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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 21st July 2008 in relation to two discloseable and connected transactions including the Hotel Acquisition. Upon the Hotel Acquisition Completion, Four Seasons Resorts, Four Seasons Shanghai and Four Seasons, being subsidiaries of Four Seasons Inc., will be regarded as connected persons of the Company under the Listing Rules. The Hotel Agreements in connection with the management, operation, marketing and licensing of the Four Seasons Hotel Shanghai which has existed prior to the entering into of the Hotel Acquisition Agreement and will continue after the Hotel Acquisition Completion will become continuing connected transactions of the Company upon the Hotel Acquisition Completion. Subject to the Hotel Acquisition Completion, the Company has to comply with the reporting and announcement requirements of Chapter 14A of the Listing Rules in respect of the Hotel Agreement pursuant to Rule 14A.41 of the Listing Rules.

The Company published an announcement on 21st July 2008 in relation to two discloseable and connected transactions including the Hotel Acquisition. The Company also published a supplemental announcement on 5th August 2008 in respect of, among others, the Hotel Acquisition.

THE HOTEL AGREEMENTS

The Hotel Agreements, particulars of which are set out below, were entered into by the Hotel Company with Four Seasons Resorts, Four Seasons Shanghai and Four Seasons respectively in connection with the management, operation, marketing and licensing of the Four Seasons Hotel Shanghai.

The Hotel Advisory Agreement

Pursuant to the Hotel Advisory Agreement dated 14th January 2000 (as amended by amendment agreements dated 31st March 2005) between Four Seasons Resorts and the Hotel Company, the Hotel Company engaged Four Seasons Resorts as its exclusive advisor in connection with the supervision and direction of the Four Seasons Hotel Shanghai as a world class luxury hotel.

Under the Hotel Advisory Agreement, Four Seasons Resorts shall provide to the Hotel Company:-

- (i) certain advice and services in connection with the supervision and direction of the Four Seasons Hotel Shanghai; and
- (ii) the right and licence to use certain trademarks and to utilize the proprietary materials in connection with the marketing, operation and management of the Four Seasons Hotel Shanghai

for which Four Seasons Resorts shall receive fees for their services and the trademark licence.

The Hotel Management Agreement

Pursuant to the Hotel Management Agreement dated 14th January 2000 between Four Seasons Shanghai and the Hotel Company, the Hotel Company engaged Four Seasons Shanghai as the exclusive operator and manager of the Four Seasons Hotel Shanghai in connection with the operation and management of the Four Seasons Hotel Shanghai and its staff as a world class luxury hotel.

Under the Hotel Management Agreement, Four Seasons Shanghai shall provide services relating to the day-to-day operation and management of the Four Seasons Hotel Shanghai, in return for a service fee plus reimbursement of all reasonable costs and expenses incurred in the performance of its services.

The Hotel Services Agreement

Under the Hotel Services Agreement dated 14th January 2000 between Four Seasons and the Hotel Company, Four Seasons shall provide services to the Four Seasons Hotel Shanghai in connection with the ongoing purchasing, corporate sales and marketing, centralized reservation, refurbishing and marketing of the Four Seasons Hotel Shanghai as a world class luxury hotel. The Hotel Company shall reimburse Four Seasons all reasonable costs and expenses incurred in the provision of services under the Hotel Services Agreement.

The fees payable by the Hotel Company under the Hotel Agreements to Four Seasons Resorts, Four Seasons Shanghai and Four Seasons will amount to approximately 6% to 8.5% of the gross receipts of the Four Seasons Hotel Shanghai per calendar year and are payable monthly and adjusted, if necessary, annually based on the financial results of the Four Seasons Hotel Shanghai. The Hotel Agreements shall be for a period of 15 years from the date of signing of the approvals by all relevant governmental authorities of the Hotel Agreements, and the Hotel Company and its indirect shareholders have agreed to use best efforts to obtain relevant PRC governmental approvals to extend the term of the Hotel Agreements to the end of the land use rights of the land on which the Four Seasons Hotel Shanghai is erected.

The Hotel Agreements will continue after the Hotel Acquisition Completion.

REASONS FOR AND BENEFITS OF THE HOTEL AGREEMENTS

The Hotel Agreements were entered into upon the setting up of the Four Seasons Hotel Shanghai. Under the Creative Gold Shareholders Agreement, the Company shall assume all obligations of SIIC under the Creative Gold Shareholders Agreement in the event of the transfer by SIIC of its

interest in Creative Gold to the Company. It is therefore the intention of the Company that the Hotel Agreements shall continue after the Hotel Acquisition Completion. The Directors consider that such arrangement is beneficial to the Group as the day-to-day operation of the Four Seasons Hotel Shanghai will after the Hotel Acquisition Completion continue to be managed and supervised under quality hotel management expertise of world class luxury hotels and the Hotel Company can enjoy the continuity of the use of a well-known hotel brand name.

