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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 transferee 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)

**PROPOSED GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF 2011 ANNUAL GENERAL MEETING**

A notice convening the 2011 Annual General Meeting of Shanghai Industrial Holdings Limited to be held at the Conference Room of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Wednesday, 18 May 2011 at 3:00 p.m., is set out on pages 12 to 15 of this circular.

Whether or not you are able to attend the meeting, please 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 holding the meeting. Completion and return of the form of proxy shall not preclude you from attending and voting at the 2011 Annual General Meeting if you so wish.

This circular contains all the information required pursuant to the Listing Rules to be given to the Shareholders.

13 April 2011



CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	3
2. Proposed general mandates to repurchase the Company's own Shares and to issue Shares	4
3. Proposed re-election of Directors	4
4. 2011 Annual General Meeting	5
5. Recommendation	5
Appendix I – Explanatory Statement	6
Appendix II – Biographical details of the Directors to be re-elected	9
Notice of 2011 Annual General Meeting	11

DEFINITIONS

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

Term	Meaning
“2011 Annual General Meeting”	the annual general meeting of the Company to be held on Wednesday, 18 May 2011 at 3:00 p.m. at the Conference Room of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong;
“Annual Report”	the annual report 2010 of the Company being despatched to the Shareholders on or about Wednesday, 13 April 2011;
“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;
“Connected Person”	a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates (as defined under the Listing Rules);
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	the general and unconditional mandate to allot, issue and deal with Shares (and securities exercisable or convertible into Shares) with an aggregate nominal value not exceeding 20 percent of the aggregate nominal amount of the Shares in issue at the date of passing of the resolution;
“Latest Practicable Date”	8 April 2011 which is the latest practicable date prior to the printing of this circular for ascertaining certain information contained in it;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Notice”	the notice convening the 2011 Annual General Meeting dated 13 April 2011 as set out on pages 12 to 15 of this circular;
“PRC”	the People’s Republic of China;
“Repurchase Mandate”	the general and unconditional mandate to exercise all powers of the Company to repurchase issued and fully-paid Shares not exceeding 10 percent of the aggregate nominal amount of the Shares in issue at the date of passing of the resolution;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of the Share(s);
“SIIC”	Shanghai Industrial Investment (Holdings) Co. Ltd., a company incorporated in Hong Kong with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Ltd.;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

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 & 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

13 April 2011

To all Shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF 2011 ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposals for the Repurchase Mandate, the Issue Mandate and the re-election of Directors and to seek your approval at the 2011 Annual General Meeting in connection with, inter alia, such matters.

LETTER FROM THE BOARD

2. PROPOSED GENERAL MANDATES TO REPURCHASE THE COMPANY'S OWN SHARES AND TO ISSUE SHARES

At the annual general meeting held on 18 May 2010, general mandates were given to the Directors: (i) to allot, issue and deal with Shares (and securities exercisable or convertible into Shares) not exceeding 20 percent of the issued share capital of the Company at the date of passing of the ordinary resolution and (ii) to exercise the powers of the Company to repurchase Shares up to a maximum of 10 percent of the issued share capital of the Company at the date of passing of the ordinary resolution. Such mandates will lapse at the conclusion of the 2011 Annual General Meeting.

An ordinary resolution set out in the Notice will be proposed at the 2011 Annual General Meeting to grant the Repurchase Mandate to the Directors. Two additional ordinary resolutions will also be proposed at the meeting to grant the Issue Mandate to the Directors and to extend the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate respectively.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,079,785,000 Shares. On the basis that no further Shares are issued or repurchased prior to the date of the 2011 Annual General Meeting, the Company would be allowed under the Issue Mandate to issue a maximum of 215,957,000 Shares, representing 20 percent of the issued Shares as at the Latest Practicable Date.

The Issue Mandate and the Repurchase Mandate would continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held or until the Issue Mandate and the Repurchase Mandate are revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever is the earlier.

