THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Industrial Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

(1) MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FINANCIAL SERVICES AGREEMENT AND (2) RE-ELECTION OF RETIRING DIRECTORS AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent financial adviser to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

A letter from the Board is set out on pages 4 to 16 of this circular, a letter from the Independent Board Committee is set out on pages 17 and 18 of this circular, and a letter from Gram Capital Limited, the independent financial adviser, containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 31 of this circular.

A notice convening the EGM to be held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Thursday, 23 April 2026 at 3:00 p.m. is set out on pages N-1 to N-2 of this circular.

Whether or not you are able to attend the EGM, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (or any adjournment thereof). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM (or any adjournment thereof) if you so wish.

There will be NO distribution of gifts or service of refreshment at the EGM.

25 February 2026

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Notice of EGM N-1

In this circular, the following expressions have the following meanings unless the context requires otherwise:

"associate(s)", "close associate(s)" "connected person(s)", "continuing connected transaction(s)", "controlling shareholder", "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)
"Director(s)"	the directors of the Company
"Effective Date"	the date on which the parties to the Financial Services Agreement have obtained their respective necessary authorisations or approvals in relation to the transactions contemplated thereunder, including approval from the Independent Shareholders at the EGM
"EGM"	the extraordinary general meeting of the Company to be convened and held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Thursday, 23 April 2026 at 3:00 p.m. at which ordinary resolutions will be proposed to consider and, if thought fit, to approve, among others, the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps
"Financial Services Agreement"	the financial services agreement dated 14 January 2026 entered into between the Company and SIIC Finance in relation to the financial services to be provided by SIIC Finance to the Group
"Group"	the Company and its subsidiaries
"HKUST"	The Hong Kong University of Science and Technology
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	the independent board committee of the Company comprising all the independent non-executive Directors, and each of them does not have any material interest in the transactions contemplated under the Financial Services Agreement
"Independent Shareholders"	Shareholders other than SIIC and its close associates
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps
"Latest Practicable Date"	20 February 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Tang"	Mr. Tang, William Harry Jiasheng, an independent non-executive Director, a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company
"NFRA"	The National Financial Regulation Administration (國家金融監督管理總局)
"PRC"	the People's Republic of China, for the purpose of this circular only, excluding Hong Kong, and Macao Special Administrative Region of the PRC and Taiwan
"Prof. Zhang"	Prof. Zhang Qian, an independent non-executive Director, a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company

"Proposed Deposit Services Annual Caps"	the proposed aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) that may be placed by the Group with SIIC Finance pursuant to the Financial Services Agreement for the period from the Effective Date to 31 December 2026 and each of the financial years ending 31 December 2027 and 2028
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
"Shares"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	registered holder(s) of the Share(s)
"SIIC"	Shanghai Industrial Investment (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company
"SIIC Finance"	SIIC Shanghai Group Finance Co., Ltd.*(上海上實集團財務有限公司), a company established in the PRC with limited liability and a subsidiary of SIIC Shanghai
"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
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

* *For identification purpose only.*



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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

Directors:
Executive Directors:
Ms. Leng Wei Qing *(Chairlady)*
Mr. Zhang Qian *(Chief Executive Officer)*
Mr. Yao Jia Yong
Mr. Xu You Li *(Deputy CEO)*

Independent Non-Executive Directors:
Mr. Leung Pak To, Francis
Mr. Yuen Tin Fan, Francis
Prof. Zhang Qian
Mr. Tang, William Harry Jiasheng

Registered Office:
26th Floor, Harcourt House,
39 Gloucester Road,
Wanchai, Hong Kong

25 February 2026

To the Shareholders

Dear Sir or Madam,

(1) MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FINANCIAL SERVICES AGREEMENT AND (2) RE-ELECTION OF RETIRING DIRECTORS AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Financial Services Agreement

Reference is made to the announcement of the Company dated 14 January 2026 in relation to the Financial Services Agreement.

The Board announces that on 14 January 2026, the Company entered into the Financial Services Agreement with SIIC Finance, pursuant to which it is agreed that members of the Group will engage SIIC Finance for the provision of deposit services, credit services and other financial services for a term not exceeding three (3) years.

Re-election of retiring Directors

Reference is also made to the announcement of the Company dated 29 August 2025 in relation to (i) the appointment of Prof. Zhang and Mr. Tang as independent non-executive Directors; and (ii) a change in the board committee members of the Company.

Purpose of circular

The purpose of this circular is, among other things, to provide you with (i) further details of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) biographical details of the Directors to be re-elected; and (v) a notice of EGM.

THE FINANCIAL SERVICES AGREEMENT

The principal terms of the Financial Services Agreement are set out below:

Date

14 January 2026

Parties

(1) the Company; and
(2) SIIC Finance.

Term

The term shall not exceed three (3) years commencing from the Effective Date until 31 December 2028, subject to both parties obtaining the necessary authorisations or approvals in accordance with their respective memorandum and articles of association or other constitutional documents, applicable laws and regulations (including but not limited to the Listing Rules). Either party may terminate the Financial Services Agreement early upon mutual agreement. The Financial Services Agreement may be renewed upon obtaining the necessary authorisations or approval and the term of each renewal shall not exceed three (3) years.

Financial services to be provided to the Group

Pursuant to the Financial Services Agreement, the Group shall engage SIIC Finance for the provision of the following financial services:

(1) Deposit services

Pursuant to the Financial Services Agreement, the Group shall engage SIIC Finance for the provision of deposit services. The interest rates for the deposits to be placed with SIIC Finance by the Group shall be determined on a fair basis in compliance with the interest rate policies of the People's Bank of China, taking into account the prevailing market interest rates whilst offering preferential terms. Under the same conditions, such rates shall not be lower than those offered by other major commercial banks in the PRC for the same type of deposits during the same period, nor shall they be lower than the rates offered by SIIC Finance for the same type of deposits accepted from third parties [Note] during the same period.

(2) Credit services

Pursuant to the Financial Services Agreement, the Group shall engage SIIC Finance for the provision of credit services (including but not limited to loan services, bill acceptance and discounting services and non-financing guarantees). The interest rates or fees charged by SIIC Finance for the credit services provided to the Group shall be determined on a fair basis in compliance with the interest rate policies of the People's Bank of China, taking into account the prevailing market interest rates whilst offering preferential terms. Under the same conditions, such rates or fees shall not exceed those charged by other major commercial banks in the PRC for the same type of credit services during the same period, nor shall they exceed the rates or fees charged by SIIC Finance to third parties [Note] for the same type of credit services during the same period.

(3) Other financial services

Pursuant to the Financial Services Agreement, the Group shall engage SIIC Finance for the provision of the other financial services (including but not limited to funds settlement, collection, payment services, entrusted loans, financial advisory, bond underwriting, credit verification and consulting agency services). The service fees to be charged by SIIC Finance for the provision of the other financial services to the Group shall be determined on a fair basis with reference to the fees charged for the same type of services provided by independent third parties and the prevailing market prices whilst offering preferential terms. Under the same conditions, such fees shall not exceed the prevailing fee standards (if any) prescribed by relevant government authorities for such services, nor shall they exceed fees charged by other major commercial banks in the PRC for the same type of services, nor shall they exceed fees charged by SIIC Finance for the same type of services provided to third parties [Note].

Note: The "third parties" herein means members of SIIC Shanghai (excluding the Group).

Individual agreements

Pursuant to the Financial Services Agreement, members of the Group and SIIC Finance may from time to time enter into individual agreements for the provision of the services specified in the Financial Services Agreement. Such individual agreements will set out detailed terms of the transactions (including but not limited to types of services, interest rates, service fees and payment terms) in accordance with normal commercial terms and the principles and provisions stipulated in the Financial Services Agreement.

ANNUAL CAPS

(1) Deposit services

The aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) to be placed by the Group with SIIC Finance pursuant to the Financial Services Agreement for the period from the Effective Date to 31 December 2026 and each of the financial years ending 31 December 2027 and 2028 shall not exceed the maximum amounts set out below (i.e., the Proposed Deposit Services Annual Caps):

	For the period from the Effective Date to 31 December 2026	**For the financial years ending 31 December**	
		2027	**2028**
	(RMB million)	*(RMB million)*	*(RMB million)*
Aggregate amount of maximum daily outstanding balance of deposits (including accrued interests)	10,000 *(Note)*	10,000 *(Note)*	10,000 *(Note)*

Note: The deposits of the Group to be placed with SIIC Finance may be denominated in multiple currencies.

No historical transaction amounts are available, as the Group and SIIC Finance have not previously engaged in any transactions relating to deposit services. The Proposed Deposit Services Annual Caps are determined with reference to: (1) the strategies of the treasury management of the Company taking into account the cash flow requirements and financial needs of the Group for its business development plans; (2) the bank balances (including pledged bank deposits, bank deposits and cash and cash equivalents) held by the Group as at 30 November 2025, amounting to approximately HK$26,859,000,000; and (3) the preferential interest rates, favourable terms and customised financial products and services offered by SIIC Finance, which are expected to enhance the Group's deposit interest income and meet its operational needs and cash management requirements, thereby supporting more efficient allocation and management of funds.