LISTING RULES REQUIREMENTS

Upon the Hotel Acquisition Completion, Creative Gold will become a subsidiary of the Group and Four Seasons Inc., being a substantial shareholder of Creative Gold, will be considered a connected person of the Company under the Listing Rules. Four Seasons Resorts, Four Seasons Shanghai and Four Seasons which are subsidiaries of Four Seasons Inc., will also be regarded as connected persons of the Company under the Listing Rules upon the Hotel Acquisition Completion. The Hotel Agreements which exist prior to the entering into of the Hotel Acquisition Agreement and will continue after the Hotel Acquisition Completion will constitute continuing connected transactions of the Company. Subject to the Hotel Acquisition Completion, the Company has to comply with the reporting and announcement requirements in respect of the Hotel Agreements pursuant to Rule 14A.41 of the Listing Rules.

GENERAL

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

The Hotel Company is principally engaged in the operation of hotel, hotel management consultation and property management and development.

Four Seasons Inc. and its subsidiaries are principally engaged in the development, construction, furnishing, equipping, servicing, marketing, operation, management, supervision and direction of world class luxury hotels.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Shanghai Industrial Holdings Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“Creative Gold”	Creative Gold Developments Limited, a company incorporated in the Briths Virgin Islands with limited liability and a direct subsidiary of Good Cheer Enterprises Limited

“Creative Gold Shareholders Agreement”	the unanimous shareholders agreement in respect of Creative Gold entered into among Good Cheer Enterprises Limited, FS Asia Investment Limited, Creative Gold, SIIC, Four Seasons Hotel Inc., South Pacific Hotel (China) Limited and South Pacific International Investment Limited dated 22nd June 2000
“Directors”	directors of the Company;
“Four Seasons”	Four Seasons Hotels Limited, a corporation incorporated under the laws of the Province of Ontario, Canada, and a subsidiary of Four Seasons Inc.
“Four Seasons Inc.”	Four Seasons Holdings Inc., a company continued under the laws of the Province of British Columbia, Canada
“Four Seasons Resorts”	Four Seasons Hotels and Resorts Asia Pacific Pte. Ltd., a corporation incorporated under the laws of the Singapore, and an indirect subsidiary of Four Seasons Inc.
“Four Seasons Shanghai”	Four Seasons Shanghai B.V., a corporation incorporated under the laws of the Netherlands, and an indirect subsidiary of Four Seasons Inc.
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel Acquisition”	the acquisition by the Company of the entire issued share capital in Good Cheer Enterprises Limited and certain inter-company loans due from Good Cheer Enterprises Limited from South Pacific Hotel Holdings Limited pursuant to the Hotel Acquisition Agreement
“Hotel Acquisition Agreement”	the conditional sale and purchase agreement dated 21st July 2008 entered into between South Pacific Hotel Holdings Limited, the Company and SIIC in relation to the Hotel Acquisition
“Hotel Acquisition Completion”	completion of the Hotel Acquisition pursuant to the Hotel Acquisition Agreement
“Hotel Advisory Agreement”	the agreement dated 14th January 2000 (as amended by amendment agreements dated 31st March 2005) between Four Seasons Resorts and the Hotel Company for the provision of advisory services and grant of trademark licences to the Hotel Company
“Hotel Agreements”	the Hotel Advisory Agreement, the Hotel Management Agreement and the Hotel Services Agreement

“Hotel Management Agreement”	the agreement dated 14th January 2000 between Four Seasons Shanghai and the Hotel Company for the provision of services related to the day-to-day operation and management of the Four Seasons Hotel Shanghai by Four Seasons Shanghai
“Hotel Services Agreement”	the agreement dated 14th January 2000 between Four Seasons and the Hotel Company for the provision of ongoing purchasing, refurbishing and marketing services by Four Seasons to the Four Seasons Hotel Shanghai
“Hotel Company”	Shanghai SIIC South Pacific Hotel Co., Ltd. (上海上實南洋大酒店有限公司), a company established in the People’s Republic of China and an indirect subsidiary of Creative Gold
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SIIC”	Shanghai Industrial Investment (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 28th November 2008

As at the date of this announcement, the Board of the Company 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