

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 PRC**

The Board announces that on 17 September 2020, Shanghai Shangtou Xinhong, 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 RMB428,650,000. The permitted uses of the Land are commercial buildings, hotels, food and beverages businesses.

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 17 September 2020, Shanghai Shangtou Xinhong, 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 Shanghai Shangtou Xinhong for a total consideration of RMB428,650,000. The Land was put up for sale by the Shanghai Minhang Land Bureau in an open bidding auction in which Shanghai Shangtou Xinhong 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: 17 September 2020

- Parties:
- (1) Shanghai Shangtou Xinhong, 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 Xinhong Street, Minhang District (閔行區新虹街道), Shanghai, the PRC with a site area of approximately 19,937 square metres.

Permitted land uses and term: Operation of (i) commercial buildings; and (ii) hotels and food and beverages businesses, for a term of 40 years from the date of delivery of the Land.

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

Consideration: RMB428,650,000, 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 RMB85,730,000 (being 20% of the Consideration), which has been paid prior to the date of this announcement; and
- (2) the remaining balance in the amount of RMB342,920,000 is payable within 90 days of the date of the Land Use Rights Transfer Contract.

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

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the businesses of property development, property investment and hotel operations in the PRC. The Land is conveniently situated in Shanghai, the home town of the Group. The Group considers that the Acquisition complements well with the Group's strategic focus on the development of premium projects in Shanghai, providing it with the opportunity to capitalise its years of development experience in 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 Shanghai Shangtou Xinhong 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

Shanghai Shangtou Xinhong is a non-wholly owned subsidiary of the Company owned as to 90% by the Group. The remaining 10% is owned by Shanghai Minhua Investment Development Company Limited (上海閔華投資發展有限公司), a company established in the PRC with limited liability and ultimately owned by the Houjiajiao Village Committee of the Huacao District (華漕鎮侯家角村民委員會), the Houjiajiao Second Warehouse (侯家角第二倉庫) and the Xinhong Street Office of the Shanghai Minhang District People's Municipal Government (上海市閔行區人民政府新虹街道辦事處). It is principally engaged in industrial investment, project investment, investment management, real estate development and operations and property management services.

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 Shanghai Shangtou Xinhong 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”	RMB428,650,000, being the total consideration for the Acquisition payable by Shanghai Shangtou Xinhong
“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 Xinhong Street, Minhang District (閔行區新虹街道), Shanghai, the PRC with a site area of approximately 19,937 square metres
“Land Use Rights Transfer Contract”	the land use rights transfer contract dated 17 September 2020 and entered into between Shanghai Shangtou Xinhong 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 Natural Resources (上海市閔行區規劃和自然資源局), a local governmental body of the PRC and the seller of the Land

“Shanghai Shangtou Xinhong” Shanghai Shangtou Xinhong Investment Company Limited (上海上投新虹投資有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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
Huang Haiping
Chairman

Hong Kong, 17 September 2020

As at the date of this announcement, the Board of the Company 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.