wei hold share options in SIUD and do not hold any SIUD Shares as at the date of this announcement. In any event, they and their respective associates are required to abstain from voting on the Agreement and the Deed (including the Transactions and the issue of the Consideration Shares) and the Whitewash Waiver at the SGM.

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

As at the date of this announcement, SIH indirectly holds 1,183,692,000 SIUD Shares, representing approximately 45.0% of the total issued share capital of SIUD. Pursuant to the sale and purchase agreement dated 19 January 2010 and entered into among Invest Gain Limited, Novel Good Limited (a wholly-owned subsidiary of SIH) and Li Song Xiao (the sole shareholder of Invest Gain Limited) in relation to the acquisition by Novel Good Limited of SIUD Shares from Invest Gain Limited, Invest Gain Limited equitably mortgaged and charged 50,000,000 SIUD Shares to Novel Good Limited to secure the compliance of Invest Gain Limited in respect of a final judgment or settlement agreement and all amounts payable under such share charge should there be a breach by Invest Gain Limited in the warranties or obligations contained in such sale and purchase agreement. Such charge is an equitable charge and SIH (through Novel Good Limited) does not hold any voting rights in the charged shares until enforcement of such charge. Such charge has not been

released yet as the warranty period from Invest Gain Limited and Li Song Xiao will only expire on 24 June 2011. Save for the aforesaid sale and purchase agreement and the charge on 50,000,000 SIUD Shares as stated above, there are no other relationships between Li Song Xiao / Invest Gain Limited and SIH. SIH is not acting in concert with Li Song Xiao or Invest Gain Limited.

As at the date of this announcement, Novel Good Limited has not enforced such charge, and does not hold any voting rights of such 50,000,000 SIUD Shares that are equitably charged to it. Save for the 45.0% shareholding and the share charge of 50,000,000 SIUD Shares as stated above and the holdings of Deutsche Bank AG as set out in this section below, none of SIH nor any of parties acting in concert with it holds any shares, convertible securities, warrants, options or derivatives in respect of securities in SIUD.

None of SIH and persons acting or presumed to be acting in concert with it has acquired voting rights in SIUD in the six months prior to the date of this announcement, save that a subsidiary of Shanghai Industrial Investment (Holdings) Company Limited, the controlling shareholder of SIH, has bought 300,000 SIUD Shares in cash at an average price of HK\$3.50 per share on 19 November 2010, and sold the same number of SIUD Shares for cash at an average price of HK\$3.5085 per share on the same date, both of which were unrelated to SIH and occurred prior to the negotiation, discussions or the reaching of understandings or agreements with the directors of SIUD in relation to the Transactions.

As at the date of this announcement, (i) none of SIH and any parties acting in concert with it has received an irrevocable commitment to vote in favour of the Agreement and the Deed (including the Transactions and the issue of the Consideration Shares) and the Whitewash Waiver; (ii) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the SIUD Shares and which might be material to the Transactions and the Whitewash Waiver; (iii) there are no agreements or arrangements to which SIH is party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Transactions or the Whitewash Waiver (other than conditions precedent to Completion as contained in the Agreement and the Deed, as the case may be); and (iv) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of SIUD which SIH and any of parties acting in concert with it has borrowed or lent.

Deutsche Bank AG, Hong Kong Branch is the financial adviser to SIH in relation to the Transactions, and is deemed to be acting in concert with SIH for Takeover Code purposes. As at the date of this announcement, Deutsche Bank AG was interested in 39,478 SIUD Shares, out of which, 18,000 SIUD Shares were the underlying shares of a swap executed by Deutsche Bank AG and its counterparties. Deutsche Bank AG was also a holder of a warrant issued by SIUD with an expiry date of 22 July 2012, pursuant to which Deutsche Bank AG was entitled to purchase 27,383,000 SIUD Shares at an exercise price of HK\$6.72 per SIUD Share. Oppenheim Asset Management Services S.a.r.l., which is an indirect wholly-owned subsidiary of Deutsche Bank AG, was a holder of a warrant issued by SIUD with an expiry date of 22 July 2012, pursuant to which Oppenheim Asset Management Services S.a.r.l. was entitled to purchase 2,715,000 SIUD Shares at an exercise price of HK\$6.72 per SIUD Share. Deutsche Bank AG had a long and short position of 36,000,000 SIUD Shares as a result of stock borrowings involving SIUD Shares. Deutsche Bank AG also had short position in 19,248 SIUD Shares. Save as disclosed above, Deutsche Bank AG (excluding

entities holding exempt principal traders or exempt fund managers status under the Takeovers Code) did not hold any shares, convertible securities, warrants, options or derivatives in respect of securities in SIUD as at the date of this announcement.

