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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Industrial Urban Development Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**(1) PROPOSED GRANTING OF GENERAL MANDATES  
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY**  
**(2) PROPOSED EXTENSION OF GENERAL MANDATE TO ISSUE SHARES**  
**(3) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS**  
**(4) PROPOSED DISTRIBUTION OF FINAL DIVIDEND**  
**(5) PROPOSED SHARE PREMIUM REDUCTION**  
**AND**  
**(6) NOTICE OF THE 2015 ANNUAL GENERAL MEETING OF THE COMPANY**

A notice convening an annual general meeting of Shanghai Industrial Urban Development Group Limited to be held at Island Ballroom A, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 27 May 2015 at 11:00a.m. or any adjournment thereof is set out on pages 20 to 24 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.siud.com](http://www.siud.com)). Whether or not you are able to attend the annual general meeting, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the accompanying form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

14 April 2015

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## DEFINITIONS

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

“2015 AGM”	the annual general meeting of the Company to be held at Island Ballroom A, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 27 May 2015 at 11:00a.m. (or any adjournment thereof), to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 20 to 24 of this circular
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Buyback Mandate”	as defined in paragraph 2(a) of the Letter from the Board
“Bye-laws”	the bye-laws of the Company currently in force
“Companies Act”	the Companies Act 1981 of Bermuda
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Shanghai Industrial Urban Development Group Limited (上海實業城市開發集團有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Contributed Surplus Account”	the contributed surplus account of the Company
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Share Premium Reduction shall become effective, being the next business day immediately following the date of the 2015 AGM at which the relevant special resolution approving the Share Premium Reduction will be considered and, if thought fit, passed by the Shareholders

## DEFINITIONS

“Final Dividend”	the proposed final dividend of HK1.1 cents per Share for the year ended 31 December 2014 to the Shareholders whose names appear on the register of members of the Company on the Record Date
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board
“Latest Practicable Date”	1 April 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Record Date”	Thursday, 4 June 2015, being the record date for the determination of entitlement of the Shareholders to the Final Dividend
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.04 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Premium Account”	the share premium account of the Company

## DEFINITIONS

“Share Premium Reduction”	the proposed reduction of the amount of HK\$210,000,000 standing to the credit of the Share Premium Account as at 31 December 2014 subject to approval by the Shareholders at the 2015 AGM as described under the section headed “Proposed share premium reduction” in the “Letter from the Board” of this circular
“SIHL”	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 with stock code of 363
“SIIC”	Shanghai Industrial Investment (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“SUD”	上海城開(集團)有限公司 (Shanghai Urban Development (Holdings) Co., Ltd.), a sino-foreign equity joint venture company established in the PRC and is indirectly owned by the Company as to 59% and by Xuhui SASAC as to 41%
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission in Hong Kong
“Xuhui SASAC”	上海市徐匯區國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Shanghai Xuhui District), 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, exercising state-owned shareholders’ right over SUD and a shareholder holding 41% of the equity interest in SUD

LETTER FROM THE BOARD



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)**

*Executive Directors:*

Mr. Ji Gang (*Chairman & President*)

Mr. Zhou Jun

Mr. Yang Jianwei

Mr. Yang Biao

Ms. Huang Fei

Mr. Ye Weiqi

*Independent Non-executive Directors:*

Mr. Doo Wai-Hoi, William, J.P.

Dr. Wong Ying Ho, Kennedy, BBS, J.P.

Mr. Fan Ren Da, Anthony

Mr. Li Ka Fai, David

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal Place of*

*Business in Hong Kong:*

Suites 3003–3007

30th Floor

Great Eagle Centre

23 Harbour Road

Wanchai Hong Kong

14 April 2015

*To the Shareholders*

Dear Sir/Madam,

**(1) PROPOSED GRANTING OF GENERAL MANDATES  
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY  
(2) PROPOSED EXTENSION OF GENERAL MANDATE TO ISSUE SHARES  
(3) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS  
(4) PROPOSED DISTRIBUTION OF FINAL DIVIDEND  
(5) PROPOSED SHARE PREMIUM REDUCTION  
AND  
(6) NOTICE OF THE 2015 ANNUAL GENERAL MEETING OF THE COMPANY**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the 2015 AGM for (a) the Buyback Mandate; (b) the Issuance Mandate; (c) the extension of the Issuance Mandate by adding to it the nominal amount of issued Shares repurchased by the Company under the Buyback Mandate; (d) the re-election of the retiring Directors; (e) the declaration of Final Dividend; and (f) the Share Premium Reduction.

