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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

ANNOUNCEMENT

PROPOSED SPIN-OFF AND SEPARATE LISTING OF THE WING FAT PRINTING COMPANY, LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The Board is pleased to announce that on 29th August 2007, a subsidiary of the Company, WF Printing submitted an advance booking form with the Stock Exchange for an application for the listing of, and permission to deal in, the WF Shares on the Main Board of the Stock Exchange. No action has been taken or will be taken to permit a public offering of the WF Shares in any jurisdiction other than Hong Kong.

It is intended that the Qualifying Shareholders will be provided with an assured entitlement to WF Shares by way of preferred application in the Global Offering to be agreed between WF Printing and the Company with advice from the sponsor in the separate listing, if the Board and the WF Board decide to proceed with the Proposed Spin-Off and the Global Offering and the Listing Committee of the Stock Exchange has given its approval of the Proposed Spin-Off and the Global Offering.

According to Rule 13.36 of the Listing Rules, WF Printing is a major subsidiary of the Company. The Proposed Spin-Off may constitute a “material dilution” of the Company’s interest in a “major subsidiary” as referred to in Rule 13.36(1) of the Listing Rules. As such, the Proposed Spin-Off will require the approval of the Shareholders. No Shareholder is required to abstain from voting in respect of the resolution to be proposed at the EGM to approve the Proposed Spin-Off. An independent board committee comprising the independent non-executive Directors will be formed to advise the Shareholders and an independent financial adviser will be appointed to advise the independent board committee and the Shareholders in respect of the Proposed Spin-Off.

The Company will convene the EGM at which an ordinary resolution will be proposed to approve, if thought fit, the Proposed Spin-Off and a circular containing, among other things, particulars of the Proposed Spin-Off, a letter of advice from the independent board committee to the Shareholders, a letter of advice from the independent financial adviser to the independent board committee and the Shareholders as well as a notice convening the EGM and the form of proxy for use at the EGM will be dispatched to the Shareholders as soon as practicable.

Shareholders and investors should note that the Proposed Spin-Off is subject to, among others, the conditions referred to in this announcement, the decision of the Board as well as market conditions prevailing at the time immediately before the Proposed Spin-Off. As the Proposed Spin-Off may or may not proceed, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

Further to the announcement of the Company on 18th July 2007 announcing that the Company was considering the Proposed Spin-Off, the Board is pleased to announce that on 29th August 2007, a subsidiary of the Company, WF Printing submitted an advance booking form with the Stock Exchange for an application for the listing of, and permission to deal in, the WF Shares on the Main Board of the Stock Exchange.

INFORMATION ON WF PRINTING

WF Printing is a public company incorporated in Hong Kong in 1920 and its issued ordinary share capital is indirectly owned as to approximately 93.44% by the Company. The business of the WF Group focuses on (1) quality printing of packaging materials in Hong Kong and various provinces in the PRC principally for cigarettes, alcohol and other consumer products, and (2) production of containerboard in Hebei Province, the PRC, for manufacture of corrugated boxes and other packaging boxes by its customers. In addition, the WF Group engages in paper trading, which involves sales of printing and recovered paper. The WF Group's printing business is headquartered in Hong Kong with 7 production bases in Hong Kong and a number of major provinces in the PRC, namely, Guangdong Province, Henan Province, Zhejiang Province and Sichuan Province. All of the Group's printing, paper making and paper trading businesses are conducted through the WF Group.

THE PROPOSED SPIN-OFF

The Proposed Spin-Off involves the separate listing of the WF Shares on the Main Board of the Stock Exchange and will include an offer to the public for subscription in Hong Kong of new WF Shares and the private placement of new WF Shares to certain institutional and professional investors inside and outside Hong Kong ("**Global Offering**") with an over-allotment option to be granted to the underwriters of the Global Offering to require WF Printing to allot and issue additional WF Shares up to such amount as will represent up to 15% of the initial WF Shares to be offered for subscription under the Global Offering ("**Over-allotment Option**"). It is intended that the Qualifying Shareholders will be provided with an assured entitlement to WF Shares by way of preferred application in the Global Offering to be agreed between WF Printing and the Company with advice from the sponsor in the separate listing, if the Board and the WF Board decide to

proceed with the Proposed Spin-Off and the Global Offering and the Listing Committee of the Stock Exchange has given its approval of the Proposed Spin-Off and the Global Offering.

The Proposed Spin-Off will be subject to, among others, the following conditions:

- (a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the WF Shares in issue and to be issued pursuant to the Proposed Spin-Off;
- (b) the obligations of the underwriters under the underwriting agreement to be entered into between, among others, WF Printing, the Company and the underwriters in connection with the separate listing of the WF Shares becoming unconditional and the underwriting agreement not being terminated in accordance with its terms or otherwise, on or before the date and time to be specified therein; and
- (c) the passing of a resolution at the EGM by the Shareholders approving the Proposed Spin-Off.

