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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

CONNECTED TRANSACTION

ACQUISITION OF ADDITIONAL EQUITY INTEREST IN CHENGDU WING FAT PRINTING CO., LTD.

The Board is pleased to announce that on 23rd December 2009, Wing Fat Printing, a subsidiary of the Company, has entered into the Equity Interest Transfer Agreement with Sichuan Swellfun. Pursuant to the Equity Interest Transfer Agreement, Wing Fat Printing shall acquire from Sichuan Swellfun a 19% equity interest in Chengdu Wingfat at a consideration of RMB22,800,000 (equivalent to approximately HK\$25,897,000).

Prior to the completion of the Acquisition, the total equity interest in Chengdu Wingfat is owned by Wing Fat Printing as to 51%, by Sichuan Swellfun as to 20%, by Chengdu Juhe as to 19% and Sichuan Huize as to 10%. The Company beneficially owns approximately 93.44% of the total issued share capital in Wing Fat Printing. As Sichuan Swellfun is a substantial shareholder of Chengdu Wingfat (a subsidiary of the Company), it is thus a connected person of the Company under the Listing Rules and the Acquisition constitutes a connected transaction of the Company. As the revenue ratio of the Acquisition exceeds 0.1% but is less than 2.5%, the Acquisition is exempt from independent shareholders' approval requirement but is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

BACKGROUND OF CHENGDU WINGFAT

Chengdu Wingfat is a sino-foreign equity joint venture enterprise established in the PRC with a registered capital of RMB48,000,000. As at the date of this announcement, the total equity interest in Chengdu Wingfat is owned by Wing Fat Printing as to 51%, by Sichuan Swellfun as to 20%, by Chengdu Juhe as to 19% and Sichuan Huize as to 10%.

THE EQUITY INTEREST TRANSFER AGREEMENT

Date

23rd December 2009

Parties

Vendor: Sichuan Swellfun

Purchaser: Wing Fat Printing

Subject matter

Subject to the terms of the Equity Interest Transfer Agreement, Sichuan Swellfun agreed to sell to Wing Fat Printing and Wing Fat Printing agreed to purchase 19% of the total equity interest in Chengdu Wingfat.

The original cost of the 20% equity interest held by Sichuan Swellfun in Chengdu Wingfat was RMB9,600,000 (equivalent to approximately HK\$10,904,000).

Consideration

The Consideration amounts to RMB22,800,000 (equivalent to approximately HK\$25,897,000) and shall be payable by Wing Fat Printing to Sichuan Swellfun to the designated account of Sichuan Swellfun as stated in the Equity Interest Transfer Agreement in the following manner:-

- (a) Wing Fat Printing shall pay to Sichuan Swellfun 50% of the Consideration within 10 days upon the Equity Interest Transfer Agreement becoming effective; and
- (b) Wing Fat Printing shall pay to Sichuan Swellfun the remaining 50% of the Consideration within 25 working days after the procedures for transfer of the equity interest have been completed.

The Consideration will be funded by internal resources of the Group. The Consideration was determined after arm's length negotiations between all parties to the Equity Interest Transfer Agreement with reference and at a premium to 19% of the audited net asset value of Chengdu Wingfat as of 31st October 2009, which amounted to RMB70,549,224.29 (equivalent to approximately HK\$80,133,000). In considering the amount of the Consideration, the Directors had taken into account the historical figures of the accounts and the business prospects of Chengdu Wingfat.

Conditions Precedent

The Equity Interest Transfer Agreement shall be effective upon the fulfillment of the following conditions:

- (a) agreement by the other shareholders of Chengdu Wingfat to waive their pre-emptive rights to purchase the 19% shares of Chengdu Wingfat being sold by Sichuan Swellfun;
- (b) approval of the Equity Interest Transfer Agreement by the board of directors of Sichuan Swellfun; and
- (c) approval of the Equity Interest Transfer Agreement by the shareholders or board of directors of Wing Fat Printing.

Completion

The Acquisition shall be completed on the day when the remaining 50% of the Consideration is fully paid by Wing Fat Printing to Sichuan Swellfun.

INFORMATION ON CHENGDU WINGFAT

Chengdu Wingfat is a sino-foreign equity joint venture enterprise established in the PRC on 8th August 2003 which carries on the business of printing and manufacturing of paper packaging materials, currently prints and sells wine packaging materials to Sichuan Swellfun. After completion of the Acquisition, Chengdu Wingfat will continue to supply wine packaging materials to Sichuan Swellfun.

Financial information

The audited consolidated profit before taxation and the consolidated audited profit after taxation of Chengdu Wingfat for the two years ended 31st December 2008, which were prepared in accordance with the generally accepted accounting principles in the PRC, were as follows:-

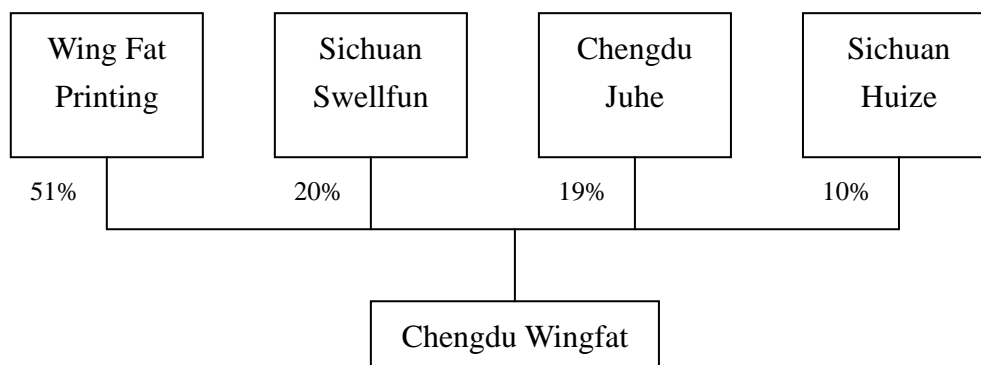
	Year ended 31st December	
	2007	2008
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	18,269	27,155
Profit after taxation	17,701	23,127

The audited consolidated net asset value and the audited consolidated total asset value of Chengdu Wingfat as at 31st December 2008 amounted to approximately RMB73,247,000 and approximately RMB222,612,000 respectively.

