



[Press Release]

## SIUD AND NAN FUNG OPERATE SHANGHAIMART THROUGH JOINT VENTURE

(Hong Kong, 26 September 2014) – **Shanghai Industrial Urban Development Group Limited** (“SIUD”, SEHK: 563), announced on 25 September to renovate, manage and operate ShanghaiMart with a GFA of over 280,000 sq.m., building it a new landmark in Changning District in Shanghai, through a joint venture with Prestige Land Investments Limited (**Prestige Land**), a wholly-owned subsidiary of Nan Fung Investment China Holdings Limited (**Nan Fung**). The joint venture integrates the competitive advantages and experience of both parties, in a bid to lift the standard of the operating model and the quality of Chinese commercial property industry.

On 25 September 2014, SIUD, through its wholly owned subsidiary, Advantage World Investment Limited (“AWI”), acquired 99% interest in ShanghaiMart with a total consideration of approximately US\$579,300,000. Approximately US\$361,400,000 of the consideration was financed by a loan by Nan Fung’s affiliate to SIUD. On the same day, AWI announced the allotment and issuance of shares at par value of US\$49, equivalent to 49% of the enlarged issued share capital to Prestige Land. After the completion of this transaction, SIUD and Nan Fung each indirectly hold 51% and 49% interest of AWI respectively. Prestige Land then contributed 49% of the initial funding for the acquisition of ShanghaiMart, and transfer part of the loan amounting approximately US\$255,500,000 from SIUD to AWI thereby converting such loan into a shareholders’ loan extended to AWI by Prestige Land. For the remaining consideration of the acquisition, the respective subsidiary of SIUD and Nan Fung will provide shareholder’s loans in their respective shareholding proportions for the payment. AWI indirectly holds 99% equity interest of ShanghaiMart, while the remaining 1% is held by Shanghai Hongqiao Economic & Technological Development Zone United Development Co., Ltd.

**Mr. Ni Jianda, Chairman and Executive Director of SIUD** said, “ShanghaiMart is the largest international exhibition and trade complex in Asia that organizes year round tradeshows and short-term exhibitions, and include an office tower. The acquisition of ShanghaiMart will enhance and expand SIUD's investment property portfolio, and bring extra recurrent rental income. We are much honored to be able to form a joint venture with Nan Fung Group, an international company with 60 years of history. Nan Fung Group is well-experienced in the development of luxury residential and commercial properties. A strategic partnership between SIUD and Nan Fung Group, through focusing on each of our strengths, will help ShanghaiMart to achieve synergies thus creating value. Moreover, it will tap into the expertise of the management of both groups and enhance the talent pool for strategic renovation and operation of ShanghaiMart.”

**Mr. Antony Leung, Group Chief Executive Officer of Nan Fung Development Limited**, also expressed his anticipation towards the collaboration, “SIUD is a renowned property developer in China, owning several well-known projects and various land resources in Shanghai. We are pleased that Nan Fung Group can go hand in hand with SIUD in developing ShanghaiMart. We hope to share our operation and management experience in commercial property and investment property so as to enhance the status and quality of ShanghaiMart in the international trade market and maximize the investment return of the project. We also look forward to other future collaborations with SIUD.”

Officially opened in 1999, ShanghaiMart became the first permanent international trade mart in China. It is the largest of its kind in Asia with a GFA of over 280,000sq.m. The entire complex features a combination of functions including office, commercial as well as trade and exhibition. ShanghaiMart is situated in a prime location at the Shanghai Hongqiao Development Zone and is a landmark of Changning District. It is only 20 minutes away from Shanghai Hongqiao International Airport.

~ End ~

### **About Shanghai Industrial Urban Development Group Limited**

Shanghai Industrial Urban Development Group Limited is a subsidiary of Shanghai Industrial Holdings Limited. At the end of June 2014, the Group owns 23 real estate projects in 12 tier-one and –two Chinese cities, which include Shanghai, Beijing, Sanhe, Shenyang, Tianjin, Kunshan, Wuxi, Xi'an, Chongqing, Changsha, Shenzhen and Zhuhai. Most of the projects belong to mid-range to high-end residential properties, and are already in the construction stage, with total salable area of approximately 7,530,000 square meters.

.

### **About Nan Fung Group Limited**

Nan Fung Group was established in 1954. It has transformed from a textile manufacturer to an international business conglomerate with global interests in property development and investment, including real estate investment, development, construction, management, leasing, property finance, global investment, asset management, hotel, shipping, and other fields. The Group's real estate business is mainly focused in Hong Kong and Mainland China, and also spread over the UK, the US and Southeast Asia.