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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE OF BOARD COMMITTEE MEMBERS

The Board announces with effect from 13 November 2012:

- (i) Mr. Cheng Hoi Chuen, Vincent has been appointed as an Independent Non-Executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company; and
- (ii) Dr. Lo Ka Shui has resigned as the chairman of the Audit Committee of the Company, and remains as an Independent Non-Executive Director, a member of the Audit Committee and the chairman of the Remuneration Committee and Nomination Committee of the Company.

The board of directors (the “**Board**”) of Shanghai Industrial Holdings Limited (the “**Company**”) announces the following changes:

Appointment of Independent Non-Executive Director

Mr. Cheng Hoi Chuen, Vincent (“**Mr. Cheng**”) has been appointed as an Independent Non-Executive Director of the Company with effect from 13 November 2012.

Particulars of Mr. Cheng

Mr. Cheng, aged 64, is the adviser to the group chief executive of HSBC Holdings plc and is also an independent non-executive director of Great Eagle Holdings Limited, MTR Corporation Limited, Hui Xian Asset Management Limited (manager of the publicly listed Hui Xian Real Estate Investment Trust), CLP Holdings Limited and China Minsheng Banking Corp., Ltd., the shares of all of which are listed in The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). He is the

former chairman of The Hongkong and Shanghai Banking Corporation Limited, HSBC Bank (China) Company Limited and HSBC Bank (Taiwan) Limited. Mr. Cheng had been an executive director of HSBC Holdings plc, a non-executive director of HSBC China Dragon Fund and an independent non-executive director of Swire Properties Limited during the past three years.

Mr. Cheng is the chairman of the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR and a member of the Advisory Committee on Post-service Employment of Civil Servants, a vice patron of Community Chest of Hong Kong and the chairman of the Council of The Chinese University of Hong Kong. He is also a member of the National Committee of the 11th Chinese People's Political Consultative Conference ("CPPCC"), and a senior adviser to the 11th Beijing Municipal Committee of the CPPCC. He was the chairman of the Process Review Panel for the Securities and Futures Commission, Chairman of the Standing Committee on Directorate Salaries and Conditions of Service of the Hong Kong Government, a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and a vice-chairman of the China Banking Association.

He was conferred the doctoral degree of social science, *honoris causa*, by The Chinese University of Hong Kong and the doctoral degree of business administration, *honoris causa* by The Open University. Mr. Cheng holds a bachelor of social science degree in economics from The Chinese University of Hong Kong and a master of philosophy degree in economics from The University of Auckland, New Zealand.

Mr. Cheng confirmed that he meets the independence criteria as set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Save as disclosed above, Mr. Cheng did not hold any directorships in any publicly listed companies in Hong Kong or overseas in the last three years preceding the date of this announcement, and he does not hold any other positions with the Company or its subsidiaries as at the date of this announcement.

As at the date of this announcement, Mr. Cheng does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company, and he does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Company has issued a letter of appointment for Mr. Cheng, pursuant to which, he is entitled to receive a director's fee of HK\$231,000 per annum and fees for serving on the respective Board committees of the Company totalling HK\$199,000 per annum. Such fees are determined with reference to the industry benchmark as reviewed by the Remuneration Committee of the Company from time to time.

In accordance with the Articles of Association of the Company, Mr. Cheng will stand for election by shareholders at the 2013 annual general meeting ("**AGM**") of the Company, or at the next general meeting if there is one held earlier than the 2013 AGM of the Company. Thereafter, Mr. Cheng will be subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles of Association of the Company.

Save as disclosed above, there are no other matters concerning the appointment of Mr. Cheng that need to be brought to the attention of the shareholders of the Company and there is no other information relating to the appointment of Mr. Cheng that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to express its warmest welcome to Mr. Cheng on his appointment.

Change of Board Committee Members

- (1) Dr. Lo Ka Shui (“**Dr. Lo**”), an Independent Non-Executive Director of the Company, resigned as the chairman of the Audit Committee of the Company with effect from 13 November 2012. Dr. Lo remains as an Independent Non-Executive Director, a member of the Audit Committee, and the chairman of the Remuneration Committee and Nomination Committee of the Company.
- (2) Mr. Cheng has been appointed as the chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company with effect from 13 November 2012.

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

Hong Kong, 13 November 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, Mr. Leung Pak To, Francis and Cheng Hoi Chuen, Vincent