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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

ANNOUNCEMENT

The board (the “**Board**”) of directors of Shanghai Industrial Holdings Limited (the “**Company**”) was informed by Shanghai Industrial Urban Development Group Limited (stock code: 563) (“**SIUD**”), an indirect non-wholly owned subsidiary of the Company, that on 25 July 2012, a writ of summons (the “**Writ**”) was issued by a third person (the “**Plaintiff**”) against SIUD (as the first defendant) and Neo-China Realestate (Shanghai) Limited (as the second defendant) (“**Neo-China Realestate**”, a wholly-owned subsidiary of SIUD). Pursuant to the Writ, the Plaintiff is claiming against SIUD and Neo-China Realestate for a sum of RMB128,096,800.00, being the outstanding payment of the consideration payable to the Plaintiff for the acquisition of the entire issued share capital of Moral Luck Group Limited in 2007 (the “**Acquisition**”). Please refer to the announcement of SIUD dated 8 October 2007 for details of the Acquisition.

Pursuant to the Writ, the Plaintiff is claiming against SIUD and Neo-China Realestate for:

1. the said sum of RMB128,096,800.00, being the outstanding payment of consideration for the Acquisition;
2. liquidated damages for the period from 14 February 2008 to 25 July 2012 in the sum of RMB218,017,764.48;
3. daily liquidated damages from 26 July 2012 at RMB128,096.80 per day;
4. interests;
5. costs; and
6. further and/or other relief.

The Company is informed by SIUD that it is currently seeking legal advice in respect of the Writ and will vigorously defend the claim and consider all the options available. The Company will make further announcement if and when it is informed by SIUD of any material development in connection with the proceedings.

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

Hong Kong, 27 July 2012

As at the date of this announcement, the Board comprises:

Executive Directors:

*Mr. Teng Yi Long, Mr. Zhou Jie, Mr. Lu Ming Fang, Mr. Lu Shen, 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