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上海實業控股有限公司
SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 363)

CONNECTED TRANSACTION

DISPOSAL OF EQUITY INTEREST IN AN ASSOCIATE

THE DISPOSAL

The Board announces that on 13 November 2025, SIUD Shanghai Healthcare Management, an indirect subsidiary of the Company, entered into the Equity Transfer Agreement with Shanghai Huashi and Shanghai Lingfeng Medical, pursuant to which Shanghai Huashi and SIUD Shanghai Healthcare Management conditionally agreed to sell, and Shanghai Lingfeng Medical conditionally agreed to purchase, the Equity Interest, representing 49% in the Target Company in aggregate, for a total consideration of RMB73,598,000.

As of the date of this announcement, the Target Company is owned as to 51%, 30% and 19% by Shanghai Lingfeng Medical, Shanghai Huashi and SIUD Shanghai Healthcare Management, respectively. The Group's 19% indirect interest in the Target Company is classified as investment in an associate in the consolidated financial statement of the Company. Upon Completion, the Company will cease to have any interest in the Target Company, and the Target Company will be wholly owned by Shanghai Lingfeng Medical. The Target Company will cease to be an associate of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) Shanghai Lingfeng Medical is an indirect wholly-owned subsidiary of SIIC (being the controlling shareholder of the Company); and (ii) Shanghai Huashi is a wholly-owned subsidiary of Shanghai Pharmaceutical Group and Shanghai Pharmaceutical Group is a subsidiary of SIIC Shanghai, with SIIC as the authorised representative exercising state-owned shareholder's right over SIIC Shanghai. As such, each of Shanghai Lingfeng Medical and Shanghai Huashi is an associate of SIIC and a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under the Listing Rules.

As one or more of the applicable percentage ratios exceed 0.1% but all of them are less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

THE DISPOSAL

On 13 November 2025, SIUD Shanghai Healthcare Management, an indirect subsidiary of the Company, entered into the Equity Transfer Agreement with Shanghai Huashi and Shanghai Lingfeng Medical, pursuant to which Shanghai Huashi and SIUD Shanghai Healthcare Management conditionally agreed to sell, and Shanghai Lingfeng Medical conditionally agreed to purchase, the Equity Interest, representing 49% in the Target Company in aggregate, for a total consideration of RMB73,598,000.

The following summarises certain salient terms of the Equity Transfer Agreement:

Date

13 November 2025

Parties

(1) Shanghai Lingfeng Medical (as the Buyer);

(2) SIUD Shanghai Healthcare Management, an indirect subsidiary of the Company (as a Seller); and

(3) Shanghai Huashi (as a Seller).

The Buyer is an indirect wholly-owned subsidiary of SIIC (being the controlling shareholder of the Company). Shanghai Huashi is a wholly-owned subsidiary of Shanghai Pharmaceutical Group. Shanghai Pharmaceutical Group is a subsidiary of SIIC Shanghai, with SIIC as the authorised representative exercising state-owned shareholder's right over SIIC Shanghai. As such, each of the Buyer and Shanghai Huashi is an associate of SIIC and a connected person of the Company pursuant to Chapter 14A of the Listing Rules.

Equity Interest to be sold

Pursuant to the Equity Transfer Agreement, the Buyer has conditionally agreed to purchase the following equity interest in the Target Company from the Sellers:

Seller	Equity interest in the Target Company being sold	Consideration *(RMB)*
SIUD Shanghai Healthcare Management	19%	28,538,000
Shanghai Huashi	30%	45,060,000
Total	49%	73,598,000

The Consideration shall be paid by the Buyer within 20 business days from the date of the Equity Transfer Agreement.

Immediately prior to the Completion, the Group indirectly holds 19% of the Target Company, which is classified as investment in an associate in the consolidated financial statement of the Company. Upon Completion, the Group will cease to have any interest in the Target Company, and the Target Company will be wholly owned by the Buyer. The Target Company will cease to be an associate of the Company.

The Consideration was determined after arm's length negotiations between the Sellers and the Buyer on normal commercial terms with reference to (i) the appraised value of the Target Company as of the Appraisal Date provided in the Valuation Report; and (ii) the factors further contained in, the section headed "Reasons for and Benefits of the Disposal" below.

Completion

Completion is conditional upon the satisfaction of the following conditions:

(i) the Sellers have the right to transfer the Equity Interest and the Equity Interest is free from encumbrance;

(ii) the Sellers have fulfilled all their capital contribution obligations in respect of their portions of the Equity Interest; and

(iii) the Parties have obtained all the approvals required for the execution of the Equity Transfer Agreement.

