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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

ANNOUNCEMENT MADE PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board of Directors (the “**Board**”) of Shanghai Industrial Holdings Limited (the “**Company**”) announces that the Company (as Borrower) and Hang Seng Bank Limited (as Lender) entered into a letter agreement on 27 October 2011 (the “**Letter Agreement**”) for a term loan facility of RMB350 million (the “**Facility**”) for a term of up to 1 year.

Pursuant to the terms of the Letter Agreement, if, inter alia, any of the following events of default (unless with the prior written consent of the Lender) occurs, all loans together with accrued interest and any other amounts accrued under the Facility may become immediately due and payable:

- (1) Shanghai Industrial Investment (Holdings) Company Limited (“**SIIC**”), the controlling shareholder of the Company, ceases to hold (directly and indirectly) at least 35% ultimate beneficial interest of and in the voting share capital of the Company or ceases to have management control over the Company; or
- (2) The Shanghai Municipal People’s Government, the controlling shareholder of SIIC, ceases to hold (directly or indirectly) at least 51% beneficial interest of and in the voting share capital of SIIC or SIIC ceases to remain under the administrative leadership of the Shanghai Municipal People’s Government.

As at the date of this announcement, SIIC is interested in approximately 56.35% of the issued voting share capital of the Company.

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

Hong Kong, 27 October 2011

As at the date of this announcement, the Board of the Company 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