

Press Release

19 November 2024

SIHL Strategically Invests in Hangzhou Bay Cross-sea Bridge Closed-end Infrastructure Securities Investment Fund, Shifting to a More Flexible and Liquid Investment Strategy

Shanghai Industrial Holdings Limited (“SIHL” or the “Company”, together with its subsidiaries, the “Group”; Stock Code: 363) is pleased to announce the disposal of 23.0584% equity interest in Ningbo Hangzhou Bay Bridge Development Co., Ltd. (the “Target Company”) and the concurrent strategic investment in Ping An Ningbo Transport Hangzhou Bay Cross-sea Bridge Closed-end Infrastructure Securities Investment Fund (the “REIT”), representing a significant step in the Company’s implementation of its integrated industry and finance strategy.

Shanghai Jiyun Infrastructure Construction Co., Ltd. (“Shanghai Jiyun”), an indirect wholly-owned subsidiary of the Company, together with other shareholders, had agreed to dispose of total equity interest in the Target Company to Ping An Securities Co., Ltd. (the “Purchaser”). Shanghai Jiyun would dispose of its 23.0584% equity interest for a consideration of not less than RMB1.747 billion and not more than RMB1.923 billion.

Concurrently, Shanghai Jiyun has entered into a Strategic Investor Placing Agreement with Ping An Fund Management Co., Ltd. (“Ping An Fund”) to subscribe for 158,284,000 Fund Units of the REIT, representing 15.8284% of the Offered Units. The REIT will primarily invest in 100% equity interest of the Target Company and the Project, being the Hangzhou Bay Cross-sea Bridge Project for which the Target Company is entitled to the right to charge tolls. Under the Strategic Investor Placing Agreement, the Subscription Amount payable by Shanghai Jiyun shall be no more than RMB1,379,761,628, which is calculated by multiplying the Subscription Fund Units placed to Shanghai Jiyun by the Subscription Price announced by Ping An Fund, being no more than RMB8.717 per Offered Unit (exclusive of all related fees and taxes, if any). The actual Subscription Amount will be determined by the result of the Public Offering. Ping An Fund is the fund manager of the REIT, and the REIT has applied for listing of the Fund Units on the Shanghai Stock Exchange. As of 31 December 2023, the pro forma net asset value of the Target Company to be acquired by the REIT was RMB3.432 billion.

This transaction marks SIHL’s shift from a traditional project holding model to a more flexible and liquid investment strategy. By disposing of its equity interest in the Target Company, SIHL has successfully realized a portion of its investment returns and optimized its business structure. At the same time, the strategic investment in the REIT allows SIHL to continue to participate in the development of the Hangzhou Bay Cross-sea Bridge Project and provides the opportunity to obtain capital gains through the disposal of Fund Units in the securities market and receive cash returns through dividend distributions, enhancing the liquidity and marketability of the underlying assets and improving overall returns.

Ms. Leng Wei Qing, Chairwoman of SIHL, said, "This transaction fully demonstrates the Company's keen insight into market changes and development opportunities. We will continue to actively explore new investment models, enhance asset liquidity and profitability, and create greater value for our shareholders."

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About SIHL

Shanghai Industrial Holdings Limited ("SIHL", HKSE Stock Code: 363) is the largest overseas conglomerate under Shanghai Industrial Investments (Holdings) Co., Ltd ("SIIC"). As the flagship of the SIIC group of companies, SIHL has been successful in leveraging its Shanghai advantage since listing, in terms of securing the best investment opportunities in mainland China with full support from the parent company. With over 20 years' development, SIHL has become a conglomerate company with four core businesses: infrastructure and environmental protection (including toll roads/bridges, sewage treatment and solid waste treatment, etc.), comprehensive healthcare operations, real estate and consumer products (including Nanyang Tobacco and Wing Fat Printing). SIIC will continue to enhance its corporate governance and strive to create greater value for its shareholders.

For more information about SIHL, please visit the company website at www.sihl.com.hk.

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