



[Press Release]

SIUD Disposes 25% Interest in U Centre for RMB1.175 Billion

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Unlocks the Potential Value of Assets

Records Gain of RMB584 Million and Cash Inflow of RMB1.3 Billion

(Hong Kong, 21 June 2013) – **Shanghai Industrial Urban Development Group Limited** (“SIUD” or “the Company”, SEHK: 563) today announced the disposal of Earn Harvest Limited, its wholly-owned subsidiary, to Earth & Gold International Holdings Limited, an independent third party, for RMB1.175 billion. Earn Harvest Limited indirectly owns 25% interest in the U Centre project in Minhang District, Shanghai. The consideration has taken into account the land value of U Centre and the repayment of the shareholder’s loan. In addition, the buyer is to repay the project loan of RMB156 million to the Company. After the transaction is completed, it is expected that the Company can record a gain of approximately RMB584 million (unaudited) and a cash inflow of more than RMB1.3 billion.

A spokesperson from SIUD said, “We are very pleased to reach this agreement. With some of the projects booked into the financial statements at cost value, the management has been striving to unlock the potential value of quality assets through different channels. To this end, the transaction will release part of the true asset value of U Centre and generate promising profit. In addition, it is expected to strengthen our financial position, enabling the Group to accelerate the development pace of its current projects and position us more favourably to acquire potential new projects.”

In late 2010, SIUD collaborated with Shanghai Urban Development (Holdings) Co., Ltd. (“SUD”), which was then not yet a subsidiary of SIUD, to win the bid of the U Centre project at a consideration of RMB2.4 billion. Upon completion of this transaction, the remaining 75% interest in the U Centre project would still be owned by SUD. The project is to be developed into a commercial complex comprising offices, commercial property and a hotel.

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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 over 8 million square meters.