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上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 0363)

Announcement

The Board announces that all the Conditions to the Acquisition Agreement in respect of the acquisition of approximately 56.63% interest in SI United by Shanghai Industrial YKB have been fulfilled. SI United is a company listed on the A Shares Market of the Shanghai Stock Exchange and its stock code is 600607.

Reference is made to the announcement dated 21st May 2003 and the circular to the Shareholders dated 9th June 2003 (the "Circular"). Terms used herein, unless otherwise defined, have the same meanings as in the Circular.

The board of directors (the "Board") of Shanghai Industrial Holdings Limited (the "Company") announces that with regard to the Acquisition Agreement for the acquisition of approximately 56.63% interest in Shanghai Industrial United Holdings Co., Ltd. ("SI United") by Shanghai Industrial YKB Limited ("Shanghai Industrial YKB"), approvals were received from the relevant government authorities, including (i) approval from the State-owned Assets Supervision and Administration Commission of the State Council for the transfer of the State-owned shares received on 12th July 2004, (ii) approval from the Ministry of Commerce approving the transfer of interest in SI United received on 11th October 2004 and (iii) approval from the China Securities Regulatory Commission waiving the obligation of Shanghai Industrial YKB to make a general offer to the shareholders of SI United received on 6th December 2004 respectively. All the Conditions to the Acquisition Agreement have been fulfilled. SI United is a company listed on the A Shares Market of the Shanghai Stock Exchange and its stock code is 600607.

By Order of the Board
Wong Mei Ling, Marina
Company Secretary

Hong Kong, 6th December 2004

As at the date of this announcement, the Board of the Company is comprised of:

Executive Directors:

Mr. Cai Lai Xing, Mr. Qu Ding, Mr. Lu Ming Fang, Mr. Lu Da Yong, Mr. Ding Zhong De, Mr. Lu Shen, Mr. Qian Shi Zheng, Mr. Yao Fang and Mr. Tang Jun

Independent Non-Executive Directors:

Dr. Lo Ka Shui, Prof. Woo Chia-Wei and Mr. Leung Pak To, Francis

Please also refer to the published version of this announcement in the (South China Morning Post)