## LETTER FROM THE BOARD

### 2. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES, AND EXTENSION OF THE ISSUANCE MANDATE

At the annual general meeting of the Company held on 27 May 2014, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to allot, issue and deal with new Shares respectively. Such mandates will lapse at the conclusion of the 2015 AGM.

Ordinary resolutions will be proposed at the 2015 AGM to approve the granting of new general mandates to the Directors:

- (a) To exercise the powers of the Company to repurchase Shares not exceeding 10% of aggregate nominal amount of the share capital of the Company in issue at the date of the passing of such resolution (the “**Buyback Mandate**”);
- (b) To exercise the powers of the Company to issue, allot and otherwise deal with new Shares not exceeding 20% of aggregate nominal amount of the share capital of the Company in issue at the date of the passing of such resolution (the “**Issuance Mandate**”); and
- (c) To extend the Issuance Mandate by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issuance Mandate of an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprises 4,811,523,189 Shares. Assuming that there is no change in the issued and fully paid up share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Buyback Mandate and the Issuance Mandate, the maximum number of Shares which may be repurchased by the Company pursuant to the Buyback Mandate will be 481,152,318 Shares; and the maximum number of Shares which may be issued pursuant to the Issuance Mandate will be 962,304,637 Shares.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the 2015 AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 5 and 6 of the notice of the 2015 AGM as set out on pages 20 to 24 of this circular. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant thereto.

## LETTER FROM THE BOARD

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular. Neither the explanatory statement nor the proposed granting of the Buyback Mandate has any unusual features.

### **3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS**

In accordance with Bye-law 87 of the Bye-laws, Mr. Ji Gang, Mr. Zhou Jun, Mr. Yang Jianwei and Ms. Huang Fei, all being executive Directors, will retire from office and, being eligible, offer themselves for re-election at the 2015 AGM. Separate ordinary resolutions will be proposed at the 2015 AGM to re-elect Mr. Ji Gang, Mr. Zhou Jun, Mr. Yang Jianwei and Ms. Huang Fei as executive Directors.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of the above, directors to be re-elected and retiring Directors are set out in Appendix II to this circular.

### **4. PROPOSED DISTRIBUTION OF FINAL DIVIDEND**

#### **Proposed Final Dividend**

As stated in the announcement of the Company dated 27 March 2015 relating to the annual results of the Group for the year ended 31 December 2014, the Board recommends the payment of the final dividend of HK1.1 cents per Share in cash for the year ended 31 December 2014 to the Shareholders whose names appear on the register of members of the Company on the Record Date, subject to approval by the Shareholders at the 2015 AGM.

As the Company had no reserves available for distribution to the Shareholders as at 31 December 2014, the Final Dividend is intended to be funded through cancellation of certain amount standing to the credit of the Share Premium Account as at 31 December 2014 and crediting of such amount to the Contribution Surplus Account in accordance with the provisions of the applicable law of Bermuda. A special resolution will be proposed at the 2015 AGM to approve the Share Premium Reduction for the purpose of distribution of the Final Dividend. The details of the Share Premium Reduction are disclosed in the Company's announcement dated 13 April 2015.

Conditional upon the approval of the proposed distribution of the Final Dividend as well as the Share Premium Reduction by the Shareholders at the 2015 AGM, it is expected that the Final Dividend warrants will be dispatched to those entitled Shareholders on or around 30 June 2015.



## LETTER FROM THE BOARD

The Final Dividend is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the 2015 AGM approving the Final Dividend; and
- (ii) the passing of a special resolution by the Shareholders at the 2015 AGM approving the Share Premium Reduction.

### **Closure of Register of Members**

As stated in the announcement of the Company dated 27 March 2015, for determining the entitlement of the Shareholders to receive the Final Dividend, the Company's register of members will be closed from Wednesday, 3 June 2015 to Thursday, 4 June 2015, both days inclusive, during which period no transfer of shares of the Company will be registered.

