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*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 363)**

## **MAJOR TRANSACTION**

### **ACQUISITION OF LAND USE RIGHTS IN SHANGHAI, THE PRC**

#### **ACQUISITION OF LAND USE RIGHTS**

The Board is pleased to announce that on 17 December 2020, Shanghai Ruijue, an indirect subsidiary of the Company, won the bid in respect of the Land Use Rights of the Land situated at Shanghai, the PRC through listing-for-sale at a consideration of RMB3,893 million. Shanghai Ruijue has received the confirmation notification from Hongkou District Planning and Natural Resources Bureau in relation to the Land Acquisition. The Land Use Rights Grant Contract in respect of the Land Acquisition was entered into on 17 December 2020.

#### **LISTING RULES IMPLICATIONS**

The Land Acquisition constitutes a transaction under Chapter 14 of the Listing Rules as the properties to be developed on the Land will be held as investment property for recurring income. As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Land Acquisition exceeds 25% but is less than 100%, the Land Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

As one of the Group's principal business activities is property development, the Company is regarded as a Qualified Issuer under Rule 14.04(10B) of the Listing Rules. Besides, the Land Acquisition is regarded as a Qualified Property Acquisition under Rule 14.04(10C) of the Listing Rules as it involves an acquisition of governmental land(s) from a PRC Governmental Body through listing-for-sale governed by the PRC laws (as defined under the Listing Rules), which is undertaken by the Group via Shanghai Ruijue on a sole basis in its ordinary and usual course of business. As such, the Land Acquisition is subject to reporting and announcement requirements but exempt from shareholders' approval requirement pursuant to Rule 14.33A of the Listing Rules.

## GENERAL

A circular containing, among other things, (i) further details of the Land Acquisition; and (ii) financial information of the Group, will be despatched to the shareholders of the Company on or before 11 January 2021.

## ACQUISITION OF LAND USE RIGHTS

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Date of entering into the Land Use Rights Grant Contract : 17 December 2020

Parties : (1) Hongkou District Planning and Natural Resources Bureau (as the transferor); and  
(2) Shanghai Ruijue (as the transferee)

Location of the Land : The Land is situated at the land parcels numbered HK323-01, HK323-05, HK323-02 (a portion of the Land is underground land), North Bund, Hongkou District, Shanghai, the PRC, and it reaches Dantu Road to the east, Dongdaming Road to the south, the greenland numbered HK323-02 to the west and Dongchangzhi Road to the north.

The land parcel numbered HK323-01 reaches Dantu Road to the east, the land parcel numbered HK323-05 to the south, the greenland numbered HK323-02 to the west and Dongchangzhi Road to the north.

The land parcel numbered HK323-05 reaches Dantu Road to the east, Dongdaming Road to the south, the land parcel numbered HK323-04 to the west and the land parcel numbered HK323-01 to the north.

Total land transfer site area : 12,725 square metres

Consideration	:	RMB3,893 million
Payment terms	:	The Consideration for the Land Acquisition shall be paid at completion which is yet to be determined by the parties.
Term of the Land Use Rights and use of the Land	:	(1) for recreation and sport uses with a term of 40 years; (2) for commercial use with a term of 40 years; and (3) for offices with a term of 50 years

## **BASIS FOR DETERMINING THE CONSIDERATION**

The Consideration was determined by the successful bid of the Land by Shanghai Ruijue through listing-for-sale which was conducted in accordance with the relevant PRC laws and regulations. The Group considered the bidding price for the Land was fair after taking into account, among other things, (i) the base price of the bid of RMB3,893,000,000 set by Hongkou District Planning and Natural Resources Bureau; (ii) the current property market conditions in North Bund, Hongkou District, Shanghai, the PRC and areas nearby; and (iii) the location and development potential of the Land. No independent valuation has been taken as reference for setting the bidding price.

The Group intends to finance the Consideration by internal resources.

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

The Land, which is situated at North Bund, Hongkou District, Shanghai, the PRC, is for office development, commercial, recreation and sport uses. It is located in close proximity to the land parcel situated at No. 89, North Bund which is currently under development and construction of SI Development and the Land Acquisition is in line with the business development strategy of the Group in Shanghai. It therefore creates synergy effect to the development planning of the Group in the same areas in Shanghai, and enhances the brand reputation and value of the Group in the aspect of property development.

The Board is of the view that the Land Acquisition is in the Group's ordinary and usual course of business, the terms of the Land Acquisition are fair and reasonable and the Land Acquisition is in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE PARTIES**

The Group is principally engaged in the businesses of infrastructure facilities, real estate (comprising property development and investment and hotel operation) and consumer products.

