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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)**

## **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO PROPERTY MANAGEMENT SERVICES**

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO PROPERTY MANAGEMENT SERVICES**

On 19 May 2026, the Company entered into the Property Services Framework Agreement with SSPM, pursuant to which members of the SSPM Group will provide property management services to the Group.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, SSPM is a direct wholly-owned subsidiary of SIDC. SIDC is a subsidiary of SIIC (being the controlling shareholder of the Company). As such, SSPM is an associate of SIIC and a connected person of the Company.

Accordingly, the entering into of the Property Services Framework Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated based on the Annual Caps exceed 0.1% but all of them are less than 5%, the entering into Property Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company which are subject to the reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO PROPERTY MANAGEMENT SERVICES**

### **Background**

On 19 May 2026, the Company entered into the Property Services Framework Agreement with SSPM, pursuant to which members of the SSPM Group will provide property management services to the certain members of the Group designated by the Company (the “**Service Recipients**”).

The specific scope and content of the services to be provided under the Property Services Framework Agreement shall be further determined by, and set out in, the Individual Property Service Contracts to be entered into between the relevant Service Recipients and the relevant member of the SSPM Group from time to time.

### **Term**

The term of the Property Services Framework Agreement shall commence on 19 May 2026 and expire on 31 December 2028.

### **Service Scope, Fees and Pricing Basis**

The property management services to be provided by the SSPM Group include common area management and maintenance, security and access control (including CCTV monitoring and guard patrols), cleaning, landscaping, waste collection and disposal, utilities coordination for common areas, reception and customer service, tenant communication, car park management, collection and management of property management fees and sinking funds, and procurement and contract management for third-party service providers.

The service fees payable by the Service Recipients to the SSPM Group shall be set out in the relevant Individual Property Service Contracts, and shall be determined after arm’s length negotiations with reference to (i) the location and size of the properties, (ii) the branding and positioning of the properties, (iii) the scope and standard of the services to be provided, (iv) the anticipated operational cost (including, among others, labour costs, material costs and administrative costs) for providing such services, and (v) the prevailing market rate for similar services and the transaction terms (in respect of the Group) shall be no less favourable to the Group than those charged by the Group to Independent Third Parties.

In addition to the service fees, the operating expenses (including, but not limited to, uniform costs, meal costs, labour costs and transportation costs of service personnel) shall, in principle, be borne by the relevant Service Recipients and settled on an actual basis in accordance with the terms of the relevant Individual Property Service Contracts.

## **Proposed annual caps and basis**

It is expected that the aggregate annual service fees payable by the Group to the SSPM Group under the Property Services Framework Agreement and the Individual Property Service Contracts for the period from 19 May 2026 to 31 December 2026, the financial year ending 31 December 2027 and the financial year ending 31 December 2028 shall not exceed RMB4,380,000, RMB7,000,000 and RMB7,000,000, respectively.

In determining the Annual Caps, the Directors have taken into account the following factors:

- the expected number, gross floor area and geographic distribution of the properties owned, developed and/or managed by the Group that will require property management services during the term of the Property Services Framework Agreement;
- the prevailing market rates for comparable property management services in the PRC, and the anticipated adjustments to such market rates over the term of the Property Services Framework Agreement; and
- a reasonable buffer to accommodate possible fluctuations in the scale of property management services required by the Group and in market prices.

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

Members of the SSPM Group are professional property management service companies with extensive experience and strong track records in providing property management services in the PRC. Engaging the SSPM Group to provide property management services to the Group enables the Group to obtain quality property management services on normal commercial terms and at prices which are no less favourable to the Group than those available from Independent Third Parties.

The entering into of the Property Services Framework Agreement is conducive to the stable operation and long-term development of the Group's property portfolio and is in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) are of the view that the terms of the Property Services Framework Agreement and the Annual Caps are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ABOUT THE PARTIES**

### **The Company**

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.

## **SSPM**

SSPM is a professional property management services company established in the PRC. It is a direct wholly-owned subsidiary of SIDC, which in turn is a subsidiary of SIIC.

