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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

DISCLOSEABLE AND CONNECTED TRANSACTION

DISPOSAL OF A SUBSIDIARY

On 29 July 2011, the Vendor (a wholly owned subsidiary of the Company), the Purchaser (a wholly owned subsidiary of the Guarantor) and the Guarantor entered into the Sale and Purchase Agreement pursuant to which the Vendor has agreed to sell the Sale Share and the Shareholder Loan to the Purchaser at a consideration of RMB2,000,000,000 (equivalent to approximately HK\$2,407,898,000). After Completion, the Target Company will cease to be a subsidiary of the Company.

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction exceed 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Mr. Zhang Zhi Rong is a director of the Project Company (a subsidiary of the Company) and thus a connected person of the Company. Mr. Zhang Zhi Rong is also the controlling shareholder of the Guarantor. Accordingly, both the Guarantor and the Purchaser are connected persons of the Company, and the Transaction also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the Transaction is on normal commercial terms and is a connected transaction solely by virtue of Mr. Zhang Zhi Rong's relationship with the Project Company, and the relevant percentage ratios applicable to the Project Company are less than the prescribed percentage threshold set out in Rule 14A.31(9), accordingly, pursuant to the exemption under Rule 14A.31(9) of the Listing Rules, the Transaction will be exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 29 July 2011, the Vendor (a wholly owned subsidiary of the Company), the Purchaser (a wholly owned subsidiary of the Guarantor) and the Guarantor entered into the Sale and Purchase Agreement pursuant to which the Vendor has agreed to sell the Sale Share and the Shareholder Loan to the Purchaser at a consideration of RMB2,000,000,000 (equivalent to approximately HK\$2,407,898,000).

THE SALE AND PURCHASE AGREEMENT

Date

29 July 2011

Parties

Vendor: S.I. Properties Holdings Limited 上實地產控股有限公司, a wholly owned subsidiary of the Company

Purchaser: Bright New Investments Limited, a wholly owned subsidiary of the Guarantor

Guarantor: Glorious Property Holdings Limited

Asset to be disposed

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to sell the Sale Share and the Shareholder Loan to the Purchaser.

The Sale Share represents the entire issued share capital of the Target Company. The Shareholder Loan comprises the outstanding amount owing by the Target Company to the Vendor as at the Completion Date.

The Target Company is an investment holding company. The Target Company, through its subsidiaries, holds the Property and the Project. Further information on the Target Group is set out in the section headed "Information on the Target Group" below

Consideration

The consideration payable by the Purchaser to the Vendor for the Sale Share and the Shareholder Loan is RMB2,000,000,000 (equivalent to approximately HK\$2,407,898,000), or the HK\$ Equivalent or the US\$ Equivalent of such amount. The Consideration shall be satisfied in cash on the Completion Date in Hong Kong.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to the Vendor's acquisition cost of its interest in the Target Company and the consideration for the sale and purchase of the entire equity interest of the Project Company under the Share Acquisition Agreement.

Completion

Subject to the obtaining of sufficient financing by the Purchaser, Completion shall take place on the third business day after the date on which the Purchaser notifies the Vendor in writing that sufficient financing has been obtained by the Purchaser for the Transaction. If Completion does not take place on or prior to the Long Stop Date, the Sale and Purchase Agreement shall become null and void and of no further effect and the Purchaser and the Vendor shall procure the Company, the WOFE, the Project Company and Shanghai Xintai to complete the sale and purchase of the entire equity interest of the Project Company in accordance with the Share Acquisition Agreement.

In addition, the following agreements will be terminated, discharged or released at Completion:

