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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

CONNECTED TRANSACTION

ENTRUSTED LOAN ARRANGEMENT

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On 8 June 2018, Shanghai Shen-Yu (an indirect wholly-owned subsidiary of the Company), the Bank and SIIC Financial Services entered into the Entrusted Loan Arrangement, pursuant to which the Bank, acting as lending agent, released a loan in the principal amount of RMB100,000,000, which will be funded by Shanghai Shen-Yu, to SIIC Financial Services.

LISTING RULES IMPLICATIONS

Shanghai Shen-Yu is an indirect wholly-owned subsidiary of the Company. SIIC is the controlling shareholder of the Company holding approximately 59.33% 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 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 Entrusted Loan Arrangement is 0.1% or more but is less than 5%, the 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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ENTRUSTED LOAN CONTRACTS

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

Date and subject matter

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

On 8 June 2018, the Bank (as lender) entered into an entrusted loan contract with SIIC Financial Services (as borrower). The major terms of the Entrusted Loan are set out below:

Principal:	RMB100,000,000
Interest rate:	5.5%, 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 8 June 2018
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, Shanghai Shen-Yu may authorize the Bank to 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 Shanghai Shen-Yu.

INFORMATION ON THE BANK AND SIIC FINANCIAL SERVICES

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.

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. Shanghai Shen-Yu has sufficient cash flow, and will be able to, through the Entrusted Loan Arrangement, increase its interest income.

The Directors (including the independent non-executive Directors) consider that the terms of the Entrusted Loan Contracts are on normal commercial terms, though the Entrusted Loan Arrangement is not in the ordinary and usual course of business of the Group, and the Entrusted Loan Contracts 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 Entrusted Loan Contracts or was required to abstain from voting on the relevant resolutions of the Board. However, Mr. Shen Xiao Chu, an executive director and the chairman of SIIC, Mr. Zhou Jun, an executive director and the president of SIIC, Mr. Xu Bo, an executive director and a vice president of SIIC, have voluntarily abstained from voting on the Board resolution approving the Entrusted Loan Contracts.

LISTING RULES IMPLICATIONS

Shanghai Shen-Yu is an indirect wholly-owned subsidiary of the Company. SIIC is the controlling shareholder of the Company holding approximately 59.33% 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 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 Entrusted Loan Arrangement is 0.1% or more but is less than 5%, the 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:

“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 Shanghai Shen-Yu and SIIC Financial Services 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
“Entrusted Loan”	the loan in the principal amount of RMB100,000,000 to be made pursuant to the Entrusted Loan Contracts
“Entrusted Loan Arrangement”	the provision of the Entrusted Loan by Shanghai Shen-Yu, through the Bank, to SIIC Financial Services
“Entrusted Loan Contracts”	the Entrusted Loan Entrustment Contract and the entrusted loan contract dated 8 June 2018 entered into between the Bank and SIIC Financial Services, in respect of the Entrusted Loan Arrangement
“Entrusted Loan Entrustment Contract”	the entrusted loan entrustment contract dated 8 June 2018 entered into between Shanghai Shen-Yu and the Bank, pursuant to which Shanghai Shen-Yu agreed to entrust a sum of RMB100,000,000 with the Bank which shall provide loan to SIIC Financial Services upon instructions from Shanghai Shen-Yu
“Group”	the Company and its subsidiaries
“Handling Fee”	a handling fee of RMB10,000 payable from Shanghai Shen-Yu to the Bank in respect of the 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
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Shen-Yu”	上海申渝公路建設發展有限公司 (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 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, 8 June 2018

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, Mr. Cheng Hoi Chuen, Vincent and Mr. Yuen Tin Fan, Francis

**For identification purpose.*