Shanghai Ruijue is a wholly-owned subsidiary of SI Development, which in turn is a non-wholly owned subsidiary of the Company. Shanghai Ruijue is set up for the participation in the listing-for-sale relating to the Land and is principally engaged in the development of the Land and the related construction and business operation.

SI Development is a non-wholly owned subsidiary of the Company and is held as to 48.6% of its entire equity interest by the Company as at the date of this announcement. It is principally engaged in property development, property operation and management, and provision of consulting services in relation to property business.

Hongkou District Planning and Natural Resources Bureau is a bureau established by the local government of Hongkou District in Shanghai Municipality and a PRC Governmental Body within the meaning of Rule 19A.04 of the Listing Rules. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Hongkou District Planning and Natural Resources Bureau and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

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As one of the Group's principal business activities is property development, the Company is regarded as a Qualified Issuer under Rule 14.04(10B) of the Listing Rules. Besides, the Land Acquisition is regarded as a Qualified Property Acquisition under Rule 14.04(10C) of the Listing Rules as it involves an acquisition of governmental land(s) from a PRC Governmental Body through listing-for-sale governed by the PRC laws (as defined under the Listing Rules), which is undertaken by the Group via Shanghai Ruijue on a sole basis in its ordinary and usual course of business. As such, the Land Acquisition is subject to reporting and announcement requirements but exempt from shareholders' approval requirement pursuant to Rule 14.33A of the Listing Rules.

## **GENERAL**

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## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings as set out below unless the context otherwise requires:

"Board"	the board of Directors
"Company"	Shanghai Industrial Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 363)

"connected person(s)" and "subsidiary(ies)"	each has the meaning ascribed to it under the Listing Rules
"Consideration"	RMB3,893 million, being the total consideration payable by Shanghai Ruijue for the Land Acquisition
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hongkou District Planning and Natural Resources Bureau"	Hongkou District Planning and Natural Resources Bureau in Shanghai Municipality* (上海市虹口區規劃和自然資源局), a bureau established by the local government of Hongkou District in Shanghai Municipality and a PRC Governmental Body within the meaning of Rule 19A.04 of the Listing Rules
"Land"	the land situated at the land parcels numbered HK323-01、HK323-05, HK323-02 (a portion of the Land is underground land), North Bund, Hongkou District, Shanghai, the PRC* (中國上海市虹口區北外灘), reaching Dantu Road* (丹徒路) to the east, Dongdaming Road* (東大名路) to the south, the greenland numbered hk323-02 to the west and Dongchangzhi Road* (東長治路) to the north
"Land Acquisition"	the acquisition of the Land Use Rights of the Land by Shanghai Ruijue
"Land Use Rights"	the state-owned construction land use rights* (國有建設用地使用權)
"Land Use Rights Grant Contract"	the state-owned construction land use rights grant contract in Shanghai* (上海市國有建設用地使用權出讓合同) and was entered into between Hongkou District Planning and Natural Resources Bureau as the transferor and Shanghai Ruijue as the transferee on 17 December 2020 in relation to the Land Acquisition
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, and for the purpose of this announcement only, excluding Hong Kong and Macau Special Administrative Regions and Taiwan

"PRC Governmental Body"	has the meaning ascribed to it under Rule 19A.04 of the Listing Rules
"Qualified Issuer"	has the meaning ascribed to it under Rule 14.04(10B) of the Listing Rules
"Qualified Property Acquisition"	has the meaning ascribed to it under Rule 14.04(10C) of the Listing Rules
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Ruijue"	上海銳珏商務諮詢有限公司 (Shanghai Ruijue Commercial Services Consulting Co., Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of SI Development as at the date of this announcement
"SI Development"	上海實業發展股份有限公司 (Shanghai Industrial Development Co., Ltd.), a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (SSE Stock Code: 600748), a non-wholly owned subsidiary of the Company as at the date of this announcement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

*\* For identification purposes only.*

By Order of the Board  
**Shanghai Industrial Holdings Limited**  
**Yee Foo Hei**  
*Company Secretary*

Hong Kong, 17 December 2020

*As at the date of this announcement, the Board comprises:*

*Executive Directors:*

*Mr. Shen Xiao Chu, Mr. Zhou Jun, Mr. Xu Bo and Mr. Xu Zhan*

*Independent Non-Executive Directors:*

*Prof. Woo Chia-Wei, Mr. Leung Pak To, Francis, Mr. Cheng Hoi Chuen, Vincent and Mr. Yuen Tin Fan, Francis*