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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

DISCLOSEABLE TRANSACTION

DISPOSAL OF EQUITY INTEREST IN NINGBO HANGZHOU BAY BRIDGE DEVELOPMENT COMPANY LIMITED

THE DISPOSAL

On 5 November 2024, Shanghai Jiyun (an indirect wholly-owned subsidiary of the Company), Ningbo Transport, Ningbo Datong and Jiaying Highway as vendors entered into the Equity Transfer Agreement with the Purchaser and the Target Company. Under the Equity Transfer Agreement, each of the Vendors has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Vendors' respective equity interest in the Target Company, representing an aggregate of 85.1894% equity interest in the Target Company, of which 23.0584% equity interest in the Target Company shall be sold by Shanghai Jiyun for the estimated Consideration of not less than RMB1,747 million and not more than RMB1,923 million.

Upon Completion, the Group will cease to have any interest in the Target Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) of the Disposal exceeds 5% but does not exceed 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Disposal is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

On 5 November 2024, Shanghai Jiyun (an indirect wholly-owned subsidiary of the Company), Ningbo Transport, Ningbo Datong and Jiaying Highway as vendors entered into the Equity Transfer Agreement with the Purchaser and the Target Company. Under the Equity Transfer Agreement, each of the Vendors has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Vendors' respective equity interest in the Target Company, representing an aggregate of 85.1894% equity interest in the Target Company, of which 23.0584% equity interest in the Target Company shall be sold by Shanghai Jiyun for the estimated Consideration of not less than RMB1,747 million and not more than RMB1,923 million. The estimated Consideration is calculated based on the financial information currently available to the Company. If there is any material difference between the estimated Consideration and the actual Consideration, the Company will publish an announcement in accordance with the applicable requirements of the Listing Rules as and when appropriate.

On the other hand, the Other Shareholders intend to enter into a separate equity transfer agreement (the “**Equity Transfer Agreement (Other Shareholders)**”) with the Purchaser, pursuant to which they shall sell the remaining equity interest in the Target Company, representing an aggregate of 14.8106% equity interest in the Target Company to the Purchaser.

THE EQUITY TRANSFER AGREEMENT

Date: 5 November 2024

Parties:

- (1) Shanghai Jiyun, (an indirect wholly-owned subsidiary of the Company), as vendor
- (2) Ningbo Transport as vendor
- (3) Ningbo Datong as vendor
- (4) Jiaying Highway as vendor
- (5) Ping An Securities as purchaser
- (6) the Target Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors (other than Shanghai Jiyun), the Purchaser and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Asset to be disposed of

Pursuant to the Equity Transfer Agreement, among other matters, Shanghai Jiyun has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Equity, representing 23.0584% equity interest in the Target Company.

The Target Company is a limited liability company established in the PRC with registered capital of RMB1,935,000,000.

As at the date of this announcement, details of shareholders of the Target Company and their respective equity interest in the Target Company are as follows:

Name of Shareholder	Equity interest in the Target Company
Shanghai Jiyun	23.0584%
Ningbo Transport	25.0000%
Ningbo Datong	29.3296%
Jiaying Highway	7.8014%
Sub-total:	85.1894%
Other Shareholders[#]	Sub-total: 14.8106%
Total:	100%

[#] Other Shareholders include 寧波方太廚具有限公司 (Ningbo Fangtai Kitchenware Co., Ltd.*), 上海海通環宇投資發展有限公司 (Shanghai Haitong Huanyu Investment Development Co., Ltd.*), 環馳軸承集團有限公司 (Huanchi Zhoucheng Group Co., Ltd.*), 寧波恒發置業有限公司 (Ningbo Hengfa Real Estate Co., Ltd.*), 寧波華聯電子科技有限公司 (Ningbo Hualian Electronic Technology Co., Ltd.*), 寧波更大集團有限公司 (Ningbo Gengda Group Co., Ltd.*), 慈溪市吉橋投資有限公司 (Cixi Jiqiao Investment Co., Ltd.*), 寧波科環新型建材股份有限公司 (Ningbo Kehuan New Building Materials Co., Ltd.*), 寧波舜大房地產開發有限公司 (Ningbo Shunda Real Estate Development Co., Ltd.*), 寧波華德汽車零部件有限公司 (Ningbo Huade Auto Parts Co., Ltd.*), 寧波華野投資有限公司 (Ningbo Huanye Investment Co., Ltd.*), 寧波市水芝靈電子科技有限公司 (Ningbo Shuizhiling Electronic Technology Co., Ltd.*), 寧波震軒食品有限公司 (Ningbo Zhenxuan Food Co., Ltd.*), 慈溪賽永橋電子科技有限公司 (Cixi Saiyongqiao Electronic Technology Co., Ltd.*) and 周衛明 (Zhou Weiming*).

