

CHANGE OF DIRECTORS AND APPOINTMENT OF CHAIRMAN

The Board of Directors (the “Board”) of Shanghai Industrial Holdings Limited (“the Company”) announces that on 30th May 2008, Mr. Cai Lai Xing has honorably retired by rotation as an Executive Director and the Chairman of the Company with effect from the conclusion of the annual general meeting of the Company held on 30th May 2008 (the “2008 Annual General Meeting”). Mr. Cai Lai Xing has confirmed that there is no disagreement with the Board and no other matters relating to his retirement as an Executive Director and the Chairman of the Company that need to be brought to the attention of the Company’s shareholders. On the same day, Mr. Teng Yi Long has been appointed as an Executive Director and the Chairman of the Company with effect from the conclusion of the 2008 Annual General Meeting.

Mr. Teng Yi Long, aged 60, is the chairman of Shanghai Industrial Investment (Holdings) Company Limited. He graduated from Shanghai Jiaotong University majoring in industrial engineering management and East China University of Politics and Law majoring in civil and commercial law. He held top management position in Sichuan Diesel Engine Factory and was the Deputy Director of Sichuan Sixth Machinery Industrial Bureau under the Sixth Machinery Industrial Ministry. Also he held top management position in Shanghai Jiangnan Shipyard and was the chairman of Shanghai Municipal Federation of Trade Unions, a vice chairman of All China Federation of Trade Unions and the President of the Shanghai High People’s Court. He has over 20 years of experience in the management of large enterprises and has over ten years of judicial experience. He has extensive experience in economics, legal matters, enterprise management and shipbuilding, and in organizing and implementing key technological R&D projects. Mr. Teng is currently a member of the National Committee of the Chinese People’s Political Consultative Conference, an adjunct professor of East China University of Political Science and Law and Shanghai University of Engineering Science, an honorary researcher of Shanghai Academy of Social Sciences and the vice chairman of Commercial Aircraft Corporation of China, Ltd.

As at the date of this announcement, Mr. Teng has no share interests in the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Teng did not hold any directorships in any listed public companies in the last three years, and has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Teng is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Company. As at the date of this announcement, no directors’ service agreement was entered into between Mr. Teng and the Company. Mr. Teng is entitled to receive a salary of approximately HK\$1,551,000 in the year of 2008. In addition, he may receive a discretionary bonus payment subject to the absolute discretion of the Company having

regard to the operating results of the Group, prevailing market conditions and his performance. The salary is determined by reference to the factors such as the Company's operating performance, industry benchmark and job responsibilities.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements under rules 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, nor are there other matters in relation to the change of Directors and appointment of Chairman that need to be brought to the attention of the Company's shareholders.

The Company would like to express its gratitude to Mr. Cai Lai Xing for his valuable contribution to the Group throughout these years and welcome Mr. Teng Yi Long for joining the Board.

By Order of the Board
Shanghai Industrial Holdings Limited
Leung Lin Cheong
Company Secretary

Hong Kong, 30th May 2008

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

Executive Directors:

Mr. Teng Yi Long, Mr. Cai Yu Tian, Mr. Lu Ming Fang, Mr. Ding Zhong De, Mr. Zhou Jie, 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