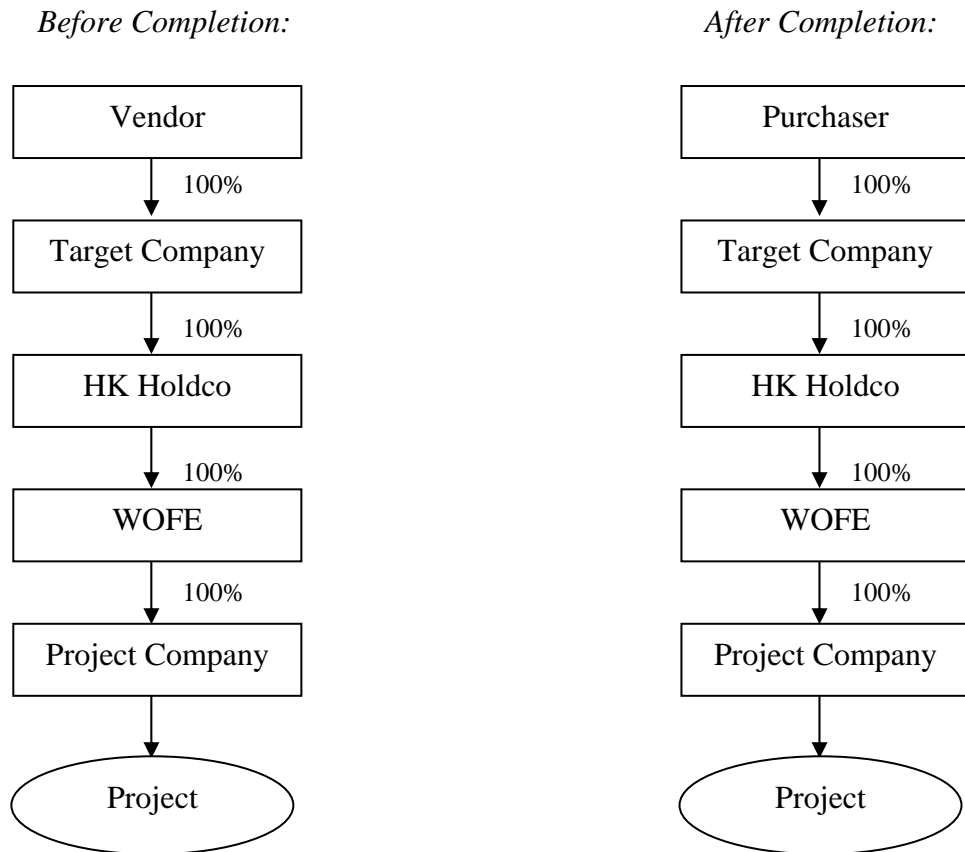
- (a) the Asset Management Entrustment Agreement;
- (b) the Shanghai Xintai Pledge;
- (c) the Guarantee; and
- (d) the Letter of Guarantee.

Guarantee

Pursuant to the Sale and Purchase Agreement, the Guarantor has agreed to unconditionally and irrevocably guarantee to the Vendor the due and punctual performance and discharge by the Purchaser of all obligations due, owing or incurred to the Vendor by the Purchaser under the Sale and Purchase Agreement.

INFORMATION ON THE TARGET GROUP

The ownership structure of the Target Group before and after Completion of the Transaction is set out below:



Each of the members of the Target Group has not carried on any business save for the holding of the Property and the Project by the Project Company, the development of the Project and the operations carried out in the ordinary course of business for the development of the Project.

The Project comprises the development of Block Nos. 2 & 8, and Block Nos. 9 and 10 if such have actually been transferred to the Project Company pursuant to the terms and conditions of the Original SPA prior to Completion, of Shanghai Bay (尚海灣豪庭) located on No. 1441, Wan Ping South Road, Xuhui District, Shanghai, the PRC and forms part of the Shanghai Bay project. The Shanghai Bay project is located at the prime location along the riverside of Huangpu River in the Shanghai city with proximity to tourist and leisure spots, integrated business area and the venues of the Shanghai World Expo.

As shown in the unaudited consolidated accounts of the Target Company which consolidated the financial results of the Target Company, the HK Holdco and the WOFE, as at 31 December 2010, it had an unaudited consolidated net asset value of HK\$612,802. The unaudited consolidated net loss before and after taxation of the Target Company for the respective periods were as follows:

	For the year ended 31 December	
	2009	2010
	<i>HK\$</i>	<i>HK\$</i>
Consolidated net loss before taxation	145,851	27,748
Consolidated net loss after taxation	145,851	27,748

The financial results of the Project Company had not been consolidated into the consolidated financial statements of the Group. The Group's investment in the Project Company has been accounted for as a financial asset.