The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix I to this circular.

3. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 101 of the Articles of Association of the Company, Mr. Cai Yu Tian, Mr. Zhou Jie and Mr. Zhou Jun shall retire at the 2011 Annual General Meeting and, being eligible, have offered themselves for re-election.

Their biographical details which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. 2011 ANNUAL GENERAL MEETING

At the 2011 Annual General Meeting, ordinary resolutions will be proposed to approve the Repurchase Mandate, the Issue Mandate and the extension of the Issue Mandate.

The Notice is set out on pages 12 to 15 of this circular. Shareholders are advised to read the Notice and to complete and return the accompanying form of proxy for use at the 2011 Annual General Meeting in accordance with the instructions printed thereon.

Pursuant to the Listing Rules, all resolutions put to the vote at the 2011 Annual General Meeting shall be taken by poll.

5. RECOMMENDATION

The Directors consider that the grant of the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate and the re-election of Directors are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2011 Annual General Meeting.

On behalf of the Board
TENG YI LONG
Chairman

This explanatory statement contains all the information required under the Listing Rules for you to consider the Repurchase Mandate.

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their fully paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,079,785,000 Shares. On the basis that no further Shares are issued or repurchased prior to the date of the 2011 Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 107,978,500 Shares, representing 10 percent of the issued Shares as at the Latest Practicable Date.

2. REASONS FOR REPURCHASE OF SHARES

The Directors have no present intention to repurchase any Shares and, whilst it is not possible to anticipate in advance those circumstances in which the Directors might think it appropriate to repurchase Shares, Shares would only be purchased in circumstances where the Directors consider that the purchase would be in the interests of the Company and the Shareholders. Such purchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of earnings per Share.

3. SOURCE OF FUNDS

It is proposed that repurchases of Shares under the Repurchase Mandate would be financed from internal funds and available banking facilities of the Company. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with all applicable laws of Hong Kong and the memorandum and articles of association of the Company.

4. WORKING CAPITAL OR GEARING POSITION

If the Repurchase Mandate was exercised in full at any time during the proposed repurchase period, it would not have a material adverse impact on the working capital of the Company or its gearing position (as compared with the position disclosed in the Company's published audited accounts for the year ended 31 December 2010). The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital of the Company or its gearing position (as compared with the position disclosed in the Company's published audited accounts for the year ended 31 December 2010) which in the opinion of the Directors are from time to time appropriate for the Company.

5. DIRECTORS AND THEIR ASSOCIATES

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates (as defined under the Listing Rules), has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company.

6. CONNECTED PERSONS

No Connected Persons have notified the Company that they have a present intention to sell any Shares (in issue or to be issued) to the Company or have undertaken not to do so, in the event that the Company is authorized to make repurchases of Shares.

7. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the proposed resolution in accordance with the Listing Rules, all applicable laws of Hong Kong and the regulations set out in the memorandum and articles of association of the Company.

8. EFFECT OF TAKEOVERS CODE

If, as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and the provisions may otherwise apply as a result of any such increase.

As at the Latest Practicable Date, SIIC through its subsidiaries, namely Shanghai Investment Holdings Ltd., SIIC Capital (B.V.I.) Ltd., SIIC Treasury (B.V.I.) Ltd., Shanghai Industrial Financial (Holdings) Co. Ltd., SIIC Trading Co. Ltd., Billion More Investments Ltd., South Pacific International Trading Ltd., SIIC CM Development Funds Ltd., The Tien Chu Ve-Tsin (Hong Kong) Co. Ltd., and SIIC CM Development Ltd. held 466,644,371 shares, 80,000,000 shares, 17,749,351 shares, 13,685,000 shares, 1,455,000 shares, 1,300,000 shares, 650,000 shares, 469,000 shares, 331,000 shares and 10,000 shares respectively, and is accordingly deemed to be interested in the respective Shares totaling 582,293,722 shares held by the aforementioned companies, representing approximately 53.93 percent of the total issued share capital of the Company.

