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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 CONSTRUCTION CONTRACT IN RELATION TO THE CAOHEJING PROJECT**

The Company announces that on 29 November 2019, SUD Jing Xiang, a wholly-owned subsidiary of SUD, entered into the Construction Contract with the Contractor, pursuant to which the Contractor will undertake construction work for the Caohejing Project for a Consideration of approximately RMB327 million (subject to adjustments).

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Construction Contract exceeds 5% but none of such percentage ratios is 25% or above, the Construction Contract 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.

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### **PRINCIPAL TERMS OF THE CONSTRUCTION CONTRACT**

#### **Date**

29 November 2019

## **Parties**

- (1) SUD Jing Xiang, a wholly-owned subsidiary of SUD
- (2) the Contractor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Contractor and its ultimate beneficial owners are Independent Third Parties.

The Contractor was selected from a group of contractors who responded through an open bidding process of SUD Jing Xiang and was selected by SUD Jing Xiang after due and careful consideration, taking into account a number of factors, including their quotations, quality of work, experience and market position. Such factors also form the basis for determining the Consideration.

## **Scope of the construction work**

Pursuant to the Construction Contract, the Contractor will undertake the construction of the Caohejing Project, which primarily comprises rental residential properties with a planned total gross floor area of approximately 66,134 square metres on a piece of land with a total site area of approximately 17,161 square metres located on Caohejing Road, Xuhui District, Shanghai, China. The scope of construction work includes but is not limited to earthworks, foundation works, concrete works, electrical works, masonry works, installation of lifts, declaration, landscaping and debris removal, etc.

## **Completion of the construction work**

The construction work is scheduled to complete by 29 October 2021.

## **Consideration**

The total consideration for the Construction Contract is approximately RMB327 million (subject to adjustment based on the actual work to be undertaken) and will be funded by internal resources of the Group.

## **REASONS FOR AND BENEFITS OF THE CONSTRUCTION CONTRACT**

The Caohejing Project is one of the Group's first projects in the PRC residential leasing market. The Caohejing Project is located on Caohejing Road in the Xuhui District, Shanghai with a site area of approximately 17,161 square metres. The land has a term of 70 years from 1 March 2019. The Caohejing Project will be developed into residential properties, and the completed housing units will be available for rent in the open market. Development of rental residential properties will bring steady rental income for the Group in the long run and allow the Group to explore a new business form in Shanghai, in response to the national housing system of "encouraging both house purchase and rental". For further details of the Group's acquisition of the land on Caohejing Road, please refer to the announcement of the Company dated 20 November 2018.

The Contactor is engaged under the Construction Contract to undertake the construction work for the Caohejing Project. The terms of the Construction Contract have been reached after arm's length negotiations between SUD Jing Xiang and the Contractor, which are on normal commercial terms. The Directors are of the view that the terms of the Construction Contract are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF 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 a property developer in the PRC and is principally engaged in the businesses of property development, property investment and hotel operations in the PRC.

SUD Jing Xiang is a company established in the PRC with limited liability and a wholly-owned subsidiary of SUD. Its principal businesses are real estate development and real estate leasing operations.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Construction Contract exceeds 5% but none of such percentage ratios is 25% or above, the Construction Contract 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:

“Board”	the board of Directors
“Caohejing Project”	a residential leasing project of the Group
“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”	the total consideration payable to the Contractor under the Construction Contract, being approximately RMB327 million (subject to adjustments based on the actual work to be undertaken)
“Construction Contract”	the agreement dated 29 November 2019 entered into between SUD Jing Xiang and the Contractor, pursuant to which the Contractor will undertake the construction work for the development of the Caohejing Project
“Contractor”	Hebei Construction Group, Co., Ltd. (河北建工集團有限責任公司), a company established in the PRC with limited liability
“Directors”	the directors of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third parties who are not connected person(s) of the Company and are independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“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%
“SUD Jing Xiang”	Shanghai Urban development Jing Xiang Co., Ltd. (上海城開晶享置業有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of SUD
“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 “connected person” 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, 29 November 2019

*As at the date of this announcement, the Board of the Company comprises Mr. Zeng Ming, Mr. Zhou Xiong, Mr. Lou Jun, Mr. Fei Zuoxiang, 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.*