

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Incorporated in Hong Kong with limited liability)
(Stock Code: 363)

DISCLOSEABLE TRANSACTION

PROVISION OF LOAN

On 26 September 2022, Shanghai Luqiao, an indirect wholly-owned subsidiary of the Company and Shanghai S.I. Yangtze (being a wholly-owned subsidiary of the JV Company) entered into the Loan Agreement, pursuant to which Shanghai Luqiao has agreed to lend, and Shanghai S.I. Yangtze has agreed to borrow, the Loan in an amount of RMB800,000,000 with a term of one year.

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Loan exceeds 5% but is less than 25%, such transaction 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.

On 26 September 2022, Shanghai Luqiao, an indirect wholly-owned subsidiary of the Company and Shanghai S.I. Yangtze entered into the Loan Agreement, pursuant to which Shanghai Luqiao has agreed to lend, and Shanghai S.I. Yangtze has agreed to borrow, the Loan. The Loan is expected to be made by Shanghai Luqiao in cash no later than 30 September 2022, and will be funded by its internal resources.

THE LOAN AGREEMENT

Date

26 September 2022

Parties

- (i) Shanghai Luqiao (as the lender); and
- (ii) Shanghai S.I. Yangtze (as the borrower).

Principal amount

RMB800,000,000

Term

The term of the Loan is one year from the drawdown of the Loan. The term can be extended with written consent from both parties of the Loan Agreement.

Interest rate

4.35% per annum, which shall be calculated from the drawdown of the Loan.

Repayment method

The principal amount of the Loan together with the interest accrued shall be paid in a lump sum within five business days upon the expiry of the term of the Loan.

Shanghai S.I. Yangtze may pre-pay the principal amount together with the interest accrued during the term of the Loan. The interest shall be calculated based on the duration of period in which the Loan is drawn down.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The principal amount and the interest rate of the Loan to be provided by Shanghai Luqiao to Shanghai S.I. Yangtze were determined after arm's length negotiation between Shanghai Luqiao and Shanghai S.I. Yangtze, and were determined with reference to the working capital currently available to Shanghai S.I. Yangtze and Shanghai S.I. Yangtze's capital requirements for its plan to invest in the pharmaceutical business in the PRC.

The provision of the Loan by Shanghai Luqiao is part of the Group's arrangement and will provide reasonable interest to the Group. Also, Shanghai S.I. Yangtze's investment plans in the pharmaceutical business in the PRC and its plans to expand its business in the pharmaceutical and health sector is in line with the strategic business development of the Group. The investment is expected to generate more profits for Shanghai S.I. Yangtze, thus increasing the profit contribution to the Group. In view of such investment plans, the Group intends to provide part of the investment funds in the amount of not more than the equivalent of RMB2,300,000,000 to Shanghai S.I. Yangtze and/or JV Company by way of loan, of which RMB800,000,000 is provided under the Loan Agreement and the remaining loan in the amount of not more than the equivalent of RMB1,500,000,000 will be provided at a later stage. The Loan (i.e. RMB800,000,000) is expected to replenish Shanghai S.I. Yangtze's working capital and to provide funds to support its investment projects and its expansion. The Company will make further announcement in respect of the further loan in the amount of not more than the equivalent of RMB1,500,000,000 to be made to Shanghai S.I. Yangtze and/or JV Company in accordance with the Listing Rules as and when appropriate. Shanghai Overseas (BVI) will also provide part of the investment funds in the amount of not more

than the equivalent of RMB2,300,000,000 to Shanghai S.I. Yangtze and/or JV Company by way of loan.

The Board (including the independent non-executive Directors) believes that the Loan Agreement has been entered into on normal commercial terms, and the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Loan exceeds 5% but is less than 25%, such transaction 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.

INFORMATION ON THE PARTIES TO THE LOAN AGREEMENT

The Group is principally engaged in the businesses of infrastructure facilities, real estate and consumer products.

Shanghai Luqiao, an indirect wholly-owned subsidiary of the Company, is principally engaged in operation of Hu-Kun Expressway (Shanghai Section).

As at the date of this announcement, Shanghai S.I. Yangtze is wholly-owned by the JV Company and is principally engaged in investment holding business.

As at the date of this announcement, the JV Company is owned as to 50% by S.I. Infrastructure and as to 50% by Shanghai Overseas (BVI). The JV Company is principally engaged in investment holding business.

S.I. Infrastructure, a wholly-owned subsidiary of the Company, is principally engaged in investment holding. Shanghai Overseas (BVI) is principally engaged in investment holding. As at the date of this announcement, it is a wholly-owned subsidiary of Shanghai Overseas Enterprises Corporation, which is a state-owned company wholly-owned by the Shanghai municipal government and is principally engaged in, among others, domestic and overseas investment management. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, Shanghai Overseas (BVI) and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“associate”, each has the meaning ascribed to it under the Listing Rules
“percentage ratio(s)” and
“subsidiary(ies)”

“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)
“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
“JV Company”	S.I. Yangtze River Delta Ecological Development Limited, a joint venture company with limited liability incorporated in Hong Kong, and jointly established by S.I. Infrastructure and Shanghai Overseas (BVI)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal amount of RMB800,000,000 provided by Shanghai Luqiao to Shanghai S.I. Yangtze under the Loan Agreement
“Loan Agreement”	the loan agreement entered into between Shanghai Luqiao and Shanghai S.I. Yangtze dated 26 September 2022 in relation to the provision of the Loan
“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 PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Luqiao”	上海路橋發展有限公司 (Shanghai Luqiao Development Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shanghai Overseas (BVI)”	Shanghai Overseas Enterprises (BVI) Co., Ltd, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Shanghai Overseas Enterprises Corporation

“Shanghai S.I. Yangtze”	Shanghai S.I. Yangtze River Delta Ecological Development Co., Ltd. (上海上實長三角生態發展有限公司*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the JV Company
“S.I. Infrastructure”	S.I. Infrastructure Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“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, 26 September 2022

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 and Mr. Yuen Tin Fan, Francis