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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

DISCLOSEABLE TRANSACTION

EXTENSION OF LOANS TO JV COMPANY

As the date of repayment of the Existing Loan I under the Existing Loan Agreement I is on 1 March 2024, on 1 March 2024, SIHL Finance (a wholly-owned subsidiary of the Company) and the JV Company (a joint venture company owned by SI Infrastructure, a wholly-owned subsidiary of the Company, as to 50% of its issued share capital) entered into the New Loan Agreement A to extend the date of repayment of the Existing Loan I to 28 February 2025.

As the date of repayment of the Existing Loan III under the Existing Loan Agreement III is on 3 April 2024, on 1 March 2024, SIHL Finance and the JV Company entered into the New Loan Agreement B to extend the date of repayment of the Existing Loan III to 2 April 2025.

As the Existing Loan I, the Existing Loan II and the Existing Loan III were granted to the JV Company and the drawdown amount of the Existing Loan I, the Existing Loan II and the Existing Loan III have not been repaid, the transactions under the Existing Loan Agreement II, the New Loan Agreement A and the New Loan Agreement B require aggregation under Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the extension of the dates of repayment of the Existing Loan I and the Existing Loan III in aggregate with the Existing Loan II exceeds 5% but is less than 25%, the extension of the dates of repayment of the Existing Loan I and the Existing Loan III, when considered in aggregate with the Existing Loan II, remains as 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.

INTRODUCTION

Reference is made to the announcement of the Company dated 31 March 2023 in relation to the provision of the Existing Loan III to the JV Company under the Existing Loan Agreement III (the “**Announcement**”). Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

THE EXISTING LOAN I

As the date of repayment of the Existing Loan I under the Existing Loan Agreement I is on 1 March 2024, on 1 March 2024, SIHL Finance (a wholly-owned subsidiary of the Company) and the JV Company (a joint venture company owned by SI Infrastructure, a wholly-owned subsidiary of the Company, as to 50% of its issued share capital) entered into the New Loan Agreement A to extend the date of repayment of the Existing Loan I to 28 February 2025.

THE NEW LOAN AGREEMENT A

Date

1 March 2024

Parties

- (i) SIHL Finance (as the lender); and
- (ii) JV Company (as the borrower).

Principal amount

The principal amount of the Existing Loan I shall be no more than HK\$150,000,000.

Term

The date of repayment of the Existing Loan I will be extended to 28 February 2025 (the “**Maturity Date of the Existing Loan I**”).

Interest rate

The interest rate of the Existing Loan I for each interest period shall be the three-month HIBOR plus a margin of 2.4% (the “**Interest Rate of the Existing Loan I**”). The three-month HIBOR shall be the rate appearing on Reuters page “HKABHIBOR” at 11:00 a.m. (Hong Kong time) on the first day of each interest period.

If for any reason the above three-month HIBOR is not available during the term of the Existing Loan I, the interest for the next interest period will be determined after negotiation between SIHL Finance and the JV Company with reference to the amount of costs reasonably incurred by SIHL Finance for the provision of the Existing Loan I and the applicable market interest rate.

Default Interest

If the JV Company defaults in repayment on the due date of the Existing Loan I, interest or other amounts payable under the New Loan Agreement A, the JV Company shall pay interest on such overdue sums from the due date at the Interest Rate of the Existing Loan I plus a margin of 2.5% per annum.

Repayment

The principal amount of the Existing Loan I together with the accrued interest due and payable and all other amounts owing under the New Loan Agreement A shall be paid on the Maturity Date of the Existing Loan I. The JV Company shall pay the interest in cash quarterly.

The JV Company may pre-pay the Existing Loan I, whether in whole or in part, on the last business day of each month by giving SIHL Finance not less than 10 business days (or such shorter period as SIHL Finance may agree) prior notice.

Purpose of the Existing Loan I

The purpose of the Existing Loan I is for the payment of loan interest and operating expenses of the JV Group.

THE EXISTING LOAN III

As the date of repayment of the Existing Loan III under the Existing Loan Agreement III is on 3 April 2024, on 1 March 2024, SIHL Finance and the JV Company entered into the New Loan Agreement B to extend the date of repayment of the Existing Loan III to 2 April 2025.

THE NEW LOAN AGREEMENT B

Date

1 March 2024

Parties

- (i) SIHL Finance (as the lender); and
- (ii) JV Company (as the borrower).

Principal amount

The principal amount of the Existing Loan III shall be no more than HK\$300,000,000.

Term

The date of repayment for the amount of the Existing Loan III having been drawn under the Existing Loan Agreement III will be extended to 2 April 2025 (the “**Maturity Date of the Existing Loan III**”). The term of the amount of the Existing Loan III available for drawdown under the New Loan Agreement B is from 3 April 2024 to 2 April 2025.