VALUATION

The Parties engaged an independent professional valuer, Jinzheng (Shanghai) Asset Appraisal Co., Ltd, to appraise the entire equity interest of the Target Company for the purposes of the Transaction. The Valuer issued the Valuation Report on 16 October 2025. According to the Valuation Report, after conducting the evaluation procedures, including data collection, evaluation and estimation, by the Valuer, the Valuation as of the Appraisal Date is RMB150,200,000.

Valuation Methodology

According to the Valuation Report, the Valuer has considered commonly adopted valuation approaches in the market (namely asset-based approach, market approach and income approach) for the purpose of determining the market value of the Equity Interest as of the Appraisal Date.

The asset-based approach was not adopted by the Valuer due to the difficulty of fully capturing the value of the intangible assets, such as medical resources, service platforms, customer resources and operating credentials, held by the Target Company. As such, the Valuer considered that the asset-based approach would not adequately reflect the true value of the Target Company.

While there are many similar listed healthcare service providers focused on medical services (including medical aesthetics or related clinical services) and the operating and financial data of such comparable companies are publicly available, the market approach was not adopted by the Valuer as the Valuer considered that the valuation of such comparable companies is affected by short-term market fluctuations.

Since the Target Company has independent profitability, its estimated future earnings can be predicted, and the risks associated with those earnings can be quantified, the Valuer considered that the conditions for using the income approach for valuation are met. Compared to the other approaches, the income approach could more comprehensively capture a wider range of factors that the Target Company is subject to.

Inputs of the Valuation

The Valuation is the sum of (A) operating assets, being RMB151,427,700; and (B) surplus assets, being RMB0 and non-operating assets, being RMB1,367,400; minus (C) non-operating liabilities, being RMB2,561,400 and (D) interest-bearing debt, being RMB0 as of 31 March 2025. No surplus assets were recognised in the valuation of the Target Company as the portion of monetary funds on the Appraisal Date that exceeds the normal operating level has been considered as cash flow return in the 2024 working capital calculation.

The value of the operating assets was projected based on the free cash flow forecast and a discount rate of 11.0%, for the period from 31 March 2025 through 31 December 2031 (i.e. the Relevant Period), was applied with a terminal period from 2032 onwards using a 0% perpetual growth rate.

Free cash flow forecast

The free cash flow was prepared for the Relevant Period, which was calculated based on the following items. The Valuer also adopted certain key financial assumptions and inputs as detailed below:

1) Operating revenue: Revenue is driven by procedure volumes and average spend per case, with a small beauty products component. Historical revenues were RMB152,374,700 in 2023 and RMB158,905,900 in 2024, and RMB40,210,100 in the three months ended 31 March 2025. The Valuer projects the full-year 2025 revenue to be RMB166,000,000, increasing to RMB192,530,000 by 2029 and held flat thereafter into steady state. The forecast is built from

patient volumes increasing modestly (supported by the physician platform) and stable average spend per case. The revenues from beauty products remain immaterial.

2) Operating costs: Operating costs consist of variable costs such as materials costs (including drugs and medical consumables), Shanghai No. 9 People's Hospital related service and management fees, clinical staff costs, surgery service fees and fixed costs which includes rent and property fees, depreciation and amortisation, operation and maintenance expenditures, and other fixed costs. Depreciation and amortisation are forecasted based on the size and amortisation period of existing and future fixed assets and intangible assets.

3) Management costs and selling and administrative costs: Selling and administrative expenses are forecasted from historical ratios and operational plans. Selling expenses include sales commission sharing, advertising and marketing (which is modelled to step up from 2025 then stabilising), rental and property, administrative, and other such items. Management expenses include staff, depreciation and amortisation, office and administrative, insurance, consulting, security, cleaning and other such items. Headcount remains generally stable; most costs grow modestly or track revenue ratios.

4) Financial costs: There is no interest-bearing debt as of the Appraisal Date and none is modelled during the Relevant Period. 2025 includes only lease interest for January to March and from April 2025 onward, lease expenses are reflected through rent rather than lease interest. Consequently, interest expense is nil during the detailed forecast, and interest income and/or fees are not modelled given immateriality.

5) Corporate income tax: A 25% statutory enterprise income tax rate is applied. The model incorporates tax adjustments (including utilisation of prior-period tax losses subject to the applicable carry-forward limit per PRC rules), with tax expense commencing from 2027 as taxable profits arise after adjustments.