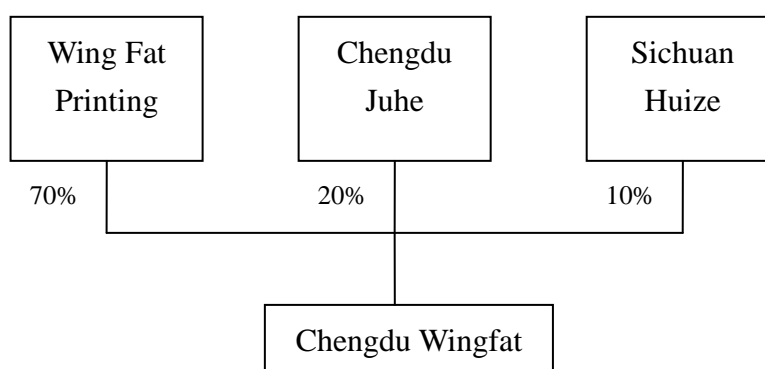
Upon completion of the Acquisition, Chengdu Wingfat shall remain as a subsidiary of the Group and shall continue to be accounted for as such in the Group's consolidated financial statements.

SHAREHOLDING STRUCTURE

The chart below illustrates the present shareholding structure of Chengdu Wingfat:



The Company understands that Sichuan Swellfun has entered into an agreement to sell the remaining 1% equity interest in Chengdu Wingfat to Chengdu Juhe. The chart below illustrates the shareholding structure of Chengdu Wingfat upon completion of the Acquisition and the transfer of 1% equity interest in Chengdu Wingfat by Sichuan Swellfun to Chengdu Juhe:



REASONS FOR AND BENEFITS OF THE ACQUISITION

As Chengdu Wingfat has served as Wing Fat Printing's business arm for wine packaging and caters largely to the printing business of Wing Fat Printing in the south west area of Mainland China, the Group's acquisition of additional equity interest in Chengdu Wingfat will further facilitate expansion of its packaging business in the area and enhance the profitability in the Group's consumer products segment.

The Directors, including the independent non-executive Directors, are of the opinion that the Equity Interest Transfer Agreement was entered into on normal commercial terms, and that the terms thereof are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATION

Prior to the completion of the Acquisition, the total equity interest in Chengdu Wingfat is owned by Wing Fat Printing as to 51%, by Sichuan Swellfun as to 20%, by Chengdu Juhe as to 19% and Sichuan Huize as to 10%. The Company beneficially owns approximately 93.44% of the total issued share capital in Wing Fat Printing. As Sichuan Swellfun is a substantial shareholder of Chengdu Wingfat (a subsidiary of the Company), it is thus a connected person of the Company under the Listing Rules and the Acquisition constitutes a connected transaction of the Company.

As the revenue ratio of the Acquisition exceeds 0.1% but is less than 2.5%, the Acquisition is exempt from independent shareholders' approval requirement but is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

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

Sichuan Swellfun is engaged in the business of manufacturing and sale of wine products.

Wing Fat Printing is engaged in the business of printing of packaging materials, containerboard production and paper trading business.

DEFINITIONS

Unless otherwise stated, the following expressions have the following meanings in this announcement:

“Acquisition”	the acquisition of 19% of the equity interest in Chengdu Wingfat from Sichuan Swellfun by Wing Fat Printing pursuant to the Equity Interest Transfer Agreement
“Board”	the board of directors of the Company
“Chengdu Juhe”	Chengdu Juhe Management and Strategies Co. Ltd. (成都聚和管理策劃有限公司), a company established in the PRC
“Chengdu Wingfat”	Chengdu Wing Fat Printing Co., Ltd. (成都永發印務有限公司), a sino-foreign equity joint venture enterprise established in the PRC which is owned as to 51% by Wing Fat Printing and a subsidiary of the Company
“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

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by Wing Fat Printing to Sichuan Swellfun for the 19% equity interest in Chengdu Wingfat pursuant to the Equity Interest Transfer Agreement
“Equity Interest Transfer Agreement”	the equity interest transfer agreement dated 23rd December 2009 entered into between Sichuan Swellfun and Wing Fat Printing in relation to the Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Sichuan Huize”	Sichuan Huize Investment Co. Ltd. (四川惠澤投資有限公司), a company established in the PRC
“Sichuan Swellfun”	Sichuan Swellfun Co., Ltd. (四川水井坊股份有限公司), a company established in the PRC and a connected person of the Company by virtue of its being a substantial shareholder of Chengdu Wingfat, a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wing Fat Printing”	The Wing Fat Printing Company, Limited, a public company incorporated under the laws of Hong Kong with limited liability whose issued ordinary share capital is owned indirectly as to approximately 93.44% by S.I. Printing Holdings Ltd., a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

English names of the PRC established companies/entities in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.

In this announcement, RMB has been converted to HK\$ at the rate of RMB0.8804 = HK\$1 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

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

Hong Kong, 23rd December 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. Zhou Jie, Mr. Qian Shi Zheng, Mr. Yao Fang, Mr. Zhou Jun and Mr. Qian Yi

Independent Non-Executive Directors:

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