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UPDATE ON ACQUISITION OF SHAREHOLDINGS IN SHANGHAI INDUSTRIAL DEVELOPMENT CO., LTD.

AND

UNAUDITED CONSOLIDATED FINANCIAL DATA FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

Reference is made to the announcement dated 16 August 2010 and the circular dated 2 September 2010 issued by Shanghai Industrial Holdings Limited (the “**Company**”) regarding the acquisition of shareholdings in 上海實業發展股份有限公司 (Shanghai Industrial Development Co., Ltd.) (“**SIDC**”). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the aforesaid circular of the Company. The purpose of this announcement is to update the Company’s shareholders and potential investors on the progress of the Acquisition and certain unaudited consolidated financial data of the Company and its subsidiaries (the “**Group**”) for the nine months ended 30 September 2010 which were included in the “Acquisition Report*” (《收購報告書》) in respect of the acquisition of 689,566,049 SIDC A Shares (the “**Subject Shares**”), representing approximately 63.65% of the issued share capital of SIDC, submitted to the China Securities Regulatory Commission (the “**CSRC**”).

Update on the Acquisition

On 30 January 2011, the Company received the approval from the CSRC pursuant to which the CSRC has granted the waiver in respect of the obligation of the Company and parties acting in concert with the Company to make a general offer for all the shares in SIDC as a result of the acquisition of the Subject Shares by the Company through its wholly-owned subsidiary, S.I. Properties Development Limited. Pursuant to the Equity Transfer Agreement, the parties to the Equity Transfer Agreement shall take the necessary steps to implement the remaining procedures required in connection with the Acquisition.

Unaudited consolidated financial data of the Group for the nine months ended 30 September 2010

Set out below are the unaudited condensed consolidated statement of financial position as at 30 September 2010 and unaudited condensed consolidated income statement for the nine months ended 30 September 2010 respectively included in the Acquisition Report submitted to the CSRC:

Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2010

	<i>HK\$'000</i>
Non-Current Assets	
Investment properties	5,157,871
Property, plant and equipment	3,990,953
Prepaid lease payments - non-current portion	403,843
Toll road operating rights	14,176,653
Other intangible assets	121,586
Goodwill	19,572
Interests in jointly controlled entities	1,151,617
Interests in associates	540,193
Investments	3,126,071
Deposits paid on acquisition of property, plant and equipment	45,839
Restricted bank deposits	75,035
Deferred tax assets	143,169
Total Non-Current Assets	28,952,402
Current Assets	
Inventories	35,751,914
Trade and other receivables	7,211,289
Prepaid lease payments - current portion	13,989
Investments	497,544
Taxation recoverable	312,544
Pledged bank deposits	165,246
Short-term bank deposits	96,377
Bank balances and cash	15,097,158
Assets classified as held for sale	-
Total Current Assets	59,146,061
Total Assets	88,098,463
Current Liabilities	
Trade and other payables	17,125,178
Derivative financial instrument - warrants	51,405
Taxation payable	2,534,155
Bank and other borrowings	4,529,183
Convertible notes	64,979
Liabilities associated with assets classified as held for sale	-
Total Current Liabilities	24,304,900
Net Current Assets	34,841,161
Total Assets less Current Liabilities	63,793,563

HK\$'000

Capital and Reserves	
Share capital	107,977
Share premium and reserves	28,788,341
Equity attributable to owners of the Company	28,896,318
Non-controlling interests	11,101,091
Total Equity	39,997,409
Non-Current Liabilities	
Bank and other borrowings	17,358,562
Senior notes	3,208,719
Deferred tax liabilities	3,228,873
Total Non-Current Liabilities	23,796,154
Total Equity and Non-Current Liabilities	63,793,563

Unaudited Condensed Consolidated Income Statement for the nine months ended 30 September 2010

HK\$'000

Revenue	9,666,281
Cost of sales	-6,465,812
Gross profit	3,200,469
Net investment income	506,594
Other income	399,134
Selling and distribution costs	-590,575
Administrative expenses	-720,633
Finance costs	-370,809
Share of results of jointly controlled entities	119,278
Share of results of associates	19,552
Gain from bargain purchase of interest in a subsidiary	361,060
Net gain on disposal of interests in subsidiaries and associates	3,704
Impairment loss on available-for-sale investments	-284,224
Profit before taxation	2,643,550
Income tax expense	-667,152
Profit for the period from continuing operations	1,976,398
Profit for the period from discontinued operations	3,269,339
Profit for the period	5,245,737
Profit for the period attributable to	
- Owners of the Company	4,972,955
- Non-controlling interests	272,782
	5,245,737

The Company's shareholders and potential investors should note that all the financial data for the nine months ended 30 September 2010 contained in this announcement are unaudited. The Company's shareholders and potential investors should exercise caution when dealing in the shares of the Company and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.

By Order of the Board
Shanghai Industrial Holdings Limited
Yee Foo Hei
Company Secretary

Hong Kong, 1 February 2011

As at the date of this announcement, the Board comprises:

Executive Directors:

*Mr. Teng Yi Long, Mr. Cai Yu Tian, Mr. Lu Ming Fang, Mr. Zhou Jie, Mr. Qian Shi Zheng,
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

**The English name is an informal English translation of its official Chinese name.*