Assuming no changes in the aforementioned shareholdings of the respective companies, in the event that the Directors exercise in full the power to repurchase the Shares, the shareholding of SIIC would be increased from approximately 53.93 percent to approximately 59.92 percent. Such increase would not give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. So the Directors do not aware of any consequences of any repurchase which would arise under the Takeovers Code. In addition, the Company will not purchase its Shares which will reduce the aggregate amount of the share capital of the Company in public hands to below 25 percent.

9. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months from the Latest Practicable Date are as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
April	40.50	34.10
May	33.35	29.35
June	33.50	30.60
July	35.90	30.45
August	38.20	34.40
September	41.45	38.60
October	40.40	35.70
November	37.80	32.75
December	33.90	31.00
2011		
January	34.20	30.80
February	31.35	26.65
March	29.90	26.40
April (up to the Latest Practicable Date)	32.15	29.80

10. SHARE REPURCHASES

No repurchases has been made by the Company of its Shares in the last six months prior to the Latest Practicable Date.

The followings are the particulars of the Directors proposed to be re-elected at the 2011 Annual General Meeting as required under the Listing Rules:

Mr. Cai Yu Tian, aged 61, was appointed an Executive Director, the Vice Chairman and the Chief Executive Officer of the Company in December 2005. Concurrently, he is also an executive director and the president of Shanghai Industrial Investment (Holdings) Co. Ltd., the chairman and an executive director of Shanghai Industrial Urban Development Group Ltd., the chairman of Shanghai Urban Development (Holdings) Co., Ltd., Shanghai SIIC South Pacific Hotel Co., Ltd., General Water of China Co., Ltd., the non-executive chairman of Asia Water Technology Ltd., and a director of certain other subsidiaries of the Group. Mr. Cai obtained a master's degree from East China Normal University with major in world economics, and was a research associate. Mr. Cai had been the chief executive officer of Zhong Hua Enterprises Co. During the period from September 1987 to November 2005, he had been the Deputy Director and the Director of the Shanghai Municipal Housing Administration Bureau, the Director of the Shanghai Municipal Housing and Land Administration Bureau and the Director of the Shanghai Municipal Housing, Land and Resources Administration Bureau respectively. Mr. Cai has more than 20 years' experience in real estate, economic and administrative management.

As at the Latest Practicable Date, Mr. Cai has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. He has a personal interest in 722,000 Shares and 1,000,000 share options altogether representing 0.16% of the total issued share capital of the Company. Save as aforesaid, he has no other interests in the Shares within the meaning of Part XV of the SFO. Mr. Cai has a service agreement with the Company, pursuant to which, Mr. Cai is entitled to receive a basic salary of HK\$2,250,990 per annum (subject to review by the Remuneration Committee from time to time). In addition, he may receive a discretionary bonus payment subject to the absolute discretion of the Company having regard to the operating results of the Group, prevailing market conditions and his performance. The Director's emoluments are determined by reference to the factors such as the Company's operating performance, industry benchmark and job responsibilities.

Mr. Zhou Jie, aged 43, was appointed an Executive Director and the Executive Deputy CEO of the Company in November 2007. He is also an executive director and the executive vice president of Shanghai Industrial Investment (Holdings) Co. Ltd. ("SIIC") and a director of The Wing Fat Printing Co., Ltd. and certain other subsidiaries of the Group. Mr. Zhou graduated from Shanghai Jiaotong University with a master's degree in management science and engineering. He is a non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. and Semiconductor Manufacturing International Corporation, and the chairman of the supervisory committee of Shanghai Pharmaceuticals Holding Co., Ltd. He was the executive director of the Company for the period from January 2002 to January 2004, and acted as the Deputy CEO of the Company during such period until November 2007. He was the deputy general manager of the investment banking head office of Shanghai Wanquo Holdings Ltd. (now Shenyin & Wanguo Securities Co., Ltd.). He joined SIIC in May 1996 and had held the positions of the chairman and general manager of Shanghai S.I. Capital Co., Ltd. He has over 10 years' experience in investment banking and capital markets operation.

