

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Stock Code: 363)

DISCLOSEABLE TRANSACTIONS

CAPITAL INJECTION AGREEMENTS

On 26 March 2012, the Group and SI Development entered into the Capital Injection Agreements whereby:

- (i) *Hu Bin Capital Injection:* Hu Bin Properties will inject RMB247,484,922 (equivalent to approximately HK\$305,085,000) into Hu Bin Shanghai;
- (ii) *Feng Ze Capital Injection:* Feng Ze Properties will inject RMB41,197,900 (equivalent to approximately HK\$50,786,000) into Feng Ze Shanghai;
- (iii) *Feng Mao Capital Injection:* SI Development will inject RMB267,991,926 (equivalent to approximately HK\$330,365,000) into Feng Mao Shanghai; and
- (iv) *Feng Qi Capital Injection:* SI Development will inject RMB227,586,346 (equivalent to approximately HK\$280,555,000) into Feng Qi Shanghai.

Upon completion of the Capital Injections, the registered capital of each of Hu Bin Shanghai, Feng Ze Shanghai, Feng Mao Shanghai and Feng Qi Shanghai will be held as to 49% by an indirectly wholly-owned subsidiary of the Company and 51% by SI Development, which is in turn held as to approximately 63.65% by the Company.

As the highest applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Capital Injections are in aggregate more than 5% but less than 25%, the Capital Injections constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules. Accordingly, the Capital Injections are subject to reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

HU BIN CAPITAL INJECTION AGREEMENT

Date

26 March 2012

Parties

- (a) SI Development
- (b) Hu Bin Properties

Hu Bin Capital Injection

Prior to the entering into of the Hu Bin Capital Injection Agreement, Hu Bin Shanghai is directly wholly-owned by SI Development.

Pursuant to the Hu Bin Capital Injection Agreement, Hu Bin Properties shall inject a sum of RMB247,484,922 (equivalent to approximately HK\$305,085,000) into Hu Bin Shanghai, of which RMB240,196,078 (equivalent to approximately HK\$296,100,000) and RMB7,288,844 (equivalent to approximately HK\$8,985,000) will be recognised as the registered capital and the capital reserve of Hu Bin Shanghai respectively. The amount of Hu Bin Capital Injection was determined after arm's length negotiations between Hu Bin Properties and SI Development with reference to the fair value of Hu Bin Shanghai of RMB764,133,800 (equivalent to approximately HK\$941,980,000) as at 31 December 2011, as appraised by an independent valuer.

Completion of the Hu Bin Capital Injection Agreement shall be subject to the approval by shareholders of SI Development and the obtaining of all necessary governmental approvals, authorisations and/or consents in respect of the Hu Bin Capital Injection. The Hu Bin Capital Injection is to be made in cash within 5 days after all the above conditions have been satisfied.

Upon completion of the Hu Bin Capital Injection, the registered capital of Hu Bin Shanghai will be held as to 49% by Hu Bin Properties and 51% by SI Development, which the Company holds approximately 63.65% equity interest as at the date of this announcement. Hu Bin Shanghai will continue to be consolidated as a subsidiary in the audited consolidated financial statements of the Group after the completion.

Information on Hu Bin Shanghai

The principal activity of Hu Bin Shanghai is the holding and development of Lot A. As at the date of this announcement, Lot A is a piece of vacant bare land available for low density residential development.

The audited net asset value of Hu Bin Shanghai as at 31 December 2011 was approximately RMB257,586,000 (equivalent to approximately HK\$317,537,000).

Set out below are the audited net profit (both before and after taxation and extraordinary items) of Hu Bin Shanghai for the two years ended 31 December 2011:

	Year ended 31 December	
	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before taxation	34,553	77,708
Net profit after taxation	28,487	57,823

FENG ZE CAPITAL INJECTION AGREEMENT

Date

26 March 2012

Parties

- (a) SI Development
- (b) Feng Ze Properties

Feng Ze Capital Injection

Prior to the entering into of the Feng Ze Capital Injection Agreement, Feng Ze Shanghai is directly wholly-owned by SI Development.