6) Capital expenditure: The capital expenditure comprises renewal capital expenditures and expansion capital expenditures for fixed assets, intangible assets, and long-term deferred expenses. Based on the analysis of the current conditions and remaining life of the Target Company's long-term assets, renewals will occur after the forecast period. Renewal capital expenditures include not just renewals of long-term assets that exist as of the Appraisal Date but also subsequent renewals for long-term assets acquired in the future. The expansion capital expenditure refers to the additions of long-term assets. Based on the Target Company's strategy development plan, the Target Company expects to add RMB1,500,000 of fixed asset investment in each of 2026 and 2027 for the purchase of various medical instruments.

7) Working capital: The projection of working capital is based on factors including optimal cash holdings, inventories, receivables and account payables. Given the predominantly cash-settled nature of patient fees and meaningful contract liabilities, the model shows a working capital release from April to December 2025 and no further investment thereafter.

Discount rate

The weighted average cost of capital (WACC) model was adopted to determine the discount rate used in the Valuation, which was calculated with reference to costs of equity capital costs, after-tax cost of debt, risk-free rate of return, market risk premium, risk coefficient of the Target Company, market value of equity capital and market value of interest-bearing debts which vary during the Relevant Period. The Valuer applied a WACC of 11.0% throughout the Relevant Period and terminal period.

General and Specific Assumptions

The Valuation was based on the following general assumptions:

(1) Transaction assumption: it is assumed that all subjects to be appraised are already in the transaction process and the Valuer makes estimations in a simulated market according to the transaction conditions of the assets being appraised.

(2) Open market assumption: an open market is a competitive market with fully developed and sound market conditions and willing buyers and sellers, in which the buyers and the sellers have equal standing and are provided with the opportunity and time to obtain sufficient market information and conduct transaction behaviours in a willing and rational state without compulsion or restrictions. Appraisal assets can be traded openly in the market and unreasonable offers by special buyers for the appraisal assets are not considered.

(3) Going concern assumption: it is assumed that the business of the Target Company will continue to operate in the future.

The Valuation was based on the following specific assumptions:

(1) It is assumed that there are no material changes in the laws, regulations and policies, macroeconomic situation, and political, economic and social environment of the country and region where the Target Company is located.

(2) It is assumed that, except for changes already known to the public, there are no material changes in national macroeconomic policies, industrial policies, and regional development policies.

(3) It is assumed that the tax policies and credit policies related to the Target Company do not undergo major changes, and tax rates, interest rates and rates for policy-based levies remain stable.

(4) It is assumed that the management of the Target Company is responsible, stable, and capable of assuming their positions.

(5) It is assumed that the Target Company fully complies with all relevant laws and regulations.

(6) The basic data, financial data and operational data provided by the Target Company and the Parties are true, accurate, and complete.

(7) There are no force majeure or unexpected conditions that might adversely affect the Target Company.

(8) The accounting policies adopted by the Target Company are basically consistent in important aspects with those used when preparing this Valuation Report.

(9) It is assumed that the Target Company's existing management methods and management levels, the business scope and methods are consistent with the current situation.

(10) It is assumed that the various operating qualifications owned by the Target Company can be successfully renewed upon expiry in the future under the existing renewal conditions.

(11) It is assumed that the Management Agreement between the Target Company and Shanghai No. 9 People's Hospital can be successfully renewed upon future expiry according to the terms of the existing Management Agreement.

Reconciliation between Book Value and Valuation

As of the Appraisal Date, the audited shareholders' equity of the Target Company was approximately RMB99,830,600. The income approach valuation of RMB150,200,000 indicates a premium of RMB50,369,400, or 50.45%, which is mainly due to the following reasons:

(1) Low book value of the Target Company: The book value of the Target Company reflects historical cost of recognised assets and liabilities only.

(2) Value of assets, especially intangible assets: The income approach capitalises the present value of expected future economic benefits generated by recorded tangible assets and significant intangibles (physician platform and brand, clinical quality and reputation, operating licences and qualifications, management systems and customer loyalty).

(3) Synergies with Shanghai No. 9 People's Hospital: The affiliation with Shanghai No. 9 People's Hospital alongside integration with Shanghai No. 9 People's Hospital's platform and physicians underpins stable patient flow and sustained demand. The income approach considers such synergies when projecting revenues, thereby resulting in a higher valuation.

