



Press Release

STRATEGIC COOPERATION CONCLUDED BETWEEN SHANGHAI'S MINHANG DISTRICT GOVERNMENT AND SIUD

(Hong Kong, 1 July 2015) – Shanghai's Minhang District Government and **Shanghai Industrial Urban Development Group Limited** ("SIUD" or the "Group"; SEHK: 563) signed a strategic cooperation framework agreement. To successfully promote the development of projects in Minhang District, both parties have agreed to intensify cooperation with respect to their respective resource advantages with details including the following:

1. The Minhang District Government and SIUD join hands on the construction of infrastructure facilities and supporting amenities, including operations relating to the preparation of land for transfer and the development of real estate.
2. The Minhang District Government will provide support to SIUD in terms of taxation and investment incentives. As SIUD has developed and built a group of high quality office and commercial properties in Minhang District, it will continue to introduce a number of quality enterprises and merchants to the region to give a boost to building and economic developments and tax revenue growth in Minhang District and this agreement is conducive to providing assistance to the work of SIUD in attracting investments.
3. The Minhang District Government will timely notify SIUD of relevant project information and, under the same conditions, encourage SIUD to play an active role in project construction so as to help it actively seek cooperation with state-owned capital and enterprises in Minhang District for further market expansion.

In Minhang District, SIUD has successfully developed and built a group of high quality office and commercial properties, such as the Minhang U Center and Xinzhuang TOD

Town projects, and all these large-scale projects will become icon projects in Minhang District going forward. Among which, Minhang U Center, with a construction area of close to 400,000 sq.m., is aimed at building into “Tai Koo Shing” in Hong Kong and its three office buildings are expected to be completed as early as 2016 with land costing RMB7,500 per sq.m. The Xinzhuang TOD Town project will also be launched soon. The project is Shanghai's first large-scale superstructure complex re-planned to be constructed in a well-established community. Total investment is RMB10 billion and the construction period is about eight years. The land costs approximately RMB4,500 per sq.m. and the shopping mall area spans 130,000 sq.m. Construction of the residential section has been started which should be able to achieve pre-sale standards by the end of next year.

It is mentioned in the agreement that both parties will bring their respective resource advantages into play in carrying out multi-level strategic cooperation on urban construction, real estate development and other areas in Minhang District. In recent years, being an important CBD in Shanghai as well as the city's urban gateway, transportation hub and economic industrial park, Minhang District has intensively carried through the urban development strategy for “comprehensive structural adjustment and indepth urbanization”, achieving fruitful results in various aspects including vigorously developing the recycling economy, deepening the building of ecological civilization as well as enhancing urban image and the economic standards.

As for the future development of the enterprise, Ji Gang, the Chairman and President of SIUD, said that, in terms of product positioning, SIUD is currently focused on residential buildings supplemented by commercial buildings. However, considering the current urban construction capacity of SIUD, in order to seek better business developments, SIUD will continue to extend strong support to the development of large-scale complex projects. The signing of the cooperation agreement with Minhang District Government will certainly play a positive role in promoting the construction of regional icon projects as well as obtaining more favorable support and assistance.

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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. As at the end of 2014, the Group had 22 real estate projects in 12 first- and second-tier cities in China. The projects are distributed across key mainland cities including Shanghai, Beijing, Sanhe, Shenyang, Tianjin, Kunshan, Wuxi, Xian, Chongqing, Changsha, Shenzhen and Zhuhai, the majority of which are mid- and high-end residential properties which are under construction. Saleable construction area is estimated at approximately 5.67 million sq.m.

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

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