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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Industrial Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

**REFRESHMENT OF SCHEME MANDATE LIMIT
ON A SHARE OPTION SCHEME OF A SUBSIDIARY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of the Company to be held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Monday, 20 September 2010 at 3:00 p.m. is set out on pages 7 to 9 of this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or at any adjournment thereof) should you so desire.

2 September 2010



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DEFINITIONS

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

Terms	Meaning
“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
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Monday, 20 September 2010 at 3:00 p.m. at which an ordinary resolution will be proposed to approve, if thought fit, the refreshment of Subsidiary Scheme Mandate Limit
“EGM Notice”	the notice for convening the EGM set out on pages 7 to 9 of this circular
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	30 August 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Neo-China”	Neo-China Land Group (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 563) and a non-wholly owned subsidiary of the Company
“Neo-China Options”	options to subscribe for Neo-China Shares pursuant to the Neo-China Share Option Scheme
“Neo-China Shares”	ordinary share(s) of nominal value of HK\$0.04 each in the share capital of Neo-China

DEFINITIONS

“Neo-China Share Option Scheme”	the share option scheme of Neo-China as adopted by Neo-China on 12 December 2002
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Scheme Mandate Limit”	the maximum number of Neo-China Shares which may be issued upon exercise of all options to be granted under the Neo-China Share Option Scheme and any other share option scheme of Neo-China which initially shall not in aggregate exceed 10% of the Neo-China Shares in issue as at the date of adoption of the Neo-China Share Option Scheme and thereafter, if refreshed, shall not exceed 10% of the Neo-China Shares in issue as at the date of approval of the refreshed limit by Neo-China shareholders
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

Executive Directors:

Mr. Teng Yi Long (*Chairman*)

Mr. Cai Yu Tian (*Vice Chairman and Chief Executive Officer*)

Mr. Lu Ming Fang

Mr. Zhou Jie (*Executive Deputy CEO*)

Mr. Qian Shi Zheng (*Deputy CEO*)

Mr. Zhou Jun (*Deputy CEO*)

Mr. Qian Yi (*Deputy CEO*)

Registered office:

26th Floor

Harcourt House

39 Gloucester Road

Wanchai

Hong Kong

Independent Non-Executive Directors:

Dr. Lo Ka Shui

Prof. Woo Chia-Wei

Mr. Leung Pak To, Francis

2 September 2010

To the Shareholders

Dear Sir or Madam,

**REFRESHMENT OF SCHEME MANDATE LIMIT
ON A SHARE OPTION SCHEME OF A SUBSIDIARY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding, inter alia, the resolution to be proposed at the EGM relating to the refreshment of the Subsidiary Scheme Mandate Limit on Neo-China Share Option Scheme and to give you notice of the EGM.

2. REFRESHMENT OF SUBSIDIARY SCHEME MANDATE LIMIT

The Neo-China Share Option Scheme

Neo-China, in which the Company is interested in 45.02% of its issued shares but is regarded as a subsidiary of the Company due to the Company having control over a majority of the board of Neo-China, had on 12 December 2002 adopted the Neo-China Share Option Scheme whereby the directors of Neo-China were authorized to grant Neo-China Options to eligible participants under the Neo-China Share Option Scheme. The Subsidiary Scheme Mandate Limit was initially set at 10% of the Neo-China

LETTER FROM THE BOARD

Shares in issue as at the date of the adoption of the Neo-China Share Option Scheme. Subject to prior shareholders' approval of Neo-China and the Company (for so long as Neo-China remains a subsidiary of the Company), Neo-China may, at any time thereafter, renew the Subsidiary Scheme Mandate Limit to the extent not exceeding 10% of the Neo-China Shares in issue as at the date of the aforesaid Neo-China shareholders' approval.

At the annual general meeting of Neo-China held on 25 September 2006, the Subsidiary Scheme Mandate Limit was refreshed such that the total number of Neo-China Shares which may fall to be issued upon exercise of all Neo-China Options to be granted under the Neo-China Share Option Scheme and any other share option schemes of Neo-China shall not exceed 572,237,434 shares of Neo-China, being 10% of the total number of issued shares of Neo-China as at 25 September 2006, and equivalent to 143,059,358 Neo-China Shares after the consolidation of shares of Neo-China Shares effective on 29 October 2007.

Refreshment of Subsidiary Scheme Mandate Limit

Pursuant to Chapter 17 of the Listing Rules, Neo-China may refresh the Subsidiary Scheme Mandate Limit at any time subject to the prior approval of its shareholders and, for so long as Neo-China remains a subsidiary of the Company, the prior approval of Shareholders. The Subsidiary Scheme Mandate Limit so refreshed must not exceed 10% of the total number of issued shares of Neo-China as at the date of the grant of such approval by the shareholders of Neo-China (the “**Refreshed Scheme Mandate Limit**”). Options previously granted under the Neo-China Share Option Scheme and any other share option schemes of Neo-China (including those outstanding, cancelled, lapsed or exercised) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit.

Notwithstanding the foregoing, the overall limit on the number of Neo-China Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Neo-China Share Option Scheme and any other share option schemes of Neo-China must not exceed 30% of the Neo-China Shares in issue from time to time.

As the Latest Practical Date, (a) the total number of Options which may be granted under the Neo-China Share Option Scheme was 138,434,358 (representing 5.3% of the Neo-China Shares in issue as at the Latest Practicable Date) and (b) there was no outstanding options under the Neo-China Share Option Scheme or any other share option scheme of Neo-China.