## **BOARD APPROVAL**

As none of the Directors has any material interest in the transactions contemplated under the Property Services Framework Agreement and, accordingly, no Director is required to abstain from voting on the relevant Board resolutions approving the Property Services Framework Agreement and the Annual Caps. However, Mr. Huang Haiping, also acting as a vice president of SIIC, has voluntarily abstained from voting on the Board resolutions approving the Property Services Framework Agreement and the Annual Caps.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, SSPM is a direct wholly-owned subsidiary of SIDC. SIDC is a subsidiary of SIIC (being the controlling shareholder of the Company). As such, SSPM is an associate of SIIC and a connected person of the Company.

Accordingly, the entering into of the Property Services Framework Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated based on the Annual Caps exceed 0.1% but all of them are less than 5%, the entering into Property Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company which are subject to the reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTERNAL CONTROL MEASURES**

To ensure the continuing connected transactions will be conducted in accordance with the terms of the Property Services Framework Agreement and are no more favourable than those offered to Independent Third Parties taken as a whole, the Group has adopted the following internal control measures:

- (1) the finance department of the Group will closely monitor each payment made or received under the Property Services Framework Agreement and the relevant Individual Property Service Contracts, and timely report monitoring data to the compliance department designated by the Company. The compliance department will continue to monitor the total transaction amount under the Property Services Framework Agreement to ensure that the Annual Caps are not exceeded;
- (2) the Company will conduct internal control review, including review of financial, operational and compliance controls, on a continuous basis;

- (3) the auditors of the Company will conduct annual review of the transactions contemplated under the Property Services Framework Agreement in accordance with the Listing Rules; and
- (4) the independent non-executive Directors will conduct annual review on the transactions to ensure that those transactions are entered into through arm's length negotiations and on normal commercial terms or better, are fair and reasonable, in the ordinary and usual course of business of the Group, in the interests of the Company and its shareholders as a whole and are carried out pursuant to the terms of the Property Services Framework Agreement, and to ensure compliance with the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Annual Caps”	the proposed maximum aggregate annual service remuneration payable by the Group to the SSPM Group under the Property Services Framework Agreement, as set out in the section headed “Proposed annual caps and basis” in this announcement
“Board”	the board of Directors
“Company”	Shanghai Industrial Urban Development Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 563)
“Director(s)”	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)”	parties who are not connected person(s) of the Company
“Individual Property Service Contracts”	the individual property service contracts to be entered into from time to time between the relevant Service Recipients and the relevant member of the SSPM Group pursuant to the Property Services Framework Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, which, solely for the purposes of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Property Services Framework Agreement”	the property services framework agreement dated 19 May 2026 between the Company and SSPM
“RMB”	Renminbi, the lawful currency of the PRC
“Service Recipients”	members of the Group designated by the Company to engage the SSPM Group to provide property management services under the Property Services Framework Agreement
“Shareholder(s)”	the holders of the shares of the Company
“SIDC”	Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司), a company established in the PRC and its shares are listed on the Shanghai Stock Exchange with the stock code 600748
“SIIC”	Shanghai Industrial Investment (Holdings) Company Limited (上海實業(集團)有限公司), a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company
“SSPM”	Shanghai Shangshi Property Management Co., Ltd. (上海上實物業管理有限公司), a company established in the PRC and a subsidiary of SIIC
“SSPM Group”	SSPM and its subsidiaries that will provide property management services to the Group under the Property Services Framework Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

*In this announcement, the terms “associate(s)”, “connected person(s)”, “controlling shareholder”, and “subsidiary(ies)” 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**  
**Huang Haiping**  
*Chairman*

Hong Kong, 19 May 2026

*As at the date of this announcement, the Board comprises Mr. Huang Haiping, Mr. Li Zhonghui and Ms. Zhou Yadong as executive Directors and Mr. Doo Wai-Hoi, William, B.B.S., J.P., Dr. Fan Ren Da, Anthony, Mr. Li Ka Fai, David, M.H. and Dr. Chan Ho Wah, Terence as independent non-executive Directors.*