



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

上海實業集團成員 A Member of SIIC

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***SHANGHAI INDUSTRIAL TO MAKE RMB2 BILLION ACQUISITION OF
RESIDENTIAL PROJECT NEAR SHANGHAI EXPO SITE***

(June 11, 2009 - HONG KONG) Shanghai Industrial Holdings Limited ("SIHL") entered into an acquisition agreement with Glorious Property Holdings Limited, by which SIHL will pay RMB2 billion for an overseas entity owned by Glorious Property. Through this entity, SIHL will own 4 residential buildings of Shanghai Bay (<http://www.sh-bay.com>), a luxurious residential development project in the vicinity of the 2010 Shanghai Expo site. The property assets include 396 residential units with a total saleable gross floor area ("GFA") exceeding 100,000 sq. m.

SIHL will entrust to a Glorious Property company to be responsible for the development, sale and operational management of the residential units until the end of 2011. According to the agreement, SIHL is expected to receive a shareholding return totalling RMB900 million in three years, starting 2009.

SIHL chairman Teng Yi Long indicated that the company is focused on growing its presence in real estate as a core business. In addition to developing its own property resources, SIHL will also acquire quality developed property projects to quickly expand its scale of operation and enhance its earnings. With a unique location and ready access to mass transportation, plus the Shanghai Expo effect, the Shanghai Bay project has promising sales outlook and growth potential. The acquisition of the Shanghai Bay residential units underlines SIHL's competitive edge in industry standing, professional insight, capital strength and taking advantage of market opportunities.

Mr Teng said this acquisition represents the first step of the company's next round of investment moves in property projects. More activities could be expected in expanding the scale of SIHL's operations in real estate by means of market acquisition, asset injection from parent company, as well as leveraging on the SOE reform in Shanghai.

Shanghai Bay is one of the largest integrated property development projects along the Huangpu River. Located at Wan Ping South Road in Xuhui District, next to Nanpu subway station (scheduled to be completed by 2010), Shanghai Bay is right across the Huangpu River from the 2010 Shanghai Expo site. The project comprises three phases, with an aggregate site area of 178,734 sq.m. and a total planned GFA of 927,609 sq.m..

Phase I is currently under construction, with some units pre-sold. A portion of the units in Phase II are also under construction. The 4 buildings to be acquired by SIHL include Blocks 2 and 8 in Phase I, and Blocks 9 and 10 in Phase II. Shanghai Bay project was launched in 2007 and a total of more than 400 units in 5 blocks in Phase I had been pre-sold, at an average selling price exceeding RMB30,000 per sq.m..

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