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*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 363)**

## **DISCLOSEABLE TRANSACTION**

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

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

The Board is pleased to announce that on 11 July 2023, SIIC Shanghai Urban won the bid in respect of the acquisition of the Land Use Rights of the Land situated at Shanghai, the PRC through public tender for a consideration of RMB1,337,470,000. SIIC Shanghai Urban is a wholly-owned subsidiary of SI Development, which in turn is an indirect non-wholly owned subsidiary of the Company and being listed on the Shanghai Stock Exchange. SIIC Shanghai Urban received the confirmation notification from Baoshan District Planning and Natural Resources Bureau in relation to the successful bid of the Land Use Rights. Baoshan District Planning and Natural Resources Bureau and SIIC Shanghai Urban entered into the Land Use Rights Grant Contract in respect of the Acquisition on 11 July 2023.

#### **LISTING RULES IMPLICATIONS**

The Acquisition constitutes a notifiable transaction under Chapter 14 of the Listing Rules as certain properties to be developed on the Land will be held as investment property for recurring income. As the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement.

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confirmation notification from Baoshan District Planning and Natural Resources Bureau in relation to the successful bid of the Land Use Rights. Baoshan District Planning and Natural Resources Bureau and SIIC Shanghai Urban entered into the Land Use Rights Grant Contract in respect of the Acquisition on 11 July 2023. Details of the Acquisition are set out below:

- Date of entering into the Land Use Rights Grant Contract : 11 July 2023
- Parties : (1) Baoshan District Planning and Natural Resources Bureau (as the transferor); and  
(2) SIIC Shanghai Urban (as the transferee)
- Location of the Land : The Land is situated at the land parcels numbered 03-02 and 04-02, 15 Renewal Unit, Wusong Chuangxincheng, Baoshan District, Shanghai, the PRC. It reaches 04-01 public green spaces to the east, Weiyi Road to the south, Binheyi Road to the west, and 03-01 and 04-01 public green spaces to the north.
- Total site area of the Land : 40,771.40 square metres
- Consideration : RMB1,337,470,000
- Payment terms : The Consideration, being RMB1,337,470,000, shall be paid in the following manner:  
(1) the deposit of RMB267,494,000, representing 20% of the Consideration shall be paid within five working days from the date of the Land Use Rights Grant Contract;  
(2) the amount of RMB401,241,000, representing 30% of the Consideration, shall be paid within one month from the date of the Land Use Rights Grant Contract; and  
(3) the remaining amount of the Consideration, being RMB668,735,000, shall be paid within 30 working days from the date of the Land Use Rights Grant Contract.
- Term of grant of the Land Use Rights and use of the Land : (1) for offices with a term of 50 years  
(2) for scientific research and design uses with a term of 50 years  
(3) for residential use with a term of 70 years

## **BASIS FOR DETERMINING THE CONSIDERATION**

The Consideration was determined by the successful bid of the Land Use Rights by SIIC Shanghai Urban through public tender which was conducted in accordance with the relevant PRC laws and regulations. The Group considered the bidding price for the Land Use Rights was fair and reasonable after taking into account, among other things, (i) the minimum and the maximum bidding prices for the Land Use Rights of RMB1,337,470,000 and RMB1,451,180,000 respectively set by Baoshan District Planning and Natural Resources Bureau; (ii) the current property market conditions in Baoshan District, Shanghai, the PRC and the 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 ACQUISITION**

The Acquisition is in line with the relevant policies of national industries and the development strategy of the real estate business of the Group. It increases land reserves for the Group and promotes regional renewal, transformation and upgrading, thus benefitting the long-term and sustainable development of the Group. It also enhances the brand reputation and value of the Group in the aspect of property development.

The Board is of the view that the Acquisition is in the Group's ordinary and usual course of business, the terms of the Acquisition are fair and reasonable, and the 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 and environmental protection, real estate and consumer products.

SIIC Shanghai Urban is a wholly-owned subsidiary of SI Development, which in turn is an indirect non-wholly owned subsidiary of the Company as to approximately 48.6% as at the date of this announcement. SIIC Shanghai Urban is principally engaged in property development business. SI Development is principally engaged in property development, property operation and management, and provision of consulting services in relation to property business.

Baoshan District Planning and Natural Resources Bureau, a bureau established by the local government of Baoshan District in Shanghai Municipality and a PRC Governmental Body within the meaning of Rule 19A.04 of the Listing Rules, is responsible for, among others, the administration of planning and natural resources work in Baoshan District. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Baoshan 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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## DEFINITIONS

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

“Acquisition”	the acquisition of the Land Use Rights of the Land by SIIC Shanghai Urban
“Baoshan District Planning and Natural Resources Bureau”	Shanghai Baoshan District Planning and Natural Resources Bureau in Shanghai Municipality* (上海市寶山區規劃和自然資源局), a bureau established by the local government of Baoshan District in Shanghai Municipality and a PRC Governmental Body within the meaning of Rule 19A.04 of the Listing Rules
“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”, “percentage ratio(s)” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB1,337,470,000, being the total consideration payable by SIIC Shanghai Urban for the 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

“Land”	the Land is situated at the land parcels numbered 03-02 and 04-02, 15 Renewal Unit, Wusong Chuangxincheng, Baoshan District, Shanghai, the PRC* (中國上海市寶山區吳淞創新城15更新單元03-02、04-02地塊), reaching 04-01 public green spaces* (04-01公共綠地) to the east, Weiyi Road* (緯一路) to the south, Binheyi Road* (濱河一路) to the west and 03-01 and 04-01 public green spaces* (03-01、04-01公共綠地) to the north
“Land Use Rights”	the state-owned construction land use rights* (國有建設用地使用權) on the Land
“Land Use Rights Grant Contract”	the grant of land use rights contract in relation to the use of state-owned construction land in Shanghai* (上海市國有建設用地使用權出讓合同) entered into between Baoshan District Planning and Natural Resources Bureau as the transferor and SIIC Shanghai Urban as the transferee on 11 July 2023 in relation to the 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, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Governmental Body”	has the meaning ascribed to it under Rule 19A.04 of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“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), an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“SIIC Shanghai Urban”	上海上實城市發展投資有限公司 (SIIC Shanghai Urban Development & Investment Co., Ltd.*), a company established in the PRC with limited liability, a wholly-owned subsidiary of SI Development 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, 11 July 2023

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

*Executive Directors:*

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

*Independent Non-Executive Directors:*

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