上海實業城市開發集團有限公司
SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED

[Press Release]

SIUD Announces 2012 Annual Results
Revenue Nearly Doubles
Accelerates Delivery of Low Margin Projects
Focuses on Asset Restructuring

- Revenue reached HK$8.78 billion, up 98.1%
- After-tax profit of HK$33.3 million, a turnaround from a loss of HK$566 million after taxation in 2011
- Loss attributable to shareholders substantially narrowed by 68.4% to HK$190 million
- Pre-tax profit of HK$359 million on sale of Park Avenue project
- Sales, General and Administrative Expenses decreased by 24.1%, with the proportion of revenue declining to 7.6% from 19.8%
- Contract Sales reached RMB6.68 billion, up 142% YoY

(Hong Kong, 22 March 2013) – **Shanghai Industrial Urban Development Group Ltd.** ("SIUD" or "the Group", SEHK: 563HK) today announced its audited annual results for the year ended 31 December 2012.

During the year, SIUD's revenue reached HK$8.78 billion, an increase of 98.1% from the year earlier, driven by stronger property deliveries and first-time revenue from sales of affordable housing in Jing City. Property sales remain the Group's largest source of revenue, contributing 95.3%, while leasing, hotel operations and property management and services accounted for 2.7%, 1% and 1%, respectively. In terms of sales revenues, CBE International Peninsula in Xi'an, Urban Cradle and Jing City in Shanghai were the top three projects in 2012, accounting for 32%, 22% and 15% of the Group's overall property sales respectively. A total of 1,004,000 sq. m. of property was delivered during the year, a 96% jump from a year earlier.

During the year, gross profit increased 20.6% to HK$1.36 billion, despite a decline in gross profit margin to 15.5% from 25.4% in 2011. This was brought about by the Group's strategy to accelerate deliveries of the legacy projects such as CBE International Peninsula in Xi'an, and Laochengxiang in Tianjin, as well as the booking of sales revenue from affordable housing which by nature has lower margins than commodity housing. While the profit margin of affordable housing is thinner, the large scale of its sales and deliveries made an important contribution to the Group's revenue.

The Group completed the sale of the Park Avenue project in 2012, reaping a pre-tax profit of HK$359 million. The rationale behind the sale was to divest the assets that are no longer aligned with the Group's long-term strategy, and to reallocate the resources to developing the markets in the Yangtze River Delta and within prosperous cities in the coastal areas.

During the year, the Group recorded an annual profit of HK$33.3 million after taxation, a significant turnaround from the loss of HK$566 million in 2011. The Group's net loss attributable to shareholders substantially narrowed by 68.4% to HK$190 million, thanks to a surge in revenue, a one-off exceptional gain from the sale of a Chengdu project and the implementation of strict cost control measures. By introducing the joint-agencies model in particular, the Group had not only achieved remarkable success in contract sales, but also significantly reduced its distribution and selling expenses by 47.8% to HK$158 million.

Ni Jianda, the Chairman of Shanghai Industrial Urban Development, said, "After more than two years of constricted growth, China's property market has already showed signs of warming. Both transaction volume and value have rebounded from the trough since the beginning of the second half of 2012, driven largely by the improved overall liquidity in the market following the Chinese government's decision to cut benchmark interest rate on two occasions. Through speeding up sales and deliveries of property projects with lower margins and divesting the legacy projects inherited from Neo-China Land, as well as taking measures to strengthen its core profitability, the Group had not only successfully boosted the revenue and narrowed the net loss for last year, but also set the stage for a long-term and healthy development in the future.

During the year under review, SIUD achieved contract sales totalling RMB6.68 billion (approximately HK$8.2 billion), up 142% year on year and higher than the target initially set in the beginning of the year. Contract sales in G.F.A. terms were 608,000 sq. m., an increase of 158%. Specifically, contract sales from commodity housing totalled RMB3.87 billion (approximately HK$4.76 billion), with Urban Cradle in Shanghai, CBE International Peninsula in Xi'an, Laochengxiang in Tianjin and Top City in Chongqing seeing the highest sales performance, contributing around 43%, 21%, 8% and 7%, respectively, to the Group's contract sales value. On the other hand, contract sales of affordable housing amounted to RMB2.82 billion (approximately HK$3.47 billion) during the year, covering a G.F.A of 281,000 sq. m. in total.

In addition to the cash generated from the outstanding performance in contract sales and the sale of the Chengdu project, the Group had also diversified its financing channels in order to further strengthen its financial position. Active participation in the construction of affordable housing has made the Group eligible to issue bonds worth RMB1.5 billion on the onshore market in China. In addition, the parent company Shanghai Industrial Holdings (SEHK: 363) has granted an extension of a loan of HK$1 billion to the end of June, while Shanghai Industrial Investment Holdings (the parent company of Shanghai Industrial Holdings) has also offered an extension of a RMB1 billion loan to December 2013. As at 31 December 2012, the Group's cash and bank balance increased 50% to HK$5.25 billion, with net gearing ratio declining to 50.2% from 55.6% as at the end of 2011.

Ni Jianda concludes, "In 2013, the government's macroeconomic policy and regulatory regime remain the important factors determining the cycle of the property market. However, from the long-term perspective, we strongly believe that the drive towards urbanisation and the continued rise in household income will continue to bolster demand in real estate, driving the market towards a healthy and sustainable development. SIUD will leaverage the competitive advantage of its parent company in the Yangtze River Delta to actively seek new business opportunities in the region. We will reallocate resources to projects with higher profit margins so as to improve our overall profitability and divest the assets that no longer align with our long-term strategy. At the same time, we will actively seek partners or strategic investors for major projects, creating synergies and enhancing the value of these projects. Last but not least, we are committed to developing more real estate projects, accelerating sales and deliveries, as well as acquiring high quality land resources in the Yangtze River Delta and prosperous cities in the coastal areas, which will lay a solid foundation for the long-term development of SIUD in the future."

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About Shanghai Industrial Urban Development Limited

Shanghai Industrial Urban Development Ltd. is a subsidiary of Shanghai Industial Holdings Ltd., currently owning 24 real-estate projects in 12 Chinese cities, which include Shanghai, Beijing, Sanhe, Shenyang, Tianjin, Kunshan, Wuxi, Xi'an, Chongqing, Changsha, Shenzhen and Zhuhai. Most of the projects belong to mid-range to high-end residential properties, and are already in the construction stage.