Interest rate

The interest rate of the Existing Loan III for each interest period shall be the three-month HIBOR plus a margin of 2.4% (the “**Interest Rate of the Existing Loan III**”). The three-month HIBOR shall be the rate appearing on Reuters page “HKABHIBOR” at 11:00 a.m. (Hong Kong time) on the first day of each interest period.

If for any reason the above three-month HIBOR is not available during the term of the Existing Loan III, the interest for the next interest period will be determined after negotiation between SIHL Finance and the JV Company with reference to the amount of costs reasonably incurred by SIHL Finance for the provision of the Existing Loan III and the applicable market interest rate.

Default Interest

If the JV Company defaults in repayment on the due date of the Existing Loan III, interest or other amounts payable under the New Loan Agreement B, the JV Company shall pay interest on such overdue sums from the due date at the Interest Rate of the Existing Loan III plus a margin of 2.5% per annum.

Repayment

The principal amount of the Existing Loan III together with the accrued interest due and payable and all other amounts owing under the New Loan Agreement B shall be paid on the Maturity Date of the Existing Loan III. The JV Company shall pay the interest in cash quarterly.

The JV Company may pre-pay the Existing Loan III, whether in whole or in part, on the last business day of each month by giving SIHL Finance not less than 10 business days (or such shorter period as SIHL Finance may agree) prior notice.

Purpose of the Existing Loan III

The purpose of the Existing Loan III is for the payment of loan interest and operating expenses of the JV Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE NEW LOAN AGREEMENT A AND THE NEW LOAN AGREEMENT B

The terms of the extension of the dates of repayment of the Existing Loan I and the Existing Loan III under the New Loan Agreement A and the New Loan Agreement B respectively were determined after arm's length negotiation between SIHL Finance and the JV Company, and were determined with reference to the working capital currently available to and the capital requirements of the JV Group to finance any possible acquisitions.

The extension of the dates of repayment of the Existing Loan I and the Existing Loan III will provide support to the general working capital for the JV Company and at the same time generate additional reasonable interest income to the Group.

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

LISTING RULES IMPLICATIONS

As the Existing Loan I, the Existing Loan II and the Existing Loan III were granted to the JV Company and the drawdown amount of the Existing Loan I, the Existing Loan II and the Existing Loan III have not been repaid, the transactions under the Existing Loan Agreement II, the New Loan Agreement A and the New Loan Agreement B require aggregation under Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the extension of the dates of repayment of the Existing Loan I and the Existing Loan III in aggregate with the Existing Loan II exceeds 5% but is less than 25%, the extension of the dates of repayment of the Existing Loan I and the Existing Loan III, when considered in aggregate with the Existing Loan II, remains as 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 NEW LOAN AGREEMENT A AND THE NEW LOAN AGREEMENT B

The Group is principally engaged in the businesses of infrastructure and environmental protection, comprehensive healthcare operations, real estate and consumer products.

SIHL Finance, a wholly-owned subsidiary of the Company, is principally engaged in finance business.

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

SI 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:

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| “Announcement” | has the meaning set out in the section headed “INTRODUCTION” of this announcement |
| “Existing Loan I” | a loan in the principal amount of no more than HK\$150,000,000 provided by SIHL Finance to the JV Company under the Existing Loan Agreement I, details of which were disclosed in the Announcement |
| “Existing Loan III” | a loan in the principal amount of no more than HK\$300,000,000 provided by SIHL Finance to the JV Company under the Existing Loan Agreement III, details of which were disclosed in the Announcement |
| “Existing Loan Agreement I” | the loan agreement dated 1 March 2021 entered into between SIHL Finance and the JV Company in relation to the provision of the Existing Loan I |
| “Existing Loan Agreement III” | the loan agreement dated 31 March 2023 entered into between SIHL Finance and the JV Company in relation to the provision of the Existing Loan III |
| “Interest Rate of the Existing Loan I” | has the meaning set out in the section headed “THE NEW LOAN AGREEMENT A – Interest Rate” of this announcement |
| “Interest Rate of the Existing Loan III” | has the meaning set out in the section headed “THE NEW LOAN AGREEMENT B – Interest Rate” of this announcement |
| “Maturity Date of the Existing Loan I” | has the meaning set out in the section headed “THE NEW LOAN AGREEMENT A - Term” of this announcement |

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| “Maturity Date of the Existing Loan III” | has the meaning set out in the section headed “THE NEW LOAN AGREEMENT B - Term” of this announcement |
| “New Loan Agreement A” | the loan agreement dated 1 March 2024 entered into between SIHL Finance and the JV Company in relation to the extension of the date of repayment of the Existing Loan I |
| “New Loan Agreement B” | the loan agreement dated 1 March 2024 entered into between SIHL Finance and the JV Company in relation to the extension of the date of repayment of the Existing Loan III |

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

Hong Kong, 1 March 2024

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

Executive Directors:

Mr. Shen Xiao Chu, Mr. Zhang Qian and Mr. Shu Dong

Independent Non-Executive Directors:

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