(2) Credit services

The credit services under the Financial Services Agreement involve the provision of financial assistance by SIIC Finance to the Group. As the credit services to be provided under the Financial Services Agreement shall be on normal commercial terms or better, and the Group only expects to engage such credit services if and when no security will be granted by the Group over its assets in respect of such credit services, the credit services as contemplated under the Financial Services Agreement, if and when they occur, are fully exempt from the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

(3) Other financial services

As the highest applicable percentage ratio for the aggregate amounts of the maximum service fees to be paid by the Group for the other financial services to be provided by SIIC Finance to the Group under the Financial Services Agreement are expected to fall below the de minimis threshold as specified in Rule 14A.76(1) of the Listing Rules. Therefore, such other financial services are fully exempt from reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

INTERNAL CONTROL AND RISK MANAGEMENT MEASURES

The Company will adopt the following measures in monitoring the transactions of the Group with SIIC Finance under the Financial Services Agreement:

(1) before placing a deposit with SIIC Finance, the Group will assess the aggregate amount of daily outstanding balance of deposits placed by the Group with SIIC Finance to ensure compliance with the Proposed Deposit Services Annual Caps;

(2) before placing a deposit with, or obtaining credit services from, SIIC Finance, the Group will compare the interest rates offered by SIIC Finance with the interest rates offered by at least two major commercial banks in PRC;

(3) before engaging SIIC Finance for other financial services, the Group will compare the service fees charged by SIIC Finance with the service fees charged by at least two major commercial banks in PRC; and

(4) the finance department of the Company shall be responsible for the operations and monitoring of the transactions under the Financial Services Agreement to ensure such transactions are conducted in accordance with the terms of the Financial Services Agreement.

The Company will also adopt the following measures to monitor and mitigate the credit risks arising from the transactions under the Financial Services Agreement:

(1) the finance department of the Company will monitor the amount of daily outstanding balance of deposits placed by the Group with SIIC Finance on a daily basis;

(2) the Company will, on an ongoing basis, monitor any enforcement actions issued by the relevant authorities in respect of SIIC Finance and will report to management as appropriate;

(3) the Company will conduct risk assessments and reviews of SIIC Finance on a regular basis to assess its financial standing and creditworthiness, as well as the credit risk and/or default risk associated with the transactions contemplated under the Financial Services Agreement;

(4) the Company will review SIIC Finance's financial statements, to the extent available, on an ongoing basis in order to monitor its performance and assess the safety of the deposits placed by the Group with SIIC Finance;

(5) in the event that SIIC Finance fails to comply with any regulatory requirement which may have a material adverse impact on the deposits placed by the Group with SIIC Finance, the Group will take proper and appropriate measures to protect its deposits, including early withdrawal of deposits or discontinuation of further deposits placed with SIIC Finance;

(6) the Audit Committee of the Company and an external auditor appointed by the Company pursuant to the Listing Rules will conduct annual reviews of the transactions under the Financial Services Agreement and ensure compliance with the Proposed Deposit Services Annual Caps; and

(7) the Board will review annually the Group's internal control system and its effectiveness.

In addition, SIIC Finance has agreed to (i) assist the Group in monitoring and managing the amount of daily outstanding balance of deposits placed by the Group with SIIC Finance to ensure that the actual daily outstanding balance of deposits (including accrued interest) does not exceed the maximum daily outstanding balance of deposits; (ii) without contravening applicable laws and regulations, use its best endeavours to cooperate with the Group in auditing the relevant transactions and to provide such information as the Group may reasonably require for disclosure under the Listing Rules and for its review and evaluation, including, but not limited to, periodic financial and risk-monitoring information (such as quarterly, half-yearly and annual ongoing risk assessment or monitoring reports); and (iii) provide the finance department of the Company, with a monthly report detailing (A) the aggregate maximum daily outstanding balance of deposits (including accrued interests) placed by the Group with SIIC Finance; (B) the maximum daily outstanding balance of credit services provided by SIIC Finance to the Group; and (C) the aggregate maximum service fees payable for other financial services provided by SIIC Finance to the Group.

This report is intended to assist the Group in monitoring its transactions with SIIC Finance under the Financial Services Agreement and ensuring compliance with the Proposed Deposit Services Annual Caps.

UNDERTAKINGS BY SIIC SHANGHAI AND SIIC FINANCE

In respect of the deposits placed by the Group with SIIC Finance, SIIC Shanghai, as the controlling shareholder of SIIC Finance, has undertaken that if SIIC Finance encounters an emergency situation involving payment difficulties, it will make additional capital contributions as necessary to resolve such difficulties. SIIC Shanghai has also undertaken that, in the event of a liquidity crisis at SIIC Finance, it will not withdraw any capital and will provide liquidity support to the fullest extent. Such undertakings will effectively provide assurance to the Group on the safety of funds deposited with SIIC Finance.

According to the regulatory requirements of the Management Measures for Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》) promulgated by the China Banking and Insurance Regulatory Commission, the controlling shareholders of finance companies are required to replenish capital to such finance companies when necessary. Therefore, the articles of association of SIIC Finance states that the controlling shareholder of SIIC Finance shall replenish capital to SIIC Finance when necessary.

To further safeguard the security of the deposits placed by the Group with SIIC Finance and to meet the Group's financing needs, SIIC Finance has also undertaken to use its best endeavours and take all reasonable measures to ensure that such deposits are primarily utilised for providing credit services to the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE FINANCIAL SERVICES AGREEMENT

The Board is of the view that it is beneficial to utilise the financial services from SIIC Finance under the Financial Services Agreement due to the following reasons:

(1) the centralised treasury management services provided by SIIC Finance enable the Group to optimise overall capital utilisation and enhance cost-effectiveness and operational efficiency through improved coordination of cash flows and liquidity management across the Group;

(2) SIIC Finance offers competitive interest rates for both deposit services and credit services. The favourable deposit rates enhance the Group's returns on surplus funds, while the competitive lending rates help reduce the Group's overall finance costs. The terms (including interest rates) are no less favourable than those available from other major commercial banks or financial institutions in the PRC;

(3) the service fees and charges levied by SIIC Finance are competitive and cost-effective, and the finance costs of the Group can be reduced due to such favourable service fees for the funds settlement, collection and payment services and the other financial services;

(4) SIIC Finance is familiar with the Group's business, including its capital structure, strategic direction, operating model, funding requirements and cash-flow patterns. This enables SIIC Finance to offer more flexible and customised financial products and services tailored to the Group's operational needs, enhancing capital efficiency and supporting the Group's business requirements more effectively than standardised offerings from external financial institutions;

(5) SIIC Finance has a streamlined organisational structure and efficient internal decision-making processes, enabling it to respond promptly to the Group's financial service needs and provide greater flexibility in structuring financing terms and tenors. This responsiveness supports faster decision-making, facilitates more efficient financial planning and unlocks strategic synergies through a deeper, more integrated relationship; and

(6) the Group's portfolio of principal bankers and/or financial institutions will be diversified during the term of the Financial Services Agreement, thereby reducing concentration risk and enhancing the Group's financial flexibility. In addition, access to financial services from SIIC Finance strengthens the Group's negotiating position when dealing with other major commercial banks and financial institutions in the PRC, potentially resulting in more favourable terms across the Group's banking relationships.

The Directors (save for Mr. Xu You Li, who abstained from voting on the relevant board resolution(s)) consider that the terms of the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Deposit Services Annual Caps) are on normal commercial terms after arm's length negotiations and in the ordinary and usual course of business of the Group, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The views of the independent non-executive Directors on the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps will be reserved and provided in their letter to be included in this circular.

The Board has assessed the credit risks associated with the transactions contemplated under the Financial Services Agreement. It considers that, for the reasons set out below, the credit risks to which the Company may be exposed in connection with the deposits to be placed by the Group with SIIC Finance, as the Company's financial service provider, have been effectively managed. The Board further believes that such risks will not exceed those associated with deposits placed with other major commercial banks in the PRC and that the Company's assets are adequately protected against potential losses arising from the transactions contemplated under the Financial Services Agreement. The Board's views are based on the following:

(1) SIIC Finance is regulated by the People's Bank of China and the NFRA and is required to comply with the relevant rules and operational requirements issued by these authorities, including capital risk guidelines and prescribed capital adequacy ratios.

(2) As mentioned above, the deposits placed by the Group with SIIC Finance are safeguarded by undertakings provided by SIIC Finance and its controlling shareholder, SIIC Shanghai. Pursuant to these undertakings, SIIC Shanghai will make additional

capital contributions to SIIC Finance in the event of payment difficulties, will refrain from withdrawing capital, and will provide liquidity support to the fullest extent. These protections are complemented by similar requirements embedded in the articles of association of SIIC Finance, as mandated under the Management Measures for Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》).

