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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)**

## ANNOUNCEMENT LAND SWAP

The board of directors of Shanghai Industrial Urban Development Group Limited announces that it has reached an agreement with the relevant local government of Xuhui District to swap the Group's existing site originally designated for the development of Xujiahui Centre for other pieces of land in Shanghai.

This announcement is made by the board of directors (the “**Board**”) of Shanghai Industrial Urban Development Group 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, Laws of Hong Kong). In this announcement, references to the “**Group**” mean the Company and its subsidiaries.

Reference is made to the circular of the Company dated 31 October 2011 (the “**Circular**”) in relation to its acquisition of the entire issued share capital of Silvery Champ Limited. 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 Group's original plan 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 Circular, the market value of the Existing Site as at 31 July 2011 was RMB4,245 million. As disclosed in the Circular, due to Metro construction and statutory changes in the town planning in respect of the Existing Site, the Group has not commenced the development of Xujiahui Centre. The 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 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 have an aggregate site area of approximately 83,220 sq. m. The new sites are designated for mixed-use and may be developed for various commercial properties.

No land premium or any other amounts are payable by the 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 Group.

The 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 Group's principal activities and in its ordinary and usual course of business, and therefore it does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 19 May 2013

*As at the date of this announcement, the Board comprises Mr. Ni Jianda, Mr. Ji Gang, Mr. Zhou Jun, Mr. Yang Jianwei, Mr. Yang Biao, Ms. Huang Fei and Mr. Ye Weiqi as executive directors and Mr. Doo Wai-Hoi, William, J.P., Dr. Wong Ying Ho, Kennedy, BBS, J.P., Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David as independent non-executive directors.*

\* *For identification purposes only.*