The Proposed Spin-Off will not proceed if such conditions are not satisfied.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The business of the WF Group has grown to a size sufficient to command a separate listing status and the Directors consider that such listing will be beneficial to the Company for the following reasons:

- (a) it enables the Company to focus on and further develop its remaining business and deploy its capital more efficiently by providing the Company with the flexibility to raise funds from the capital markets in future to support its growth through continuing organic expansion as well as acquisitions and enabling the WF Group to take advantage of its growth potential by attracting new investors who are seeking investments in the industries of printing as well as paper making; and
- (b) the value of the WF Group is expected to be enhanced through the Proposed Spin-Off given that:
 - (i) a listing on the Stock Exchange will enhance WF Printing's profile amongst its customers, suppliers and other business partners, as well as its ability to recruit good talents available;
 - (ii) a listing on the Stock Exchange will enable WF Printing to directly and independently access both equity and debt capital markets, as well as facilitate it to secure bank credit facilities;
 - (iii) following the Proposed Spin-Off, WF Printing, as a listed company, would be able to offer an equity based incentive program (such as a share option scheme) that correlates directly to the performance of its own business to its employees and would therefore be

in a better position to motivate its employees with incentive programs that closely align with the objective of shareholder value creation;

- (iv) the independent listing of WF Printing will lead to a more direct alignment of its management's responsibilities and accountability with its operating and financial performance. This is expected to result in enhanced management focus, which should in turn lead to improved decision-making processes, faster response-time to market changes and increased operational efficiency. The top management of WF Printing will be under heightened scrutiny from the investor community and it will be possible to measure their performance against the stock market performance of WF Printing relative to its industry peers listed on the Stock Exchange. It will also be possible to link management incentives to such performance, thereby increasing management motivation and commitment; and
- (v) a listing on the Stock Exchange will also provide clarity of the credit profile of the WF Group for rating agencies and financial institutions that wish to analyse and lend against the credit of a service provider and material supplier in the printing and paper packaging industry.

The Company is expected to remain as a controlling shareholder of the WF Group after completion of the Proposed Spin-Off, and to benefit from any enhanced value of the WF Group through the Proposed Spin-Off.

GENERAL

According to Rule 13.36 of the Listing Rules, WF Printing is a major subsidiary of the Company. The Proposed Spin-Off may constitute a material dilution of the Company's interest in WF Printing (as defined under Rule 13.36 of the Listing Rules) since after completion of the Proposed Spin-Off and assuming the exercise of the Over-allotment Option in full, the Company's interest in WF Printing will be diluted to the extent of 5% or more as determined under the revenue, profits and assets tests calculated pursuant to Rule 14.07. As such, the Proposed Spin-Off will require the approval of the Shareholders. No Shareholder is required to abstain from voting in respect of the resolution to be proposed at the EGM to approve the Proposed Spin-Off. An independent board committee comprising the independent non-executive Directors will be formed to advise the Shareholders and an independent financial adviser will be appointed to advise the independent board committee and the Shareholders in respect of the Proposed Spin-Off.

The Company will convene the EGM at which an ordinary resolution will be proposed to approve, inter alia, the Proposed Spin-Off and a circular containing, among other things, particulars of the Proposed Spin-Off, a letter of advice from the independent board committee to the Shareholders, a letter of advice from the independent financial adviser to the independent board committee and the Shareholders as well as a notice convening the EGM and the form of proxy for use at the EGM will be dispatched to the Shareholders as soon as practicable.

Shareholders and investors should note that the Proposed Spin-Off is subject to, among others, the conditions referred to above, the decision of the Board as well as market conditions prevailing at the time immediately before the Proposed Spin-Off. As the Proposed Spin-Off may or may not proceed, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

Further announcements concerning the Proposed Spin-Off will be made in accordance with the requirements of the Listing Rules as and when appropriate.

The Group is principally engaged in the business of real estate investment, infrastructure facilities, medicine and consumer products.

DEFINITIONS

“Board”	the board of directors of the Company
“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
“EGM”	the extraordinary general meeting to be convened by the Company at which an ordinary resolution will be proposed to approve, if thought fit, the Proposed Spin-Off
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Non-qualifying Shareholders”	Shareholder(s) whose names appear on the register of members of the Company on a record date to be determined with address(es) as shown in the register of members of the Company on that day that is(are) outside Hong Kong and whom the Board, after making enquiries, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges in those places not to provide them with an assured entitlement to the WF Shares
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan

“Proposed Spin-Off”	the proposed separate listing of the ordinary shares of WF Printing on the Main Board of the Stock Exchange
“Qualifying Shareholders”	Shareholders, other than the Non-qualifying Shareholders, whose names appear on the register of members of the Company on a record date to be determined
“Shareholders”	holders of shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“WF Board”	the board of directors of WF Printing
“WF Group”	WF Printing and its subsidiaries
“WF Printing”	The Wing Fat Printing Company, Limited, a public company incorporated in Hong Kong with limited liability which issued ordinary share capital is indirectly owned as to approximately 93.44% by the Company
“WF Shares”	ordinary shares of WF Printing

By Order of the Board
SHANGHAI INDUSTRIAL HOLDINGS LIMITED
Wong Mei Ling, Marina
Company Secretary

Hong Kong, 29th August 2007

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

Executive Directors:

Mr. Cai Lai Xing, Mr. Cai Yu Tian, Mr. Qu Ding, Mr. Lu Ming Fang, Mr. Ding Zhong De, 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