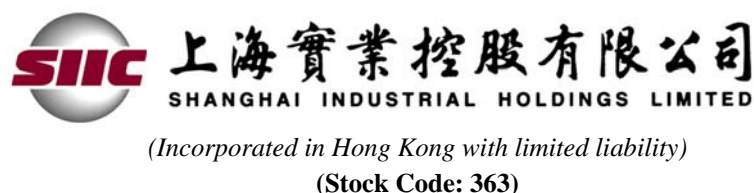


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SUPPLEMENTAL ANNOUNCEMENT

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the annual report of Shanghai Industrial Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the year ended 31 December 2019 published by the Company on 15 April 2020 (the “**2019 Annual Report**”). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the 2019 Annual Report.

In addition to the information provided in the 2019 Annual Report, the board of directors of the Company (the “**Board**”) would like to provide further information on connected transactions and continuing connected transactions in Note 46(I) to the consolidated financial statements for the year ended 31 December 2019 set out in the 2019 Annual Report as follows:

- (a) On 25 June 2018, certain indirect wholly-owned subsidiaries of the Company, namely 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.*), 上海路橋發展有限公司 (Shanghai Luqiao Development Co., Ltd.*), 上海申渝公路建設發展有限公司 (Shanghai Shen-Yu Development Co., Ltd.*) and 上海濟沅基礎建設有限公司 (Shanghai Ji Yun Infrastructure Construction Co., Ltd.*) (together the “**Relevant Companies**” and each a “**Relevant Company**”), each entered into the entrustment agreement with Shanghai Galaxy on the same terms pursuant to which each Relevant Company entrusted Shanghai Galaxy to manage its assets for a term of three years from the date when Shanghai Galaxy served the written notice to the Relevant Companies requesting for the provision of the initial entrustment fund under the respective entrustment agreements (the “**Commencement Date**”) to the date immediately prior to the third anniversary of the Commencement Date (the “**Expiry Date**”).

The total maximum amount of the entrustment funds to be provided by all these four Relevant Companies shall be no more than RMB600,000,000, provided that the maximum amount of entrustment fund from each Relevant Company would not exceed RMB200,000,000.

Shanghai Galaxy shall pay guaranteed returns calculated on a daily basis at the rate of 5% per annum on the accumulated principal of the entrustment funds. The annual caps for the aggregate amount of guaranteed returns payable to the Relevant Companies by Shanghai Galaxy under the entrustment agreements were RMB15,863,014 for the period from the Commencement Date to 31 December 2018, RMB30,000,000 for the period from 1 January 2019 to 31 December 2019, RMB30,000,000 for the period from 1 January 2020 to 31 December 2020 and RMB30,000,000 for the period from 1 January 2021 to the Expiry Date.

If there was any revenue surplus after making the above distribution and deducting all taxes and expenses, such sum shall be divided between Shanghai Galaxy and the Relevant Companies on a 50:50 basis. The annual caps for the aggregate amount of revenue surplus payable to the Relevant Companies or Shanghai Galaxy under the entrustment agreements were RMB317,260,274 for the period from the Commencement Date to 31 December 2018, RMB600,000,000 for the period from 1 January 2019 to 31 December 2019, RMB600,000,000 for the period from 1 January 2020 to 31 December 2020 and RMB600,000,000 for the period from 1 January 2021 to the Expiry Date.

As SIIC, the controlling shareholder of the Company, through its wholly-owned subsidiary, held 10% of the registered capital of Shanghai Galaxy and exercised the authority as a state-owned shareholder of 上海上實(集團)有限公司 (SIIC Shanghai Holdings Co., Ltd.*) (“**SIIC Shanghai**”), which in turn was a state-owned enterprise holding 45% of the registered capital of Shanghai Galaxy, Shanghai Galaxy was an associate of SIIC and a connected person of the Company.

- (b) On 18 September 2018, each of the above four Relevant Companies and Shanghai Galaxy separately entered into the supplementary agreement on the same terms, pursuant to which the scope within which the entrusted funds could be invested under the relevant entrustment agreement was extended. All other existing terms and conditions under the above four entrustment agreements remained unchanged and in full force and effect.