INFORMATION ON THE VENDOR AND PURCHASER

The Vendor is a wholly owned subsidiary of the Company. The Company and its subsidiaries are principally engaged in the business of infrastructure facilities, real estate and consumer products.

The Purchaser is a wholly owned subsidiary of the Guarantor. The Guarantor and its subsidiaries are principally engaged in the development and sale of high quality properties in key economic cities across the PRC. The principal activity of the Purchaser is investment holding.

REASONS OF AND BENEFITS FOR THE TRANSACTION

Pursuant to the Share Acquisition Agreement, Shanghai Xintai has been granted an exclusive call option and the WOFE has been granted an exclusive put option in respect of the entire equity interest in the Project Company such that upon exercise of the options on 1 December 2011 (or such other date as mutually agreed by Shanghai Xintai and the WOFE), the WOFE shall sell and Shanghai Xintai (or such person(s) nominated by it) shall purchase the entire equity interest in the Project Company held by the WOFE at a consideration which is equal to the RMB equivalent of the amount of consideration paid by the Vendor under the Original SPA.

The Transaction would provide an alternative mechanism for the Group to dispose of its investment in the Project other than the exercise of the option under the Share Acquisition Agreement, thereby providing more flexibility to the arrangement. The Directors are of the view that the terms of the Transaction and the Sale and Purchase Agreement are fair and reasonable and the Transaction is in the interests of the Group and its shareholders as a whole.

Upon completion of the Transaction, it is estimated that the Group will record a disposal gain of approximately HK\$120 million which is attributable to the foreign exchange gain recorded due to the appreciation of RMB. It is intended that the proceeds will be used as the general working capital for the Group, and may be applied towards other acquisition projects that may arise from time to time in the future.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Group's financial statements.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction exceed 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Mr. Zhang Zhi Rong is a director of the Project Company (a subsidiary of the Company) and thus a connected person of the Company. Mr. Zhang Zhi Rong is also the controlling shareholder of the Guarantor. Accordingly, both the Guarantor and the Purchaser are connected persons of the Company, and the Transaction also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the Transaction is on normal commercial terms and is a connected transaction solely by virtue of Mr. Zhang Zhi Rong's relationship with the Project Company, and the relevant percentage ratios applicable to the Project Company are less than the prescribed percentage threshold set out in Rule 14A.31(9), accordingly, pursuant to the exemption under Rule 14A.31(9) of the Listing Rules, the Transaction will be exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors
"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
"Completion"	completion of the Transaction pursuant to the Sale and Purchase Agreement
"Completion Date"	the third business day after the date on which the Purchaser notifies the Vendor in writing that sufficient financing has been obtained by the Purchaser for the Transaction

"connected person(s)", "controlling shareholder" and "subsidiary"	have the meaning ascribed to them under the Listing Rules
"Consideration"	RMB2,000,000,000, or the HK\$ Equivalent or the US\$ Equivalent of such amount, for the Sale Share and the Shareholder Loan
"Directors"	the directors of the Company
"Asset Management Entrustment Agreement"	the asset management entrustment agreement (委託建設和經營管理協議) dated 5 August 2009 and the supplemental agreement dated 16 December 2009 between Shanghai Xintai, the WOFE, the Project Company, the Vendor, the Purchaser and Mr. Zhang Zhi Rong (who has entered into the release agreement dated 11 September 2009 with Shanghai Xintai, the WOFE, the Project Company, the Purchaser, the Vendor, the Company and Tianjin Yanguang Xindi whereby his obligations and liabilities under the Asset Management Entrustment Agreement as guarantor have been released)
"Group"	the Company and its subsidiaries
"Guarantee"	the guarantee dated 11 September 2009 executed by the Guarantor in favour of the Vendor to guarantee the performance of the Original SPA by the Purchaser
"Guarantor"	Glorious Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange, the ultimate holding company of the Purchaser
"HK Holdco"	Greater Base Limited, a limited liability company incorporated under the laws of Hong Kong and a wholly owned subsidiary of the Target Company
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HK\$ Equivalent"	in respect of an amount in RMB, the HK\$ equivalent of such RMB amount determined with reference to the mid-point of the exchange rate published by the People's Bank of China on the second business day prior to the Completion Date