In order to qualify for the Final Dividend, all duly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30p.m. on Tuesday, 2 June 2015.

Shareholders whose names appear on the register of members of the Company on the Record Date, i.e. Thursday, 4 June 2015, will be entitled to the Final Dividend.

### **5. PROPOSED SHARE PREMIUM REDUCTION**

The Board proposes to put forward to the Shareholders a proposal to reduce the share premium of the Company pursuant to the laws of Bermuda and the Bye-laws. The amount standing to the credit of the Share Premium Account as at 31 December 2014, based on the audited consolidated financial statements of the Company, was HK\$10,325,453,000. It is proposed that the amount of HK\$210,000,000 standing to the credit of the Share Premium Account be cancelled and that the credit arising therefrom be transferred to the Contributed Surplus Account.

#### **Reasons for the Share Premium Reduction**

Pursuant to the Companies Act, under certain circumstances a Bermuda company may pay dividends or distributions to its members out of contributed surplus. The Share Premium Reduction and the subsequent transfer of the credit arising therefrom to the Contributed Surplus Account will therefore increase the distributable reserves of the Company thereby giving the Company greater flexibility in its dividend policy and making distributions to the shareholders of the Company in the future.

In view of the current financial position of the Company, the Board considers that it is in the interest of the Company and the Shareholders as a whole to implement the Share Premium Reduction.

## LETTER FROM THE BOARD

### Effect of the Share Premium Reduction

Save for the expenses to be incurred in relation to the Share Premium Reduction, the Board considers that the implementation of the Share Premium Reduction will not, in itself, have material adverse effect on the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders in the underlying assets of the Company.

### Conditions of the Share Premium Reduction

The Share Premium Reduction is conditional upon, *inter alia*, the following being fulfilled:

- (i) the passing of a special resolution by the Shareholders to approve the Share Premium Reduction at the 2015 AGM;
- (ii) compliance with the requirements of section 46(2) of the Companies Act to effect the Share Premium Reduction, including the publication of a notice of the Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the Effective Date; and
- (iii) the Directors having satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Effective Date will be, unable to pay its liabilities as they become due.

Subject to the fulfillment of the above conditions, it is expected that the Share Premium Reduction shall become effective on the next business day immediately following the date of passing of the special resolution to approve the Share Premium Reduction at the 2015 AGM (i.e. 28 May 2015). The details of the Share Premium Reduction are disclosed in the Company's announcement dated 13 April 2015.

## 6. 2015 AGM AND PROXY ARRANGEMENT

The notice of the 2015 AGM is set out on pages 20 to 24 of this circular. At the 2015 AGM, resolutions will be proposed to approve, *inter alia*, (i) the ordinary resolutions relating to the granting of the Buyback Mandate, the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the aggregate nominal amount of share capital of the Company repurchased pursuant to the Buyback Mandate, the re-election of the retiring Directors and the declaration of Final Dividend; and (ii) the special resolution for the Share Premium Reduction.

## LETTER FROM THE BOARD

A form of proxy for use at the 2015 AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.siud.com](http://www.siud.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the 2015 AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2015 AGM if you so wish and in such event, the proxy form shall be deemed to be revoked.

### **7. LISTING RULES REQUIREMENT**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, the chairman of the 2015 AGM will therefore demand a poll for every resolution put to the vote of the 2015 AGM pursuant to Bye-law 66 of the Bye-laws. The Company will announce the results of the poll in the manner as prescribed under Rule 13.39(5) of the Listing Rules.

### **8. 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 Company. The Directors, having made all reasonable enquiries, 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.

### **9. RECOMMENDATION**

The Directors consider that (a) the granting of the Buyback Mandate; (b) the granting/extension of the Issuance Mandate; (c) the re-election of the retiring Directors; (d) the declaration of Final Dividend and (e) the Share Premium Reduction, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2015 AGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the 2015 AGM.

**LETTER FROM THE BOARD**

**10. GENERAL INFORMATION**

Your attention is drawn to the additional information set out in Appendix I (Explanatory statement on the Buyback Mandate) and Appendix II (Details of the retiring Directors proposed to be re-elected at the 2015 AGM) to this circular.