On the same date, 永發印務（東莞）有限公司 (Wing Fat Printing (Dongguan) Co., Ltd.*) (“**WF Dongguan**”), an indirect non-wholly owned subsidiary of the Company, entered into an entrustment agreement with Shanghai Galaxy on the same terms (other than the maximum amount of entrustment fund to be provided by WF Dongguan) as those of the above four entrustment agreements (as supplemented and amended by the supplementary agreements).

The total maximum amount of the entrustment funds to be provided by all the Relevant Companies and WF Dongguan under the five entrustment agreements shall remain to be no more than RMB600,000,000, provided that the maximum amount of entrustment fund from WF Dongguan would not exceed RMB400,000,000. The annual caps for (a) the aggregate amount of guaranteed returns payable to all the Relevant Companies and WF Dongguan by Shanghai Galaxy, and (b) the aggregate amount of revenue surplus

payable to all the Relevant Companies and WF Dongguan or Shanghai Galaxy under all the five entrustment agreements remained the same as those under the four entrustment agreements disclosed in paragraph 1(a) above.

2. On 8 May 2019, Nanyang Tobacco (an indirect wholly-owned subsidiary of the Company) and the Company, as tenants, entered into the lease agreements (i.e. the Tuen Mun Lease Agreement relating to a 16-storey property at No. 9 Tsing Yeung Circuit, Tuen Mun, New Territories, Hong Kong, and the Harcourt Tenancy Agreement relating to a property at the whole of 26th Floor and a portion of 27th Floor of Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong), with Nanyang Enterprises Properties Limited (“**Nanyang Enterprises**”) and International Hope Limited (“**International Hope**”) respectively, as landlords, with a term commencing from 1 January 2019 to 31 December 2019 (both days inclusive) to renew the previous lease agreements, both of which expired by 31 December 2018, for the operation of the Group.

The monthly rentals (exclusive of rates, management fee and other outgoings) under the Tuen Mun Lease Agreement and the Harcourt Tenancy Agreement were HK\$2,750,000 and HK\$937,400 respectively. The annual caps, which represented the sum of (a) the rental payable by Nanyang Tobacco to Nanyang Enterprises under the Tuen Mun Lease Agreement for the period from 1 January 2019 to 31 December 2019 in the amount of HK\$33,000,000, and (b) the rental payable by the Company to International Hope under the Harcourt Tenancy Agreement for the period from 1 January 2019 to 31 December 2019 in the amount of HK\$11,248,800, were HK\$44,248,800.

Nanyang Enterprises and International Hope were wholly-owned subsidiaries of SIIC, therefore they were associates of SIIC and connected persons of the Company.

3. In Note 46(I)(d) to the consolidated financial statements for the year ended 31 December 2019 set out in the 2019 Annual Report, SIIC Financial Services (i.e. 上海上實金融服務控股股份有限公司 (formerly known as “上海上實金融服務控股有限公司”) (SIIC Financial Services Holding Co., Ltd.*)) was an indirect wholly-owned subsidiary of SIIC and was therefore an associate of SIIC and a connected person of the Company, whereas the bank (i.e. 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)) was a third party independent of the Company and its connected persons.
4. In Note 46(I)(f) to the consolidated financial statements for the year ended 31 December 2019 set out in the 2019 Annual Report, as SIIC (through its wholly-owned subsidiary) held 10% of the registered capital of Shanghai Galaxy and exercised the authority as a state-owned shareholder of SIIC Shanghai, which in turn was a state-owned enterprise holding 45% of the registered capital of Shanghai Galaxy and the entire registered capital of Shangtou Asset, each of Shanghai Galaxy and Shangtou Asset was an associate of SIIC and a connected person of the Company. In addition, SIGIM was owned as to 40% by Shanghai Galaxy and Shanghai FRCL was indirectly owned as to 60% by SIIC, therefore each of SIGIM and Shanghai FRCL was an associate of SIIC and a connected person of the Company; SIIC Management was a wholly-owned subsidiary of the Company.

5. In Note 46(I)(g) to the consolidated financial statements for the year ended 31 December 2019 set out in the 2019 Annual Report, Eternal Way was an indirect wholly-owned subsidiary of SIIC and was therefore an associate of SIIC and a connected person of the Company, whereas Shanghai Overseas (BVI) was a third party independent of the Company and its connected persons.

The Board confirmed that the above supplemental information does not affect other information contained in the 2019 Annual Report and, save as disclosed above, the content of the 2019 Annual Report remains unchanged.

**For identification purpose.*

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

Hong Kong, 4 September 2020

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