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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

CONNECTED TRANSACTION

NEW ENTRUSTED LOAN ARRANGEMENT

NEW ENTRUSTED LOAN ARRANGEMENT

Reference is made to the announcement of the Company dated 1 June 2016 regarding the Previous Entrusted Loan Arrangement. As the Previous Entrusted Loan Arrangement will expire on 31 May 2017, Hu-Ning Expressway (an indirect wholly-owned subsidiary of the Company), the Bank and SIIC Financial Services entered into the New Entrusted Loan Arrangement on 29 May 2017 to extend the Previous Entrusted Loan Arrangement on substantially the same terms for a further term of 12 months from 1 June 2017.

LISTING RULES IMPLICATIONS

Hu-Ning Expressway is an indirect wholly-owned subsidiary of the Company. SIIC is the controlling shareholder of the Company holding approximately 58.95% of the entire issued capital of the Company as at the date of this announcement, and is therefore a connected person of the Company. SIIC Financial Services is an indirect wholly-owned subsidiary of SIIC and is therefore an associate of SIIC and a connected person of the Company at the issuer level. Accordingly, the New Entrusted Loan Arrangement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the New Entrusted Loan Arrangement is 0.1% or more but is less than 5%, the New Entrusted Loan Arrangement is only subject to the reporting and announcement requirements, and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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NEW ENTRUSTED LOAN CONTRACTS

The major terms of the New Entrusted Loan Contracts are set out below:

Date and subject matter

Pursuant to the New Entrusted Loan Entrustment Contract, Hu-Ning Expressway instructed the Bank to act as lending agent to, for a Handling Fee, release a loan in the principal amount of RMB100,000,000, which will be funded by Hu-Ning Expressway, to SIIC Financial Services.

On 29 May 2017, the Bank (as lender) entered into an entrusted loan contract with SIIC Financial Services (as borrower). The major terms of the New Entrusted Loan are set out below:

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| Principal: | RMB100,000,000 |
| Interest rate: | 4.64%, which is arrived at with reference to the benchmark lending rate for the same period which was issued by the People's Bank of China; interest to be accrued daily and paid every quarter |
| Term: | 12 months from 1 June 2017 |
| Use of proceeds: | working capital requirement |
| Repayment of principal: | SIIC Financial Services shall repay the principal upon the expiry of the term |
| Late payment: | If SIIC Financial Services fails to repay the principal or pay interest within the prescribed time period, the Bank may charge an additional interest of 50% per annum on the overdue amount. |
| Early repayment: | SIIC Financial Services may repay the principal before the expiry of the term after consultation with the Bank and with the consent of Hu-Ning Expressway. |

INFORMATION ON THE BANK AND SIIC FINANCIAL SERVICES

The Bank is a branch of China Merchants Bank Co., Ltd., a joint stock company established in PRC with limited liability and is principally engaged in the provision of banking and other related financial services.

SIIC Financial Services is a company incorporated in the PRC. It is principally engaged in financial leasing, pawning and factoring business.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION

SIIC Financial Services is a wholly-owned subsidiary of SIIC which operates a steady and sound business. Its core competitiveness and profitability has continued to improve in recent years, and is considered to have a relatively low credit risk. Hu-Ning Expressway has sufficient cash flow, and will be able to, through the New Entrusted Loan Arrangement, increase the company's interest income.

The Directors (including the independent non-executive Directors) consider that the terms of the New Entrusted Loan Contracts are on normal commercial terms, though the New Entrusted Loan Arrangement is not in the ordinary and usual course of business of the Group, and the New Entrusted Loan Contracts are fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the New Entrusted Loan Contracts or was required to abstain from voting on the relevant resolutions of the Board.

LISTING RULES IMPLICATIONS

Hu-Ning Expressway is an indirect wholly-owned subsidiary of the Company. SIIC is the controlling shareholder of the Company holding approximately 58.95% of the entire issued capital of the Company as at the date of this announcement, and is therefore a connected person of the Company. SIIC Financial Services is an indirect wholly-owned subsidiary of SIIC and is therefore an associate of SIIC and a connected person of the Company at the issuer level. Accordingly, the New Entrusted Loan Arrangement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the New Entrusted Loan Arrangement is 0.1% or more but is less than 5%, the New Entrusted Loan Arrangement is only subject to the reporting and announcement requirements, and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

The Company and its subsidiaries are principally engaged in the business of infrastructure facilities, real estate and consumer products.

DEFINITIONS

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

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| “Bank” | 招商銀行股份有限公司上海南西支行 (China Merchants Bank Co., Ltd. Shanghai Southeast Branch*), the bank designated by the parties as lending agent, a third party independent of the Company and its connected persons |
| “Board” | the board of Directors of the Company |
| “Company” | Shanghai Industrial Holdings Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange |
| “connected person(s)” | has the meaning given to it in the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Handling Fee” | a handling fee of RMB10,000 payable from Hu-Ning Expressway to the Bank in respect of the New Entrusted Loan, which is arrived at with reference to the standard handling fee charged by commercial banks for the provision of the same level of entrusted loan |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hu-Ning Expressway” | 上海滬寧高速公路(上海段)發展有限公司 (Shanghai Hu-Ning Expressway (Shanghai Section) Co., Ltd.), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong and Macau Special Administrative Region of the PRC and Taiwan |

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| “Previous Entrusted Loan Arrangement” | the provision of entrusted loan in the principal amount of RMB100,000,000 by Hu-Ning Expressway, through the Bank, to SIIC Financial Services pursuant to the entrusted loan entrustment contract dated 1 June 2016 entered into between Hu-Ning Expressway and the Bank and the entrusted loan contract dated 1 June 2016 entered into between the Bank and SIIC Financial Services, details of which are set out in the announcement of the Company dated 1 June 2016 |
| “New Entrusted Loan” | the loan in the principal amount of RMB100,000,000 to be made pursuant to the New Entrusted Loan Contracts |
| “New Entrusted Loan Arrangement” | the provision of the New Entrusted Loan by Hu-Ning Expressway, through the Bank, to SIIC Financial Services |
| “New Entrusted Loan Contracts” | the New Entrusted Loan Entrustment Contract and the entrusted loan contract dated 29 May 2017 entered into between the Bank and SIIC Financial Services, in respect of the New Entrusted Loan Arrangement |
| “New Entrusted Loan Entrustment Contract” | the entrusted loan entrustment contract dated 29 May 2017 entered into between Hu-Ning Expressway and the Bank, pursuant to which Hu-Ning Expressway agreed to entrust a sum of RMB100,000,000 with the Bank which shall provide loan to SIIC Financial Services upon instructions from Hu-Ning Expressway |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SIIC” | Shanghai Industrial Investment (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company |
| “SIIC Financial Services” | 上海上實金融服務控股有限公司 (SIIC Financial Services Holding Co., Ltd.*), a company incorporated in the PRC and an indirect wholly-owned subsidiary of SIIC and a connected person of the Company at the issuer level |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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

Hong Kong, 29 May 2017

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

Executive Directors:

Mr. Wang Wei, Mr. Zhou Jun, Mr. Xu Bo and Mr. Xu Zhan

Independent Non-Executive Directors:

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

**For identification purpose.*