Pursuant to the Feng Ze Capital Injection Agreement, Feng Ze Properties shall inject a sum of RMB41,197,900 (equivalent to approximately HK\$50,786,000) into Feng Ze Shanghai, of which RMB28,823,529 (equivalent to approximately HK\$35,532,000) and RMB12,374,371 (equivalent to approximately HK\$15,254,000) will be recognised as the registered capital and the capital reserve of Feng Ze Shanghai respectively. The amount of Feng Ze Capital Injection was determined after arm's length negotiations between Feng Ze Properties and SI Development with reference to the fair value of Feng Ze Shanghai of RMB2,632,125,100 (equivalent to approximately HK\$3,244,730,000) as at 31 December 2011, as appraised by an independent valuer.

Completion of the Feng Ze Capital Injection Agreement shall be subject to the approval by shareholders of SI Development and the obtaining of all necessary governmental approvals, authorisations and/or consents in respect of the Feng Ze Capital Injection. The Feng Ze Capital Injection is to be made in cash within 5 days after all the above conditions have been satisfied.

Upon completion of the Feng Ze Capital Injection, the registered capital of Feng Ze Shanghai will be held as to 49% by Feng Ze Properties and 51% by SI Development. Feng Ze Shanghai will continue to be consolidated as a subsidiary in the audited consolidated financial statements of the Group after the completion.

Information on Feng Ze Shanghai

The principal activity of Feng Ze Shanghai is the holding and development of Lots B and C. As at the date of this announcement, Lots B and C are pieces of vacant bare land available for low density residential development.

The audited net asset value of Feng Ze Shanghai as at 31 December 2011 was approximately RMB42,879,000 (equivalent to approximately HK\$52,859,000).

Set out below are the audited net profit/loss (both before and after taxation and extraordinary items) of Feng Ze Shanghai for the two years ended 31 December 2011:

	Year ended 31 December	
	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Net loss/profit before taxation	(8,741)	180,591
Net loss/profit after taxation	(6,552)	135,361

FENG MAO CAPITAL INJECTION AGREEMENT

Date

26 March 2012

Parties

- (a) Feng Mao Properties
- (b) SI Development

Feng Mao Capital Injection

Prior to the entering into of the Feng Mao Capital Injection Agreement, Feng Mao Shanghai is wholly-owned by Feng Mao Properties, which is in turn indirectly wholly-owned by the Company.

Pursuant to the Feng Mao Capital Injection Agreement, SI Development shall inject a sum of RMB267,991,926 (equivalent to approximately HK\$330,365,000) into Feng Mao Shanghai, of which RMB159,832,959 (equivalent to approximately HK\$197,033,000) and RMB108,158,967 (equivalent to approximately HK\$133,332,000) will be recognised as the registered capital and the capital reserve of Feng Mao Shanghai respectively. The amount of Feng Mao Capital Injection was determined after arm's length negotiations between Feng Mao Properties and SI Development with reference to the fair value of Feng Mao Shanghai of RMB1,865,931,400 (equivalent to approximately HK\$2,300,211,000) as at 31 December 2011, as appraised by an independent valuer.

Completion of the Feng Mao Capital Injection Agreement shall be subject to the approval by shareholders of SI Development and the obtaining of all necessary governmental approvals, authorisations and/or consents in respect of the Feng Mao Capital Injection. The Feng Mao Capital Injection is to be made in cash within 5 days after all the above conditions have been satisfied.

Upon completion of the Feng Mao Capital Injection, the registered capital of Feng Mao Shanghai will be held as to 49% by Feng Mao Properties and 51% by SI Development. Feng Mao Shanghai will continue to be consolidated as a subsidiary in the audited consolidated financial statements of the Group after the completion.

Information on Feng Mao Shanghai

The principal activity of Feng Mao Shanghai is the holding and development of Lot D. As at the date of this announcement, Lot D is a piece of vacant bare land available for low density residential development.

The audited net asset value of Feng Mao Shanghai as at 31 December 2011 was approximately RMB146,659,000 (equivalent to approximately HK\$180,793,000).

Set out below are the audited net loss (both before and after taxation and extraordinary items) of Feng Mao Shanghai for the two years ended 31 December 2011:

	Year ended 31 December	
	2010 <i>RMB'000</i>	2011 <i>RMB'000</i>
Net loss before taxation	2,170	4,470
Net loss after taxation	2,170	4,470

FENG QI CAPITAL INJECTION AGREEMENT

Date

26 March 2012

Parties

- (a) Feng Qi Properties
- (b) SI Development

Feng Qi Capital Injection

Prior to the entering into of the Feng Qi Capital Injection Agreement, Feng Qi Shanghai is wholly-owned by Feng Qi Properties, which is in turn indirectly wholly-owned by the Company.

