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**(Stock code: 363)**

## **ANNOUNCEMENT**

### **LAND SWAP BY SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED**

The Board announces that Shanghai Industrial Urban Development Group Limited, a subsidiary of the Company that is listed on the Stock Exchange, has reached an agreement with the Shanghai Xuhui District Planning and Land Administration Bureau to swap its existing site originally designated for the development of Xujiahui Centre for four other pieces of land in Binjiang, Xuhui District, Shanghai.

This announcement is made by the board of directors (the “**Board**”) of Shanghai Industrial Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Shanghai Industrial Urban Development Group Limited (“**SIUD**”) is a subsidiary of the Company that is listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Reference is made to the circular dated 31 October 2011 (the “**SIUD Circular**”) published by SIUD in connection with the acquisition by SIUD of the entire issued share capital of Silvery Champ Limited from the Company and the joint announcement by the Company and SIUD on 23 November 2011 in relation to, among others, the completion of the acquisition. Silvery Champ Limited holds, among others, the land use right to a piece of land located in Xujiahui, Xuhui District in Shanghai, the PRC (the “**Existing Site**”) through its 60% owned subsidiary 上海寰宇城市投資發展有限公司 (Shanghai Huanyu Urban Investment Development Co., Ltd.\*) (“**Shanghai Huanyu**”). The Existing Site occupies an area of approximately 35,343 sq. m. and the original plan of SIUD and its subsidiaries (the “**SIUD Group**”) was to develop it into a mixed-use complex called Xujiahui Centre. Based on the valuation report as set out in appendix IVA to the SIUD Circular, the market value of the Existing Site as at 31 July 2011 was RMB4,245 million. As disclosed in the SIUD Circular, due to metro construction and statutory changes in the town

planning in respect of the Existing Site, the SIUD Group has not commenced the development of Xujiahui Centre. The SIUD Group has taken an active approach to discuss with the relevant local government endeavouring to resolve this matter. For further details, please refer to the SIUD Circular. As at the date of this announcement, the Existing Site remains vacant and Shanghai Huanyu has not carried out any construction or development work on it.

The Board announces that on 18 May 2013, Shanghai Huanyu reached an agreement with 上海市徐匯區規劃和土地管理局 (Shanghai Xuhui District Planning and Land Administration Bureau\*) to swap the Existing Site for four pieces of land in Binjiang, Xuhui District, Shanghai (the “**New Sites**”). The New Sites have an aggregate site area of approximately 83,220 sq. m., and are designated for mixed-use and may be developed for various commercial properties.

No land premium or any other amounts are payable by the SIUD Group for the land swap. Based on a preliminary indicative valuation carried out by an independent professional valuer, the market value of the New Sites is expected to be higher than the market value of the Existing Site. Upon completion of the land swap, any difference in the value of the Existing Site and the New Sites will be recorded as a gain/loss in the financial statements of the SIUD Group.

The SIUD Group is principally engaged in the business of property development in China. The land swap is being carried out following metro construction and statutory changes in town planning and as part of the SIUD Group’s principal activities and in its ordinary and usual course of business, and therefore it does not constitute a notifiable transaction of SIUD or of the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 19 May 2013

*As at the date of this announcement, the Board comprises:*

*Executive Directors:*

*Mr. Teng Yi Long, Mr. Zhou Jie, Mr. Lu Shen, Mr. Zhou Jun, Mr. Xu Bo and Mr. Qian Yi*

*Independent Non-Executive Directors:*

*Dr. Lo Ka Shui, Prof. Woo Chia-Wei, Mr. Leung Pak To, Francis and  
Mr. Cheng Hoi Chuen, Vincent*

*\* for identification purposes only*