By order of the Board  
**SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED**  
**Ji Gang**  
*Chairman of the Board*

*The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2015 AGM in relation to the granting of the Buyback Mandate. Neither the explanatory statement nor the proposed granting of the Buyback Mandate has any unusual features.*

## **1. REASONS FOR REPURCHASES**

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders as a whole.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$192,460,927.56 divided into 4,811,523,189 Shares of HK\$0.04 each.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the 2015 AGM in respect of the granting of the Buyback Mandate assuming that there is no change in the issued and fully paid up share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Issuance Mandate and the Buyback Mandate, the maximum number of Shares which may be repurchased by the Company pursuant to the Buyback Mandate will be 481,152,318 Shares.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws, the laws of Bermuda and/or any other applicable laws, as the case may be.

The Company is empowered by its Bye-laws to repurchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of the capital paid up on the relevant shares, or funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on a repurchase may only be paid out of the funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the Company.

#### 4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2014) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 5. TAKEOVERS CODE

If as a result of a repurchase of shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The interests of the substantial Shareholders which fall to be disclosed to the Company under Part XV of the SFO as at the Latest Practicable Date and their respective percentage shareholdings of the Company assuming that the Buyback Mandate is exercised in full are as follows:

Name of substantial Shareholders	Number of Shares held as at the Latest Practicable Date	Approximate percentage of existing shareholding as at the Latest Practicable Date	Approximate percentage of shareholding if the Buyback Mandate is exercised in full
SIHL	3,415,883,000 <i>(Notes 1 and 2)</i>	70.99%	78.88%
SIIC	3,435,037,000 <i>(Notes 1, 2 and 3)</i>	71.39%	79.32%

*Notes:*

1. 3,365,883,000 shares of the Company were beneficially held by Smart Charmer Limited. 50,000,000 shares of the Company are deemed to be held by Novel Good Limited under the pledge described in note 2 below. Smart Charmer Limited and Novel Good Limited are both wholly-owned subsidiaries of SIHL.
2. These interests include 50,000,000 shares of the Company (short positions) held by Invest Gain Limited (a company beneficially and wholly owned by Mr. Li Song Xiao who ceased to be a substantial shareholder of the Company during the year ended 31 December 2011) which was pledged to Novel Good Limited. Therefore, SIHL and SIIC are deemed or taken to be interested in these 50,000,000 shares.

3. SIIC through its subsidiaries, namely Shanghai Investment Holdings Limited, SIIC Capital (B.V.I.) Limited, SIIC Treasury (B.V.I.) Limited, Shanghai Industrial Financial (Holdings) Company Limited, South Pacific International Trading Limited, SIIC Trading Company Limited, The Tien Chu Ve Tsin (Hong Kong) Company Limited, Billion More Investments Limited, South Pacific Hotel Limited and SIIC CM Development Limited held approximately 57.67% of the shares of SIHL. Therefore, SIIC is deemed or taken to be interested in the 3,415,883,000 shares held by SIHL for the purpose of the SFO.

On the basis that (1) both the issued share capital of the Company and the shareholding interest remain unchanged immediately prior to the full exercise of the Buyback Mandate; and (2) the number of Shares held by SIHL and SIIC remain unchanged before and after the full exercise of the Buyback Mandate, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the 2015 AGM, the shareholding interest of SIHL and SIIC in the issued Shares would be increased to approximately 78.88% and 79.32% respectively of the total issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Takeovers Code. In any event, the Directors do not intend to exercise the Buyback Mandate to an extent or which will reduce the aggregate amount of the share capital of the Company in public hands below 25% of the issued share capital of the Company, being the minimum public float requirement of the Stock Exchange.

## 6. UNDERTAKING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

## 7. MARKET PRICES OF SHARES

During each of the previous 12 months, the highest and lowest prices at which the Shares were traded on the Stock Exchange preceding the Latest Practicable Date were as follows:

Month	Traded Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2014</b>		
April	1.66	1.45
May	1.52	1.40
June	1.57	1.47
July	1.68	1.49
August	1.62	1.43
September	1.61	1.44
October	1.55	1.39
November	1.52	1.39
December	1.46	1.27
<b>2015</b>		
January	1.42	1.23
February	1.48	1.21
March	1.47	1.32
April (up to the Latest Practicable Date)	1.43	1.41

## 8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months immediately preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).



