

For Immediate Release

**SHANGHAI INDUSTRIAL URBAN DEVELOPMENT ACQUIRES 59%
EQUITY INTEREST IN SHANGHAI URBAN DEVELOPMENT FOR
HK\$6.11 BILLION**

**TOTAL LAND BANK RISES TO ABOUT 17 MILLION SQUARE
METERS WITH INCREASED PROPORTION OF MID- TO HIGH-END
RESIDENTIAL PROPERTIES**

(14 April 2011 — Hong Kong) **Shanghai Industrial Urban Development Group Limited** (“SIUD”; SEHK: 0563) today signed an agreement with its parent company Shanghai Industrial Holdings Limited (“SIHL”; SEHK: 0363) to acquire 59% equity interest in Shanghai Urban Development (Holdings) Company Limited (“SUD”), a subsidiary of SIHL, together with the interest in the Dividend Receivable to SIHL, through the allotment and issue of new shares to SIHL. The total consideration is approximately HK\$6.11 billion. After completion of the acquisition, SUD will become a subsidiary of SIUD.

SIUD will issue an aggregate of 2,182,191,000 shares at the issue price of HK\$2.8 per share to SIHL to settle the total consideration. After completion of the acquisition, the shareholding of SIHL will increase to 70% of the enlarged share capital of SIUD. The issue price of HK\$2.8 for each share represents a discount of approximately 3.8% to the closing price of HK\$2.91 on the last trading day of SIUD shares, or a discount of approximately 3.6% to the average of the closing price of HK\$2.906 for the past five consecutive trading days (including last trading day). The acquisition is subject to the approval by the independent shareholders of SIUD at the Special General Meeting, Stock Exchange of Hong Kong and Securities and Futures Commission.

Founded in 1996, SUD is a renowned real estate developer in China. It has been the property flagship company under SIHL since 2007. As of year-end 2010, SUD held 11 property development projects mainly in five provinces/municipalities in China, namely Shanghai, Jiangsu, Anhui, Hunan and Chongqing, with a total land area of approximately 2,386,100 square meters and a planned total gross floor area of approximately 4,528,500 square meters. Its project portfolio comprises mid-range to high-end residential, commercial, hotel and composite buildings. Major projects under development include Urban Cradle and Shanghai Jing City in Shanghai,

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Yooooou.net in Kunshan, Ivy Aroma Town in Chongqing and Toscana in Changsha. Among its key projects for future development is Xujiahui Centre in Shanghai.

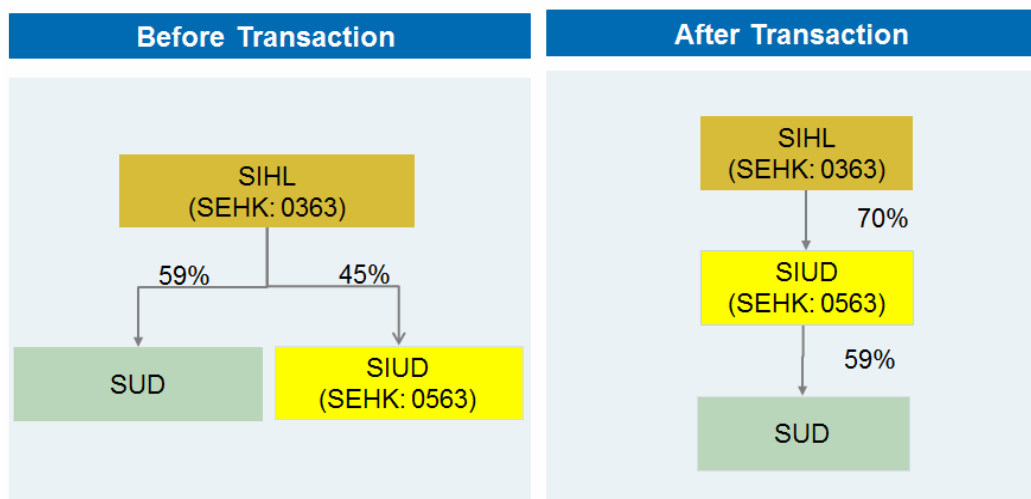
Sales realized by SUD in 2010 was HK\$4,276 million, surging 118.6% year-on-year, with sales area totaled 108,890 square meters. A presale amount of HK\$2,094 million was achieved during the same year. SUD recorded total rental income of approximately HK\$146 million in 2010 from its investment properties of approximately 77,000 square meters.

SIUD Chairman Cai Yu Tian commented that SIUD's revenue in 2011 is expected to increase substantially after the acquisition. SIUD's land bank in first and second tier cities will expand, with total land bank growing to approximately 17 million square meters, which would strengthen its long-term competitiveness. Besides, SUD's mid-range to high-end residential properties would upgrade SIUD's property portfolio, improving its business strengths as a professional property developer.

This transaction is a milestone for SIHL, parent company of SIUD, in terms of consolidating the former's real estate business into a unified operating and financing platform, enhancing operational scale and creating synergies. SIHL has started integrating its property business since acquiring 45% stake of SIUD last June. SIHL's first step was deploying seasoned professional management team of SUD to SIUD's headquarters. SIUD's financial position since then has been greatly strengthened. With the asset injection of SUD into SIUD, consolidation of SIHL's real estate business is making further progress.

The transaction will not only heighten the competitiveness of SIHL's real estate sector, by means of optimized portfolio and management resources, but also optimize the resources allocation for its three core businesses – infrastructure facilities, real estate and consumer products. Consequently SIHL, as a conglomerate, will be better positioned to create value for its shareholders.

Shareholding Structure



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About Shanghai Industrial Urban Development Group Limited

Shanghai Industrial Urban Development Group Limited, a subsidiary of Shanghai Industrial Holdings Limited, currently has 15 real estate projects in 11 tier I and tier II cities in China, including Beijing, Sanhe, Shenyang, Tianjin, Shanghai, Xi'an, Chengdu, 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. The Group has a land bank of over 12 million square meters.

Media Enquiry

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