The Target Company is principally engaged in the investment, construction, operation and management of Hangzhou Bay Cross-sea Bridge, operation and comprehensive development of the related ancillary facilities, leasing of ancillary facilities and equipment, advertising services, consulting services of engineering technology and economic information, and investment in industrial projects. The Target Company is currently engaged in the construction works of an expressway (the “**Expressway**”) on Hangzhou Bay Cross-sea Bridge, comprising a cross-sea bridge spanning 35,673 metres, cross-sea connections of 327 metres long, the initial construction works of interchanges and platforms in the sea (including pile foundations, platforms and wharves), and the on-ramps and off-ramps to and from areas on the north and south coasts (the “**Project**”).

Consideration

Based on the financial information currently available to the Company, the estimated Consideration payable by the Purchaser to Shanghai Jiyun shall be not less than RMB1,747 million and not more

than RMB1,923 million. Pursuant to the Equity Transfer Agreement, the Consideration shall be determined based on the formula set out below.

The formula for calculating the Consideration for the sale and purchase of the Sale Equity is set out below:

$$\text{Consideration} = (A - B - C) \times 23.0584\%$$

- A: Proceeds from the Infrastructure Fund, which is the effective net subscription amount of the Ping An Ningbo Transport Hangzhou Bay Cross-sea Bridge Closed-end Infrastructure Securities Investment Fund* (平安寧波交投杭州灣跨海大橋封閉式基礎設施證券投資基金) (the “**Infrastructure Fund**”) as confirmed by the relevant capital verification institution, the amount of which will be determined and shall be not less than the value of the entire equity interest in the Target Company (being approximately RMB7,580,000,000).
- B: Reserve for transaction costs, which is a sum of RMB4,770,000 put aside for transaction costs, mainly including, among others, initial direct transaction fees and stamp duty for the Infrastructure Fund and the Ping An-Ningbo Transport Hangzhou Bay Cross-sea Bridge Assets-backed Special Programme (平安-寧波交投杭州灣跨海大橋資產支持專項計劃) (the “**Special Programme**”). In the event that the actual transaction costs exceed RMB4,770,000 due to reasons such as the scale of fund raising of the Infrastructure Fund, the final amount of the reserve for transaction costs shall be based on the actual amount incurred without the need to obtain consent from any Party.
- C: The maximum amount of the net asset value of the Target Company as at the Valuation Reference Date in the sum of approximately RMB3,996,255,000 minus the net asset value after the issue of the completion accounts of the Target Company.

Payment terms

The Consideration shall be paid in two installments as follows:

- (1) 95% of the Consideration (the “**First Installment of the Consideration**”) shall be paid by the Purchaser to Shanghai Jiyun within 10 business days after the fulfilment of all the conditions precedent for the payment of the First Installment of the Consideration set out below; and
- (2) the remaining balance of the Consideration, being the Consideration less the First Installment of the Consideration paid by the Purchaser (the “**Second Installment of the Consideration**”), shall be paid by the Purchaser to Shanghai Jiyun within 10 business days after the fulfilment of all the conditions precedent for the payment of the Second Installment of the Consideration set out below. If the amount of the Consideration is less than the First Installment of the Consideration, the Purchaser is not required to pay the Second Installment of the Consideration and Shanghai Jiyun shall refund to the Purchaser the difference between the First Installment of the Consideration and the Consideration within 10 business days after the issue of the completion accounts of the Target Company.

