

For immediate release

SHANGHAI INDUSTRIAL URBAN DEVELOPMENT PROPOSES TO SELL THE PARK AVENUE PROJECT

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(23 December 2012 — Hong Kong) **Shanghai Industrial Urban Development Group Limited** (“SIUD” or “the Group”; SEHK: 563) proposes to dispose its 100% interest in the Chengdu Zhongxin Jintai Real Estate Development Co., Ltd. (成都中新錦泰房地產開發有限公司) (“Project Company”), the developer of the Park Avenue project in Chengdu, Sichuan, the PRC. The Project Company is owned as to 70% by Leadway Pacific Limited (“Leadway”) and as to 30% by Zhongzhi (Beijing) Enterprise Management Co., Ltd. (“Zhongzhi BJ”), both are wholly-owned subsidiaries of the Group. SIUD has agreed to sell the entire issued share capital of Leadway for a purchase price of RMB110.6 million to Honghui Investments Company Limited (“Honghui Investments”), an independent third party. In addition, Honghui Investments has agreed to repay the shareholders’ loan outstanding and owed by the Project Company to the Group in the aggregate amount of RMB578.5 million.

In addition to the disposal of Leadway, the Group also intended to dispose Zhongzhi BJ which holds the remaining 30% equity interest in the Project Company. The bidding invitation, auction and listing procedure of Zhongzhi BJ has been started since 28 November 2012 in Shanghai and expected to end on or around 26 December 2012. Honghui Investments has indicated that it or its associated company will participate in the bidding for the 30% equity interest in the Project Company. Honghui Investments has undertaken to the Group that the purchase price of Leadway shall not be significantly lower than the final consideration for the sale of the 30% equity interest in the Project Company by Zhongzhi BJ.

Based on the carrying negative value of Leadway and the Project Company amounted RMB45,000 and RMB42.7 million respectively as at 31 December 2011, the Group is

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expected to record a gain, before tax and expenses, from the disposal of Leadway of approximately RMB141 million. However, the ultimate gain may be different from the stated gain given that there have been changes to the varying value of Leadway and the Project Company since 31 December 2011. The Group intends to apply the proceeds of the selling price of Leadway, after deducting the relevant expenses, to repay the Group's indebtedness and/or for investments in assets or properties used in the Group's business.

Park Avenue is a mixed residential and commercial development in Chengdu. The project is divided into two phases, of which Phase I is under construction. For the year ended 31 December 2011, the Project Company recorded a net loss of RMB201.2 million after tax and extraordinary items.

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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 25 real estate projects in 13 tier I and tier II cities in China, including Shanghai, Beijing, Sanhe, Shenyang, Tianjin, Kunshan, Wuxi, 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 total planned gross floor area of over 17 million square meters.