As at the Latest Practicable Date, Mr. Zhou Jie has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. He has a personal interest in 333,000 Shares and 850,000 share options altogether representing 0.11% of the total issued share capital of the Company. Save as aforesaid, he has no other interests in the Shares within the meaning of Part XV of the SFO. Mr. Zhou has a service agreement with the Company, pursuant to which, Mr. Zhou is entitled to receive a basic salary of HK\$1,847,160 per annum (subject to review by the Remuneration Committee from time to time). In addition, he may receive a discretionary bonus payment subject to the absolute discretion of the Company having regard to the operating results of the Group, prevailing market conditions and his performance. The Director's emoluments are determined by reference to the factors such as the Company's operating performance, industry benchmark and job responsibilities.

Mr. Zhou Jun, aged 42, was appointed an Executive Director of the Company in April 2009. He is an executive director of Shanghai Industrial Urban Development Group Ltd., a non-executive director of Asia Water Technology Ltd., the chairman of SIIC Management (Shanghai) Ltd., Shanghai Hu-Ning Expressway (Shanghai Section) Co., Ltd., Shanghai Luqiao Development Co., Ltd., Shanghai Shen-Yu Development Co., Ltd. and United Runtong Water Co., Ltd., and a director of Shanghai Urban Development (Holdings) Co., Ltd., General Water of China Co., Ltd. and certain other subsidiaries of the Group. He graduated from Nanjing University and Fudan University with a bachelor's and a master's degree in economics (international finance), and is designated an economist. He was appointed as a Deputy CEO of the Company in December 2005 and currently is a vice president of Shanghai Industrial Investment (Holdings) Co. Ltd. ("**SIIC**"), the chairman of Shanghai Galaxy Investment Co., Ltd. ("**Shanghai Galaxy**"), and is a member of the Shanghai Municipal People's Congress. He worked for Guotai Securities Co., Ltd. (now Guotai Junan Securities Co.) before joining SIIC in April 1996. The management positions he had held within the SIIC group of companies were deputy general manager of SIIC Real Estate Holdings (Shanghai) Co., Ltd., deputy general manager of Shanghai United Industrial Co., Ltd., director and general manager of Shanghai Galaxy and general manager of the strategic investment department of SIIC. Mr. Zhou has more than 10 years' professional experience in securities, finance, real estate and project planning.

As at the Latest Practicable Date, Mr. Zhou Jun has no relationship with any Directors, senior management or substantial or controlling Shareholders of the Company. He has a personal interest in 195,000 Shares and 750,000 share options altogether representing 0.09% of the total issued share capital of the Company. Save as aforesaid, he has no other interests in the Shares within the meaning of Part XV of the SFO. Mr. Zhou has a service agreement with the Company, pursuant to which, Mr. Zhou is entitled to receive a basic salary of HK\$1,796,690 per annum (subject to review by the Remuneration Committee from time to time). In addition, he may receive a discretionary bonus payment subject to the absolute discretion of the Company having regard to the operating results of the Group, prevailing market conditions and his performance. The Director's emoluments are determined by reference to the factors such as the Company's operating performance, industry benchmark and job responsibilities.

Save for the information disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor is there any information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules in relation to the re-election of Directors.

NOTICE OF 2011 ANNUAL GENERAL MEETING



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 the annual general meeting of Shanghai Industrial Holdings Limited (the “**Company**”) will be held at the Conference Room of the Company at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Wednesday, 18 May 2011 at 3:00 p.m. for the following purposes:–

1. To receive and consider the audited consolidated financial statements of the Company for the year ended 31 December 2010 together with the reports of the directors and the auditor thereon.
2. To declare a final dividend.
3. To re-elect Directors and authorize the Board of Directors to fix the Directors’ remuneration.
4. To re-appoint auditor and authorize the Board of Directors to fix the auditor’s remuneration.

