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**SHANGHAI INDUSTRIAL SUBSIDIARY SELLS CONTAINERBOARD BUSINESS
REALIZING TOTAL PROCEEDS OF RMB1,030M**

SHIFTING FOCUS TO PRINTING AND PACKAGING

(January 12, 2011— Hong Kong) Shanghai Industrial Holdings Limited ("SIHL", stock code: 363) announced that its subsidiary Wing Fat Printing and Wing Fat's subsidiary Dongguan Wing Fat sold all their 78.13% equity interests in Hebei Yongxin Paper Co., Ltd. to Nine Dragons Paper (Holdings) Limited (stock code: 2689), with a total consideration of approximately RMB564 million (approximately HK\$665 million), payable in cash. Upon completion of the transaction, SIHL is expected to book an attributable disposal gain of approximately HK\$140 million. Together with the outstanding shareholders' loans and other amount receivables due from Hebei Yongxin of RMB466 million (approximately HK\$550 million), Wing Fat Printing is expected to realize total proceeds of RMB1,030 million.

SIHL chairman Teng Yilong noted that SIHL is committed to optimizing its business structure to enhance the profitability of its core businesses. Upon this strategic disposal of Hebei Yongxin, Wing Fat Printing will withdraw from the containerboard business, and shift its focus to the development of the higher-margin printing and packaging business. The total proceeds of RMB1,030 million will be used as general working capital and acquisitions in the consumer products sector.

Hebei Yongxin is principally engaged in containerboard businesses. As at December 31, 2010, the unaudited consolidated net profits after taxation (based on HKFRS) and unaudited consolidated net asset value (based on HKFRS) of Hebei Yongxin were approximately HK\$76.7 million and HK\$667 million respectively.

SIHL is principally engaged in the business of infrastructure facilities, real estate and consumer products. Profit attributable to shareholders in 2009 totaled HK\$2.86 billion. SIHL holds 93.44% equity interests in Wing Fat Printing which is principally engaged in the business of paper packaging and paper packaging material supply in the PRC and Hong Kong.

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