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Letter of Guarantee"	the letter of guarantee dated 11 September 2009 executed by the Guarantor and acknowledged by the Project Company and the WOFE to guarantee the performance of the Asset Management Entrustment Agreement and the Share Acquisition Agreement by Shanghai Xintai
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	1 December 2011 or such other date as may be agreed between the parties in writing
"Original SPA"	the sale and purchase agreement dated 11 June 2009 between the Vendor, the Purchaser, the Company and Mr. Zhang Zhi Rong, as varied and modified by two supplemental agreements dated 30 July 2009 and 16 December 2009 between the same parties
"PRC"	the People's Republic of China
"Project"	the development of Block Nos. 2 and 8, and Block Nos. 9 and 10 if such have actually been transferred to the Project Company pursuant to the terms and conditions of the Original SPA prior to Completion, of Shanghai Bay (尚海灣豪庭) located on No. 1441, Wan Ping South Road, Xuhui District, Shanghai, the PRC, together with the Property and the ancillary facilities and equipment
"Project Company"	上海鵬暉置業有限公司, a limited liability company established under the laws of the PRC and a wholly owned subsidiary of the WOFE
"Property"	the piece of land on which the Project situates, and includes each and every part of it
"Purchaser"	Bright New Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Guarantor
"RMB"	Renminbi, the lawful currency of the PRC

"Sale and Purchase Agreement"	the sale and purchase agreement dated 29 July 2011 between the Vendor, the Purchaser and the Guarantor in relation to the Transaction
"Sale Share"	the one (1) issued share of US\$1.00 in the capital of the Target Company, being the entire issued share capital of the Target Company
"Shanghai Xintai"	Shanghai Xintai Property Development Co., Ltd. (上海鑫泰房地產發展有限公司), a company established in the PRC and a wholly owned subsidiary of the Purchaser
"Shanghai Xintai Pledge"	the pledge agreement relating to the pledge of 30% equity interest in Shanghai Xintai dated 16 December 2009 executed by 上海意景房地產開發有限公司 in favour of the WOFE to secure the performance by Shanghai Xintai of its obligations under the Share Acquisition Agreement
"Share Acquisition Agreement"	the share acquisition agreement (股權買賣協議) for the acquisition of the entire equity interest in the Project Company dated 5 August 2009 between Shanghai Xintai, the WOFE, the Project Company, the Company and Mr. Zhang Zhi Rong (who has entered into the release agreement dated 11 September 2009 with Shanghai Xintai, the WOFE, the Project Company, the Purchaser, the Vendor, the Company and Tianjin Yangguang Xindi whereby his obligations and liabilities under the Share Acquisition Agreement as guarantor have been released)
"Shareholder Loan"	the unsecured and interest-free outstanding shareholders' loan owing by the Target Company to the Vendor as at the Completion Date. As at the date of the Sale and Purchase Agreement, the outstanding shareholders' loan owing by the Target Company to the Vendor is in an amount of HK\$23,430,906.28
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Better Score Limited, a limited liability company incorporated under the laws of the British Virgin Islands
"Target Group"	the Target Company, the HK Holdco, the WOFE and the Project Company

"Tianjin Yangguang Xindi"	Glorious Yangguang Xindi (Tianjin) Investment Co., Ltd. (恒盛陽光鑫地(天津)投資有限公司) (previously known as 天津陽光鑫地投資有限公司), a company established in the PRC and an indirect wholly owned subsidiary of the Purchaser
"Transaction"	the sale and purchase of the Sale Share and the Shareholder Loan pursuant to the Sale and Purchase Agreement
"US\$"	United States dollars, the lawful currency of the United States of America
"US\$ Equivalent"	in respect of an amount in RMB, the US\$ equivalent of such RMB amount determined with reference to the mid-point of the exchange rate published by the People's Bank of China on the second business day prior to the Completion Date
"Vendor"	S.I. Properties Holdings Limited 上實地產控股有限公司, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
"WOFE"	南通基鉅基礎設施建設有限公司, a wholly foreign owned enterprise established under the laws of the PRC and a wholly owned subsidiary of the HK Holdco

In this announcement, RMB has been converted to HK\$ at the rate of RMB0.8306 = 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, 29 July 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