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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

CONTINUING CONNECTED TRANSACTIONS

The Board of Directors of the Company announces that on 10th February 2009, the subsidiaries of the Company have entered into the following two agreements:

- (1) the GT Purchases Agreement entered into between Guangdong Techpool and Changzhou Techpool in respect of the GT Purchases Transactions; and
- (2) the XM Distribution Agreement entered into between Xiamen TCM and Xiamen Medicine Centre in respect of the XM Sales Transactions.

Both Guangdong Techpool and Changzhou Techpool are indirect non wholly-owned subsidiaries of the Company. Guangdong Techpool directly holds a 74.18% interest in Changzhou Techpool. One of Guangdong Techpool's directors and his associate (as defined in the Listing Rules) together hold an aggregate of a 35.04% equity interest in Guangdong Techpool. Such director is also a director of Changzhou Techpool, a subsidiary of the Group. By virtue of the above, both of Guangdong Techpool and Changzhou Techpool are connected persons of the Company within the meaning of the Listing Rules. Accordingly, pursuant to Chapter 14A of the Listing Rules, the GT Purchases Transactions constitute continuing connected transactions of the Company.

As the relevant percentage ratios represented by the GT Purchases Transactions Annual Cap exceed 0.1% but are less than 2.5% respectively as determined in accordance with the Listing Rules, the GT Purchases Transactions are exempt from the independent shareholders' approval requirements but are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

Xiamen TCM is a subsidiary of the Company. Xiamen Medicine Centre is a wholly-owned subsidiary of Xiamen Qinggong Group Co. Ltd.* (廈門輕工集團有限公司) which is a substantial shareholder of Xiamen TCM. Accordingly, Xiamen Medicine Centre is a connected person of the Company under the Listing Rules. Pursuant to Chapter 14A of the Listing Rules, the XM Sales Transactions constitute continuing connected transactions of the Company.

As the relevant percentage ratios represented by the XM Sales Transactions Annual Cap exceed 0.1% but are less than 2.5% respectively as determined in accordance with the Listing Rules, the XM Sales Transactions are exempt from the independent shareholders' approval requirements but are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

The board (the "Board") of directors (the "Directors") of Shanghai Industrial Holdings Limited (the "Company") announces that on 10th February 2009, two agreements are entered into by the subsidiaries of the Company in respect of two continuing connected transactions of the Company as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The two agreements are independent of each other and are not inter-conditional. Details of the two agreements are provided below:

(1) GT PURCHASES TRANSACTIONS

On 10th February 2009, Guangdong Techpool Biochem Pharma Co. Ltd. ("Guangdong Techpool") has entered into a raw pharmaceuticals purchase agreement (the "GT Purchases Agreement") with Changzhou Techpool Pharmaceutical Co. Ltd. ("Changzhou Techpool") for a term of one year ending on 31st December 2009. Pursuant to which, Guangdong Techpool will in priority purchase raw pharmaceuticals manufactured by Changzhou Techpool provided that the goods supplied can meet the standard and requirements requested by Guangdong Techpool (the "GT Purchases Transactions").

CONSIDERATION

The purchase prices will be determined by the parties on arm's length negotiations. The GT Purchases Transactions will be on terms no less favourable than that offered by Changzhou Techpool to independent third parties. The aggregate purchases of raw pharmaceuticals by Guangdong Techpool from Changzhou Techpool for the two years 2007 and 2008 amounted to approximately RMB38,715,000 (equivalent to approximately HK\$43,974,000) and approximately RMB52,806,000 (equivalent to approximately HK\$59,980,000) respectively. It is expected that the maximum annual purchases cap for the year ending 31st December 2009 will be in the amount of RMB100,000,000 (equivalent to approximately HK\$113,585,000) (the "GT Purchases Transactions Annual Cap") which is estimated by reference to the historical transaction amount and the preliminary projected production schedule of Changzhou Techpool. Payment shall be made within three months upon the products having been examined and accepted by Guangdong Techpool.

REASONS FOR THE GT PURCHASES TRANSACTIONS

Guangdong Techpool and Changzhou Techpool had on 25th January 2008 entered into a raw pharmaceuticals agreement in relation to the GT Purchases Transactions. The said agreement expired on 31st December 2008. Both parties intend to renew the agreement on an annual basis.

As Changzhou Techpool is among the few suppliers in Mainland China offering raw pharmaceuticals that can meet Guangdong Techpool's stringent requirements, the entering into of the GT Purchases Agreement with Changzhou Techpool will help Guangdong Techpool maintain a stable source of raw materials supply. This single source of supply will also help protect the confidentiality of the technology employed in the manufacturing process.

The GT Purchases Agreement is entered into in the ordinary and usual course of business of Guangdong Techpool and is on normal commercial terms. The Directors (including the independent non-executive Directors) consider that the terms of the GT Purchases Agreement are fair and reasonable and the GT Purchases Transactions will be in the interest of the shareholders of the Company as a whole.

