

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY;
EXTENSION OF GENERAL MANDATE TO ISSUE SHARES;
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY;
AND
NOTICE OF THE 2014 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 C, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 27 May 2014 at 11:00 a.m. or any adjournment thereof is set out on pages 19 to 22 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) and the Company (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.

15 April 2014

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	4
2. Proposed granting of the Buyback and Issuance Mandates, and extension of the Issuance Mandate	4
3. Proposed re-election of the retiring Directors	6
4. 2014 AGM and proxy arrangement	6
5. Listing Rules requirement	6
6. Responsibility statement	7
7. Recommendation	7
8. General information	7
Appendix I — Explanatory statement on the Buyback Mandate	8
Appendix II — Details of the retiring Directors proposed to be re-elected at the 2014 AGM	12
Notice of the 2014 AGM	19

DEFINITIONS

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

“2014 AGM”	the annual general meeting of the Company to be held at Island Ballroom C, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 27 May 2014 at 11:00 a.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 19 to 22 of this circular
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auditor”	the auditor for the time being of the Company
“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
“Company”	Shanghai Industrial Urban Development Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 622) of the laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Director(s)”	the director(s) of the Company
“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

DEFINITIONS

“Latest Practicable Date”	3 April 2014, 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
“Remuneration Committee”	the remuneration committee of the Company
“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 Option Scheme”	the share option scheme adopted by the Company by the Shareholders at a special general meeting of the Company held on 12 December 2002
“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
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (has the meaning as ascribed to it under the Companies Ordinance) of the Company
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“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. Ni Jianda (Chairman)
Mr. Ji Gang (Vice 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

15 April 2014

To the Shareholders

Dear Sir/Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY;
EXTENSION OF GENERAL MANDATE TO ISSUE SHARES;
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY;
AND
NOTICE OF THE 2014 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 2014 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; and (d) the re-election of the retiring Directors.

**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 16 May 2013, 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 2014 AGM.

LETTER FROM THE BOARD

Ordinary resolutions will be proposed at the 2014 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 2014 AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 4 and 5 of the notice of the 2014 AGM as set out on pages 19 to 22 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.

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.

LETTER FROM THE BOARD

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with clause 87 of the Bye-laws, Mr. Ni Jianda and Mr. Yang Biao, both being executive Directors and Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David, both being independent non-executive Directors, will retire from office and, being eligible, offer themselves for re-election at the 2014 AGM. Separate ordinary resolutions will be proposed at the 2014 AGM to re-elect Mr. Ni Jianda and Mr. Yang Biao as executive Directors and to re-elect Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David as independent non-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. 2014 AGM AND PROXY ARRANGEMENT

The notice of the 2014 AGM is set out on pages 19 to 22 of this circular. At the 2014 AGM, resolutions will be proposed to approve, inter alia, 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 and the re-election of the retiring Directors.

A form of proxy for use at the 2014 AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (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 2014 AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2014 AGM if you so wish and in such event, the proxy form shall be deemed to be revoked.

5. LISTING RULES REQUIREMENT

According 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 2014 AGM will therefore demand a poll for every resolution put to the vote of the 2014 AGM pursuant to Article 66 of the Bye-laws. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

6. 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.

7. RECOMMENDATION

The Directors consider that (a) the granting of the Buyback Mandate; (b) the granting/extension of the Issuance Mandate; and (c) the re-election of the retiring Directors, 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 2014 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 2014 AGM.

8. 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 2014 AGM) to this circular.

By order of the Board
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED
Ni Jianda
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 2014 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 4 of the notice of the 2014 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 2013) 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	3,416,505,000 <i>(Notes 1, 2 and 3)</i>	71.01%	78.90%

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 position) 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, Billion More Investments Limited and SIIC CM Development Limited held approximately 56.96% 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 2014 AGM, the shareholding interest of SIHL and SIIC in the issued Shares would be increased to approximately 78.88% and 78.90% 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 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	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2013		
April	1.58	1.39
May	1.90	1.55
June	1.82	1.49
July	1.67	1.52
August	1.86	1.57
September	1.97	1.66
October	2.13	1.84
November	1.96	1.78
December	2.02	1.84
2014		
January	1.94	1.65
February	1.74	1.56
March	1.62	1.38
April (up to the Latest Practicable Date)	1.61	1.50

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 2014 AGM according to the Bye-laws are provided below.