Pursuant to the Listing Rules, details of the Directors who will retire and stand for re-election at the 2015 AGM according to the Bye-laws are provided below.

**(1) Mr. Ji Gang (“Mr. Ji”)**

*Position and Experience*

Mr. Ji, aged 57, has been re-designated as the Chairman of the Board and has been appointed as a member of the nomination committee of the Company with effect from 2 February 2015. Mr. Ji remains as the President and an executive Director.

Mr. Ji was appointed as an executive Director of the Company on 27 April 2012. Mr. Ji is an independent non-executive director, the chairman of the remuneration committee and a member of the audit committee of Shanghai Jin Jiang International Hotels (Group) Company Limited (the H shares of which are listed on the main board of the Stock Exchange with stock code of 02006). He is also a director of SIIC, the controlling shareholder of SIHL.

Mr. Ji was the general manager of Zhongya Hotel, the chairman and general manager of Shanghai Everbright City Services Co., Ltd., an officer of the Commercial Committee and Economic Committee of the People’s Government of Zhabei District, Shanghai, a vice president of Shanghai Industrial Dongtan Investment Development (Holdings) Co., Ltd., the president of Shanghai SIIC Urban Development Investment Co., Ltd., an executive director and the president of Shanghai Industrial Investment Co., Ltd. He was also the vice chairman and president of Shanghai Industrial Development Co., Ltd., a subsidiary of SIHL and the shares of which are listed on A Shares Market of the Shanghai Stock Exchange with stock code of 600748. Mr. Ji graduated from Fudan University with a master’s degree in economics and is designated a senior economist. He has over 34 years’ experience in corporate management.

Save as disclosed above, Mr. Ji has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

*Length of Service*

Mr. Ji has been appointed for a term of three years and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

*Relationships*

Save as disclosed above, Mr. Ji has no relationships to any directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

*Interests in Shares*

Save for the 150,000 ordinary shares of the Company held by Mr. Ji, and 900,000 share options granted to Mr. Ji by SIHL, Mr. Ji is not interested or deemed to be interested in the shares or underlying shares of the Company or its associated corporations of the Company within the meaning of Part XV of the SFO.

*Director's Emoluments*

There is a service contract entered into between Mr. Ji and the Company. Mr. Ji is entitled to a director's fee of HK\$200,000 per month and a discretionary bonus under the relevant service contract and additional fees will be paid to Mr. Ji for serving on other Board committees, if any, the amount of which will be determined by the remuneration committee of the Company and the Board. The amount of the discretionary bonus and additional fees will be determined with reference to his duties, responsibilities and performance in respect of the Company, the Company's remuneration policy and the prevailing market situation.

**(2) Mr. Zhou Jun ("Mr. Zhou")***Position and Experience*

Mr. Zhou, aged 46, was appointed as an executive Director on 5 July 2010. He is a member of the Investment Appraisal Committee. Mr. Zhou is an executive director and a deputy chief executive officer of SIHL. He has been a director of SUD since 9 July 2007. He is also an executive director and vice president of SIIC and the chairman of S.I. Infrastructure Holdings Ltd., Shanghai Galaxy Investment Co., Ltd., Shanghai Hu-Ning Expressway (Shanghai Section) Co., Ltd., Shanghai Luqiao Development Co., Ltd., Shanghai Industrial Management (Shanghai) Limited and Shanghai Shen-Yu Development Co., Ltd., the chairman and an executive director of SIIC Environment Holdings Ltd. (a company listed on the Singapore Stock Exchange with stock code of 5GB). He also acts as the chairman of Shanghai Shengtai Investment and Management Limited under Shanghai Charity Foundation on a voluntary basis. He is an independent non-executive director of Zhejiang Expressway Co., Ltd. (stock code: 0576). He graduated from Nanjing University with a bachelor's degree in 1991 and from Fudan University with a master's degree in economics (international finance) in 1994. He worked for Guotai Securities Co., Ltd. (now Guotai Junan Securities Co.) before joining SIIC in April 1996. He held the positions of a deputy general manager of SIIC Real Estate Holdings (Shanghai) Co., Ltd., deputy general manager of Shanghai United Industrial Co., Ltd. (now Shanghai Pharmaceutical Co., Ltd.) and general manager of the strategic department of SIIC. Mr. Zhou has 20 years of professional experience in securities, finance, real estate and project planning.