CONTINUING CONNECTED TRANSACTIONS

Both Guangdong Techpool and Changzhou Techpool are indirect non wholly-owned subsidiaries of the Company. Guangdong Techpool directly holds a 74.18% interest in Changzhou Techpool. One of Guangdong Techpool's directors and his associate (as defined in the Listing Rules) together hold an aggregate of a 35.04% equity interest in Guangdong Techpool. Such director is also a director of Changzhou Techpool, a subsidiary of the Group. By virtue of the above, both of Guangdong Techpool and Changzhou Techpool are connected persons of the Company within the meaning of the Listing Rules. Accordingly, pursuant to Chapter 14A of the Listing Rules, the GT Purchases Transactions constitute continuing connected transactions of the Company.

As the relevant percentage ratios represented by the GT Purchases Transactions Annual Cap exceed 0.1% but are less than 2.5% respectively as determined in accordance with Rule 14A.34(1) of the Listing Rules, the GT Purchases Transactions are exempt from independent shareholders' approval requirements but are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

(2) XM SALES TRANSACTIONS

On 10th February 2009, Xiamen Traditional Chinese Medicine Co. Ltd. (廈門中藥廠有限公司) ("Xiamen TCM"), a subsidiary of the Company, has entered into a distribution agreement (the "XM Distribution Agreement") with Fujian Province Xiamen Medicine Procurement Centre* (福建省廈門醫藥採購供應站) ("Xiamen Medicine Centre") for a term of one year ending on 31st December 2009. Pursuant to which, Xiamen TCM shall sell pharmaceutical products to Xiamen Medicine Centre (the "XM Sales Transactions").

CONSIDERATION

The selling prices will be determined by the parties on arm's length negotiations by reference to the market prices and having regard to the quantity and/or other conditions of the products to be offered. The aggregate sales of pharmaceutical products by Xiamen TCM to Xiamen

Medicine Centre for the two years 2007 and 2008 amounted to approximately RMB8,645,000 (equivalent to approximately HK\$9,819,000) and approximately RMB12,960,000 (equivalent to approximately HK\$14,721,000) respectively. With reference to the amount of historical transactions and the preliminary projected production schedule of Xiamen TCM, the aggregate maximum annual sales cap under the XM Distribution Agreement for the year ending 31st December 2009 will be in the amount of RMB20,000,000 (equivalent to approximately HK\$22,717,000) (the “XM Sales Transactions Annual Cap”).

REASONS FOR THE XM SALES TRANSACTIONS

Xiamen TCM and Xiamen Medicine Centre had on 25th January 2008 entered into a distribution agreement in relation to the XM Sales Transactions. The said agreement expired on 31st December 2008. Both parties intend to renew the agreement on an annual basis.

The sale of pharmaceutical products by Xiamen TCM to Xiamen Medicine Centre will help increase the market share of pharmaceutical products of Xiamen TCM as well as Xiamen TCM’s sales revenue.

The XM Distribution Agreement is entered into in the ordinary and usual course of business of Xiamen TCM and is on normal commercial terms. The Directors (including the independent non-executive Directors) consider that the terms of the XM Distribution Agreement are fair and reasonable and the XM Sales Transactions will be in the interest of the shareholders of the Company as a whole.

CONTINUING CONNECTED TRANSACTIONS

Xiamen TCM is a subsidiary of the Company. Xiamen Medicine Centre is a wholly-owned subsidiary of Xiamen Qinggong Group Co. Ltd.* (廈門輕工集團有限公司) which is a substantial shareholder of Xiamen TCM. Accordingly, Xiamen Medicine Centre is a connected person of the Company under the Listing Rules. Pursuant to Chapter 14A of the Listing Rules, the XM Sales Transactions constitute continuing connected transactions of the Company.

As the relevant ratios represented by the XM Sales Transactions Annual Cap exceed 0.1% but are less than 2.5% respectively as determined in accordance with Rule 14A.34(1) of the Listing Rules, the XM Sales Transactions are exempt from the independent shareholders’ approval requirements but are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

GENERAL

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

Guangdong Techpool is engaged in research, development, manufacture and sale of bio-pharmaceutical products. Changzhou Techpool is principally engaged in the research, development, manufacture and sale of raw bio-pharmaceuticals and finished pharmaceuticals.

Xiamen TCM is principally engaged in the business of manufacturing and sale of Chinese medicine. Xiamen Medicine Centre is principally engaged in the business of retail and distribution of pharmaceutical products.

For the purposes of this announcement, the exchange rate at HK\$1.00 = RMB0.8804 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.

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

Hong Kong, 10th February 2009

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

For the purposes of this announcement, the English name with an asterisk () is an informal English translation of the official Chinese name.*