Pursuant to the Feng Qi Capital Injection Agreement, SI Development shall inject a sum of RMB227,586,346 (equivalent to approximately HK\$280,555,000) into Feng Qi Shanghai, of which RMB135,784,898 (equivalent to approximately HK\$167,388,000) and RMB91,801,448 (equivalent to approximately HK\$113,167,000) will be recognised as the registered capital and the capital reserve of Feng Qi Shanghai respectively. The Feng Qi Capital Injection was determined after arm's length negotiations between Feng Qi Properties and SI Development with reference to the fair value of Feng Qi Shanghai of RMB1,584,601,900 (equivalent to approximately HK\$1,953,405,000) as at 31 December 2011, as appraised by an independent valuer.

Completion of the Feng Qi Capital Injection Agreement shall be subject to the approval by shareholders of SI Development and the obtaining of all necessary governmental approvals, authorisations and/or consents in respect of the Feng Qi Capital Injection. The Feng Qi Capital Injection is to be made in cash within 5 days after all the above conditions have been satisfied.

Upon completion of the Feng Qi Capital Injection, the registered capital of Feng Qi Shanghai will be held as to 49% by Feng Qi Properties and 51% by SI Development. Feng Qi Shanghai will continue to be consolidated as a subsidiary in the audited consolidated financial statements of the Group after the completion.

Information on Feng Qi Shanghai

The principal activity of Feng Qi Shanghai is the holding and development of Lot E. As at the date of this announcement, Lot E is a piece of vacant bare land available for low density residential development.

The audited net asset value of Feng Qi Shanghai as at 31 December 2011 was approximately RMB127,703,000 (equivalent to approximately HK\$157,425,000).

Set out below are the audited net loss (both before and after taxation and extraordinary items) of Feng Qi Shanghai for the two years ended 31 December 2011:

	Year ended 31 December	
	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Net loss before taxation	488	2,014
Net loss after taxation	488	2,014

REASONS AND BENEFITS FOR THE CAPITAL INJECTIONS

At the time when the Company proposed to acquire approximately 63.65% interest in SI Development in August 2010, the acquisition was subject to the non-competition rules of the CSRC and a review and determination of such issue by CSRC. During the process, an undertaking was given to CSRC that the Company would, amongst other things, develop Lot A, Lot B, Lot C, Lot D and Lot E jointly with SI Development. As a result of such undertaking, the Group entered into the Capital Injection Agreements with SI Development to fulfill its prior commitment regarding the joint development of Lots A to E. This will enable the Group to further consolidate its real estate business and expedite the development projects for the above land lots.

It is expected that no gain or loss will be accrued to the Group as a result of the Capital Injections. The Company intends to use the funds from the Capital Injection as share capital of the respective companies for the development of Lots A to E respectively.

The Directors (including the independent non-executive Directors) consider that the Capital Injections and the Capital Injections Agreement are fair and reasonable and on normal commercial terms and that the Capital Injections are in the interests of the Group and the Shareholders as a whole.

GENERAL

The Group is principally engaged in the business of infrastructure facilities, real estate and consumer products.

SI Development and its subsidiaries are principally engaged in the business of property development, property investment and management.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Capital Injections are in aggregate more than 5% but less than 25%, the Capital Injections constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules. Accordingly, the Capital Injections are subject to reporting and announcement requirements, but are exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Capital Injections”	collectively the Hu Bin Capital Injection, the Feng Ze Capital Injection, the Feng Mao Capital Injection and the Feng Qi Capital Injection
“Capital Injection Agreements”	collectively the Hu Bin Capital Injection Agreement, the Feng Ze Capital Injection Agreement, the Feng Mao Capital Injection Agreement and the Feng Qi Capital Injection Agreement
“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
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
“Directors”	the directors of the Company
“Feng Mao Capital Injection”	the capital injection to Feng Mao Shanghai in the amount of RMB267,991,926 (equivalent to approximately HK\$330,365,000) to be made by SI Development pursuant to the Feng Mao Capital Injection Agreement
“Feng Mao Capital Injection Agreement”	the capital injection agreement dated 26 March 2012 in relation to Feng Mao Shanghai entered into between Feng Mao Properties and SI Development
“Feng Mao Properties”	S.I. Feng Mao Properties Limited, a company incorporated under the laws of Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company