(3) SIIC Finance has established a comprehensive suite of risk management systems and internal control policies governing its fund management, credit management and investment management activities. These systems provide standardised management and operations, with a reasonable division of labour, clearly defined responsibilities and transparent reporting lines, thereby supporting effective risk management.

(4) SIIC Finance has maintained robust capital adequacy and liquidity ratios for the three years ended 31 December 2023, 2024 and 2025. Its minimum capital adequacy ratios during the period were 21.62%, 20.49% and 19.57%, respectively, while its minimum liquidity ratios during the period were 39.06%, 47.71% and 46.39%, respectively. Since its establishment in 2014, SIIC Finance has recorded no non-performing loans, evidencing its prudent risk management and operational stability.

(5) The Company has conducted a comprehensive credit risk assessment of SIIC Finance, evaluating its operational and financial condition (including its capital adequacy and liquidity ratios, key financial metrics, financial risk indicators and regulatory compliance ratios) as well as its overall regulatory standing. Based on this assessment, the Board considers that SIIC Finance complies with the rules and regulatory requirements of the People's Bank of China and the NFRA, maintains adequate financial strength and creditworthiness to perform its obligations under the Financial Services Agreement and presents an acceptable level of credit risk to the Group.

(6) Under the relevant rules of the People's Bank of China and the NFRA, SIIC Finance primarily serves SIIC Shanghai and its member companies. Having served these group members over an extended period, SIIC Finance has developed a deep understanding of their capital positions, operating conditions and risk appetites. As a result, its customer base potentially exposes it to lower credit risks compared with entities that solicit business from external customers.

(7) The Group remains free to place deposits with any commercial bank or other non-bank financial institution in accordance with its own needs and requirements.

LISTING RULES IMPLICATIONS

As at the date of this circular, SIIC Finance is a subsidiary of SIIC Shanghai, over which SIIC, the controlling shareholder of the Company, is the authorised representative exercising state-owned shareholder's right. As such, SIIC Finance is an associate of SIIC and a connected person of the Company, and the entering into of the Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Deposit services

As the highest applicable percentage ratio for the aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) to be placed by the Group with SIIC Finance under the Financial Services Agreement is more than 25%, such deposit services constitute (i) non-exempt continuing connected transactions subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) a major transaction subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Credit services

As the credit services to be provided by SIIC Finance to the Group under the Financial Services Agreement shall be on normal commercial terms or better, and the Group only expects to engage such credit services if and when no security will be granted by the Group over its assets in respect of such credit services, the credit services as contemplated under the Financial Services Agreement, if and when they occur, are fully exempt from the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

Other financial services

As the highest applicable percentage ratio for the aggregate amounts of the maximum service fees to be paid by the Group for the other financial services to be provided by SIIC Finance to the Group under the Financial Services Agreement are expected to fall below the de minimis threshold as specified in Rule 14A.76(1) of the Listing Rules. Therefore, such other financial services are fully exempt from reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

Save for Mr. Xu You Li, who is a director of SIIC Finance and has abstained from voting on the Board resolution(s) approving the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Deposit Services Annual Caps), none of the Directors has any material interest in the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Deposit Services Annual Caps) or was required to abstain from voting on the relevant Board resolution(s). 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 Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Deposit Services Annual Caps).

INFORMATION OF THE PARTIES TO THE TRANSACTIONS

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

SIIC Finance is a subsidiary of SIIC Shanghai, over which SIIC is the authorised representative exercising state-owned shareholder's right. SIIC Finance is a non-bank financial institution with financial license, under industrial regulation by the NFRA, which is principally engaged in accepting deposits from members of the group; providing loans to members of the group; discounting bills of members of the group; settling funds, collecting funds from and making payments to members of the group; providing entrusted loans to members of the group, bond underwriting, non-financial guarantees, financial consulting, credit verification and advisory agency services; engaging in inter-bank borrowing; accepting bills of members of the group; and investing in fixed-income marketable securities.

SIIC Shanghai is principally engaged in investment holding and property investment.

SIIC is wholly-owned by State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government and is principally engaged in financial investment, medicine, infrastructure and environmental protection, real estate and consumer products.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors (namely, Mr. Leung Pak To, Francis, Mr. Yuen Tin Fan, Francis, Prof. Zhang and Mr. Tang) has been established to advise the Independent Shareholders in connection with the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps.

Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps.

RE-ELECTION OF RETIRING DIRECTORS

The Board appointed Prof. Zhang and Mr. Tang as independent non-executive Directors on 29 August 2025. Details of such appointment was set out in the announcement of the Company dated 29 August 2025.

According to Article 92 of the Articles of Association of the Company, any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company or, if earlier, the next following extraordinary general meeting of the Company, and shall then be eligible for re-election at that meeting. Both being eligible, Prof. Zhang and Mr. Tang will offer themselves for re-election as independent non-executive Directors at the EGM.

The Board considers that Prof. Zhang and Mr. Tang remain independent as they have satisfied all the criteria for independence set out in Rule 3.13 of the Listing Rules.

The Remuneration Committee of the Company has made recommendations to the Board on the Directors' remuneration for the year ending 31 December 2026, and the basis of determining the directors' remuneration will be set out in the corporate governance report of the annual report 2025 to be dispatched to Shareholders in April 2026.

EGM

The EGM will be convened and held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Thursday, 23 April 2026 at 3:00 p.m. for the purpose of considering and, if thought fit, approving (i) the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps; and (ii) the re-election of Prof. Zhang as an independent non-executive Director; and (iii) the re-election of Mr. Tang as an independent non-executive Director. A notice of EGM and a form of proxy for use at the EGM is enclosed with this circular.

The register of members of the Company will be closed from Wednesday, 15 April 2026 to Thursday, 16 April 2026, both days inclusive, during which period no transfer of Shares will be effected. As such, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Tuesday, 14 April 2026 for the purpose of determining shareholders' eligibility to attend and vote at the EGM.

Whether or not you are able to attend the EGM, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (or any adjournment thereof). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM (or any adjournment thereof) if you so wish.

In accordance with Rule 13.39(4) of the Listing Rules, voting at the EGM will be conducted by poll. The chairman of the EGM will demand a poll for the ordinary resolutions to be proposed at the EGM in accordance with the Company's articles of association. As SIIC, being the authorised representative exercising state-owned shareholder's right over SIIC Shanghai (being the controlling shareholder of SIIC Finance), has a material interest in the transactions contemplated under the Financial Services Agreement, SIIC and its close associates, which together hold approximately 63.16% of the total number of Shares in issue as at the Latest Practicable Date, are required to abstain from voting at the EGM on the resolutions approving the same. Save for the aforementioned and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder has a material interest in the transactions contemplated under the Financial Services Agreement and is required to abstain from voting on the resolutions approving the same at the EGM.

RECOMMENDATION

The Financial Services Agreement

Your attention is drawn to the letter from the Independent Board Committee set out on pages 17 to 18 of this circular containing its recommendation to the Independent Shareholders and the letter from the Independent Financial Adviser set out on pages 19 to 31 of this circular containing its advice and recommendation to the Independent Board Committee and to the Independent Shareholders on the provision of the deposit services to the Group by SIIC Finance contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps.

The Board (including the members of the Independent Board Committee whose opinion is set forth in the section headed "LETTER FROM THE INDEPENDENT BOARD COMMITTEE" in this circular after considering the advice of the Independent Financial Adviser), is of the view that the deposit services contemplated under the Financial Services Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Group and that the terms thereof, together with the Proposed Deposit Services Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve, among others, the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps.

The re-election of retiring Directors

Shareholders are recommend to vote in favour of the re-election of Prof. Zhang and Mr. Tang as the Board believes that their qualifications and experience are of great value to the Board. Their biographical details and other information which are required to be disclosed by the Listing Rules are set out in Appendix III to this circular.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Shanghai Industrial Holdings Limited
Leng Wei Qing
Chairlady

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

25 February 2026

To the Independent Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FINANCIAL SERVICES AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular dated 25 February 2026 of the Company (the "**Circular**") of which this letter forms part. Capitalised terms used in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board to form the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the deposit services contemplated under the Financial Services Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Group and that the terms thereof, together with the Proposed Deposit Services Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same respect.

We wish to draw your attention to the letter from the Board set out on pages 4 to 16 of the Circular which contains information in connection with the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps, and the letter from the Independent Financial Adviser set out on pages 19 to 31 of the Circular which contains its advice and recommendation in the same respect.