POSSIBLE CONTINUING CONNECTED TRANSACTIONS

Members of the Target Group have entered into certain transactions with entities which will become connected persons of SIUD upon Completion and such transactions will, upon Completion, constitute continuing connected transactions of SIUD and are subject to the requirements set out in Chapter 14A of the Listing Rules. Details of the continuing connected transactions will be disclosed in a further announcement of and the circular to be despatched by SIUD to its shareholders in compliance with the requirements of the Listing Rules if and when required.

EQUITY RAISING ACTIVITIES OF SIUD FOR THE PAST 12 MONTHS

On 24 June 2010, SIUD issued 683,692,000 SIUD Shares to Novel Good Limited, a company incorporated in the BVI and wholly owned by SIH, at a price of HK\$2.32 per SIUD Share. Save for the above, SIUD did not conduct any equity fund raising activities in the past 12 months immediately before the date of this announcement.

FINANCIAL ADVISERS, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Deutsche Bank AG, Hong Kong Branch has been appointed as the financial adviser to SIH in relation to the Transactions.

J.P. Morgan Securities (Asia Pacific) Limited has been appointed as the financial adviser to SIUD in relation to the Transactions.

An independent committee of the board of SIUD comprising Mr. Doo Wai-Hoi, William, J.P., Dr. Wong Ying Ho, Kennedy, BBS, J.P., Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David, being all the independent non-executive directors of SIUD, has been formed to advise the Independent SIUD Shareholders in relation to the Transactions and the Whitewash Waiver. SIUD will, with the approval of the independent committee of the board, appoint an independent financial adviser in accordance with the requirements under the Listing Rules and the Takeovers Code to advise the independent committee of the board and the Independent SIUD Shareholders on such matters. A further announcement will be made by SIUD upon the appointment of the independent financial adviser as soon as possible.

DESPATCH OF CIRCULAR

SIUD will despatch a circular in accordance with requirements under the Listing Rules and Rule 8.2 of the Takeovers Code, which will contain, among other things, (i) further details of the Transactions; (ii) further information about the Whitewash Waiver; (iii) the recommendation of the independent board committee of SIUD in relation to the Transactions; (iv) a letter of advice from the independent financial adviser to the independent board committee of SIUD and the Independent

SIUD Shareholders in relation to the Transactions and the Whitewash Waiver; (v) financial information of the Target Group and of the Enlarged Group; (vi) a property valuation of the Enlarged Group; and (vii) the notice of the SGM. The circular will be despatched to SIUD Shareholders as soon as practicable after SIUD has obtained the approval in principle from the Listing Committee with respect to the new listing application, and it is currently expected to be by 30 June 2011.

GENERAL

It should be noted that the Transactions are subject to a number of conditions, which may or may not be fulfilled. In addition, the approval of the new listing application to be made by SIUD and the Whitewash Waiver may or may not be granted. Respective shareholders of SIUD and SIH and potential investors should exercise caution when they deal or contemplate dealing in the shares or other securities of SIUD or SIH.

DEFINITIONS

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

"acting in concert"	has the meaning given to it under the Takeovers Code
"Agreement"	the sale and purchase agreement dated 14 April 2011 and entered into between SIUD and SIH in relation to the sale and purchase of the Sale Share and the Shareholder's Loan
"BVI"	British Virgin Islands
"Completion"	completion of the sale and purchase of the Sale Share and the Shareholder's Loan pursuant to the terms of the Agreement and the assignment of the Dividend Receivable becoming effective pursuant to the terms of the Deed
"Completion Date"	the date on which Completion occurs
"Consideration Shares"	Tranche A Consideration Shares and Tranche B Consideration Shares, being an aggregate of 2,182,191,000 SIUD Shares to be allotted and issued by SIUD to SIH to settle the consideration for the sale and purchase of the Sale Share and the Shareholder's Loan, and the assignment of the Dividend Receivable
"Continuing Connected Transactions"	any transactions between the SIUD Group and connected persons of SIUD following Completion and which require to the approval of independent SIUD Shareholders pursuant to the Listing Rules

