NEW ENTRUSTED LOAN CONTRACT

Reference is made to the announcement of the Company dated 19 December 2016 on the Entrusted Loan Contract entered into among Shen Yu Highway (an indirect wholly-owned subsidiary of the Company) (as lender), the Bank (as lending agent) and Shanghai Galaxy (as borrower), pursuant to which Shen Yu Highway entrusted the Bank to grant the Entrusted Loan in the principal amount of RMB200,000,000 to Shanghai Galaxy, with a term of 12 months to support the operation and development of Shanghai Galaxy.

As the Entrusted Loan Contract will expire on 9 October 2017, Shen Yu Highway, the Bank and Shanghai Galaxy entered into the New Entrusted Loan Contract on 9 October 2017 to extend the Entrusted Loan Contract on substantially the same terms for a further 12-month period from 9 October 2017 to 8 October 2018.

LISTING RULES IMPLICATIONS

Shen Yu Highway 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, and is therefore a connected person of the Company. SIIC exercises the authority as a state-owned shareholder of SIIC Shanghai, which is a state-owned enterprise holding 50% of the registered capital of Shanghai Galaxy. Shanghai Galaxy is therefore an associate of SIIC and a connected person of the Company. Accordingly, the entering into of the New Entrusted Loan Contract 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 provision of the Entrusted Loan exceeds 0.1% but is less than 5%, the entering into of the New Entrusted Loan Contract 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.
Reference is made to the announcement of the Company dated 19 December 2016 on the Entrusted Loan Contract entered into among Shen Yu Highway (an indirect wholly-owned subsidiary of the Company) (as lender), the Bank (as lending agent) and Shanghai Galaxy (as borrower), pursuant to which Shen Yu Highway entrusted the Bank to grant the Entrusted Loan in the principal amount of RMB200,000,000 to Shanghai Galaxy, with a term of 12 months to support the operation and development of Shanghai Galaxy.

As the Entrusted Loan Contract will expire on 9 October 2017, Shen Yu Highway, the Bank and Shanghai Galaxy entered into the New Entrusted Loan Contract on 9 October 2017 to extend the Entrusted Loan Contract for a further 12-month period on substantially the same terms as the Entrusted Loan Contract.

THE NEW ENTRUSTED LOAN CONTRACT

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

Date:

9 October 2017

Parties:

(i) Shen Yu Highway, as the lender
(ii) the Bank, as the lending agent
(iii) Shanghai Galaxy, as the borrower

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Bank and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Principal:

RMB200,000,000

Interest rate:

Fixed interest rate of 4.64% per annum, which is arrived at with reference to the benchmark lending rate for the relevant period which was issued by the People’s Bank of China.

The accrued interest shall be accrued daily and settled by Shanghai Galaxy quarterly during the term of the Entrusted Loan.

Term:

12 months commencing from 9 October 2017 to 8 October 2018.
**Repayment of principal:**

Shanghai Galaxy shall repay the principal in a one-off payment upon the expiry of the New Entrusted Loan Contract.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW ENTRUSTED LOAN CONTRACT**

Each of SIIC Shanghai and the Group holds 50% of the registered capital of Shanghai Galaxy, and Shanghai Galaxy is equity accounted for as an associated company in the consolidated financial statements of the Company. As set out in the announcements of the Company dated 21 January 2016 and 19 December 2016, in line with the Group’s development strategy, Shanghai Galaxy vigorously expanded its photovoltaic power business in the past few years. Currently, Shanghai Galaxy has 11 photovoltaic power projects with a total power generation capacity of 560 megawatts. All of them have been connected to grids, and a majority of the projects are listed into the subsidy catalogue for renewable energy. Taking into account that the photovoltaic power business operated by Shanghai Galaxy is in line with the Group’s development strategy and the projects operated by Shanghai Galaxy are in stable operation with sound revenue return, the extension of the Entrusted Loan to Shanghai Galaxy is considered to have a relatively low credit risk. The Entrusted Loan not only has provided Shanghai Galaxy with necessary financial support, but will also be able to increase Shen Yu Highway’s interest income. Under these circumstances, the Company agreed to extend the Entrusted Loan to Shanghai Galaxy for a further 12-month period pursuant to the New Entrusted Loan Contract.