Having considered the terms of the provision of the deposit services to the Group by SIIC Finance contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps, and taking into account the advice of the Independent Financial Adviser, we consider that the deposit services contemplated under the Financial Services Agreement are on normal commercial terms or better and in the ordinary and usual course of

business of the Group and that the terms thereof, together with the Proposed Deposit Services Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM, which are set out in the notice convening the EGM, to approve the provision of the deposit services to the Group by SIIC Finance contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Shanghai Industrial Holdings Limited

Leung Pak To, Francis	**Yuen Tin Fan, Francis**	**Zhang Qian**	**Tang, William Harry Jiasheng**
Independent Non-Executive Director	*Independent Non-Executive Director*	*Independent Non-Executive Director*	*Independent Non-Executive Director*

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of Deposit Services for the purpose of inclusion in the Circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

25 February 2026

To: The independent board committee and the independent shareholders of Shanghai Industrial Holdings Limited

Dear Sir/Madam,

MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement (the "**Deposit Services**") and the Proposed Deposit Services Annual Caps, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 25 February 2026 (the "**Circular**") issued by the Company to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 14 January 2026, the Company entered into the Financial Services Agreement with SIIC Finance, pursuant to which it is agreed that members of the Group will engage SIIC Finance for, among other things, the provision of Deposit Services, from the Effective Date until 31 December 2028.

With reference to the Board Letter, the Deposit Services constitute major and continuing connected transactions of the Company and are subject to the reporting, announcement, annual review, circular and the independent shareholders' approval requirement under Chapters 14 and 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Leung Pak To, Francis, Mr. Yuen Tin Fan, Francis, Prof. Zhang Qian and Mr. Tang, William Harry Jiasheng (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Deposit Services are on normal commercial terms and are fair and reasonable; (ii) whether the Deposit Services are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the

resolution(s) to approve the Deposit Services at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationships or interests between Gram Capital and the Company; or (ii) any services (including independent financial advisory services) provided by Gram Capital to the Company, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

In connection with this engagement as the Independent Financial Adviser, apart from the normal professional fee and expenses payable to us, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company, the Directors, chief executive of the Company or substantial Shareholders or any of their respective associates.

Having considered the above and that none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Financial Services Agreement. We consider that we have taken sufficient and necessary steps (including review of the Group's financial information, the Financial Services Agreement, discussion with the Company regarding the Proposed Deposit Services Annual Caps) on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement in this circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, SIIC Finance or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into the Financial Services Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Deposit Services, we have taken into consideration the following principal factors and reasons:

Business overview of the Group

With reference to the Board Letter, the Group is principally engaged in the businesses of infrastructure and environmental protection, real estate and consumer products.

Set out below are the consolidated financial information of the Group (i) for the two years ended 31 December 2024 as extracted from the annual report of the Company for the year ended 31 December 2024 (the "**2024 Annual Report**"); and (ii) for the six months ended 30 June 2025 (with comparative figures) as extracted from the interim report of the Company for the six months ended 30 June 2025 (the "**2025 Interim Report**"):

	For the six months ended 30 June 2025 ("1H2025")	**For the six months ended 30 June 2024 ("1H2024")**	**Changes from 1H2024 to 1H2025**	**For the year ended 31 December 2024 ("FY2024")**	**For the year ended 31 December 2023 ("FY2023")**	**Changes from FY2023 to FY2024**
	HK$'000 (unaudited)	*HK$'000* (unaudited)	*%*	*HK$'000* (audited)	*HK$'000* (audited)	*%*
Revenue	9,476,025	10,369,131	(8.6)	28,917,697	32,697,955	(11.6)
– Infrastructure and environmental protection	*4,432,900*	*4,571,508*	*(3.0)*	*10,262,620*	*10,398,628*	*(1.3)*
– Real estate	*3,142,524*	*4,091,575*	*(23.2)*	*15,152,043*	*19,096,395*	*(20.7)*
– Consumer products	*1,900,601*	*1,706,048*	*11.4*	*3,503,034*	*3,202,932*	*9.4*
Profit attributable to owners of the Company	1,041,797	1,200,896	(13.2)	2,807,653	3,423,695	(18.0)

	As at 30 June 2025	**As at 31 December 2024**	**As at 31 December 2023**
	HK$'000 (unaudited)	*HK$'000* (audited)	*HK$'000* (audited)
Pledged bank deposits	239,803	211,619	183,023
Bank deposits[Δ]	4,108,210	7,460,852	2,382,773
Cash and cash equivalents	24,186,074	20,841,493	25,225,026
Equity attributable to owners of the Company	49,155,372	47,570,505	46,603,040

Δ: The bank deposits shown in the table above include amounts classified under both current and non-current assets.

FY2023 vs FY2024

As illustrated in the above table, the Group recorded a decrease of approximately 11.6% in revenue for FY2024 as compared to that for FY2023. With reference to the 2024 Annual Report, the aforesaid decrease in revenue was mainly due to the decrease of approximately HK$3,944 million (or approximately 20.7%) in booked revenue upon delivery of properties of the real estate business for FY2024 as compared to that for FY2023, but partially offset by the gradual recovery in cigarette sales of the consumer products business after the outbreak of the pandemic.

The Group's profit attributable to owners of the Company decreased from approximately HK$3,424 million for FY2023 to approximately HK$2,808 million for FY2024. With reference to the 2024 Annual Report, such decrease was mainly due to the Group's real estate business recorded a net loss of approximately HK$236 million for FY2024 while the Group's real estate business recorded a net profit of approximately HK$839 million for FY2023, but partially offset by (i) the increase of approximately 13.3% in the Group's net profit of infrastructure and environmental protection business for FY2024 as compared to that for FY2023, which was mainly attributable to the net gain from the disposal of interest in Ningbo Hangzhou Bay Bridge Development Co., Ltd. of HK$862.84 million, which was partially offset by lower year-on-year profit contribution from the water services and clean energy business; and (ii) the increase of approximately 71.8% in the Group's net profit of consumer products business for FY2024 as compared to that for FY2023, which was mainly due to a 20.2% year-on-year increase in cigarette sales and a year-on-year increase in sales of printed packaging and can packaging business. With reference to the 2024 Annual Report, the aforesaid turnaround in the Group's real estate business was mainly due to (i) the significant decrease in booked revenue upon delivery of properties of Shanghai Industrial Development Co., Ltd. (a non-wholly owned subsidiary of the Company) during FY2024, leading to a significant decrease in sales revenue, resulting in a turnaround from the profit in FY2023 to a loss in FY2024, coupled with the profit from the gain on disposal of the project company related to the land lot No.89, North Bund recorded in 2023; and (ii) the Company shares about HK$200 million fair value loss from the significant fair value loss of investment properties of Shanghai Industrial Urban Development Group Limited (a non-wholly owned subsidiary of the Company) during FY2024.

1H2024 vs 1H2025

As illustrated in the above table, the Group's revenue amounted to approximately HK$9,476 million for 1H2025, representing a decrease of 8.6% as compared to that for 1H2024. With reference to the 2025 Interim Report, such decrease was primarily attributable to the decrease in booked sales from property delivery in real estate business.

The Group's profit attributable to owners of the Company was approximately HK$1,042 million for 1H2025, representing a decrease of approximately 13.2% as compared to that for 1H2024. With reference to the 2025 Interim Report, such decrease was primarily attributable to (i) the decrease of approximately 11.6% in the Group's net profit of infrastructure and environmental protection business for 1H2025 as compared to that for 1H2024, which was mainly due to the profit of Ningbo Hangzhou Bay Bridge Development Co., Ltd. was no longer shared from 1H2025 onwards following the completion of the disposal of its equity interest at the end of 2024 as well as a loss of HK$56.84 million resulted from the disposal of the equity interest in Canvest Environmental Protection Group Company Limited. However, the receipt of HK$27.83 million in compensation for the early redemption of the exchangeable bonds of Canvest Environmental Protection Group Company Limited partially offset the decrease in net profit from the Group's infrastructure and environmental protection business; (ii) the increase of approximately 256.1% in the Group's net loss of the real estate business for 1H2025 as compared to that for 1H2024, which was primarily due to a decrease in properties sales booked upon delivery of properties in the real estate business during 1H2025, coupled with provision for impairment of inventories for certain real estate projects

and decrease in the fair value of certain investment properties, but partially offset by the increase of approximately 26.0% in the Group's consumer products business for 1H2025 as compared to that for 1H2024, which was mainly due to the increase in sales of cigarette.

As at 30 June 2025, the Group's bank balances (including pledged bank deposits, bank deposits and cash and cash equivalents) amounted to approximately HK$28,534 million (as at 31 December 2024: approximately HK$28,514 million; as at 31 December 2023: approximately HK$27,791 million). With reference to the 2025 Interim Report, the proportion of Renminbi of the aforementioned Group's bank balance as at 30 June 2025 was approximately 75%.

As at 30 June 2025, the Group recorded equity attributable to owners of the Company of approximately HK$49,155 million.

Information on SIIC Finance

With reference to the Board Letter, SIIC Finance is a subsidiary of SIIC Shanghai, over which SIIC is the authorised representative exercising state-owned shareholder's right. SIIC Finance is a non-bank financial institution with financial license, under industrial regulation by the NFRA, which is principally engaged in accepting deposits from members of the group; providing loans to members of the group; discounting bills of members of the group; settling funds, collecting funds from and making payments to members of the group; providing entrusted loans to members of the group, bond underwriting, non-financial guarantees, financial consulting, credit verification and advisory agency services; engaging in inter-bank borrowing; accepting bills of members of the group; and investing in fixed-income marketable securities.

