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

Press Release

SIUD Records Attributable Profit of HK$114 Million for the First Half of 2015

Gross Profit Margin Rises 2.9 Points to 33.5%

Financial Highlights

(For the 6 months ended 30 June)	2015 (HK$ million)	2014 (HK$ million)	Changes
Revenue	**2,173**	3,167	(31.4%)
Gross profit margin	**33.5%**	30.6%	2.9p.p
Operating profit (EBIT)	**874**	773	13.1%
Profit attributable to owners of the Company	**114**	(148.2)	Turn Around
Basic earnings per share (HK cent)	**2.37**	(3.08)	Turn Around

(Hong Kong, 17 August 2015) – **Shanghai Industrial Urban Development Group Limited** ("SIUD" or the "Group", SEHK：563) today announced its interim results for the six months ended 30 June 2015.

For the six months ended 30 June 2015, the Group's revenue decreased by 31.4% year-on-year to HK$2,173,156,000, primarily due to the decreased delivery of completed property. During the period, gross profit margin was 33.5%, an increase of approximately 2.9 percentage points from 30.6% during the same period last year. During the period, property sales amounted to HK$1,734,958,000 (six months ended 30 June 2014: HK$2,949,358,000), accounting for 79.8% of the Group's total revenue. The rest came from leasing, property management and services, and hotel operations, accounting for 14.7%, 2.1% and 3.4% of the total revenue respectively. Due to the acquisition of ShanghaiMart in late September 2014, the rental income grew substantially by 127% to HK$319,143,000 during the period.

For the six months ended 30 June 2015, the Group's net profit increased significantly year-on-year by 10.2 times to approximately HK$188,243,000, which was mainly attributable to the one-off gain arising from the disposal of the Yanjiao project during the period. During the period, profit attributable to owners of the Company increased significantly to HK$114,005,000 (six months ended 30 June 2014: loss attributable to owners of the Company of HK$148,190,000). During the first half of the year, both basic and diluted earnings per share were 2.37 HK cents (six months ended 30 June 2014: loss per share of 3.08 HK cents).

In the first half of 2015, the Group recorded total contract sales of RMB2,068,000,000 (six months ended 30 June 2014: RMB2,520,000,000), representing 46.0% of the annual sales target of RMB4,500,000,000 initially set at the beginning of the year. Since most projects will be launched in the second half of the year, including commodity housing in Phase V of Shanghai Jing City, garden houses in CBE International Peninsula in Xi'an, apartments and shops in the Laochengxiang project in Tianjin and apartments in the Shenyang•U Center project, the Group is confident in fulfilling the annual sales target. During the period, average selling price rose year-on-year by approximately 22.9% to approximately RMB18,800 per sq.m., mainly due to the variation in product category and project location during the period.

In the first half of 2015, the Group remained focused on restructuring and optimizing our asset portfolio by taking an active role in the reform of state-owned enterprises and further realizing asset marketization with a view to enhancing the Group's competitiveness. By the end of the first half, to intensify cooperation with respect to our respective resource advantages, the Group entered into a strategic cooperation framework agreement with the Government of Minhang District of Shanghai. Under the agreement, both parties would join hands in the construction of municipal infrastructure and operations relating to real estate development, and SIUD, as an individual enterprise, would also be uncharacteristically provided with taxation, investment and business promotion incentives to encourage the Group to play an active role in project construction in the district. By capitalizing the strengths of the Government of Minhang District and its own resource advantages as a state-owned enterprise, SIUD will progressively bring in a lot of premium enterprises and businesses to support the economic development of Minhang District. Moreover, the Group will also proactively seek to cooperate with the state-owned assets and enterprises in Minhang District with a view to establishing win-win long-term cooperation relationship.

Looking ahead, under the easing monetary policy, finance costs of domestic enterprises have lowered, and a continuous drop is expected in the Group's total borrowing costs of the year. The Group is proactively identifying suitable land in the hope of obtaining premium land parcels in Shanghai in the second half of the year. Under the new norms in economy, to create wider room for development in the real estate industry, the management is well prepared to complement with enterprises enjoying an edge in their respective sectors so as to seek opportunities to develop mixed property projects by injecting different elements, such as tourism, culture, elderly care or innovative technology, into the projects.

In a nutshell, the Group will launch most of its projects in the second half of the year, and while the Group is confident in achieving its annual sales target, taking the opportunities of the reform of state-owned enterprises and transformation of the real estate industry, the Group has also devised plans to extend its businesses along the real estate industry chain and strengthen or expand its operations in property management, property development for specific industries and financial real estate investment. Given the Group's effectiveness in stressing its strengths, comprehensive management system and professional and seasoned management team, the management remains optimistic about the full-year results of the Group and is convinced that the investment returns of the shareholders can be enhanced in the long run.

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About Shanghai Industrial Urban Development Group Limited

Shanghai Industrial Urban Development Group Limited is a subsidiary of Shanghai Industrial Holdings Limited. At the end of June 2015, the Group owns 20 real estate projects in 11 tier-one and tier–two Chinese cities, which include Shanghai, Beijing, 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 saleable area of approximately 4,900,000 square meters.