(1) Mr. Ni Jianda (“Mr. Ni”)

Position and Experience

Mr. Ni, Chairman, aged 50, has been an executive Director since 5 July 2010 is presently a member of the Nomination Committee of the Company. He was appointed as an executive director of SIHL on 20 February 2014 and was appointed as an executive director of SIIC on 20 November 2013. He is a deputy chief executive officer of SIHL. He has been a director of SUD since 18 July 2007. He is also the president of SUD. He graduated from Shanghai University and La Trobe University of Australia with a master’s degree in business administration in 1997. Mr. Ni was the general manager of Shanghai Xuhui Real Estate Management Co., Ltd., a deputy general manager of SUD and the general manager of the real estate department of China Huayuan Group Ltd. (which is primarily in the business of property development, textile, financial services and pharmaceuticals) from October 1997 to July 1998. He has more than 20 years of professional experience in real estate development and general management. Mr. Ni was elected as a member of the Shanghai Municipal People’s Congress in 2003, and honoured as one of the 25 Chinese Entrepreneurs with Most Reforming Ideas, among the Top Ten Persons of the Year elected by the 2006 China International Real Estate and Architech Fair, one of the 2007 Boao Forum – Most Influential Persons in China’s Real Estate Industry in 20 Years and one of the Top Ten Entrepreneurs in the Shanghai Real Estate Sector in 18 Years in 2005. He was a vice chairman of Shanghai Youth Federation and is currently the chairman of Shanghai Young Entrepreneurs Association and a vice chairman of the Shanghai Real Estate Association.

Save as disclosed above, Mr. Ni 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. Ni 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. Ni 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).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Ni held 8,000,000 Share options granted by the Company under the Share Option Scheme, which entitle him to subscribe for 8,000,000 Shares. Save as disclosed above, Mr. Ni is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

There is a service contract entered into between Mr. Ni and the Company. Mr. Ni is currently entitled to a director's fee of HK\$225,000 per month, discretionary bonus, and additional fees which are determined by the Remuneration Committee and the Board by reference to his duties, responsibilities and performance, the Company's remuneration policy and the prevailing market conditions.

(2) Mr. Yang Biao ("Mr. Yang")*Position and Experience*

Mr. Yang, aged 50, was appointed as an executive Director on 5 July 2010. He is based in the Group's office in Shanghai. Mr. Yang is responsible for overseeing various property development projects of the Group. He takes part in the management's project selection process, project positioning and planning and setting sales and marketing strategies for individual projects. Further, Mr. Yang oversees the execution of the Group's projects and ensures that the development progress of the projects is carried out in accordance with the approved plans. He is also responsible for public relations (including maintaining relationship with various government authorities) in his day-to-day management of the Group. He is the legal representative of a number of the Group's project companies including 成都中新錦泰房地產開發有限公司 (Chengdu Zhongxin Jintai Real Estate Development Co., Ltd.) and 重慶中華企業房地產發展有限公司 (Chongqing Chinese Enterprises Real Estate Development Co., Ltd.) and a director of 湖南淺水灣湘雅溫泉花園有限公司 (Hunan Qianshuiwan Xiangya Garden Co., Ltd.). Mr. Yang has been a director of SUD since 18 July 2007. He is also the vice chairman of SUD. Since he joined SUD, he has participated in the development of various projects such as Urban Cradle, Ivy Aroma Town and Toscana. He was also a director of SUD Chongqing Depu and Changsha Chengpu in 2008. Mr. Yang taught at Shanghai Normal University from July 1986 to March 2000. He was a deputy director of the Audit Bureau of Xuhui District in Shanghai from March 2000 to September 2005 and a director of the Xuhui District State-owned Assets Administrative Committee with primary responsibilities in the decision making and operation of its property investment from September 2005 to June 2010. He also participated in the decision making and operation of other property development project companies under the Xuhui District State-owned Assets Administrative Committee including 上海匯城集團 (Shanghai Huicheng Group) and 上海徐房(集團)有限公司 (Shanghai Xufang (Group) Co., Ltd.) in 2006. He was the deputy municipal secretary of the Xinjiang