Appraised Value

The total equity value derived from the income approach is RMB150,200,000. The appraised value did not consider the impact of control rights and marketability of the Target Company.

INFORMATION OF THE GROUP

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

INFORMATION OF THE PARTIES

SIUD Shanghai Healthcare Management is a company established in the PRC with limited liability and an indirect subsidiary of the Company. It is principally engaged in real estate development and operation, technology development, provision of medical and health technology consulting services, corporate management, property management and other related services.

Shanghai Lingfeng Medical is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of SIIC. It is principally engaged in hospital management, and the provision of business management consulting and information consulting services.

Shanghai Huashi is a company established in the PRC with limited liability and a wholly-owned subsidiary of Shanghai Pharmaceutical Group. It is principally engaged in real estate development and investment, industrial investment, asset management, economic information consulting, pharmaceutical technology development, financial consulting and other related technological and financial services.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company with limited liability established in the PRC and, as of the date of this announcement, is held by the Buyer, Shanghai Huashi and SIUD Shanghai Healthcare Management as to 51%, 30% and 19%, respectively. It is principally engaged in the development and operation of a medical beauty institution in Shanghai and engages Shanghai No. 9 People's Hospital to provide Management Services in accordance with the Management Agreement.

The table below sets out certain audited financial information of the Target Company for the years ended 31 December 2023 and 2024:

	For the year ended 31 December	
	2023	**2024**
	(RMB'000)	*(RMB'000)*
Net Profit before taxation	8,124.8	5,313.3
Net Profit after taxation	8,124.8	5,313.3

As of 31 December 2024, the audited shareholders' equity of the Target Company was approximately RMB96,838,400.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal will enable the Group to recover and redeploy capital, streamline its investment portfolio and focus resources on its principal businesses, thereby enhancing operational efficiency and capital discipline. The Disposal is consistent with the Group's ongoing strategy to optimise asset allocation, improve cash flow and concentrate on core business development, supporting the Group's long-term, sustainable growth.

The Board (including the independent non-executive Directors) are of the view that although the Disposal is not in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECT ARISING FROM THE DISPOSAL

As of the date of this announcement, the Group indirectly holds 19% of the Target Company, which is classified as investment in an associate in the consolidated financial statement of the Company. Upon Completion, the Company will cease to have any interest in the Target Company, and the Target Company will be wholly owned by Shanghai Lingfeng Medical. The Target Company will cease to be an associate of the Company.

It is expected that the Company would record a gain of approximately RMB3,640,000, representing the consideration for the SIUD Shanghai Healthcare Management Equity Interest less the Group's interest in the Target Company as at 31 December 2024. However, as the book value of the Target Company has changed since 31 December 2024 (being the balance sheet date of the Group's latest audited financial statements), the final gain to be recorded by the Company is subject to the final audit to be performed by the Company's auditors upon Completion.

The sale proceeds from the Disposal are intended to be used by SIUD Shanghai Healthcare Management as general working capital.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) Shanghai Lingfeng Medical is an indirect wholly-owned subsidiary of SIIC (being the controlling shareholder of the Company); and (ii) Shanghai Huashi is a wholly-owned subsidiary of Shanghai Pharmaceuticals Group and Shanghai Pharmaceuticals Group is a subsidiary of SIIC Shanghai, with SIIC as the authorised representative exercising state-owned shareholder's right over SIIC Shanghai. As such, each of Shanghai Lingfeng Medical and Shanghai Huashi is an associate of SIIC and a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under the Listing Rules.

As one or more of the applicable percentage ratios exceed 0.1% but all of them are less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Disposal or was required to abstain from voting on the Board resolutions. However, (i) Ms. Leng Wei Qing, an executive director and the chairlady of SIIC; (ii) Mr. Zhang Qian, an executive director and the president of SIIC, and (iii) Mr. Yao Jia Yong, an executive director of SIIC have voluntarily abstained from voting on the Board resolution(s) approving the Disposal and the Equity Transfer Agreement entered thereunder.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement have the following meanings:

"Appraisal Date"	the benchmark date for the valuation of the Target Company, being 31 March 2025
"associate", "connected person", "controlling shareholder(s)", "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"	the completion of the Transaction
"Consideration"	the total consideration for the acquisition of the Equity Interest payable by the Buyer under the Equity Transfer Agreement
"Directors"	the directors of the Company
"Disposal"	the disposal of the SIUD Shanghai Healthcare Management Equity Interest by the Group pursuant to the terms of the Equity Transfer Agreement
"Equity Interest"	collectively, the SIUD Shanghai Healthcare Management Equity Interest and the Shanghai Huashi Equity Interest, representing in aggregate 49% of the entire equity interest in the Target Company, which is being disposed of by the Sellers pursuant to the terms of the Equity Transfer Agreement
"Equity Transfer Agreement"	the equity transfer agreement dated 13 November 2025 entered into between the Parties
"Group"	the Company together with its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	parties who are not connected person(s) of the Company

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Management Agreement"	the management agreement dated 30 October 2020 and entered into among Shanghai No. 9 People's Hospital, the Buyer and each of the Sellers in respect of the provision of the Management Services
"Management Services"	the services of technical management consulting support in relation to hospital management and medical affairs to be provided by Shanghai No. 9 People's Hospital to the Target Company
"Parties"	Shanghai Lingfeng Medical, Shanghai Huashi and SIUD Shanghai Healthcare Management
"PRC"	the People's Republic of China (excluding, for the purpose of this announcement only, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
"Relevant Period"	the period from 31 March 2025 to 31 December 2031
"RMB"	Renminbi, the lawful currency of the PRC
"Seller(s)"	SIUD Shanghai Healthcare Management and Shanghai Huashi
"Shanghai Huashi"	上海華氏資產經營有限公司 (Shanghai Huashi Asset Management Co., Ltd.), a company established in the PRC with limited liability and a wholly-owned subsidiary of Shanghai Pharmaceutical Group
"Shanghai Huashi Equity Interest"	the 30% equity interest in the Target Company held by Shanghai Huashi, and which is being sold to the Buyer under the Equity Transfer Agreement
"Shanghai Lingfeng Medical" or "Buyer"	上海凌風醫療管理有限公司 (Shanghai Lingfeng Medical Management Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of SIIC
"Shanghai No. 9 People's Hospital"	上海交通大學醫學院附屬第九人民醫院 (Shanghai No. 9 People's Hospital Affiliated to Shanghai JiaoTong University, School of Medicine), a public institution registered with the Shanghai Municipal Health Bureau and established in accordance with the laws of the PRC and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, an Independent Third Party

"Shanghai Pharmaceutical Group"	上海醫藥（集團）有限公司 (Shanghai Pharmaceutical (Group) Co., Ltd.), a company established in the PRC with limited liability and a 60%-owned subsidiary of SIIC Shanghai. [The remaining 40% equity interest of Shanghai Pharmaceutical Group is held by 中國華源集團有限公司 (China Worldbest Group Company Limited), to which its ultimate beneficial owners, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are Independent Third Parties]
"SIIC"	上海實業（集團）有限公司 (Shanghai Industrial Investment (Holdings) Company Limited), a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company
"SIIC Shanghai"	上海上實（集團）有限公司 (SIIC Shanghai Holdings Co., Ltd.), a company established in the PRC with limited liability with SIIC as the authorised representative exercising state-owned shareholder's right over it
"SIUD Shanghai Healthcare Management"	上實城開（上海）大健康管理有限公司 (Shanghai Industrial Urban Development (Shanghai) Healthcare Management Co., Ltd.), a company established in the PRC with limited liability and an indirect subsidiary of the Company
"SIUD Shanghai Healthcare Management Equity Interest"	the 19% equity interest in the Target Company held by SIUD Shanghai Healthcare Management, and the subject of the Disposal
"SI Urban Development"	Shanghai Industrial Urban Development Group Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 563), and the Company is its controlling shareholder
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	上海上實醫療美容醫院有限公司(formerly known as 上實（上海）醫療美容醫院有限公司 (SIIC (Shanghai) Medical Cosmetology Hospital Co., Ltd.), a company with limited liability established in the PRC
"Transaction"	the transaction contemplated under the Equity Transfer Agreement
"Valuation"	the valuation of the entire equity interest of the Target Company
"Valuation Report"	the valuation report prepared by the Valuer dated 16 October 2025

"Valuer"	金證（上海）資產評估有限公司 (Jinzheng (Shanghai) Asset Appraisal Co., Ltd.), an independent valuer engaged by the Parties
"%"	per cent

The English names of Chinese entities included in this announcement are unofficial translations of their Chinese names and are included for identification purposes only.

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

Hong Kong, 13 November 2025

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:
Mr. Leung Pak To, Francis, Mr. Yuen Tin Fan, Francis, Prof. Zhang Qian and Mr. Tang, William Harry Jiasheng