Save as disclosed above, Mr. Zhou has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

*Length of Service*

Mr. Zhou has been appointed for a term of three years and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

*Relationships*

Save as disclosed above, Mr. Zhou has no relationships to any directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

*Interests in Shares*

Save for the 7,000,000 Share options granted to Mr. Zhou by the Company, 195,000 ordinary shares of SIHL and 1,350,000 share options granted to Mr. Zhou by SIHL, Mr. Zhou is not interested or deemed to be interested in the shares or underlying shares of the Company or its associated corporations of the Company within the meaning of Part XV of the SFO.

*Director's Emoluments*

There is a service contract entered into between Mr. Zhou and the Company. Mr. Zhou is not entitled to any director's fee from the Company.

**(3) Mr. Yang Jianwei ("Mr. Yang")***Position and Experience*

Mr. Yang, aged 43, was appointed as an executive Director on 22 March 2013. He was appointed as a deputy general manager of SIIC Management (Shanghai) Limited in June 2013. He was appointed as a director of Shanghai Industrial Development Co., Ltd. on 16 November 2012. He graduated from Huazhong University of Science and Technology and Shanghai Jiaotong University with a bachelor's degree of engineering, master's degree of management engineering and doctor's degree in management. He worked for China National Nonferrous Materials Co., Ltd. and Hong Yuan Securities Co., Ltd. Mr. Yang joined SIIC in June 2004 and was assistant general manager of Shanghai Galaxy Investment Co., Ltd., assistant general manager of the board of directors' office and secretary to chairman of SIIC and assistant CEO of SIHL. He has more than 10 years' experience of financial investment, securities research, investment banking and project planning.

Save as disclosed above, Mr. Yang has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

*Length of Service*

Mr. Yang has been appointed for a term of three years and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

*Relationships*

As far as the Directors are aware, Mr. Yang does not have any relationships with any other directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

*Interests in Shares*

Save for the 730,000 share options granted to Mr. Yang by SIHL, Mr. Yang is not interested or deemed to be interested in the shares or underlying shares of the Company or its associated corporations of the Company within the meaning of Part XV of the SFO.

*Director's Emoluments*

There is a service contract entered into between Mr. Yang and the Company. Mr. Yang will not receive any director's fee from the Company but is entitled to a discretionary bonus under the relevant service contract and additional fees will be paid to Mr. Yang for serving on other Board committees, if any, the amount of which will be determined by the remuneration committee of the Company and the Board. The amount of the discretionary bonus and additional fees will be determined with reference to his duties, responsibilities and performance to the Company, the Company's remuneration policy and the prevailing market situation.

**(4) Ms. Huang Fei ("Ms. Huang")***Position and Experience*

Ms. Huang, aged 50, was appointed as an executive Director on 22 March 2013. She is also the vice president of the Company. She was awarded a master's degree in business administration and European integration by Technische Universität Dresden in 2003. She was the league secretary of the Third Tramway Company of the Public Transport Corporation in Shanghai, the chairman of the labour union of Xuhui Urban Construction Corporation, the manager of sales division of SUD, the general manager of Shanghai Urban Development (Group) Real Property Agent Company prior to her employment with the Group. She is currently a vice president of SUD and (routine) deputy general manager of Shanghai Wan Yuan.

Save as disclosed above, Ms. Huang has not held any other directorships in public companies the securities of which are listed in Hong Kong or overseas in the last three years.

*Length of Service*

Ms. Huang has been appointed for a term of three years and is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

*Relationships*

As far as the Directors are aware, Ms. Huang does not have any relationships with any other directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

*Interests in Shares*

Save for the 6,000,000 Share options granted to Ms. Huang by the Company, Ms. Huang is not interested or deemed to be interested in the shares or underlying shares of the Company or its associated corporations of the Company within the meaning of Part XV of the SFO.