Conditions precedent

Conditions precedent for the payment of the First Installment of the Consideration

The payment of the First installment of the Consideration shall be subject to and conditional upon the continued satisfaction or written waiver by the Vendors of all of the following conditions:

- (1) each Party having performed the necessary internal resolution procedures and obtained the approval of their respective competent internal authorities in relation to the transfer of its equity interest in the Target Company;
- (2) each Party having fulfilled the necessary external approval procedures, and the Vendors having obtained the approval of the competent state-owned assets supervision and administration department (if applicable), the competent transportation department and other external competent authorities (if required) for the transfer of its equity interest in the Target Company;
- (3) the agreements, contracts and other necessary written documents under the Infrastructure Fund and the Special Programme having been signed and are effective;
- (4) the sale equity under the Equity Transfer Agreement, the Expressway, and the corresponding rights not being subject to any other third-party rights restrictions or encumbrances;
- (5) the Special Programme having been successfully set up;
- (6) the Infrastructure Fund having been successfully established and the fund having been raised;
- (7) the sale equity under the Equity Transfer Agreement having been registered under the name of the Purchaser with the company registration authority, the name of the Purchaser having been registered in the Target Company's register of shareholders and the names of Vendors being no longer registered in the same, the Target Company having obtained a new business licence or having obtained an acceptance receipt of the business change registration application for registering the Purchaser as a shareholder of the Target Company;
- (8) in relation to the entrustment of Ningbo Transport and Ningbo Hangzhou Bay Bridge Management Co., Ltd.* (寧波市杭州灣大橋管理有限公司) to operate and manage the infrastructure assets, Ping An Fund Management Co., Ltd.* (平安基金管理有限公司) (the "**Fund Manager**"), the Purchaser, the Target Company and Ningbo Transport and Ningbo Hangzhou Bay Bridge Management Company Limited having entered into the Ping An Ningbo Transport Hangzhou Bay Cross-sea Bridge Closed-end Infrastructure Securities Investment Fund Operation and Management Agreement* (平安寧波交投杭州灣跨海大橋封閉式基礎設施證券投資基金運營管理協議);
- (9) the Fund Manager having effectively supervised the Target Company's bank accounts such as the supervision account and basic account (including but not limited to the change of the

reserved seal of the bank account to the Fund Manager or its designated entity, and the bank account has been opened to the Fund Manager or its designated entity for enquiry);

- (10) all amounts due between the Target Company and Ningbo Transport having been settled;
- (11) the Vendors having completed the filing (if applicable) of the evaluation for the transfer of the sale equity under the Equity Transfer Agreement in accordance with the relevant regulations on state-owned assets and the requirements of the competent state-owned assets supervision and administration department;
- (12) the Target Company having completed the write-off of the accounts to be written off as set out in Equity Transfer Agreement, and having transferred all funds in the accounts to be written off to the account designated by the Fund Manager;
- (13) the Target Company having no employees other than those assigned by the Fund Manager or plan administrator or those whose retention has been agreed in advance, and there being no labour/service contracts currently in effect, no outstanding wages, bonuses, indemnities, compensation payments etc. owed, no outstanding contributions to the relevant insurance funds and housing fund, and no disputes or conflicts arising from the preceding matters;
- (14) the sale equity under the Equity Transfer Agreement and the relevant infrastructure project are free from any form of restriction or encumbrance;
- (15) the Parties having completed the transfer of the relevant infrastructure project (including the site and management rights etc.) and related documents, materials and goods as agreed in the Equity Transfer Agreement;
- (16) the Vendors are not in breach of any of the representations, warranties and undertakings under the Equity Transfer Agreement;
- (17) there are no other circumstances which could have a material adverse effect on the transfer of the sale equity under the Equity Transfer Agreement;
- (18) the Target Company having completed the reorganisation in a manner approved by the Purchaser; and
- (19) all the conditions for payment of the first installment of the consideration as agreed in each of the Equity Transfer Agreement and the Equity Transfer Agreement (Other Shareholders) having been fully and continuously satisfied or waived in writing by the Purchaser.

Conditions precedent for the payment of the Second Installment of the Consideration

The payment of the Second installment of the Consideration shall be subject to and conditional upon the continued satisfaction or written waiver by the Vendors of all of the following conditions:

- (1) the conditions precedents for the payment of the First Installment of the Consideration continue to be met;
- (2) the Target Company's business licence, pursuant to which the Purchaser has been registered as a shareholder of the Target Company, having been obtained;
- (3) the completion accounts of the Target Company as specified in the Equity Transfer Agreement having been completed;
- (4) from the Valuation Reference Date to the Completion Date, except for those matters being waived, no material adverse change in the business and financial conditions or the assets and liabilities of the Target Company;
- (5) the consideration for the transfer of 100% equity interest in the Target Company confirmed by the completion accounts of the Target Company is not lower than the appraised value of the equity of the Target Company filed with the state-owned assets management department;
- (6) no other circumstances that may have a material adverse effect on the transfer of the sale equity under the Equity Transfer Agreement; and
- (7) (i) a piece of land for commercial and financial use having completed the process of compensated expropriation conducted by the relevant government department or having been registered by Ningbo Transport or its designated entity in accordance with the relevant laws and regulations and having conducted and completed the transfer registration procedures for the land for commercial and financial use, and the right holder of the land use rights and the building ownership rights (if any) thereon having been formally changed to Ningbo Transport or its designated entity, and there is no violation of the relevant laws and regulations or, although there is a violation, the illegal act having been completely rectified and the consequences of the violation having been adequately remedied; and (ii) Ningbo Transport or its designated entity has paid in full all costs and expenses not reflected in the completion accounts that are involved in the compensated expropriation or pre-notice registration and transfer registration as of the payment date of the Second Installment of the Consideration.

Completion

Subject to the fulfillment (or written waiver by the Vendors, if applicable) of the conditions precedent set out above, Completion shall take place on the date of completion of changes to the register of shareholders of the Target Company, which is expected to be before 31 December 2024.

Upon Completion, the Group will cease to have any interest in the Target Company.

FINANCIAL INFORMATION OF TARGET COMPANY AND THE PROJECT

Set out below is the audited financial information of the Target Company for the financial years ended 31 December 2022 and 2023, respectively, extracted from its audited financial statements, prepared in accordance with the generally accepted accounting principles in the PRC:

For the financial year ended 31 December

	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	169,412	219,641
Net profit/(loss) before taxation and extraordinary items	868,802	1,215,447
Net profit/(loss) after taxation and extraordinary items	649,181	911,707

The audited total assets and the audited net asset value of the Target Company as at 30 June 2024 were approximately RMB6,740,250,000 and approximately RMB3,996,255,000, respectively.

FINANCIAL EFFECTS OF THE DISPOSAL

It is expected that the Group will record an after-tax gain of approximately RMB710 million, subject to the actual amount of the Consideration. The estimated after-tax gain of the Group is calculated based on the estimated minimum Consideration of approximately RMB1,747 million, less the book value the Sale Equity of approximately RMB778 million and the income tax of approximately RMB259 million.

USE OF PROCEEDS

The Group currently intends to use the net proceeds from the Disposal for the purpose of investing in an expressway widening and re-construction project, which is in compliance with the relevant regulatory requirements.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The management of the Company is of the view that the Disposal would allow the Group to realise a return on its investment in the Target Company and increase its liquidity as well as to optimize its business structure, thereby focusing on its core businesses and concentrating resources to its key regions and projects.

The Directors (including the independent non-executive Directors) consider that the Disposal is on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

Information of the Group

The Group is principally engaged in the businesses of infrastructure and environmental protection, comprehensive healthcare operations, real estate and consumer products.

Information of Shanghai Jiyun

As at the date of this announcement, Shanghai Jiyun is an indirect wholly-owned subsidiary of the Company. Shanghai Jiyun is principally engaged in investment holding.

Information of the other Vendors

Based on the information available to the Company, as at the date of this announcement, Ningbo Transport is wholly-owned by State-owned Assets Supervision and Administration Commission of Ningbo Municipal Government and is principally engaged in state-owned assets management, investment in and construction, operation and management of transport infrastructure and other transport projects, investment in industrial projects and property development.

Based on the information available to the Company, as at the date of this announcement, Ningbo Datong is wholly-owned by State-owned Assets Supervision and Administration Commission of Ningbo Municipal Government and is principally engaged in investment in and development of public infrastructure projects, research and development of high-tech products and materials, warehousing, automobile maintenance, and economic trade and accounting consulting services.

Based on the information available to the Company, as at the date of this announcement, Jiaxing Highway is wholly-owned by State-owned Assets Supervision and Administration Commission of Jiaxing Municipal Government and is principally engaged in investment, construction, management of high-grade roads, development of ancillary facilities and property along roads, land resumption and development, property investment, construction and management, and investment in, construction and management of roads and bridges.