To consider as special business, and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

5. “**THAT:**

- A. subject to paragraph (B) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- B. the aggregate nominal amount of the share capital of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph (A) of this resolution shall not exceed 10 percent of the aggregate nominal

NOTICE OF 2011 ANNUAL GENERAL MEETING

amount of the share capital of the Company in issue at the date of the passing of this resolution and the authority pursuant to paragraph (A) of this resolution shall be limited accordingly; and

C. for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Hong Kong to be held; or
- iii. the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meetings.”

6. **“THAT:**

- A. subject to paragraph (C) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- B. the approval in paragraph (A) of this resolution shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- C. the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (A) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) the exercise of the subscription or conversion rights attaching to any warrants, convertible bonds or other securities issued by the Company which are convertible into shares of the Company, (iii) any share option scheme or similar arrangement for the time being adopted for the grant or issue to the eligible participants of shares or rights to acquire shares in the capital of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

NOTICE OF 2011 ANNUAL GENERAL MEETING

shall not exceed 20 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

D. for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Hong Kong to be held; or
- iii. the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meetings.”

“Rights Issue” means an offer of shares open for a period fixed by the Company or by the Directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

7. “**THAT**, conditional upon the passing of resolutions numbered 5 and 6 set out in the notice convening this meeting, the aggregate nominal amount of the shares which are repurchased or otherwise acquired by the Company pursuant to resolution numbered 5 shall be added to the aggregate nominal amount of the shares which may be issued pursuant to resolution numbered 6, provided that such an amount shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution.”

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

Hong Kong, 13 April 2011

NOTICE OF 2011 ANNUAL GENERAL MEETING

Registered Office:

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

Notes:

1. A member entitled to attend and vote at the annual general meeting 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. In order to be valid, a proxy form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney 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 for holding the meeting or adjourned meeting or poll (as the case may be). Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person if he is subsequently able to be present and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Monday, 16 May 2011 to Wednesday, 18 May 2011, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlement of the final dividend and be entitled to attend the annual general meeting, all transfers accompanied by the relevant share certificates 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 Friday, 13 May 2011.
4. The Board of Directors has recommended a final dividend for the year ended 31 December 2010 of HK58 cents per share (2009: HK60 cents per share). Together with the interim dividend of HK50 cents per share (2009: HK48 cents per share), the total dividend for the year amounts to HK108 cents per share (2009: HK108 cents per share).
5. Concerning resolution numbered 3 above, Mr. Cai Yu Tian, Mr. Zhou Jie and Mr. Zhou Jun will retire by rotation, being eligible, have offered themselves for re-election at the annual general meeting and their biographical details together with other information are set out in Appendix II to the circular to shareholders dated 13 April 2011 (the "Circular"). None of the Directors being proposed for re-election at the annual general meeting has a service agreement with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation. Details of Directors' emoluments are set out in note 14 to the consolidated financial statements in the annual report 2010. Details of Directors' years of service and term of appointment are set out in the corporate governance report in the annual report 2010.
6. Concerning resolutions numbered 5 and 6 above, the Directors wish to state that there are no immediate plans to repurchase any existing shares or to issue any new shares or warrants. The explanatory statement containing the information necessary to enable the shareholders to make an informed decision on whether to vote for or against resolution numbered 5 to approve the repurchase by the Company of its own shares, as required by the Rules Governing the Listing of Securities on the Stock Exchange is set out in Appendix I to the Circular.
7. Proxy forms for use at the annual general meeting will be sent to shareholders together with the annual report 2010 on or about Wednesday, 13 April 2011. The proxy form will be published on the HKExnews website of the Stock Exchange at www.hkexnews.hk and can also be downloaded from the Company's website at www.sihl.com.hk.