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

[Press Release]

SIUD ACHIEVES A PROFIT TURNAROUND IN 1H2013
PROFIT ATTRIBUTABLE TO SHAREHOLDERS AMOUNTED TO HK$482 MILLION
GROSS PROFIT MARGIN UP FROM 21.5% TO 31.9%

- Revenue substantially increased 171.6% year-on-year to HK$2.97 billion
- Gross profit margin up from 21.5% to 31.9%
- Profit attributable to shareholders reached HK$482 million (1H2012: loss of HK$309 million)
- Basic earnings per share was 10.2 HK cents (1H2012: loss of 6.42 HK cents)
- Contract sales reached RMB3.34 billion (about HK$4.16 billion), up 95% year-on-year

(Hong Kong, 26 August 2013) – **Shanghai Industrial Urban Development Group Limited** ("SIUD" or "the Group", SEHK: 563) today announced its unaudited interim results for the six months ended 30 June 2013.

In the first half of 2013, SIUD's revenue surged 171.6% from the same period of 2012 to HK$2.97 billion, driven mainly by an increase of 62.8% to 236,000 sq. m. in properties delivery. Property sales remain the Group's largest source of revenue, contributing 93% of its total revenue, while leasing, hotel operations and property management and services accounted for 4%, 2% and 1% respectively. The Group achieved property sales revenue of HK$2.77 billion during the review period. Two major projects, namely Urban Cradle in Shanghai and CBE International Peninsula in Xi'an, accounted for 58% and 34% of the Group's property sales respectively.

During the period under review, gross profit margin improved from 21.5% in the same period last year to 31.9% as Urban Cradle, which commands high profit margin, was the main project for delivery during the period. Moreover, the Group disposed 25% interest in the U Center project in Shanghai for RMB1.17 billion recording a gain of approximately HK$820 million before taxation.

During the period, the Group recorded an operating profit of HK$1.34 billion (for the six months ended 30 June 2012: loss of HK$26.0 million). Even though if the one-off gain is excluded, the Group realized a significant turnaround from an operating loss of HK$26.0 million in the first half of 2012 to an operating profit of HK$522 million. The Group's profit attributable to shareholders reached HK$482 million (for the six months ended 30 June 2012: loss of HK$309 million), thanks to a surge in revenue and a one-off gain from the sale of the U Center project.

For the first half year of 2013, the Company’s basic and diluted earnings per share were 10.2 HK cents and 10.2 HK cents respectively (1H2012: basic and diluted loss per share of 6.42 HK cents and 6.42 HK cents). The Board does not recommend distribution of any interim dividend for the review period (1H2012: nil).

Spokesperson of SIUD said, “The property market generally maintained a relatively stable course of development in the first half of 2013, supported by persistently strong demand. We have aggressively captured the opportunities arising from the recovery of the property industry. Through accelerating the sale and delivery of properties and optimizing our asset portfolio while maintaining strict control of our costs, we have been able to improve our gross profit margin and achieve a business turnaround during the period.”

For the six months ended 30 June 2013, the Group recorded distribution and selling expenses of HK$129 million, surging 121% year-on-year, due largely to the notable 1.7 times growth in property sales revenue during the period. General and administrative expenses realized a decline of 11.8% to HK$212 million, thanks to the Group’s ongoing strict cost control measures, which continued to improve management and operational efficiency.

As at 30 June 2013, the Group's cash and bank balance were reduced to HK$2.44 billion from HK$5.53 billion in the end of December 2012. This was because the Group allocated about HK$1.08 billion as a deposit of land auction in June (already took back that cash amount in July) and a HK$2 billion net repayment of bank loan. As a result of a decline in the cash level, the net gearing ratio increased from 50.2% to 54.2% and the current ratio edged higher from 2.0 to 2.1. However, the Group recorded satisfactory contract sales during the period under review which generated a strong cash inflow, thus, the Group's liquid assets, funds, and future revenue are sufficient to support the current working capital requirements of the Group.

In the first half of 2013, the Group recorded contract sales of RMB3.34 billion, representing a year-on-year surge of 95%. Contract sales in terms of G.F.A. were approximately 174,000 sq. m., up 19% year-on-year. Contract sales from commodity housing amounted to RMB2.7 billion, mainly from Urban Cradle and CBE International Peninsula, which accounted for 58% and 8% respectively. Contract sales from affordable housing were RMB640 million. During the period under review, the average selling price of most of its projects has achieved single-digit to double-digit growth. The average selling price of overall contract sales was about RMB19,000 per sq. m., a year-on-year increase of 65%. This was mainly driven by the greater volume of sales at higher-priced Urban Cradle.

Spokesperson of SIUD concluded, "In May this year, we have swapped a piece of land parcel in the Xujiahui Centre project for four parcels of land located in Binjiang, Xuhui District which have huge potential for value appreciation. In June, we have disposed 25% interest in U Centre, which contributed considerable profit as well as a cash inflow of RMB1.39 billion (including repayments of other liabilities) to the Group. These initiatives could unlock some of the potential value of our projects and assets, speed up project development and cash receipts cycle while accelerating the pace of new project development. After continuous optimization of our assets portfolio together with nearly 100% growth in contract sales value, the Group has delivered satisfactory business results in the first half of the year.

Looking ahead to the second half of the year, while the Group will remain prudent, it is also optimistic that it can overcome the various challenges that it encounters. We will actively strive to boost our competitiveness and leverage the unique advantage of our parent company Shanghai Industrial Holdings Limited in the Yangtze River Delta to seek opportunities in the region and the prosperous coastal cities to invest in projects with stronger profitability and in a larger scale. We will gradually divest the assets which are no longer aligned with the Group's long-term development strategies. We will also unlock the value of our existing assets so as to realize our long-term development goals while striving for the best short- and medium-term interests of our shareholders."

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About Shanghai Industrial Urban Development Group Limited

Shanghai Industrial Urban Development Group Ltd. is a subsidiary of Shanghai Industrial 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, with total salable area of more than 8 million square meters.