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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 IN XUHUI DISTRICT, SHANGHAI**

The Board announces that on 20 November 2018, SUD, a subsidiary of the Company, entered into the Land Use Rights Transfer Contract with the Shanghai Xuhui Land Bureau for the acquisition of the Land in Shanghai, the PRC by SUD for a total consideration of RMB456,480,000. SUD intends to develop the Land into rental residential properties in accordance with the permitted uses of the Land.

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**

Reference is made to the Company's announcement dated 1 November 2018 in relation to the successful bid of the Land by SUD, a subsidiary of the Company.

The Board announces that on 20 November 2018, SUD entered into the Land Use Rights Transfer Contract with the Shanghai Xuhui Land Bureau for the acquisition of the Land in Shanghai, the PRC by SUD for a total consideration of RMB456,480,000. The Land was put up for sale by the Shanghai Xuhui Land Bureau in an open bidding auction in which SUD 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: 20 November 2018

- Parties: (1) SUD, a subsidiary of the Company (as purchaser)  
(2) Shanghai Xuhui Land Bureau (as seller)
- To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Shanghai Xuhui Land Bureau is a PRC Governmental Body as defined under the Listing Rules.
- Subject matter: The land use rights to the Land.
- The Land is situated at Caohejing Road, Xuhui District, Shanghai with a site area of approximately 17,161 square metres.
- Permitted land uses and term: Rental residential purpose, for a term of 70 years from the date of delivery of the Land.
- Completion: The Shanghai Xuhui Land Bureau shall deliver the Land, as a vacant site, to SUD within 15 business days after the Consideration has been settled in full.
- Consideration: RMB456,480,000, being the price of the final winning bid at the open bidding auction held by the Shanghai Xuhui Land Bureau.
- Payment terms: The Consideration is payable in full (one-off payment) within 30 business days of the date of the Land Use Rights Transfer Contract.
- As at the date of this announcement, SUD intends to settle the Consideration in full in cash using its internal resources.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

As disclosed in the announcement of the Company dated 28 September 2018, the Xuhui District government has exercised its power to resume a land parcel owned by the Group in Xuhui District. The land resumed is situated adjacent to the Land. The Acquisition presents a good opportunity for the Group to replenish its land reserves, especially in an area where the Group is familiar with; and to venture in a new business model of developing rental housing.

In 2017, the Shanghai government introduced the new land uses type of “rental residential properties”. Under this uses, the land must be developed into residential properties and completed housing units will be made available in the market for rent. The Acquisition allows the Group to venture into a new business model of developing investment property for residential purposes. As the Group continues to pursue its four main strategic plans of “residential property development + investment property operation + urban renewal service + cooperation between industrial and financial capital”, development of rental residential properties fits well into the first two limbs of the Group’s strategies. Given that the Land is located in Shanghai, where the Group’s headquarters is based and its roots are, the Board believes that the Acquisition provides the Group with an exciting opportunity to undertake a new business form in the Group’s home town to implement the Group’s strategy to achieve a long-term sustainable growth.

The Acquisition was conducted by way of an open bidding auction by the Shanghai Xuhui Land Bureau. The Consideration reflected the final bidding price submitted by SUD 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**

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

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 Xuhui Land Bureau is a local governmental body of the PRC, which is in charge of, among others things, the grant of land use rights in the Xuhui 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 SUD 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”	RMB456,480,000, being the total consideration for the Acquisition payable by SUD
“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 Caohejing Road, Xuhui District, Shanghai with a site area of approximately 17,161 square metres
“Land Use Rights Transfer Contract”	the land use rights transfer contract dated 20 November 2018 and entered into between SUD and the Shanghai Xuhui 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 Xuhui Land Bureau”	Shanghai Xuhui District Administration Bureau of Planning and Land Resources (上海市徐匯區規劃和土地管理局), a local governmental body of the PRC and the seller of the Land
“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%
- “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

*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**  
**Zeng Ming**  
*Chairman*

Hong Kong, 20 November 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.*