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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

DISCLOSEABLE TRANSACTION

FORMATION OF JOINT VENTURE COMPANY FOR SOLID WASTE POWER GENERATION BUSINESS IN THE PRC

The Company is pleased to announce that on 23 October 2020, S.I. Infrastructure (a wholly-owned subsidiary of the Company) and Shanghai Overseas (BVI) (an indirect wholly-owned subsidiary of the Shanghai municipal government) entered into the JV Agreement, pursuant to which they agreed to jointly establish the JV Company in Hong Kong for the main purpose of investing in solid waste power generation business in the PRC.

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Formation of JV exceeds 5% but is less than 25%, the Formation of JV constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but are exempt from the shareholders' approval requirement.

FORMATION OF THE JV COMPANY

The Company is pleased to announce that on 23 October 2020, S.I. Infrastructure (a wholly-owned subsidiary of the Company) and Shanghai Overseas (BVI) (an indirect wholly-owned subsidiary of the Shanghai municipal government) entered into the JV Agreement, pursuant to which they agreed to jointly establish the JV Company in Hong Kong for the main purpose of investing in the solid waste power generation business in the PRC.

The JV Company is principally engaged in investment holding business. As the JV Company is a newly established company, no financial information or past performance of the JV Company is available for disclosure in the announcement.

Pursuant to the JV Agreement, the parties shall subscribe for the shares of the JV Company as follows:

Parties	Shares in JV Company	Subscription price (HK\$)	Percentage of shareholding in the JV Company
S.I. Infrastructure	1	1	50%
Shanghai Overseas (BVI)	1	1	50%
Total	2	2	100%

The JV Company may raise capital and obtain financing to meet the funding requirements of the JV Company as the board of directors of the JV Company determines from time to time. Pursuant to the JV Agreement, the JV Company would obtain initial financing of approximately RMB3,000,000,000 from financial institutions. To the extent that guarantees or other securities are required in respect of such borrowings from banks or financial institutions, they shall be furnished in the first instance by the JV Company and thereafter, if required and if the parties shall unanimously agree by each party severally on equivalent terms save and except that their liability in respect of such borrowings under such guarantees or other securities shall be pro-rata to their respective shareholdings in the JV Company.

The respective contribution to the issued share capital of the JV Company was determined with reference to the parties' proportionate interests therein. The capital contribution of S.I. Infrastructure in the JV Company will be funded by internal resources of the Group.

The board of directors of the JV Company comprises two members and each party to the JV Agreement is entitled to appoint one director.

Without the prior written consent of the other party, any party to the JV Agreement shall not transfer its shareholding interests in the JV Company (except to a transferee as permitted under the JV Agreement). If any party proposes to transfer its shareholding interests in the JV Company, the other party shall have the right of first refusal to acquire the shareholding interests under the same conditions.

REASONS FOR AND BENEFITS OF THE FORMATION OF JV

The main purpose of the JV Company will be to invest in solid waste power generation business in the PRC. It is expected that the investment projects undertaken via the JV Company will strengthen the Group's strategy for continuous expansion of its infrastructure and environmental protection businesses.

The Directors (including the independent non-executive Directors) consider that the terms of the JV Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL

The Group is principally engaged in the businesses of infrastructure facilities, real estate and consumer products.

S.I. Infrastructure 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.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Formation of JV exceeds 5% but is less than 25%, the Formation of JV constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but are exempt from the shareholders' approval requirement.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Business”	as defined in the section headed “Formation of the JV Company” in this announcement
“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”, “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Director(s)”	directors of the Company
“Formation of JV”	the formation of the JV Company contemplated under the JV Agreement

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Agreement”	the joint venture agreement entered into between S.I. Infrastructure and Shanghai Overseas (BVI) on 23 October 2020 in relation to the formation of the JV Company
“JV Company”	S.I. Yangtze River Delta Ecological Development Company Limited, a joint venture company with limited liability incorporated in Hong Kong, and jointly established by S.I. Infrastructure and Shanghai Overseas (BVI) pursuant to the JV Agreement
“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, the Macao Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“S.I. Infrastructure”	S.I. Infrastructure Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Shanghai Overseas (BVI)”	Shanghai Overseas Enterprises (BVI) Co., Ltd, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Shanghai Overseas Enterprises Corporation, which is principally engaged in, among others, domestic and overseas investment management and a state-owned company wholly-owned by the Shanghai municipal government
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 23 October 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