*Director's Emoluments*

There is a service contract entered into between Ms. Huang and the Company. Ms. Huang is entitled to a director's fee of HK\$150,000 per month and a discretionary bonus under the relevant service contract and additional fees will be paid to Ms. Huang for serving on other Board committees, if any, the amounts of which will be determined by the remuneration committee of the Company and the Board. The amount of director's fee is and the discretionary bonus and additional fees will be determined with reference to her duties, responsibilities and performance to the Company, the Company's remuneration policy and the prevailing market situation.

Save as disclosed, there is no information which is discloseable nor are/were Mr. Ji, Mr. Zhou, Mr. Yang and Ms. Huang involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Ji, Mr. Zhou, Mr. Yang and Ms. Huang that need to be brought to the attention of the Shareholders.

## NOTICE OF THE 2015 AGM



# 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)

## NOTICE OF THE 2015 AGM

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Shanghai Industrial Urban Development Group Limited (the “**Company**”) will be held at Island Ballroom A, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 27 May 2015 at 11:00a.m. (or an adjournment thereof) for the following purposes:

1. To consider and receive the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditor of the Company for the year ended 31 December 2014;
2. Subject to the special resolution below being passed, to declare a final dividend of HK1.1 cents per Share for the year ended 31 December 2014 out of the contributed surplus account of the Company;
3.
  - (a) To re-elect Mr. Ji Gang as an executive director of the Company;
  - (b) To re-elect Mr. Zhou Jun as an executive director of the Company;
  - (c) To re-elect Mr. Yang Jianwei as an executive director of the Company;
  - (d) To re-elect Ms. Huang Fei as an executive director of the Company; and
  - (e) To authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company (the “**Directors**”);
4. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board to fix auditor’s remuneration;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;

## NOTICE OF THE 2015 AGM

- (b) the aggregate nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
  - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in general meetings; or
    - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held.”;
6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);

## NOTICE OF THE 2015 AGM

- (ii) any issue of shares of the Company on the exercise of the outstanding subscription rights or conversion rights attaching to any securities which are convertible into shares of the Company from time to time;
- (iii) the exercise of options granted under a share option scheme of the Company; and
- (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and this approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in general meetings; or
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”; and



## NOTICE OF THE 2015 AGM

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the Shares in the capital of the Company repurchased by the Company pursuant to the mandate referred to in the resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

8. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution of the Company:

“**THAT** conditional upon compliance with the requirements of section 46(2) of the Companies Act 1981 of Bermuda to effect the reduction in the share premium account referred to below, and with effect from the business day immediately following the day of passing this special resolution:

- (a) the amount of HK\$210,000,000 standing to the credit of the share premium account of the Company be cancelled and that the credit arising therefrom be transferred to the contributed surplus account of the Company;
- (b) the Directors be and are authorised to apply the entire amount standing to the credit of the contributed surplus account of the Company in such manner as they consider appropriate from time to time including the payment of a final dividend referred to in the resolution set out in item 2 of the notice convening this meeting; and
- (c) the Directors be and are hereby authorised generally to carry out all acts and things which they may consider appropriate, necessary or desirable to give effect to or to implement the foregoing.”

By order of the Board  
**Shanghai Industrial Urban Development Group Limited**  
**Ji Gang**  
*Chairman*

Hong Kong, 14 April 2015

## NOTICE OF THE 2015 AGM

*Notes:*

1. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Friday, 22 May 2015 to Wednesday, 27 May 2015, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all duly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30p.m. on Thursday, 21 May 2015.

For determining the entitlement of the Shareholders to receive the proposed final dividend, the Company's register of members will be closed from Wednesday, 3 June 2015 to Thursday, 4 June 2015, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all duly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30p.m. on Tuesday, 2 June 2015.

2. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company.
4. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hour before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In relation to the ordinary resolutions set out in items 5, 6 and 7 of the above notice, the Directors wish to state that they have no immediate plan to repurchase any existing shares or issue any new shares of the Company.
6. The votes to be taken at the meeting for the resolutions will be by way of poll.