Information of the Purchaser

Based on the information available to the Company, as at the date of this announcement, the equity interest of the Purchaser is held by Ping An Insurance (Group) Company of China, Ltd., Jiangsu Baixue Electric Co., Ltd.* (江蘇白雪電器股份有限公司), Shenzhen Zhuoyue Venture Investment Co., Ltd.*(深圳市卓越創業投資有限責任公司) and Shenzhen Hongzhao Industrial Development Co., Ltd.*(深圳市宏兆實業發展有限公司) as to 96.62%, 1.66%, 1.51% and 0.21%, respectively. The Purchaser is principally engaged in securities investment and brokerage.

Ping An Insurance (Group) Company of China, Ltd., a company established as a joint stock company under the laws of the PRC and listed on the Shanghai Stock Exchange (stock code: 601318) and the Stock Exchange (stock code: 2318 (HKD counter) and 82318 (RMB counter)), is the controlling shareholder of the Purchaser. It and its subsidiaries are principally engaged in the businesses of insurance, banking, investment, finance technology, medical technology and other sectors.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) of the Disposal exceeds 5% but does not exceed 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Acquisition is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings as set out below unless the context otherwise requires:

“associate”, “connected person”, “percentage ratio(s)” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Shanghai Industrial Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 363)
“Completion”	completion of the Disposal pursuant to the Equity Transfer Agreement
“Completion Date”	the date of Completion
“Consideration”	the total amount of the consideration payable by the Purchaser to Shanghai Jiyun for the sale and purchase of the Sale Equity pursuant to the Equity Transfer Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Equity by Shanghai Jiyun to the Purchaser pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Vendors, the Purchaser and the Target Company on 5 November 2024 in respect of, among other matters, the Disposal
“Equity Transfer Agreement (Other Shareholders)”	has the meaning as defined in the “INTRODUCTION” section of this announcement

“Expressway”	has the meaning as defined in the “THE EQUITY TRANSFER AGREEMENT – Asset to be disposed of” section of this announcement
“First Installment of the Consideration”	has the meaning as defined in the “THE EQUITY TRANSFER AGREEMENT – Payment terms” section of this announcement
“Fund Manager”	has the meaning as defined in the “THE EQUITY TRANSFER AGREEMENT – Conditions precedent” section of this announcement
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Infrastructure Fund”	has the meaning as defined in the “THE EQUITY TRANSFER AGREEMENT – Consideration” section of this announcement
“Jiaxing Highway”	嘉興市高等級公路投資有限公司 (Jiaxing High Grade Highway Investment Co., Ltd.*), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ningbo Datong”	寧波大通開發有限公司 (Ningbo Datong Development Co., Ltd.*), a company established in the PRC with limited liability
“Ningbo Transport”	寧波交通投資集團有限公司 (Ningbo Transport Investment Group Co., Ltd.*), a company established in the PRC with limited liability
“Other Shareholders”	other than the Vendors, the remaining shareholders of the Target Company as at the date of this announcement
“Party(ies)”	party(ies) to the Equity Transfer Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Regions of the PRC and Taiwan
“Project”	has the meaning as defined in the “THE EQUITY TRANSFER AGREEMENT – Asset to be disposed of” section of this announcement

“Purchaser”	平安證券股份有限公司 (Ping An Securities Co., Ltd.*), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity”	23.0584% equity interest in the Target Company held by Shanghai Jiyun as at the date of this announcement
“Second Installment of the Consideration”	has the meaning as defined in the “THE EQUITY TRANSFER AGREEMENT – Payment terms” section of this announcement
“Shanghai Jiyun”	上海躋云基礎建設有限公司 (Shanghai Jiyun Infrastructure Construction Co., Ltd.*), a company established in the PRC with limited liability
“Special Programme”	has the meaning as defined in the “THE EQUITY TRANSFER AGREEMENT – Consideration” section of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	寧波市杭州灣大橋發展有限公司 (Ningbo Hangzhou Bay Bridge Development Co., Ltd.*), a company established in the PRC with limited liability
“Valuation Reference Date”	30 June 2024
“Vendors”	Shanghai Jiyun, Ningbo Transport, Ningbo Datong and Jiaxing Highway
“%”	per cent

**For identification purposes only.*

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

Hong Kong, 5 November 2024

As at the date of this announcement, the Board comprises:

Executive Directors:

Ms. Leng Wei Qing, Mr. Zhang Qian, Mr. Yao Jia Yong and Mr. Xu You Li

Independent Non-Executive Directors:

Prof. Woo Chia-Wei, Mr. Leung Pak To, Francis and Mr. Yuen Tin Fan, Francis