The Directors (including the independent non-executive Directors) consider that the terms of the New Entrusted Loan Contract are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors had a material interest in the New Entrusted Loan Contract or was required to abstain from voting on the relevant resolutions of the Board. However, Mr. Zhou Jun, the chairman and director of Shanghai Galaxy, and Mr. Xu Zhan, a director of Shanghai Galaxy, have voluntarily abstained from voting on the Board resolution approving the New Entrusted Loan Contract.

**LISTING RULES IMPLICATIONS**

Shen Yu Highway 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, and is therefore a connected person of the Company. SIIC exercises the authority as a state-owned shareholder of SIIC Shanghai, which is a state-owned enterprise holding 50% of the registered capital of Shanghai Galaxy. Shanghai Galaxy is therefore an associate of SIIC and a connected person of the Company. Accordingly, the entering into of the New Entrusted Loan Contract 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 provision of the Entrusted Loan exceeds 0.1% but is less than 5%, the entering into of the New Entrusted Loan Contract 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 is principally engaged in the business of infrastructure facilities, real estate and consumer products.

Shen Yu Highway is an indirect wholly-owned subsidiary of the Company. It is principally engaged in operation of Hu-Yu Expressway (Shanghai Section).

Shanghai Galaxy is principally engaged in business investment, asset management and other consultation businesses. Over the past few years, Shanghai Galaxy has been actively exploring new business areas, and investing in the environmental-related industry in particular.

The Bank is a licensed commercial bank established in the PRC and is principally engaged in, among other things, the provision of banking, financial and other financial related services.

**DEFINITIONS**

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

“Bank” 興業銀行股份有限公司上海人民廣場支行 (Industrial Bank Co., Ltd., Shanghai People’s Square Branch), the bank designated by Shen Yu Highway and Shanghai Galaxy as lending agent

“Board” the board of Directors

“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

“Entrusted Loan” the loan in the principal amount of RMB200,000,000 made pursuant to the Entrusted Loan Contract or the New Entrusted Loan Contract (as the case may be)

“Entrusted Loan Contract” the entrusted loan contract dated 30 September 2016 entered into between Shen Yu Highway, the Bank and Shanghai Galaxy in respect of the provision of the Entrusted Loan
“Group” the Company and its subsidiaries

“HKS” Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong” the Hong Kong Special Administrative Region of the PRC

“Listing Rules” Rules Governing the Listing of Securities on the Stock Exchange

“New Entrusted Loan Contract” the entrusted loan extension contract dated 9 October 2017 entered into between Shen Yu Highway, the Bank and Shanghai Galaxy in respect of the extension of the Entrusted Loan Contract

“PRC” the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong and Macau Special Administrative Regions and Taiwan

“RMB” Renminbi, the lawful currency of the PRC

“Shanghai Galaxy” 上海星河数码投资有限公司 (Shanghai Galaxy Investment Co., Ltd.), a sino-foreign joint venture established in the PRC with limited liability of which 50% equity interest is held by SIIC Shanghai and 50% equity interest is indirectly held by the Company

“Shen Yu Highway” 上海申渝公路建设发展有限公司 (Shanghai Shen-Yu Development Co., Ltd.), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company

“SIIC” Shanghai Industrial Investment (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company

“SIIC Shanghai” 上海上实（集团）有限公司 (SIIC Shanghai Holdings Co., Ltd.), a company incorporated in the PRC with limited liability with SIIC as the authorised representative exercising state-owned shareholder’s right over it

“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, 9 October 2017
As at the date of this announcement, the Board of Directors 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