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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)

ANNOUNCEMENT MADE PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made by Shanghai Industrial Urban Development Group Limited (the “**Company**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 24 November 2016, the Company as the borrower entered into a loan agreement (the “**Loan Agreement**”) with a bank as a lender (the “**Lender**”) for a term loan facility in the amount of RMB3,000,000,000 for a term of thirty-six months (the “**Facility**”). The Facility will be used to repay the shareholders’ loans of the Company denominated in foreign currencies.

The Loan Agreement provides that Shanghai Industrial Holdings Limited (“**SIHL**”), a controlling shareholder of the Company, shall maintain not less than 51% shareholding interest in the Company, and maintain the ancillary rights to control and manage the Company pertaining to the voting rights in respect of such 51% shareholding interest (the “**Shareholding Covenant**”). A breach of the Shareholding Covenant will constitute a default under the Loan Agreement.

As at the date of this announcement, SIHL is beneficially interested in approximately 71.00% of the total issued share capital of the Company.

The board (the “**Board**”) of directors of the Company is of the view that financing by way of the Facility will not only be conducive to reducing the integrated financial cost of the Company, but will also optimize the Company’s current debt structure, thus reducing the impact of Renminbi exchange rate fluctuation on the Company’s business in the future.

The Company will make continuing disclosure in its subsequent interim and annual reports for so long as the Shareholding Covenant continues to exist pursuant to Rule 13.21 of the Listing Rules.

By order of the Board of
Shanghai Industrial Urban Development Group Limited
Ji Gang
Chairman

Hong Kong, 24 November 2016

As at the date of this announcement, the board of directors of the Company comprises Mr. Ji Gang, Mr. Zhou Jun, Mr. Yang Jianwei, Mr. Yang Biao, Mr. Ye Weiqi and Ms. Huang Fei as executive directors and Mr. Doo Wai-Hoi, William, J.P., Mr. Fan Ren Da, Anthony and Mr. Li Ka Fai, David as independent non-executive directors.