Aksu from July 2002 to July 2005. He has over five years of experience in real estate and he also has extensive experience in general management, finance and accounting. He is a qualified auditor.

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).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Yang held 7,000,000 Share options granted by the Company under the Share Option Scheme, which entitle him to subscribe for 7,000,000 Shares. Save as disclosed above, Mr. Yang is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

There is a service contract entered into between Mr. Yang and the Company. Mr. Yang is currently entitled to a director's fee of HK\$187,500 per month, discretionary bonus and additional fees which are determined by the Remuneration Committee and the Board by reference to his duties, responsibilities and performance, the Company's remuneration policy and the prevailing market conditions.

(3) Mr. Fan Ren Da, Anthony ("Mr. Fan")

Position and Experience

Mr. Fan, aged 53, was appointed as an independent non-executive Director on 5 July 2010. He is also the Chairman of the Investment Appraisal Committee, the members of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He has over three years of experience in the property industry. Mr. Fan holds a Master's Degree in Business Administration from the United States of America. He is the chairman and managing director of AsiaLink

Capital Limited. Mr. Fan was an independent non-executive director of Chinney Alliance Group Limited (stock code: 385) and an independent director of 深圳世聯地產顧問股份有限公司 (a company listed on the Shenzhen Stock Exchange with stock code of 002285). He is a director of the following listed companies:

Listed Company	Role
<i>Hong Kong main board listed companies</i>	
<ul style="list-style-type: none"> • Technovator International Limited (stock code: 1206) 	Independent non-executive director, chairman of the remuneration committee, the members of the audit committee and the nomination committee
<ul style="list-style-type: none"> • Raymond Industrial Limited (stock code: 229) 	Independent non-executive director, members of the remuneration committee, the audit committee and the nomination committee
<ul style="list-style-type: none"> • Uni-President China Holdings Ltd. (stock code: 220) 	Independent non-executive director, chairmen of the nomination committee and the audit committee
<ul style="list-style-type: none"> • Renhe Commercial Holdings Company Limited (stock code: 1387) 	Independent non-executive director and chairman of the audit committee
<ul style="list-style-type: none"> • Tenfu (Cayman) Holdings Company Limited (stock code: 6868) 	Independent non-executive director, chairman of the remuneration committee, members of the audit committee and the nomination committee
<ul style="list-style-type: none"> • CITIC Resources Holdings Limited (stock code: 1205) 	Independent non-executive director, chairman of the audit committee, members of the remuneration committee and the nomination committee
<ul style="list-style-type: none"> • Guodian Technology & Environment Group Corporation Limited (stock code: 1296) 	Independent non-executive director and chairman of the audit committee

Listed Company	Role
<i>Hong Kong main board listed companies</i>	
<ul style="list-style-type: none"> • Hong Kong Resources Holdings Company Limited (stock code: 2882) 	Independent non-executive director, chairman of the remuneration committee, members of the audit committee, the nomination committee and the special committee
<ul style="list-style-type: none"> • China Development Bank International Investment Limited (stock code:1062) 	Independent non-executive director, members of the nomination committee and the remuneration committee
<ul style="list-style-type: none"> • LT Holdings Limited (stock code:112) 	Independent non-executive director, chairmen of the remuneration committee and the nomination committee and member of the audit committee

Save as disclosed above, Mr. Fan 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. Fan 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. Fan 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).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Fan held 1,000,000 Share options granted by the Company under the Share Option Scheme, which entitle him to subscribe for 1,000,000 Shares. Save as disclosed above, Mr. Fan is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

There is a service contract entered into between Mr. Fan and the Company. Mr. Fan is currently entitled to an annual director's fee of HK\$380,000, which is determined by the Remuneration Committee and the Board by reference to his duties, responsibilities and performance, the Company's remuneration policy and the prevailing market conditions.

