



上海實業控股有限公司
SHANGHAI INDUSTRIAL HOLDINGS LIMITED
上海實業集團成員 A Member of SIIC

FOR IMMEDIATE RELEASE

**SHANGHAI INDUSTRIAL JOINS HANDS WITH CHOW TAI FOOK
FOR QINGPU LAND DEVELOPMENT AND FOUR SEASONS HOTEL SHANGHAI OPERATION,
ENHANCING BRANDING, QUALITY AND EFFECTIVENESS**

(February 27, 2011 – HONG KONG) Shanghai Industrial Holdings Limited (“SIHL”, stock code: 363) announced an agreement with Chow Tai Fook Enterprises (“CTF”) for the sale of 90% equity interests in Feng Tao and Feng Shun BVI companies -- holding Lot F and Lot G respectively of Qingpu landbank, and about 77% equity interests of Four Seasons Hotel Shanghai, with considerations of RMB1,131 million (approximately HK\$1,334 million), RMB1,305 million (approximately HK\$1,539 million) and HK\$1,168 million respectively. Upon completion of the three transactions, SIHL will receive total cash proceeds of HK\$3,526 million after deducting tax expenses, and after-tax exceptional gain of HK\$2,867 million.

SIHL chairman Teng Yilong said that the agreement leads to the introduction of Chow Tai Fook of Hong Kong as strategic partner for the Qingpu development project in Shanghai, and New World Development, the renowned brand in China, as commissioned entity for planning and development. Such win-win cooperation would enhance the branding and quality of the Qingpu development project, said Mr Teng. For the sizeable landbank at Qingpu, SIHL adopts the two-thronged approach of both sole development and joint development with strategic partners as the company joins hands with CTF to develop about a quarter of the Qingpu landbank, thus enhancing the effectiveness of the project development.

On the overall company level, added Mr Teng, the transactions help optimize the company’s property assets portfolio, increase its cash holdings – ready for merger and acquisition activities for its core businesses, and enhance the company’s earnings and returns on assets. At the same time, the company will maintain consistent growth of its infrastructure and consumer products businesses as it leverages the advantages of a diversified conglomerate.

Qingpu Land Lot F And Lot G Equity Transfer

SIHL will sell its 90% equity interests in Feng Tao and Feng Shun BVI companies holding Lot F and Lot G of Qingpu land bank respectively to CTF for RMB2,436 million (approximately HK\$2,873 million). Lots F and G cover a total site area of about 1,128 mu (approximately 750,000 square meters, with a plot ratio of 0.5 and gross floor area of approximately 375,000 square meters). Upon completion, SIHL will have cash proceeds of HK\$2,430 million after deducting tax expenses, and after-tax earnings of HK\$2,215 million.

The seven land lots in Qingpu district of Shanghai owned by SIHL will be comprised of three clusters: Lots A, B, C (100% owned by SI Development, of which SIHL will take 63.65% equity interests), Lots D, E (100% owned by SIHL) and Lots F, G (10% owned by SIHL). Total site area is approximately 4,233 mu (about 2.82 million square meters) and total gross floor area is

about 1.29 million square meters. The seven land lots are located right beside Dianshan Lake in Qingpu district of Shanghai, near Zhujiajiao Town. The entire area is planned for developing low-density residential communities with an average plot ratio of 0.5.

Four Seasons Hotel Shanghai Equity Transfer

SIHL will sell 88.5% equity interests of Good Cheer, which holds about 87% of Four Seasons Hotel Shanghai (equivalent to about 77% equity interests of Four Seasons Hotel Shanghai) to CTF at HK\$1,168 million. Upon completion, while keeping 11.5% of Good Cheer, SIHL will receive cash proceeds of HK\$1,096 million after deducting tax expenses, and after-tax earnings of HK\$652 million.

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