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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 —  
UPDATE ON THE DISPOSAL OF 67% EQUITY INTEREST  
IN THE TARGET COMPANY**

Reference is made to the announcements of Shanghai Industrial Urban Development Group Limited (the “**Company**”) dated 9 April 2018, 1 October 2018, 2 November 2018, 13 March 2020 and 26 August 2020 respectively (collectively the “**Announcements**”) in relation to, among other things, the settlement of litigation concerning the Disposal involving 67% equity interest in the Target Company, namely Hunan Qianshuiwan Xiangya Garden Co., Ltd.\* (湖南淺水灣湘雅溫泉花園有限公司), an indirect non wholly-owned subsidiary of the Company. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

**UPDATE ON THE DISPOSAL OF 67% EQUITY INTEREST IN THE TARGET  
COMPANY**

The board of directors of the Company is pleased to announce that subsequent to the issue of the Disposal Consent Judgment by the Supreme People’s Court\* (最高人民法院) on 25 August 2020, the Purchaser has performed all of its payment obligations under the Disposal Consent Judgment, and the Vendor has completed its obligations for preparation of completion under the Equity Transfer Agreement and the Disposal Consent Judgment. Since 29 December 2020, the Vendor has ceased to have any effective control over the Target Company.

## **IMPACT ON THE COMPANY**

Following the cessation of effective control over the Target Company, it shall cease to be a subsidiary of the Company. Thus, the financial results and financial position of the Target Company after the Company's cessation of effective control will no longer be consolidated into the Company's financial statements. Also, the liabilities of the Target Company, if any, under the Land Development Proceedings will not have any bearing on the financials and operations of the Group. Taking into account the default interest of RMB79,000,000 received by the Vendor under the Equity Transfer Agreement, the Company records an unaudited pre-tax gain of approximately RMB566,000,000 upon cessation of effective control over the Target Company.

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

Hong Kong, 29 December 2020

*As at the date of this announcement, the Board comprises Mr. HUANG Haiping, Mr. ZHOU Xiong, 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.*

*\* for identification purposes only*