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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

AMENDMENTS OF CERTAIN TERMS OF THE AGREEMENTS RELATING TO THE DISPOSALS OF INTERESTS IN COMPANIES HOLDING PROPERTY INTERESTS IN SHANGHAI

Reference is made to the announcement of the Company dated 26 February 2011 in relation to the proposed disposals of the Group's interests in Feng Tao Property, Feng Shun Property and Four Seasons Hotel Shanghai to the Feng Tao Purchaser, Feng Shun Purchaser and Good Cheer Purchasers respectively (the "**Previous Announcement**"). Unless the context otherwise requires, terms used in this announcement shall have the same meanings as defined in the Previous Announcement.

On 22 June 2011, S.I. Urban Development, an indirect wholly-owned subsidiary of the Company, and the Company entered into the Feng Tao Amendment Deed to, among other things, change the completion date of the Feng Tao Agreement to 30 June 2011, to reduce the consideration to RMB1,127,428,887.67 (equivalent to approximately HK\$1,336.40 million), and to change the amount payable at completion to RMB456,428,887.67 (equivalent to approximately HK\$541.03 million).

On 22 June 2011, the Company entered into the Good Cheer Amendment Deed to change the completion date of the Good Cheer Agreement to 30 June 2011, to reduce the consideration to HK\$1,164,242,568.77, and to change the amount payable at completion to HK\$480,242,568.77.

Save as specifically amended, varied or modified by the Feng Tao Amendment Deed and the Good Cheer Amendment Deed, all terms and conditions of the Feng Tao Agreement and the Good Cheer Agreement remain in full force and effect.

Reference is made to the announcement of the Company dated 26 February 2011 in relation to the proposed disposals of the Group's interests in Feng Tao Property, Feng Shun Property and Four Seasons Hotel Shanghai to the Feng Tao Purchaser, Feng Shun Purchaser and Good Cheer Purchasers respectively (the "**Previous Announcement**"). Unless the context otherwise requires, terms used in this announcement shall have the same meanings as defined in the Previous Announcement.

FENG TAO AMENDMENT DEED

Date

22 June 2011

Parties

- (a) S.I. Urban Development
- (b) the Feng Tao Purchaser
- (c) the Company
- (d) CTF

Amendments and variations to the Feng Tao Agreement

Material amendments and variations to the Feng Tao Agreement are set out as follows:

- (1) Completion date of the Feng Tao Agreement has been changed from 31 December 2011 to 30 June 2011 (or such other date as the parties may agree in writing);
- (2) consideration for the Feng Tao Sale Shares and the Feng Tao Sale Loan has been reduced from RMB1,130,000,000 (equivalent to approximately HK\$1,339.45 million) to RMB1,127,428,887.67 (equivalent to approximately HK\$1,336.40 million);
- (3) amount payable at completion has been changed from RMB460,000,000 (equivalent to approximately HK\$545.26 million) to RMB456,428,887.67 (equivalent to approximately HK\$541.03 million); and
- (4) both the Feng Shun Shanghai Transfer and the Feng Shun BVI Transfer (which is a condition precedent under Feng Tao Agreement) is amended to become a condition subsequent and shall be duly completed on or before 31 December 2011. If such condition subsequent is not satisfied by then:
 - (a) S.I. Urban Development and the Feng Tao Purchaser shall within the one month period thereafter negotiate in good faith on the settlement of all the losses and damages etc. that the Feng Tao Purchaser may incur or suffer as a result of or in connection with such non-satisfaction of such condition subsequent; and
 - (b) if S.I. Urban Development and the Feng Tao Purchaser fail to reach an agreement on the above, the Feng Tao Purchaser shall have the right to sell the Feng Tao Sale Shares and assign the Feng Tao Sale Loan back to S.I. Urban Development to unwind the transactions contemplated under the Feng Tao Agreement.

Save as specifically amended, varied or modified by the Feng Tao Amendment Deed, all terms and conditions of the Feng Tao Agreement remain in full force and effect.

GOOD CHEER AMENDMENT DEED

Date

22 June 2011

Parties

- (a) the Company
- (b) Good Cheer Purchaser 1
- (c) Good Cheer Purchaser 2
- (d) CTF

Amendments and variations to the Good Cheer Agreement

Material amendments and variations to the Feng Tao Agreement are set out as follows:

- (1) Completion date of the Good Cheer Agreement has been changed from 31 December 2011 to 30 June 2011 (or such other date as the parties may agree in writing);
- (2) consideration for the Good Cheer Sale Shares and the Good Cheer Sale Loan has been reduced from HK\$1,168,000,000 to HK\$1,164,242,568.77; and
- (3) amount payable at completion has been changed from HK\$484,000,000 to HK\$480,242,568.77.

Save as specifically amended, varied or modified by the Good Cheer Amendment Deed, all terms and conditions of the Good Cheer Agreement remain in full force and effect.

REASONS AND BENEFITS FOR THE FENG TAO AMENDMENT DEED AND THE GOOD CHEER AMENDMENT DEED

Both the Company and CTF wish to have early completion of the Feng Tao Agreement and Good Cheer Agreement on 30 June 2011 so that the collaboration of both parties can commence at an early stage. This also enables the Group to have flexible available funds for its businesses development. As a result of the Feng Tao Amendment Deed and the Good Cheer Amendment Deed, completion date for both the Feng Tao Agreement and the Good Cheer Agreement has been moved earlier for half a year, and the instalment payable at completion would actually be paid and received earlier for also half a year. In view of the foregoing, the parties agreed that the consideration of the Feng Tao Agreement and Good Cheer Agreement would be adjusted accordingly with reference to the interest that may be accrued on the relevant amount of the consideration payable at completion of the Feng Tao Agreement and the Good Cheer Agreement in a 6-month period at the prevailing bank borrowing rate offered to large enterprises in Hong Kong.

The directors of the Company (including the independent non-executive directors of the Company) consider that the Feng Tao Amendment Deed and the Good Cheer Amendment Deed were entered into on an arm's length basis and on normal commercial terms, and maintain the view that the Disposals (as amended by the Feng Tao Amendment Deed and the Good Cheer Amendment Deed) are fair and reasonable and are in the interest of the Company and its shareholders taken as a whole.

The Company's financial adviser has also confirmed that the Disposals (as amended by the Feng Tao Amendment Deed and the Good Cheer Amendment Deed) are fair and reasonable so far as the shareholders of the Company are concerned.

LISTING RULES IMPLICATIONS

As entering into the Feng Tao Amendment Deed and the Good Cheer Amendment Deed, the Disposals would remain as connected and discloseable transactions of the Company under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

"Feng Tao Amendment Deed" the amendment deed dated 22 June 2011 entered into between S.I. Urban Development, the Company, the Feng Tao Purchaser and CTF to amend the Feng Tao Agreement

"Good Cheer Amendment Deed" the amendment deed dated 22 June 2011 entered into between the Company, the Good Cheer Purchasers and CTF to amend the Good Cheer Agreement

In this announcement, RMB has been converted to HK\$ at the rate of RMB0.84363 = 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
Yee Foo Hei
Company Secretary

Hong Kong, 22 June 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