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**上海實業城市開發集團有限公司**

**SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 563)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

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

Please refer to the attached announcement on the next page. A copy of the announcement is available on the website of the Singapore Exchange of Securities Trading Limited at [www.sgx.com](http://www.sgx.com).

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

Hong Kong, 3 November 2011

*As at the date of this announcement, the board of Shanghai Industrial Urban Development Group Limited comprises Mr. Cai Yu Tian, Mr. Ni Jianda, Mr. Qian Shizheng, Mr. Zhou Jun, Mr. Yang Biao, Mr. Chen Anmin and Mr. Jia Bowei as executive directors and Mr. Doo Wai-Hoi, William, J.P., Dr. Wong Ying Ho, Kennedy, BBS, J.P., Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David, as independent non-executive directors.*

## Announcement

Shanghai Industrial Urban Development Group Limited (formerly known as Neo-China Group (Holdings) Limited) (the “**Company**”) today announces a solicitation of consents (the “**Consent Solicitation**”) to make proposed amendments to and obtain waivers of (the “**Proposals**”) certain provisions of the indenture dated as of 23 July 2007 (the “**Indenture**”) by and among the Company, the Subsidiary Guarantors named therein and Citibank N.A., London Branch, as trustee, governing the Company’s US\$400,000,000 9.75% senior notes due 2014 (CUSIP No. 64045PAA5, ISIN US64045PAA57, Common Code No. 031215668 (Rule 144A) and CUSIP No. G6419EAB0, ISIN USG6419EAB05, Common Code No. 031215757 (Regulation S)) (the “**Notes**”) in order to facilitate the consummation of the Transactions (as defined below) and for other business needs.

As previously announced by the Company, the Company and its parent company, Shanghai Industrial Holdings Limited (“**SIH**”), entered to an agreement on 14 April 2011, pursuant to which the Company conditionally agreed to acquire (the “**Acquisition**”), and SIH conditionally agreed to sell, the entire issued share capital of a holding company (the “**Target Company**”) and, together with its subsidiaries, the “**Target Group**”), which holds an indirect 59% equity interest in Shanghai Urban Development (Holdings) Company Limited (“**SUD**”), together with SIH’s interest in all shareholder’s loans outstanding and owed at the date of consummation of the Transactions (as defined below) by the Target Company to SIH. On 14 April 2011, SIH and the Company also entered into a deed pursuant to which SIH conditionally assigned (the “**Assignment**”) and, together with the Acquisition, the “**Transactions**”) to the Company all its right, title, benefits and advantage of and interest in a dividend declared but unpaid as of 14 April 2011 by SUD to SIH. The consideration for the Transactions will be satisfied by the Company through the allotment and issue to SIH upon the completion of the Transactions of new shares of the Company. SUD is a Sino-foreign equity joint venture established in the PRC that is primarily engaged in the business of property development in the PRC.

The Company believes that the Transactions will enhance its operating efficiency and improve its core competitiveness through sharing of management expertise and optimizing the asset portfolio of SIH’s property development business. The Company further believes that the Transactions will also permit it to increase potential debt and equity investors’ awareness of the Company by enhancing the corporate governance of the Company and should improve the Company’s profile.

As more fully described in the Consent Solicitation Statement dated 3 November 2011 (the “**Consent Solicitation Statement**”), the principal purposes of the Consent Solicitation are to obtain consents from registered holders (the “**Holder**s”) of the Notes as to certain amendments to the Indenture that are subject to the consummation of the Transactions, in particular (i) to permit the Company and certain of its subsidiaries to incur certain indebtedness of the Target Group necessary for the Company to consummate the Transactions, and (ii) proposed amendments to the Indenture to permit PRC members of the Target Group to continue to provide guarantees of the obligations of their respective PRC subsidiaries in a manner consistent with their customary business practices prior to the Transactions, which would otherwise be prohibited by the terms of the Indenture. In addition, consents from Holders are

being sought with respect to amendments to and waivers under the Indenture whether or not the Transactions are consummated, in particular: (i) proposed amendments to the Indenture to link SIH's continued ownership of the Company to the change of control provision in the Indenture, (ii) proposed amendments to the Indenture to give the Company and its subsidiaries flexibility to incur additional indebtedness to take advantage of strategic opportunities that may arise and further implement their business plans in the future, and (iii) certain other technical amendments to and waivers under the Indenture.

The Company is soliciting consents from Holders as of 5:00 p.m., New York City time, on 2 November 2011. The Consent Solicitation will expire at 5:00 p.m., New York City time, on 16 November 2011, unless extended or earlier terminated by the Company. Subject to the terms and conditions of this Consent Solicitation, the Company will make a cash payment of US\$7.50 to each Holder for each US\$1,000 in principal amount of Notes (the "**Consent Fee**") in respect of which such holder has validly delivered (and has not validly revoked) a consent (a "**Consent**") with respect to the Proposals prior to the expiration of the Consent Solicitation. The Company's obligation to accept Consents and pay the Consent Fee is conditioned on, among other things, there being validly delivered unrevoked Consents from the Holders of not less than a majority in aggregate principal amount of the outstanding Notes.

For a detailed statement of the terms and conditions of the Consent Solicitation and the Proposals, Holders should refer to the Consent Solicitation Statement and related documents. The Consent Solicitation Statement will be distributed electronically to the Holders by Bondholder Communications Group LLC, the Information and Tabulation Agent for the Consent Solicitation, or it can be accessed on [www.bondcom.com/shanghai](http://www.bondcom.com/shanghai). The Company has engaged BOCI Asia Limited to act as the Solicitation Agent for the Consent Solicitation. Questions from Holders regarding the Consent Solicitation or requests for additional copies of the Consent Solicitation Statement, the Consent Form or other related documents should be directed to Bondholder Communications Group LLC, the Information and Tabulation Agent for the Consent Solicitation, at 28 Throgmorton Street, London EC2N 2AN, United Kingdom, or 46th Floor, 30 Broad Street, New York, NY 10004, USA, attn: Sofia Irman (telephone: +44 207 382 4580 (London) or +1 212 809 2663 (New York)) (email: [sirman@bondcom.com](mailto:sirman@bondcom.com)) or the Solicitation Agent for the Consent Solicitation, BOCI Asia Limited, attn: Samson Lee/Michael Mak, at 26/F Bank of China Tower, 1 Garden Road, Central, Hong Kong (telephone +852-3988-6910/+852-3988-6916).

This announcement is not a solicitation of consent with respect to any Notes. The Consent Solicitation is being made solely by the Consent Solicitation Statement, dated 3 November 2011, and related documents, which set forth a detailed description of the terms of the Consent Solicitation.

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

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

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

3 November 2011