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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

The Board announces that as at the date of this announcement, Shanghai Chenghang, a subsidiary of the Company, has completed the acquisition of the Land in Shanghai, the PRC from the Shanghai Land Bureau pursuant to the Land Use Rights Transfer Contract at the Consideration of RMB522,530,000. The Land is expected to be developed into commercial properties.

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 as at the date of this announcement, Shanghai Chenghang, a subsidiary of the Company, has completed the land delivery procedures and the acquisition of the land use rights of the Land in Shanghai, the PRC pursuant to the Land Use Rights Transfer Contract entered into between the Shanghai Land Bureau and Shanghai Chenghang on 12 July 2018. The principal terms of the Land Use Rights Transfer Contract are set out below:

DETAILS OF THE LAND USE RIGHTS TRANSFER CONTRACT

Date: 12 July 2018

Parties: (1) Shanghai Chenghang, a subsidiary of the Company (as purchaser); and
(2) Shanghai Land Bureau (as seller)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Shanghai Land Bureau and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

- Subject matter: The land use rights of the Land.
- The Land is situated at Meilong Town, Minhang District, Shanghai with a site area of 20,571.9 square metres.
- Permitted land uses and term: (1) Commercial purpose, for a term of 40 years from completion
- (2) Office purpose, for a term of 50 years from completion
- Completion: The Shanghai Land Bureau shall deliver the Land, as a vacant site, to Shanghai Chenghang by 16 August 2018.
- Consideration: RMB522,530,000
- Payment terms: The Consideration shall be payable in the following manner:
- (1) a guarantee deposit in the amount of RMB104,506,000 (being 20% of the Consideration), payable within 5 business days of the date of the Land Use Rights Transfer Contract; and
- (2) the remaining balance in the amount of RMB418,024,000, payable within 30 days of the date of the Land Use Rights Transfer Contract.
- The Consideration payable by the Group has been fully settled in cash.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the 2017 annual report of the Company, the development of commercial properties, with a focus on commercial and office buildings, is part of the Group's long term business strategy. Taking into account the location, site area and other factors relating to the Land, the Company considers the Acquisition provides the Group with a good opportunity to obtain new land resources at a reasonable risk level and capital cost for implementing the Group's strategy stated above.

The Acquisition was conducted after taking into account, among other matters, the prevailing market price of comparable land and buildings in Shanghai and the future potential development, and the total consideration was determined accordingly. 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 GROUP

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.

Shanghai Chenghang is a company established in the PRC with limited liability and is owned as to 80% by the Company. Its principal business is property development.

The Shanghai Land Bureau is a local governmental body of the PRC, which is in charge of, among others things, the sale of land use rights of 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 use rights of the Land 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”	RMB522,530,000, being the total consideration for the Acquisition payable by Shanghai Chenghang
“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 Meilong Town, Minhang District, Shanghai with a site area of 20,571.9 square metres
“Land Use Rights Transfer Contract”	the land use rights transfer contract dated 12 July 2018 and entered into between Shanghai Chenghang and the Shanghai Land Bureau in relation to the land use rights of the Land
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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 Chenghang”	Shanghai Chenghang Real Estate Co., Ltd. (上海城行置業有限公司), a company established in the PRC with limited liability and a non wholly-owned subsidiary of the Company
“Shanghai 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 use rights of the Land

“Stock Exchange” The Stock Exchange of Hong Kong Limited

In this announcement, the terms “connected person” 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, 1 August 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.