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上海實業城市開發集團有限公司

SHANGHAI INDUSTRIAL URBAN DEVELOPMENT GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 563)

PROFIT WARNING

This announcement is made by Shanghai Industrial Urban Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that based on preliminary review of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2021 (the “**Period**”) and the information currently available, it is expected that the net profit for the Period and profit attributable to owners of the Company for the Period will decrease by approximately 41% and 64%, respectively as compared to that of the corresponding period in 2020.

The Board believes that, such decrease in the net profit for the Period and profit attributable to owners of the Company is mainly due to the following factors: (i) the increase in distribution and selling expenses as of result of an increase in advertising and marketing effort to boost the sales of properties during the Period amid the COVID-19 pandemic; and (ii) an increase in land appreciation tax which was primarily due to increase in the revenue of the Group during the Period. Notwithstanding the aforesaid, the overall financial and business positions of the Group remain healthy.

The Company is in the process of finalising the Group's interim results for the Period. The information contained in this announcement is only a preliminary assessment by the Board of the information currently available to it and the unaudited consolidated management accounts of the Group, which have not been reviewed by the Company's auditors. The Group's financial results for the Period will be disclosed in the interim results announcement of the Company to be released by the end of August 2021.

Shareholders and potential investors are advised to take caution when dealing in the shares of the Company.

By order of the Board of
Shanghai Industrial Urban Development Group Limited
Huang Haiping
Chairman

Hong Kong, 16 August 2021

As at the date of this announcement, the Board comprises Mr. Huang Haiping, Mr. Tang Jun, Mr. Lou Jun, Mr. Ye Weiqi and Mr. Zhong Tao as executive directors and Mr. Doo Wai-Hoi, William, J.P., Mr. Fan Ren Da, Anthony, Mr. Li Ka Fai, David and Mr. Qiao Zhigang as independent non-executive directors.