As further advised by the Directors, SIIC Finance is required to operate in compliance with the 《企業集團財務公司管理辦法》 (Management Measures for Finance Companies of Enterprise Groups*, the "**Administrative Measures**") promulgated by China Banking and Insurance Regulatory Commission* (中國銀行保險監督管理委員會), which was replaced by NFRA in May 2023. Pursuant to the Administrative Measures, it regulates the operation of non-banking financial institutions which provide financial management services to the enterprise group member entities. The Administrative Measures set out certain compliance and risk control requirements/measures in relation to the operation of group finance companies, including but not limited to maintaining certain financial ratios at all times. Furthermore, pursuant to the Administrative Measures, the parent group company and controlling shareholder(s) of group finance company shall supplement such group finance company's capital when necessary. According to the articles of association of SIIC Finance as provided by the Company, both the parent group company and controlling shareholder of SIIC Finance are SIIC Shanghai, which recorded monetary funds of approximately RMB41.57 billion and net asset value of approximately RMB111.40 billion (both on a consolidated level) as at 30 September 2025, which is substantially higher than the Proposed Deposit Services Annual Caps (i.e. RMB10 billion).

Based on our discussions with SIIC Finance, we understood the following:

- NFRA monitors SIIC Finance's operations and compliance with relevant laws and regulations, through on-site examinations and off-site surveillance, from time to time. The NFRA may impose corrective and punitive measures, including fines and ordering the suspension of certain business activities. According to SIIC Finance, the NFRA has not taken any disciplinary actions, or imposed penalties or fines on SIIC Finance for the two years ended 31 December 2025. As further advised by SIIC Finance, SIIC Finance is required to submit quarterly operational analysis report of SIIC Finance's business operation to the NFRA.

- Being a group finance company, SIIC Finance provides financial services as mentioned above to members of SIIC Shanghai group. As such, SIIC Finance may face a higher customer concentrations risk than the PRC commercial banks (whose customers are the general public). The default of any one of SIIC Finance's customers may cause more negative impact to SIIC Finance than the default of any one of the PRC commercial banks' customers. However, as a subsidiary of SIIC Shanghai, SIIC Finance can access to the details of financial positions of its customers (i.e SIIC Shanghai group members), and can obtain sufficient information in advance to determine whether to grant the loan to the applicant. The situation is different for most of the PRC commercial banks as limited information is available to the commercial banks to evaluate their customers. As such, the high customer concentration risk may be mitigated with additional information available to SIIC Finance.

- A risk management committee under the board of directors of SIIC Finance has been established to, among other things, (i) review and amend the overall objectives, policies and procedures of SIIC Finance's comprehensive risk management work; (ii) conduct research on SIIC Finance's internal control system and proposing amendments; (iii) review risk management strategies and major risk management solutions; (iv) submit comprehensive risk management report; and (v) report major risk events to the board of directors of SIIC Finance in a timely manner and submit relevant solution. The risk management committee comprises three members (i.e. one committee chairman（主任委員）and two committee members), who are SIIC Finance's directors.

- Risk and compliance department of SIIC Finance is the centralized management department for risk and compliance management. Its main responsibilities include: organizing the construction of a comprehensive risk management system, identifying, assessing, monitoring, and reporting major risks; reviewing and evaluating the compliance of various policies, procedures, and operational processes; continuously monitoring the latest developments in laws, regulations, and standards, and understanding their impact on operations; providing necessary compliance reviews and tests for the development of new products and new businesses, etc..

- SIIC Finance has established processes and systems related to risk control. It has clearly defined the standards for the construction of the internal control system within the system framework. Each department, within its scope of responsibilities and based on the characteristics of its various businesses and risk management requirements, formulated its own business management measures, operating procedures, and

implementation details. This ensures the separation of responsibilities for the front, middle, and back offices, as well as mutual supervision, to effectively fulfil all responsibilities related to internal control and risk management.

- SIIC Finance continuously improves its internal control management system, clarifies internal control and compliance standards, and optimizes the hierarchical structure of the system.

- In 2025, SIIC Finance did not experience any risk events. As at 31 December 2025, all regulatory indicators of SIIC Finance were in compliance with regulation requirements.

With reference to the Board Letter, the Company will adopt certain measures to monitor and mitigate the credit risk arising from the transactions under the Financial Services Agreement (the "**Risk Management Measures**"), details of which are set out under the section headed "Internal Control and Risk Management Measures" of the Board Letter. Having considered that (i) the finance department of the Company will monitor the amount of daily outstanding balance of deposits placed by the Group with SIIC Finance on a daily basis; (ii) the Company will, on an ongoing basis, monitor any enforcement actions issued by the relevant authorities in respect of SIIC Finance and will report to management as appropriate; (iii) the Company will conduct risk assessments and review of SIIC Finance on a regular basis to assess the financial standing and creditworthiness of SIIC Finance, as well as the credit risk and/or default risk associated with the transactions contemplated under the Financial Services Agreement; (iv) the Company will review SIIC Finance's financial statements, to the extent available, on an ongoing basis in order to monitor its performance and assess the safety of the deposits placed by the Group with SIIC Finance; (v) the Group will take proper and appropriate measures to protect its deposits in the event that SIIC Finance fails to comply with any regulatory requirement which may have a material adverse impact on the deposits placed by the Group with SIIC Finance; and (vi) the Board will review annually the Group's internal control system and its effectiveness, we consider that the Risk Management Measures are sufficient.

Based on the above factors, in particular (i) SIIC Finance is required to operate in compliance with the Administrative Measures, which set out certain compliance and risk control requirements/measures in relation to the operation of group finance companies; (ii) the parent group company and controlling shareholder(s) of group finance company will increase such group finance company's capital accordingly based on the actual need pursuant to the Administrative Measures; (iii) SIIC Shanghai (being both the parent group company and controlling shareholder of SIIC Finance) recorded monetary funds of approximately RMB41.57 billion and net asset value of approximately RMB111.40 billion (both on a consolidated level) as at 30 September 2025, which is substantially higher than the Proposed Deposit Services Annual Caps (i.e. RMB10 billion); and (iv) the Risk Management Measures are sufficient as aforementioned, we consider that the credit risk in respect of the Deposit Services may be mitigated.

Reasons for and benefit of the Deposit Services

With reference to the Board Letter, the Company entered into the Financial Services Agreement due to the following reasons:

(1) the centralised treasury management services provided by SIIC Finance enable the Group to optimise overall capital utilisation and enhance cost effectiveness and operational efficiency through improved coordination of cash flows and liquidity management across the Group;

(2) SIIC Finance offers competitive interest rates for both Deposit Services and credit services. The favourable deposit rates enhance the Group's returns on surplus funds, while the competitive lending rates help reduce the Group's overall finance costs. The terms (including interest rates) are no less favourable than those available from other major commercial banks or financial institutions in the PRC;

(3) the service fees and charges levied by SIIC Finance are competitive and cost-effective, and the finance costs of the Group can be reduced due to such favourable service fees for the funds settlement, collection and payment services and the other financial services;

(4) SIIC Finance is familiar with the Group's business, including its capital structure, strategic direction, operating model, funding requirements and cash flow patterns. This enables SIIC Finance to offer more flexible and customised financial products and services tailored to the Group's operational needs, enhancing capital efficiency and supporting the Group's business requirements more effectively than standardised offerings from external financial institutions;

(5) SIIC Finance has a streamlined organisational structure and efficient internal decision-making processes, enabling it to respond promptly to the Group's financial service needs and provide greater flexibility in structuring financing terms and tenors. This responsiveness supports faster decision-making, facilitates more efficient financial planning and unlocks strategic synergies through a deeper, more integrated relationship; and

(6) the Group's portfolio of principal bankers and/or financial institutions will be diversified during the term of the Financial Services Agreement, thereby reducing concentration risk and enhancing the Group's financial flexibility. In addition, access to financial services from SIIC Finance strengthens the Group's negotiating position when dealing with other major commercial banks and financial institutions in the PRC, potentially resulting in more favourable terms across the Group's banking relationships.

The Financial Services Agreement does not restrict the Group to deposit services provided by third parties and therefore offers an additional option to the Group and increases the financial flexibility of the Group. The Company advises that its criteria in making the choice in the deposit services could be made on benefits and quality of services. Therefore, the Group may, but is not obliged to, use SIIC Finance's deposit services if such services is competitive to the same type of services provided by independent commercial banks.

Pursuant to the Financial Services Agreement, under the same conditions, the interest rates for the deposits to be placed with SIIC Finance shall not be lower than those offered by other major commercial banks in the PRC for the same type of deposits during the same period, nor shall they be lower than the rates offered by SIIC Finance for the same type of deposits accepted from third parties[(Note 1)] during the same period.