(4) Mr. Li Ka Fai, David (“Mr. Li”)

Position and Experience

Mr. Li, aged 59, was appointed as an independent non-executive Director on 5 July 2010. He is the Chairman of the Audit Committee of the Company. He is currently the deputy managing partner of Li, Tang, Chen & Co. CPA (Practising). He is also a fellow of the Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants, United Kingdom as well as a fellow of The Institute of Chartered Secretaries and Administrators, United Kingdom and an associate member of The Institute of Chartered Accountants in England and Wales. He was the advisor, independent director and chairman of the audit committee of China Vanke Co., Ltd. (a company listed on the Shenzhen Stock Exchange with stock code of 000002). Mr. Li has over seven years of experience in the property industry. He is a director of the following listed companies:

Listed Company	Role
<i>Hong Kong main board listed companies</i>	
<ul style="list-style-type: none"> • Goldlion Holdings Limited (stock code: 533) 	Independent non-executive director, chairman of the audit committee, members of the nomination committee and the remuneration committee
<ul style="list-style-type: none"> • China-Hongkong Photo Products Holdings Limited (stock code: 1123) 	Independent non-executive director and chairman of the audit committee
<ul style="list-style-type: none"> • Cosmopolitan International Holdings Limited (stock code: 120) 	Independent non-executive director, chairman of the audit committee, members of the nomination committee and the remuneration committee
<ul style="list-style-type: none"> • AVIC International Holding (HK) Limited (stock code: 232) 	Independent non-executive director, members of the audit committee and the remuneration committee
<ul style="list-style-type: none"> • China Merchants Holdings (International) Company Limited (stock code: 144) 	Independent non-executive director, chairman of the remuneration committee, members of the audit committee and the nomination committee

Save as disclosed above, Mr. Li 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. Li 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. Li 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).

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Li held 1,000,000 Share options granted by the Company under the Share Option Scheme, which entitle him to subscribe for 1,000,000 Shares. Save as disclosed above, Mr. Li is not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

There is a service contract entered into between Mr. Li and the Company. Mr. Li is currently entitled to an annual director's fee of HK\$380,000, which is determined by the Remuneration Committee and the Board by reference to his duties, responsibilities and performance, the Company's remuneration policy and the prevailing market conditions.

Save as disclosed, there is no information which is discloseable nor are/were Mr. Ni, Mr. Yang, Mr. Fan and Mr. Li 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. Ni, Mr. Yang, Mr. Fan and Mr. Li that need to be brought to the attention of the Shareholders.

NOTICE OF THE 2014 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 2014 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 C, Level 5, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 27 May 2014 at 11:00 a.m. (or any 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 2013;
2.
 - (a) To re-elect Mr. Ni Jianda as an executive director of the Company;
 - (b) To re-elect Mr. Yang Biao as an executive director of the Company;
 - (c) To re-elect Mr. Fan Ren Da, Anthony as an independent non-executive director of the Company;
 - (d) To re-elect Mr. Li Ka Fai, David as an independent non-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**”);
3. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board to fix auditor’s remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**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 2014 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; and
 - (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.";
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

"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 2014 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; and
- (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 2014 AGM

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

“**THAT** conditional upon the passing of resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 5 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 4 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.”

By order of the Board
Shanghai Industrial Urban Development Group Limited
Ni Jianda
Chairman

Hong Kong, 15 April 2014

Notes:

1. 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.
2. 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.
3. 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 hours 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.
4. In relation to the ordinary resolutions set out in items 4, 5 and 6 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.
5. The votes to be taken at the meeting for the resolutions will be by way of poll.