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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  
RELATING TO PROVISION OF GUARANTEE  
FOR A JOINT VENTURE**

**PROVISION OF GUARANTEE**

On 22 November 2021, SUD (being a subsidiary of the Company), as guarantor, entered into the Guarantee Agreement in favour of the Bank, pursuant to which SUD has agreed to provide guarantee for the due performance of the repayment obligations of the Project Company to the Bank under the Loan Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Bank and their ultimate beneficial owner(s) are Independent Third Parties.

**LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the provision of guarantee under the Guarantee Agreement is more than 5% but is less than 25%, the provision of guarantee under the Guarantee Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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### **Principal terms of the Guarantee Agreement**

**Date:** 22 November 2021

**Parties:** (1) SUD (as guarantor); and  
(2) the Bank

**Guarantee:** SUD, as guarantor, has agreed to provide guarantee of up to RMB196,000,000, representing 49% of the maximum principal amount of RMB400,000,000 made available to the Project Company under the Loan Agreement, in favour of the Bank to secure the due performance of the Project Company's repayment obligations under the Loan Agreement, including, without limitation, with respect to the principal amount under the Loan Agreement together with any interest, default interest, penalty, compensations, liquidated damages and other expenses incurred by the Bank in enforcing its rights under the Guarantee Agreement;

**Term of guarantee:** commencing from the effective date of the Guarantee Agreement and ending on the date which is three years after the expiry of the term of the Loan Agreement;

**Effective date of the Guarantee Agreement:** the Guarantee Agreement shall become effective upon due execution, being 22 November 2021

### **REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEE**

The principal loan amount extended by the Bank to the Project Company under the Loan Agreement is up to a maximum amount of RMB400,000,000. The Directors are of the view that the provision of the guarantee under the Guarantee Agreement will facilitate the Project Company to meet its working capital requirement for the development of Xiangkai Changlong Garden\* (香開長龍花園) phase one project located at Yangluo Economic Development Zone, Xinzhou District, Wuhan, Hubei Province, the PRC\* (中國湖北省武漢市新洲區陽邏經濟開發區), which is expected to generate reasonable profits to the Group and is in line with the Group's overall business strategy and interest in the long run.

The other partners in the Project Company, namely Wuhan Zhonggeng and Jiangsu Changrong, also provided guarantee of up to a maximum amount of RMB192,000,000 and RMB12,000,000 respectively, being 48% and 3% of the maximum principal amount available to the Project Company under the Loan Agreement, in favour of the Bank to secure the due performance of the Project Company's repayment obligations under the Loan Agreement.

Having taken into consideration of the guarantee provided by Wuhan Zhonggeng and Jiangsu Changrong and that the risks exposed to the Group is being minimised, the Directors are of the view that the terms of the Guarantee Agreement are on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE PARTIES INVOLVED**

### **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 principally engaged in the businesses of property development, property investment and hotel operations in the PRC.

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

### **The Project Company**

The Project Company is a joint venture of the Group established in the PRC with limited liability which is principally engaged in property development in the PRC.

The Project Company is held as to 49% by the Group through SUD, as to 48% by Wuhan Zhonggeng and as to 3% by Jiangsu Changrong.

Wuhan Zhonggeng is a company established in the PRC with limited liability and is effectively controlled by Zhonggeng Group. Wuhan Zhonggeng and Zhonggeng Group are engaged in various operations, including real estate development, sale of commodity housing, house leasing and marketing and planning, in the PRC. To the best knowledge of the Company, the ultimate beneficial owner of Zhonggeng Group is Mr. Liang Yan Feng, an Independent Third Party.

Jiangsu Changrong is a company established in the PRC with limited liability. Jiangsu Changrong is engaged in various operations, including consultancy, property management, real estate agency and general management services, in the PRC. To the best knowledge of the Company, the ultimate beneficial owner of Jiangsu Changrong is Ms. Liang Sai Ying, an Independent Third Party.

## **The Bank**

The Bank is a licensed bank established under the laws of the PRC which is principally engaged in, among others, the provision of financing services in the PRC.

## **LISTING RULES IMPLICATIONS**

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## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bank”	China Bohai Bank Co., Ltd. Wuhan Branch (渤海銀行股份有限公司武漢分行), a licensed bank established under the laws of the PRC
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the guarantee agreement dated 22 November 2021 and entered into by SUD, as guarantor, and the Bank, pursuant to which SUD has agreed to provide guarantee in favour of the Bank to secure the due performance of the repayment obligations of the Project Company under the Loan Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	third party(ies) independent of the Group and not connected person(s) of the Company
“Jiangsu Changrong”	Jiangsu Changrong Enterprise Consulting Co., Ltd.* (江蘇昌榮企業諮詢有限公司), a company established in the PRC with limited liability which, as at the date of this announcement, is owned as to 100% by an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the fixed asset loan agreement dated 22 November 2021 entered into between the Project Company and the Bank in relation to the grant of a loan up to a maximum principal amount of RMB400,000,000 by the Bank to the Project Company for a term of not more than 2 years commencing from 22 November 2021 to 8 November 2023
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China
“Project Company”	Wuhan Gengcheng Property Co., Ltd.* (武漢庚城置業有限公司), a company established in the PRC with limited liability which, as at the date of this announcement, is indirectly owned as to 49% by the Company through SUD (a subsidiary of the Company), as to 48% by Wuhan Zhonggeng and as to 3% by Jiangsu Changrong
“RMB”	Renminbi, the lawful currency of the PRC
“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%
“Wuhan Zhonggeng”	Wuhan Zhonggeng Shencheng Industrial Co., Ltd.* (武漢中庚申城實業有限公司), a company established in the PRC and effectively controlled by Zhonggeng Group and an Independent Third Party

“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
“Zhonggeng Group”	Zhonggeng Property Group Co., Ltd.* (中庚置業集團有限公司), a company established in the PRC and an Independent Third Party
“%” or “per cent.”	percentage or per centum

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

Hong Kong, 22 November 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.*

\* *For identification purpose only*