"controlling shareholder"	has the meaning given to it under the Listing Rules
"Convertible Bonds"	HK\$1,340,000,000 zero coupon convertible bonds due 2011 issued by SIUD of which a principal amount of HK\$2,000,000 remains outstanding
"Deed"	the deed of assignment dated 14 April 2011 and entered into between SIUD and SIH in relation to the assignment of the Dividend Receivable
"Dividend Receivable"	the dividend declared but unpaid as at the date of the Deed by Shanghai Urban Development to SIH, which amounts to RMB395,300,000 (equivalent to approximately HK\$469,588,976)
"Enlarged Group"	SIUD Group and the Target Group
"Executive"	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent SIUD Shareholders"	SIUD Shareholders, other than (i) SIH, parties acting in concert with it and their respective associates, (ii) those who are connected, interested or involved in the Transactions or the Whitewash Waiver, and (iii) those who are required to abstain from voting at the SGM to be convened to approve the Transactions and the Whitewash Waiver
"Joy Century"	Joy Century Investments Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by the Target Company
"Last Trading Day"	13 April 2011, being the last full trading day for the SIUD Shares before the date of this announcement
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special

Administrative Region of the PRC and Taiwan

"Restructuring Plan"	the restructuring of the Target Group including the formation of the Target Company and Joy Century, and the transfer of 59% equity interest in Shanghai Urban Development from SIH to Joy Century
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Share"	one share of US\$1.00 in the share capital of the Target Company, representing its entire issued share capital
"SGM"	the special general meeting of SIUD to be convened for the purpose of considering, and if thought fit, approving, inter alia, the Agreement and the Deed, the transactions contemplated thereunder (including the Transactions and the allotment and issue of the Consideration Shares) and the Whitewash Waiver
"Shanghai Urban Development"	上海城開（集團）有限公司 (Shanghai Urban Development (Holdings) Co., Ltd.*), a Sino-foreign equity joint venture established in the PRC
"Shareholder's Loan"	all shareholder's loans outstanding and owing at the Completion Date by the Target Company to SIH, which upon completion of the Restructuring Plan will amount to the equivalent of approximately RMB4,108.8 million (equivalent to approximately HK\$4,881.0 million)
"SIH"	Shanghai Industrial Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability and a 53% owned subsidiary of Shanghai Industrial Investment (Holdings) Company Limited, the shares of which are listed on the Main Board of the Stock Exchange
"SIUD"	Shanghai Industrial Urban Development Group Limited (formerly known as Neo-China Land Group (Holdings) Limited), a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"SIUD Group"	SIUD and its subsidiaries
"SIUD Shareholders"	holders of SIUD Shares
"SIUD Shares"	ordinary shares of HK\$0.04 each in the share capital of SIUD
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Takeovers Code"	the Code on Takeovers and Mergers
"Target Company"	Silvery Champ Limited, a company incorporated in the BVI with limited liability, which, as at the date of this announcement, is wholly owned by SIH
"Target Group"	the Target Company and its subsidiaries
"Tranche A Consideration Shares"	2,014,480,651 SIUD Shares to be allotted and issued to SIH to settle the consideration for the sale and purchase of the Sale Share and the Shareholder's Loan
"Tranche B Consideration Shares"	167,710,349 SIUD Shares to be allotted and issued to SIH to settle the consideration for the assignment of the Dividend Receivable
"Transactions"	the sale and purchase of the Sale Share and the Shareholder's Loan pursuant to the Agreement and the assignment of the Dividend Receivable pursuant to the Deed
"Warrants"	66,000,000 warrants issued by SIUD all of which remain outstanding
"Whitewash Waiver"	a waiver by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code from the obligation of SIH and parties acting in concert with it to make a mandatory general offer for (i) all the SIUD Shares, and (ii) all the outstanding Convertible Bonds, Warrants and share options of SIUD, that are not already or agreed to be acquired by them as a result of SIUD allotting and issuing the Consideration Shares to SIH
"Xuhui SAAC"	上海市徐匯區國有資產監督管理委員會 (Xuhui District State-owned Assets Administrative Committee*), a government authority authorised by and established directly under Shanghai Xuhui District People's Government for supervising and managing state-owned assets in the possession of Xuhui District, including but not limited to, to exercise state-owned shareholders' right over Shanghai Urban Development
"%"	per cent.

** The English names of these PRC entities are an informal English translation of their respective official Chinese names.*

For the purpose of this announcement, unless the context otherwise requires, conversion of RMB into Hong Kong dollar is based on the approximate exchange rate of RMB0.8418 to HK\$1.0. These translations are provided for reference and convenience only, and no representation is made, and no representation should be construed as being made, that any amounts in RMB or HK\$ can be converted at the above rate or any other rates or at all.

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

By order of the Board
**Shanghai Industrial Urban Development
Group Limited**
Yee Foo Hei
Company Secretary

Hong Kong, 14 April 2011

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

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

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

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