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

**Press Release**

# SIUD ATTRIBUTABLE PROFIT INCREASED BY 173.8% YOY TO HK$312 MILLION FOR THE FIRST HALF OF 2016

# CONTRACT SALES RISED ON BOTH VOLUME AND SELLING PRICE, SURGED 119.1% YOY TO RMB4.53 BILLION

Financial Highlights

| (For the 6 months ended 30 June) | 2016 (HK$ million) | 2015 (HK$ million) | Change |
|---|---|---|---|
| Revenue | **2,456.8** | 2,173.2 | 13.0% |
| Gross profit margin | **33.6%** | 33.5% | Similar |
| Profit attributable to owners of the Company | **312.1** | 114.0 | 173.8% |
| Basic earnings per share (HK cent) | **6.49** | 2.37 | 173.8% |

(Hong Kong, 30 August 2016) – **Shanghai Industrial Urban Development Group Limited** ("SIUD" or the "Group"; SEHK：563) today announced its interim results for the six months ended 30 June 2016.

For the six months ended 30 June 2016, the Group's revenue increased by 13.1% year-on-year to HK$2,456,815,000 primarily due to the increased delivery of completed property. During the period, gross profit margin was 33.6%, approximately the same level compared with that during the same period last year. Property sales amounted to HK$2,001,800,000 (six months ended 30 June 2015: HK$1,734,958,000), accounting for 81.5% of the Group's total revenue. The rest came from leasing, property management and services, and hotel operations, accounting for 13.0%, 2.0% and 3.5% of the total revenue respectively, which continued to provide stable revenue sources for the Group.

For the six months ended 30 June 2016, the Group's net profit increased significantly year-on-year by 2.89 times to approximately HK$732,833,000 which was mainly attributable to the one-off gain arising from the disposal of 35% interests in U Center indirectly through withdrawing its partnership in Green Carbon Fund during the period. During the period, profit attributable to owners of the Company increased to HK$312,101,000 (six months ended 30 June 2015: profit attributable to owners of the Company of HK$114,005,000). During the first half of the year, both basic and diluted earnings per share were 6.49 HK cents (six months ended 30 June 2015: earnings per share of 2.37 HK cents).

In the first half of 2016, the Group recorded total contract sales of RMB4,533,000,000 (six months ended 30 June 2015: RMB2,068,000,000) with a substantial increase of 119.1%, representing 85.5% of the annual sales target of RMB5,300,000,000 set at the beginning of the year. Contract sales in terms of G.F.A. were 196,000 sq.m. during the period, up 78.2% year-on-year. The average selling price rose by approximately 22.9% to RMB23,100 per sq.m., mainly due to the increase in sales percentage of Shanghai projects during the period.

As at 30 June 2016, bank balances and cash of the Group were HK$11,962,262,000 (31 December 2015: HK$11,371,189,000). The net gearing ratio of the Group decreased from 54.9% as at the end of last year to 41.8% as at the end of this June. Current ratio dropped slightly to 1.9 (31 December 2015: 2.0). The Group maintained sufficient cash inflow during the period. The management believes that the Group's financial resources and future cash balance will be sufficient to support the current working capital requirements and potential expansion.

In the first half of 2016, the Group proactively optimised its asset and strategy deployment to strengthen its financial conditions and deepen its strategic cooperation with other enterprises. In February 2016, the Group disposed 35% interests in Shanghai U Center by redeeming its shares from Green Carbon Fund. The gain before taxation attributable to owners of the Group is expected to be approximately RMB550,470,000.

A wave of "land kings" emerged in Shanghai during the first half, pushing both the average land price and premium rate to a record high. During the period, the Group actively explored the possibility of acquiring new projects. Apart from participating in tender, auction and public listing, the Group strived to facilitate project progress via merger and acquisition, urban renewal projects and urban village renovation. The Group fully capitalized on its state-owned background and outstanding development efforts to boost investment efforts in new projects. Aside from working on the existing batch of large scale projects, the Group also planned to develop a project pipeline with strong potential, with a view to acquiring high quality and safe assets. Meanwhile, the Group will strengthen the cooperation with industry peers to benefit from complementary advantages and enhance the competitiveness of its new investments.

In a nutshell, 2016 is the strategic starting year of the Group, with the gradual implementation of its five-year strategic development plan of "Residence + Commerce + X". The Group will continue to focus on developing key regions with Shanghai as the center and stabilise its core industry while expanding commercial development. The Group will also take greater efforts to introduce innovation and to extend the industry chain. Going forward, the Group will further consolidate its strengths and enhance its advantages. The management remains optimistic about the full-year business operation of the Group and is committed to generating solid returns for the shareholders.

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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 2016, the Group owns 19 real estate projects in 10 tier-one and tier–two Chinese cities, which include Shanghai, Beijing, Shenyang, Kunshan, Wuxi, Xi'an, Chongqing, Changsha and Shenzhen. 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 3,765,000 square meters.

This press release is distributed by **Wonderful Sky Financial Group Limited** on behalf of **Shanghai Industrial Urban Development Group Limited**.

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