In light of the above factors, in particular the pricing policy of the Deposit Services, we consider that the Deposit Services are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

Principal terms of the Deposit Services

Set out below are the key terms of the Deposit Services, details of which are set out under the section headed "The Financial Services Agreement" of the Board Letter.

Date:	14 January 2026
Parties:	(1) the Company; and (2) SIIC Finance.
Subject matter:	The Group shall engage SIIC Finance for the provision of Deposit Services.
Term:	The term shall not exceed three (3) years commencing from the Effective Date until 31 December 2028, subject to both parties obtaining the necessary authorisations or approvals in accordance with their respective memorandum and articles of association or other constitutional documents, applicable laws and regulations (including but not limited to the Listing Rules). Either party may terminate the Financial Services Agreement early upon mutual agreement. The Financial Services Agreement may be renewed upon obtaining the necessary authorisations or approval and the term of each renewal shall not exceed three (3) years.
Pricing principles:	The interest rates for the deposits to be placed with SIIC Finance by the Group shall be determined on a fair basis in compliance with the interest rate policies of the People's Bank of China, taking into account the prevailing market interest rates whilst offering preferential terms. Under same conditions, such rates shall not be lower than those offered by other major commercial banks in the PRC for the same type of deposits during the same period, nor shall they be lower than the rates offered by SIIC Finance for the same type of deposits accepted from third parties[(Note 1)] during the same period.

Based on our independent research on continuing connected transactions conducted by other companies listed on the Stock Exchange involving provision of deposit services by group finance companies to listed issuers, we noted that comparing interest rates of similar deposits offered by major commercial banks in the PRC is a commonly adopted pricing policy. Therefore, we consider that the pricing policy contemplated under the Financial Services Agreement is in line with market practice.

With reference to the Board Letter, the Group has taken the specific measures in relation to the Deposit Services. The finance department of the Company is primarily responsible for monitoring the Deposit Services. Details of the measures were set out under the section headed "Internal Control and Risk Management Measures" of the Board Letter. Given that there will be interest rates comparison steps for the Deposit Services, we consider that the internal control measures are sufficient for the fair pricing of the Deposit Services.

We further noted that (i) before placing a deposit with SIIC Finance, the Group will assess the aggregate amount of daily outstanding balance of deposits placed by the Group with SIIC Finance; and (ii) SIIC Finance agreed to assist the Group in monitoring and managing the amount of daily outstanding balance of deposits placed by the Group with SIIC Finance to ensure that the actual daily outstanding balance of deposits (including accrued interest) does not exceed the maximum daily outstanding balance of deposits. Given the aforesaid, we consider that there are sufficient measures for monitoring the proposed annual caps of the Deposit Services.

The Proposed Deposit Services Annual Caps

Set out below are the Proposed Deposit Services Annual Caps (i) for the period from the Effective Date to 31 December 2026 (the "**2026 Period**"); and (ii) for each of the two years ending 31 December 2028.

	For the period from the Effective Date to 31 December 2026 *(RMB'million)*	**For the year ending 31 December 2027** *(RMB'million)*	**For the year ending 31 December 2028** *(RMB'million)*
The Proposed Deposit Services Annual Caps	10,000	10,000	10,000

With reference to the Board Letter, no historical transaction amounts are available, as the Group and SIIC Finance have not previously engaged in any transactions relating to deposit services.

Details of the bases for determining the Proposed Deposit Services Annual Caps for the 2026 Period and two years ending 31 December 2028 are set out under the section headed "Annual Caps – (1) Deposit services" of the Board Letter.

Based on the financial figures provided by the Company, as at 30 November 2025, the Group's monetary fund was approximately HK$26,859 million, of which approximately HK$21,437 million was domestic funds and most of them could be able to be placed in SIIC Finance. The amount of domestic funds is much larger than the Proposed Deposit Services Annual Caps, which indicates the Group's possible demand of deposit services to be provided by commercial banks in the PRC and SIIC Finance.

As it is difficult to forecast the Group's total cash level for whole period for the term of the Financial Services Agreement, should there be any substantial increase in total cash of the Group, the Group may opt to deposit larger portion of cash in commercial banks or re-comply with the applicable provisions of the Listing Rules governing continuing connected transactions to revise the Proposed Deposit Services Annual Caps.

Having considered that (i) the amount of domestic funds of approximately HK$21,437 million indicates the Group's possible demand of deposit services to be provided by, among other things, SIIC Finance; and (ii) the Group may, among other things, deposit larger portion of cash in commercial banks should there be substantial increase in total cash of the Group, we are of the view that the Proposed Deposit Services Annual Caps, which are the same, for the 2026 Period and the two years ending 31 December 2028 are fair and reasonable.

Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the maximum amounts of the Deposit Services must be restricted by the Proposed Deposit Services Annual Caps for the period concerned under the Financial Services Agreement; (ii) the terms of the Deposit Services must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the transactions contemplated under the Financial Services Agreement must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Deposit Services (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual caps.

In the event that the maximum amounts of the Deposit Services are anticipated to exceed the Proposed Deposit Services Annual Caps, or that there is any proposed material amendment to the terms of the Financial Services Agreement, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Deposit Services and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Deposit Services (including the Proposed Deposit Services Annual Caps) are on normal commercial terms and are fair and reasonable; and (ii) the Deposit Services are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Deposit Services and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Notes:

1. As confirmed by SIIC Finance, the "third parties" herein means members of SIIC Shanghai (excluding the Group).

2. Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

* *For identification purpose only*

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three financial years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 are disclosed in the following documents which have been published on both the website of the Stock Exchange (https://www.hkexnews.hk) and the website of the Company (http://www.sihl.com.hk):

- annual report of the Company for the year ended 31 December 2022 published on 14 April 2023 (page 73 to 195) (available on: https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0414/2023041400287.pdf);

- annual report of the Company for the year ended 31 December 2023 published on 16 April 2024 (pages 70 to 184) (available on: https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0416/2024041600287.pdf);

- annual report of the Company for the year ended 31 December 2024 published on 16 April 2025 (pages 71 to 180) (available on: https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0416/2025041600195.pdf); and

- interim report of the Company for the six months ended 30 June 2025 published on 15 September 2025 (pages 31 to 53) (available on: https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0915/2025091500453.pdf).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 December 2025, being the latest practicable date for the sole purpose of determining this statement of indebtedness and contingent liabilities of the Group prior to the date of this circular, save as otherwise disclosed herein, the Group had aggregate outstanding borrowings of approximately HK$56,097,568,000 and the details are as follows:

	HK$'000
Bank borrowings	
– Secured and guaranteed	3,156,970
– Secured and unguaranteed	16,991,519
– Unsecured and guaranteed	750,956
– Unsecured and unguaranteed	26,085,086
	46,984,531
Other borrowings	
– Unsecured and unguaranteed	8,498,574
Amounts due to related companies	
– Unsecured and unguaranteed	614,463
Total	56,097,568

Mortgage and Charges

As at the close of business on 31 December 2025, the Group's bank and other borrowings of approximately HK$20,148,489,000 were secured by certain investment properties, certain property, plant and equipment, certain receivables under service concession arrangement/intangible assets, certain properties under development held for sale, certain properties held for sale, certain trade receivables and pledged bank deposits of the Group.

Lease liabilities

As at 31 December 2025, the Group had lease obligations of approximately HK$275,505,000 related to the lease of office premises and commercial units in Hong Kong, Singapore and the PRC which were secured by rental deposits and unguaranteed.

Contingent liabilities

As at 31 December 2025, the Group have the following contingent liabilities:

(a) Guarantees in respect of mortgage facilities of certain property buyers

The Group has entered into agreements with certain banks with respect to mortgage loans provided to buyers of the Group's property units and has made deposits as security to and given guarantees on mortgage loans provided to the buyers by these banks under the agreements. Pursuant to the terms of guarantees, upon default in payments of mortgage loans by these buyers, the Group is responsible to repay the remaining outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks and the Group is entitled to take over the legal title and possession of the related properties. As at 31 December 2025, the total outstanding mortgages guaranteed by the Group were RMB880,729,000 (equivalent to approximately HK$980,767,000).

(b) Guarantees given to banks in respect of banking facilities utilised by the associates of the Group

The Group entered into agreements with banks to provide corporate guarantees with respect to the bank borrowings granted to the associates of the Group. As at 31 December 2025, the maximum liability of the Group under such guarantees was the outstanding amount of the bank borrowings to the associates of RMB1,051,100,000 (equivalent to approximately HK$1,170,490,000).

(c) Guarantees given to banks in respect of banking facilities utilised by a joint venture of the Group

The Group entered into agreements with banks to provide corporate guarantees with respect to the bank borrowings granted to a joint venture of the Group. As at 31 December 2025, the maximum liability of the Group under such guarantees was the outstanding amount of the bank borrowings to a joint venture of RMB1,632,096,000 (equivalent to approximately HK$1,817,479,000).