“Feng Mao Shanghai”	上海豐茂置業有限公司 (Shanghai Feng Mao Properties Co., Ltd.), a company established in the PRC with limited liability
“Feng Qi Capital Injection”	the capital injection to Feng Qi Shanghai in the amount of RMB227,586,346 (equivalent to approximately HK\$280,555,000) to be made by SI Development pursuant to the Feng Qi Capital Injection Agreement
“Feng Qi Capital Injection Agreement”	the capital injection agreement dated 26 March 2012 in relation to Feng Qi Shanghai entered into between Feng Qi Properties and SI Development
“Feng Qi Properties”	S.I. Feng Qi Properties Limited, a company incorporated under the laws of Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Feng Qi Shanghai”	上海豐啓置業有限公司 (Shanghai Feng Qi Properties Co., Ltd.), a company established in the PRC with limited liability
“Feng Ze Capital Injection”	the capital injection to Feng Ze Shanghai in the amount of RMB41,197,900 (equivalent to approximately HK\$50,786,000) to be made by Feng Ze Properties pursuant to the Feng Ze Capital Injection Agreement
“Feng Ze Capital Injection Agreement”	the capital injection agreement dated 26 March 2012 in relation to Feng Ze Shanghai entered into between SI Development and Feng Ze Properties
“Feng Ze Properties”	S.I. Feng Ze Properties Limited, a company incorporated under the laws of Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Feng Ze Shanghai”	上海豐澤置業有限公司 (Shanghai Feng Ze Properties Co., Ltd.), a company established in the PRC with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hu Bin Capital Injection”	the capital injection to Hu Bin Shanghai in the amount of RMB247,484,922 (equivalent to approximately HK\$305,085,000) to be made by Hu Bin Properties pursuant to the Hu Bin Capital Injection Agreement
“Hu Bin Capital Injection Agreement”	the capital injection agreement dated 26 March 2012 in relation to Hu Bin Shanghai entered into between SI Development and Hu Bin Properties
“Hu Bin Properties”	S.I. Hu Bin Properties Limited (上實湖濱置業有限公司), a company incorporated under the laws of Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Hu Bin Shanghai”	上海上實湖濱新城發展有限公司 (Shanghai S.I. Hu Bin New City Development Co., Ltd.), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lot A”	the piece of land located at Block 8 (7/1 Qiu), Zhujiajiao Town, Qingpu District, Shanghai, PRC which is currently owned by SI Development with a total site area of approximately 315,072 square metres
“Lots B and C”	the piece of land located at the land lot of the Shanghai Bay project beside the Dianshan Lake, Zhujiajiao Town, Qingpu District, Shanghai, PRC which is currently owned by SI Development with a total site area of approximately 808,572.3 square metres
“Lot D”	the pieces of land located at Block 10 (48/4 Qiu) and Block 9 (48/5 Qiu), Zhujiajiao Town, Qingpu District, Shanghai, PRC which are currently owned by Feng Mao Shanghai with a total site area of approximately 511,876.7 square metres
“Lot E”	the piece of land located at Block 10, (18/5 Qiu), Zhujiajiao Town, Qingpu District, Shanghai, PRC which is currently owned by Feng Qi Properties with a total site area of approximately 434,855 square metres

“PRC”	The People's Republic of China (for the purpose of this announcement, excluding Hong Kong and Macao Special Administrative Region)
“RMB”	Renminbi, the lawful currency of the PRC
“SI Development”	上海實業發展股份有限公司 (Shanghai Industrial Development Co., Ltd.), a joint stock limited liability company established under the laws of the PRC and the shares of which are listed on A Shares Market of the Shanghai Stock Exchange (stock code: 600748). As at the date of this announcement, SI Development is held as to approximately 63.65% by the Company.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“%”	per cent.

English names of the PRC established companies/entities in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.

In this announcement, RMB has been converted to HK\$ at the rate of RMB0.8112 = 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, 26 March 2012

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