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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)**

## **DISCLOSEABLE TRANSACTION ACQUISITION OF LAND IN MINHANG DISTRICT, SHANGHAI**

The Board announces that on 3 December 2018, SUD, a non wholly-owned subsidiary of the Company, entered into the Land Use Rights Transfer Contract with the Shanghai Minhang Land Bureau to acquire the Land in Shanghai, the PRC from the Shanghai Minhang Land Bureau for a total consideration of RMB649,100,000. SUD intends to develop the Land into rental residential properties in accordance with the permitted uses of the Land.

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 5% but none of such percentage ratios is 25% or above, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **BACKGROUND OF THE ACQUISITION**

The Board announces that on 3 December 2018, SUD, a non wholly-owned subsidiary of the Company, entered into the Land Use Rights Transfer Contract with the Shanghai Minhang Land Bureau for the acquisition of the Land in Shanghai, the PRC by SUD for a total consideration of RMB649,100,000. The Land was put up for sale by the Shanghai Minhang Land Bureau in an open bidding auction in which SUD participated and was ultimately awarded with the Land. The principal terms of the Land Use Rights Transfer Contract are set out below:

## DETAILS OF THE LAND USE RIGHTS TRANSFER CONTRACT

Date: 3 December 2018

Parties: (1) SUD, a non wholly-owned subsidiary of the Company (as purchaser)

(2) Shanghai Minhang Land Bureau (as seller)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Shanghai Minhang Land Bureau is a PRC Governmental Body as defined in the Listing Rules.

Subject matter: The land use rights to the Land.

The Land is situated at Zizhu Hi-Tech Industrial Development Zone, Wujing Town, Minhang District (閔行區吳涇鎮紫竹科學園區), Shanghai with a site area of approximately 47,383.30 square metres.

Permitted land uses and term: Rental residential purpose, for a term of 70 years from the date of delivery of the Land.

Completion: The Shanghai Minhang Land Bureau shall deliver the Land, as a vacant site, to SUD within 15 business days after the Consideration has been settled in full.

Consideration: RMB649,100,000, being the price of the final winning bid at the open bidding auction held by the Shanghai Minhang Land Bureau.

Payment terms: The Consideration is payable as follows:

- (1) a guarantee deposit in the amount of RMB129,820,000 (being 20% of the Consideration), which has been paid as at the date of this announcement; and
- (2) the remaining balance in the amount of RMB519,280,000 is payable within 30 business days of the date of the Land Use Rights Transfer Contract.

As at the date of this announcement, SUD intends to settle the Consideration in full in cash using its internal resources.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

In 2017, the Shanghai government introduced the new land uses type of “rental residential properties”. The Group intends to venture into developing rental residential housing. As disclosed in the Company’s announcement dated 20 November 2018, the Group has acquired another land parcel in Shanghai with the same land uses type. The Group believes developing rental residential housing will provide a means to generate stable rental income for the Group in the longer term and would be beneficial to the Group. The Acquisition presents another opportunity for the Group to continue with this new business form in its home town Shanghai.

The Acquisition was conducted by way of an open bidding auction by the Shanghai Minhang Land Bureau. The Consideration reflected the final bidding price submitted by SUD and it was determined after taking into account, among other matters, the prevailing market price of comparable land and buildings in Shanghai and the future potential development. The Directors are of the view that the terms of the Acquisition are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **INFORMATION OF THE PARTIES**

SUD is a subsidiary of the Company owned as to 59% by the Company and 41% by Xuhui SASAC. Its principal businesses are investment holding and property development.

The Company is a company incorporated under the laws of Bermuda with limited liability, and is an investment holding company. The Group is a property developer in the PRC and is principally engaged in the businesses of property development, property investment and hotel operations in the PRC.

The Shanghai Minhang Land Bureau is a local governmental body of the PRC, which is in charge of, among others things, the sale of land use rights to lands in Minhang District, Shanghai.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 5% but none of such percentage ratios is 25% or above, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement have the following meanings:

“Acquisition”	the acquisition of the Land by SUD pursuant to the Land Use Rights Transfer Contract
“Board”	the board of Directors
“Company”	Shanghai Industrial Urban Development Group Limited (上海實業城市開發集團有限公司), a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Consideration”	RMB649,100,000, being the total consideration for the Acquisition payable by SUD
“Directors”	the directors of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a parcel of land situated at Zizhu Hi-Tech Industrial Development Zone, Wujing Town, Minhang District, Shanghai with a site area of approximately 47,383.30 square metres
“Land Use Rights Transfer Contract”	the land use rights transfer contract dated 3 December 2018 and entered into between SUD and the Shanghai Minhang Land Bureau in relation to the grant of the land use rights to the Land

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Minhang Land Bureau”	Shanghai Minhang District Administration Bureau of Planning and Land Resources (上海市閔行區規劃和土地管理局), a local governmental body of the PRC and the seller of the Land
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SUD”	Shanghai Urban Development (Holdings) Co., Ltd. (上海城開(集團)有限公司), a sino-foreign equity joint venture company established in the PRC and is indirectly owned by the Company as to 59% and by Xuhui SASAC as to 41%
“Xuhui SASAC”	the State-owned Assets Supervision and Administration Commission of Shanghai Xuhui District, a government authority authorised by and established directly under the Xuhui District government for supervising and managing state-owned assets in the possession of the Xuhui District

*In this announcement, the terms “PRC Governmental Body” and “subsidiary” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

*The English names of Chinese entities included in this announcement are unofficial translations of their Chinese names and are included for identification purposes only.*

By order of the Board of  
**Shanghai Industrial Urban Development Group Limited**  
**Zeng Ming**  
*Chairman*

Hong Kong, 3 December 2018

*As at the date of this announcement, the Board comprises Mr. ZENG Ming, Mr. ZHOU Xiong, Mr. LOU Jun, Mr. FEI Zuoxiang, Mr. YE Weiqi, Ms. HUANG Fei 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.*