General

Except as disclosed above and apart from intra-group liabilities, the Group did not have, as at 31 December 2025, any other debt securities issued or outstanding, and authorised or otherwise created but unissued, term loans, other borrowings and indebtedness, bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchases commitments, mortgages, charges, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, taking into account the financial resources available to the Group including the internally generated funds and the present available bank facilities, and taking into account the impact of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps, the Group will have sufficient working capital for its present requirements, and for at least twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In line with the Group's business strategy to optimise its business structure and build up a solid foundation for its continued development and improvement in profitability, the Group will continue to seek breakthroughs to strengthen its existing core businesses and develop opportunities in new business arenas, improve operating and management efficiency, and strengthen risk management and controls through careful planning and deployment of its resources.

In respect of the infrastructure and environmental-protection segments, SIIC Environment Holdings Ltd. will continue to streamline its business portfolio, expand its market share and consolidate its leading position in China's water and environmental protection industry. The toll road business will continue to enhance its operational efficiency and maintain its stable development.

For the real estate business, we will closely monitor policy developments in the industry and make timely adjustments to our business strategies to revitalise existing assets, accelerate inventory destocking, expedite our payment collection and improve our capital turnover efficiency. As the effects of Central Government policies to stabilise the economy gradually becomes apparent, we expect the real estate industry to experience marginal improvement. The Group will leverage its strengths to ensure prudent operations while proactively capturing opportunities arising from market recovery to enhance operating performance.

In respect of our consumer products sector, Nanyang Brothers Tobacco Company, Limited will unwaveringly adhere to its high-quality development strategies, build up a modern management system and improve its operational efficiency. To ensure solid and sustainable development in the long term, the company will also accelerate the application and implementation of intelligent technologies, empower its corporate growth and strengthen its risk control mechanism. The Wing Fat Printing Company, Limited will continue to uphold the main action strategies of "expanding markets through external collaborations while adhering to cost reduction and efficiency improvement for internal merits". By pursuing pragmatic and unified efforts, we aim to achieve steady growth, meet the given annual-performance targets and lay a robust foundation for the company's sustainable long-term development.

Looking ahead, China's economy appears to be stabilising and the Government's supportive policies continue to take effect. However, the outlook for the economy is still clouded by uncertainty arising from ongoing international geopolitical tensions and rising trade unilateralism. Against this background, the Group's business development effort is expected to face both multifaceted challenges as well as emerging opportunities. We will continue to uphold our philosophy of being prudent with our operations and innovative with our development strategy: on one hand, we will accelerate our transformation efforts and continue to upgrade our core businesses, integrating financing activities and business operations; on the other hand, we will strengthen our comprehensive risk-management system and enhance our profitability. At the same time, we will continue to closely monitor and assess market conditions and our operations, and develop plans to optimise our asset structure accordingly, so as to improve corporate core competitiveness and create long-term sustainable value for our Shareholders.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Disclosure of Directors' and chief executive's interests and short positions in the Company

As at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

(b) Disclosure of substantial Shareholders' interests and short positions in the Company

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the interests and short positions of the persons (not being a Director or chief executive of the Company) in the Shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO were as follows:

Number of Shareholder	Capacity	Nature of interests	Name of issued Shares beneficially held	Approximate percentage of the issued Shares
SIIC	Interests held by controlled corporations	Corporate	686,654,748 *(Notes 1 and 2)*	63.16%

Notes:

(1) SIIC through its subsidiaries, namely Shanghai Investment Holdings Limited, SIIC Capital (B.V.I.) Limited, Shanghai Industrial Financial Holdings (Hong Kong) Company Limited, SIIC Trading Company Limited and SIIC CM Development Limited held 519,409,748 Shares, 80,000,000 Shares, 52,908,000 Shares, 34,327,000 Shares and 10,000 Shares respectively, and was accordingly deemed to be interested in the respective Shares held by the aforementioned companies.

(2) All interests stated above represented long positions.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no other persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have, any interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

(c) As at the Latest Practicable Date, so far as was known to the Directors, the following Directors are also directors or employees of SIIC:

Name of Director	**Position held in SIIC**
Leng Wei Qing	executive director and chairlady
Zhang Qian	executive director and president
Yao Jia Yong	executive director
Xu You Li	vice president, chief legal counsel and chief financial officer

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with the Company or any member of the Group which would not expire or was not determinable by the relevant employer within one year without payment of compensation other than statutory compensation.

4. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to any member of the Group or were proposed to be acquired or disposed of by, or leased to any member of the Group since 31 December 2024, being the date to which the latest audited consolidated accounts of the Group were made up.

5. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENTS

To the best of the Directors' knowledge, information and belief, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the date of this circular and was significant in relation to the business of the Group.

6. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, none of the Directors or any of their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice, which is included in this circular:

Name	Qualification
Gram Capital	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, report and/or references to its name in the form and context in which they appear.

As at the Latest Practicable Date, Gram Capital did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Gram Capital did not have any direct or indirect interest in any assets which have been, since 31 December 2024, being the date to which the latest audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL CONTRACTS

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this circular which is or may be material:

(a) a loan agreement entered into between SIHL Finance Limited ("**SIHL Finance**", a wholly-owned subsidiary of the Company) and S.I. Yangtze River Delta Ecological Development Limited (the "**JV Company**", a joint venture company owned by S.I. Infrastructure Holdings Limited, a wholly-owned subsidiary of the Company, as to 50% of its issued share capital) on 1 March 2024 to extend the

date of repayment of an existing loan in the principal amount of no more than HK$150,000,000 provided by SIHL Finance to the JV Company to 28 February 2025. The interest rate for each interest period is the three-month HIBOR plus a margin of 2.4%;

(b) a loan agreement entered into between SIHL Finance and the JV Company on 1 March 2024 to extend the date of repayment of an existing loan in the principal amount of no more than HK$300,000,000 provided by SIHL Finance to the JV Company to 2 April 2025. The interest rate for each interest period is the three-month HIBOR plus a margin of 2.4%;

(c) a loan agreement entered into between SIHL Finance and the JV Company on 25 September 2024, pursuant to which SIHL Finance has agreed to lend, and the JV Company has agreed to borrow, a loan in the principal amount in RMB equivalent to no more than HK$450,000,000. The date of repayment is 29 September 2025 and the interest rate for each interest period is 4.5%;

(d) a loan agreement entered into between SIHL Finance and the JV Company on 25 September 2024, pursuant to which SIHL Finance has agreed to lend, and the JV Company has agreed to borrow, a loan in the principal amount of no more than RMB300,000,000. The date of repayment is 18 September 2025 and the interest rate for each interest period is 4.5%;

(e) an equity transfer agreement entered into among Shanghai Jiyun Infrastructure Construction Co., Ltd.*（上海躋沄基礎建設有限公司）("**Shanghai Jiyun**", an indirect wholly-owned subsidiary of the Company), Ningbo Transport Investment Group Co., Ltd.*（寧波交通投資集團有限公司), Ningbo Datong Development Co., Ltd.*（寧波大通開發有限公司）and Jiaxing High Grade Highway Investment Co., Ltd.*（嘉興市高等級公路投資有限公司）as vendors, Ping An Securities Co., Ltd.*（平安證券股份有限公司） as purchaser and Ningbo Hangzhou Bay Bridge Development Co., Ltd.*（寧波市杭州灣大橋發展有限公司）(the "**Target Company**") on 5 November 2024, pursuant to which each of the vendors conditionally agreed to sell and the purchaser 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 RMB1,747,000,000 and not more than RMB1,923,000,000;

(f) a strategic investor placing agreement entered into between Shanghai Jiyun and Ping An Fund Management Co., Ltd.*（平安基金管理有限公司）on 18 November 2024, pursuant to which Shanghai Jiyun, as a strategic investor, agreed to subscribe for 158,284,000 fund units of 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）at the subscription amount of no more than RMB1,379,761,628;

(g) (i) a sale and purchase agreement entered into between Quanzhou Shanghai Industrial Investment Development Co., Ltd.* (泉州市上實投資發展有限公司) ("**Quanzhou SIID**", an indirect subsidiary of the Company) and Quanzhou Zhenyuan Industrial Investment Company Limited* (泉州市甄源實業投資有限公司) ("**Quanzhou Zhenyuan**") on 18 July 2025, pursuant to which Quanzhou SIID agreed to sell and Quanzhou Zhenyuan agreed to purchase certain assets at a consideration of RMB96,247,262 (inclusive of tax); (ii) a sale and purchase agreements entered into between Quanzhou SIID and Quanzhou Xinyuan Industrial Investment Company Limited* (泉州市歆源實業投資有限公司) ("**Quanzhou Xinyuan**") on 18 July 2025, pursuant to which Quanzhou SIID agreed to sell and Quanzhou Xinyuan agreed to purchase certain assets at a consideration of RMB1,149,752,342 (inclusive of tax); and (iii) a sale and purchase agreement entered into between Quanzhou SIID and Quanzhou Xinyuan on 18 July 2025, pursuant to which Quanzhou SIID agreed to sell and Quanzhou Xinyuan agreed to purchase certain assets at a consideration of RMB806,689,767 (inclusive of tax), which involve Quanzhou SIID's certain assets, including residential units, parking spaces and a parcel of land, in Quanzhou City, Fujian Province, the PRC, at the aggregate consideration of RMB2,052,689,371 (inclusive of tax));