As at the Latest Practical Date, there were 2,629,332,189 Neo-China Share in issue. Assuming that no further Neo-China Shares will be issued or repurchased prior to the date of approval of the Refreshed Scheme Mandate Limit by the shareholders of Neo-China, Neo-China will be entitled under the Refreshed Scheme Mandate Limit to grant further Options carrying the rights to subscribe for up to 262,933,218 Neo-China Shares, representing 10% of the Neo-China Shares in issue as the date of the approval of the Refreshed Scheme Mandate Limit by the shareholders of Neo-China.

LETTER FROM THE BOARD

The Directors consider that the refreshment of the Subsidiary Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole because it would enable Neo-China to reward and motivate participants under the Neo-China Share Option Scheme to contribute to the success of Neo-China and its subsidiaries, all being subsidiaries of the Company.

3. EGM

The Company will convene the EGM for the purpose of, inter alia, seeking approval from the Shareholders on the refreshment of the Subsidiary Scheme Mandate Limit. Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM must be taken by poll.

A notice convening the EGM to be held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Monday, 20 September 2010 at 3:00 p.m. is set out on pages 7 to 9 of this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or at any adjournment thereof) should you so desire.

4. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the refreshment of the Subsidiary Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the refreshment of the Subsidiary Scheme Mandate Limit. Shareholders should note that refreshment of the Subsidiary Scheme Mandate Limit is also subject to approval of the shareholders of Neo-China and the listing committee of the Stock Exchange granting listing of, and permission to deal in, the Neo-China Shares (representing a maximum of 10% of the Neo-China Shares in issue as at the date of approval of the refreshment of the Subsidiary Scheme Mandate Limit by the shareholders of Neo-China) to be issued pursuant to the exercise of options which may be granted under the Neo-China Share Option Scheme.

5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonably enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
Shanghai Industrial Holdings Limited
TENG YI LONG
Chairman

EGM NOTICE



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Shanghai Industrial Holdings Limited (the “**Company**”) will be held at the Conference Room of the Company, 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong, on Monday, 20 September 2010 at 3:00p.m. for the purpose of considering, and if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the equity transfer agreement dated 16 August 2010 (the “**Equity Transfer Agreement**”), a copy of which is produced to the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification) entered into between SIIC Shanghai (Holding) Co., Ltd. as vendor, the Company as an indirect purchaser and S.I. Properties Development Limited as the direct purchaser for the acquisition of the Subject Shares (as defined in the circular of the Company dated 2 September 2010 relating to the acquisition of shareholdings in Shanghai Industrial Development Co., Ltd., a copy of which is produced to the meeting marked “B” and initialed by the chairman of the meeting for the purpose of identification) and all transactions contemplated under or referred to in the Equity Transfer Agreement and any other agreements or documents in connection therewith be and are hereby approved, confirmed and/or ratified; and
- (b) any one director of the Company, or any one director and countersigned by the secretary of the Company if the affixation of the common seal is necessary, be and is/are hereby authorized for and on behalf of the Company to execute all such other documents and agreements and do all such acts and things as he or they may in his or their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or give effect to the Equity Transfer Agreement and the transactions contemplated thereunder and all matters incidental to, ancillary to or in connection with the Equity Transfer Agreement and/or any further agreement or document as mentioned in paragraph (a) of this resolution and/or the transactions contemplated thereunder and all other matters incidental thereto, including

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agreeing and making any modifications, amendments, waivers, variations or extensions of the Equity Transfer Agreement and/or any further agreement or document as mentioned in paragraph (a) of this resolution and/or the transactions contemplated thereunder.”

2. “**THAT** approval be and is hereby granted to refresh the Subsidiary Scheme Mandate Limit (as defined in the circular of the Company dated 2 September 2010 relating to the refreshment of the Subsidiary Scheme Mandate Limit, a copy of which is produced to the meeting marked “C” and initialed by the chairman of the meeting for the purpose of identification) to a new 10% limit provided that the total number of shares of HK\$0.04 each in the share capital of Neo-China Land Group (Holdings) Limited (“**Neo-China Shares**”) which may be issued upon the exercise of all options to be granted under the share option scheme adopted by Neo-China Land Group (Holdings) Limited (“**Neo-China**”) on 12 December 2002 (“**Neo-China Share Option Scheme**”) and any other share option schemes of Neo-China shall not exceed 10% of the total number of Neo-China Shares in issue as at the date of approval of the refreshment of the Subsidiary Scheme Mandate Limit by the shareholders of Neo-China, and options previously granted under the Neo-China Share Option Scheme and any other share option schemes of Neo-China (including those outstanding, cancelled, lapsed or exercised) shall not be counted for the purpose of calculating the Subsidiary Scheme Mandate Limit.”

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

Hong Kong, 2 September 2010

Registered office:
26th Floor, Harcourt House
39 Gloucester Road
Wanchai, Hong Kong

Notes:

- (1) A shareholder entitled to attend and vote at the extraordinary general meeting (the “**EGM**”) is entitled to appoint one or more proxies to attend and on a poll, vote on his behalf. The proxy need not be a shareholder of the Company.
- (2) Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share, shall alone be entitled to vote in respect thereof.
- (3) The Register of Members of the Company will be closed from Friday, 17 September 2010 to Monday, 20 September 2010, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend the EGM, all transfers accompanied by the relevant share certificate must be lodged with the Company’s Share Registrar, Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong by 4:30 p.m. on Thursday, 16 September 2010.

EGM NOTICE

- (4) A form of proxy for use at the EGM is enclosed with the circular to the shareholders.
- (5) The instrument appointing a proxy must be in writing under the hand of the appointer or attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
- (6) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the registered office of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM (or any adjournment thereof, as the case may be).
- (7) Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the EGM. If such shareholder attends the EGM, his form of proxy will be deemed to have been revoked.
- (8) The ordinary resolutions set out above will be determined by way of a poll.
- (9) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English language version shall prevail.