(h) a loan agreement entered into between SIHL Finance and the JV Company on 18 September 2025 to extend the last due date for repayment of an existing loan in the principal amount of no more than HK$1,434,940,000 provided by SIHL Finance to the JV Company to 14 September 2026. The interest rate for each interest period is the three-month HIBOR plus a margin of 1.2%;

(i) a loan agreement entered into between SIHL Finance and the JV Company on 18 September 2025 to extend the last due date for repayment of an existing loan in the principal amount of no more than RMB404,858,299.60 provided by SIHL Finance to the JV Company to 14 September 2026. The interest rate for each interest period is 3.8%;

(j) a loan agreement entered into between SIHL Finance and the JV Company on 18 September 2025 to extend the last due date for repayment of an existing loan in the principal amount of no more than RMB300,000,000 provided by SIHL Finance to the JV Company to 14 September 2026. The interest rate for each interest period is 3.8%; and

(k) the Financial Services Agreement.

* *For identification purpose only.*

9. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group that would have a material adverse effect on the results of operations or financial conditions of the Group.

10. MISCELLANEOUS

(a) The registered office of the Company is at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

(b) The share registrar of the Company is Tricor Investor Services Limited of 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(c) The company secretary of the Company is Mr. Yee Foo Hei who is a fellow member of The Hong Kong Chartered Governance Institute, The Chartered Governance Institute and The Association of Chartered Certified Accountants.

(d) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (*http://www.hkexnews.hk*) and the Company (*http://www.sihl.com.hk*) for a period of 14 days from the date of this circular:

(a) the Financial Services Agreement;

(b) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 19 and 31 of this circular; and

(c) the letter of consent from the expert as referred to in the section headed "7. QUALIFICATION AND CONSENT OF EXPERT" in this appendix.

Prof. Zhang Qian
Independent Non-Executive Director, a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company
(Appointed on 29 August 2025 ~ Present)

Prof. Zhang, aged 52, is a Tencent Professor of Engineering, the head of the Division of Integrative Systems and Design and the chair professor of the Department of Computer Science and Engineering of HKUST. She is also a director of HKUST MOE/MSRA Information Technology Key Laboratory and Digital Life Research Center of HKUST, as well as a co-director of Huawei-HKUST Joint Laboratory. Prof. Zhang received the bachelor of science, master of science and PhD degrees from Wuhan University, all in computer science. She is a fellow of the Hong Kong Academy of Engineering and Institute of Electrical and Electronics Engineers. Prof. Zhang served as a research manager of Wireless and Networking Group, Microsoft Research Asia from 1999 to 2005 and a non-independent director of Hubei Forbon Technology Co., Ltd. from November 2019 to May 2023 (the shares of which are listed on the Shenzhen Stock Exchange with stock code: 300387). She has extensive experience in the areas of computer networking, AIoT, smart health, cybersecurity, mobile computing and wireless systems.

After taking into account of all the factors for assessing independence as set out in Rule 3.13 of the Listing Rules, the Board is of the opinion that Prof. Zhang remains independent. The Board believes that the valuable knowledge and experience possessed by Prof. Zhang will continue to generate significant contribution to the Board, the Company and the Shareholders as a whole, and considers that her professional background and work experience will further contribute to the Board's diversity.

As at the latest practicable date, Prof. Zhang was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Save as disclosed above, Prof. Zhang did not hold any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years, nor did she have any relationship with any Directors, senior management or substantial or controlling Shareholders.

There is no service agreement entered into between Prof. Zhang and the Company. She is entitled to receive a director's fee of HK$270,000 per annum and fees for serving as a member on the respective Board Committees of the Company totalling HK$200,000 per annum. Such fees are determined by reference to the industry benchmark as reviewed by the Remuneration Committee of the Company from time to time.

Save as disclosed above, as at the Latest Practicable Date, there were no other matters relating to Prof. Zhang's re-election that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Tang, William Harry Jiasheng
Independent Non-Executive Director, a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company
(Appointed on 29 August 2025 ~ Present)

Mr. Tang, aged 37, is an executive director and senior manager of Su Sih Enterprises Limited, Peninsula Knitters Limited and other companies, as well as an executive director of Shanghai Tangjunyuan Education Foundation. He is also a director of Shenzhen Qingyi Photomask Limited, the A shares of which are listed on the STAR Market of Shanghai Stock Exchange (stock code: 688138), and Shengyi Technology Co., Ltd., the shares of which are listed on the A shares market of Shanghai Stock Exchange (stock code: 600183). He received a bachelor of arts with major in economics from Occidental College in Los Angeles, USA. He is an executive vice president of Federation of HK Jiangsu Community Organisations Limited and Wusih Residents (H.K.) Association Limited and vice president of HK Wuxi Trade Association Limited. He is also a member of the 14th Shanghai Municipal Committee of the Chinese People's Political Consultative Conference and the 15th Wuxi Municipal Committee of the Chinese People's Political Consultative Conference. He has many years' experience in enterprise management and professional investment.

After taking into account of all the factors for assessing independence as set out in Rule 3.13 of the Listing Rules, the Board is of the opinion that Mr. Tang remains independent. The Board believes that the valuable knowledge and experience possessed by Mr. Tang will continue to generate significant contribution to the Board, the Company and the Shareholders as a whole, and considers that his professional background and work experience will further contribute to the Board's diversity.

As at the latest practicable date, Mr. Tang was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Save as disclosed above, Mr. Tang did not hold any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years, nor did he have any relationship with any Directors, senior management or substantial or controlling Shareholders.

There is no service agreement entered into between Mr. Tang and the Company. He is entitled to receive a director's fee of HK$270,000 per annum and fees for serving as a member on the respective Board Committees of the Company totalling HK$200,000 per annum. Such fees are determined by reference to the industry benchmark as reviewed by the Remuneration Committee of the Company from time to time.

Save as disclosed above, as at the Latest Practicable Date, there were no other matters relating to Mr. Tang's re-election that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Shanghai Industrial Holdings Limited (the "**Company**") will be held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Thursday, 23 April 2026 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**

   (a) the provision of deposit services under the financial services agreement dated 14 January 2026 entered into between the Company and SIIC Shanghai Group Finance Co., Ltd. ("**SIIC Finance**") in relation to the financial services to be provided by SIIC Finance to the Group (the "**Financial Services Agreement**") (a copy of which is tabled at the meeting and marked "A" and initialled by the Chairman for identification purpose), subject to the proposed deposit services annual caps, be and are hereby confirmed, ratified and approved; and

   (b) any one director of the Company or the secretary of the Company (a director and the secretary of the Company, or any two directors of the Company, or a director of the Company and some other person appointed by the Board for the purpose, if the affixation of the common seal is necessary) be and is/are hereby authorised for and on behalf of the Company to execute (and, if necessary, affix the common seal of the Company on) any such other documents, instruments and agreements and to do any such acts or things deemed by them to be incidental to, ancillary to or in connection with the implementation of and giving effect to the Financial Services Agreement and the provision of deposit services contemplated thereunder."

2. To re-elect the following retiring Directors:

   (i) Prof. Zhang Qian;

   (ii) Mr. Tang, William Harry Jiasheng;

   and authorise the Board to fix the Directors' remuneration.

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

Hong Kong, 25 February 2026

Registered office:
26th Floor, Harcourt House,
39 Gloucester Road,
Wanchai, Hong Kong

Notes:

1. A shareholder of the Company entitled to attend and vote at the extraordinary general meeting (the "**EGM**") is entitled to appoint one or more proxies, if holding two or more shares, to attend and vote on his behalf. A proxy need not be a shareholder of the Company.

2. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members of the Company shall, in respect of such share, be entitled alone to vote in respect thereof.

3. The register of members of the Company will be closed from Wednesday, 15 April 2026 to Thursday, 16 April 2026, both days inclusive, during which period no transfer of shares will be effected. As such, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Tuesday, 14 April 2026 for the purpose of determining shareholders' eligibility to attend and vote at the EGM.

4. A form of proxy for use at the EGM is enclosed with the circular to the shareholders.

5. In order to be valid, a proxy form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the registered office of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong or the Company's share registrar, Tricor Investor Services Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the EGM or adjourned meeting or poll (as the case may be).

6. Completion and return of a proxy form will not preclude a shareholder from attending and voting in person if he is subsequently able to be present and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

7. The ordinary resolutions set out above will be determined by way of a poll.