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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

DISCLOSEABLE TRANSACTION

FURTHER DISPOSAL OF INTEREST IN A COMPANY HOLDING PROPERTY INTERESTS IN SHANGHAI

We refer to the Feng Qi BVI Announcement in relation to the proposed disposal of the entire issued share capital in Feng Qi BVI to the Feng Qi BVI Purchaser and the Feng Qi Shanghai Announcement in relation to the proposed disposal of the 42% of the registered capital in Feng Qi Shanghai to the Feng Qi Shanghai Purchaser respectively.

The Board is pleased to announce that following the completion of the open listing process on Shanghai United Assets and Equity Exchange, SIDC, a non-wholly owned subsidiary of the Company holding 51% of the registered capital in Feng Qi Shanghai as at the date of this announcement, entered into the Second Feng Qi Shanghai Agreement with the Feng Qi Shanghai Purchaser in respect of the Remaining Sale Shares on 28 January 2014 at a consideration of RMB150,882,357.33 (equivalent to approximately HK\$193,191,000).

As the Second Feng Qi Shanghai Transaction, the First Feng Qi Shanghai Transaction and the Feng Qi BVI Transaction were made within a 12-month period, the Directors consider that the Second Feng Qi Shanghai Transaction, the First Feng Qi Shanghai Transaction and the Feng Qi BVI Transaction shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios in respect of the Second Feng Qi Shanghai Transaction, the First Feng Qi Shanghai Transaction and the Feng Qi BVI Transaction on an aggregation basis exceeds 5% but is less than 25%, the Second Feng Qi Shanghai Transaction is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14 of the Listing Rules.

We refer to the Feng Qi BVI Announcement in relation to the proposed disposal of the entire issued share capital in Feng Qi BVI to the Feng Qi BVI Purchaser and the Feng Qi Shanghai Announcement in relation to the proposed disposal of the 42% of the registered capital in Feng Qi Shanghai to the Feng Qi Shanghai Purchaser respectively.

SECOND FENG QI SHANGHAI AGREEMENT

The Board is pleased to announce that following the completion of the open listing process on Shanghai United Assets and Equity Exchange, SIDC, a non-wholly owned subsidiary of the Company holding 51% of the registered capital in Feng Qi Shanghai as at the date of this announcement, entered into the Second Feng Qi Shanghai Agreement with the Feng Qi Shanghai Purchaser in respect of the Remaining Sale Shares.

Date

28 January 2014

Parties

- (a) SIDC, a non-wholly owned subsidiary of the Company, as vendor
- (b) the Feng Qi Shanghai Purchaser, as purchaser

Disposal

The Feng Qi Shanghai Purchaser agrees to acquire, and SIDC agrees to dispose, the Remaining Sale Shares, representing 9% of the registered capital in Feng Qi Shanghai in accordance with the terms and conditions of the Second Feng Qi Shanghai Agreement.

Information on Feng Qi Shanghai

Feng Qi Shanghai is a foreign enterprise established in the PRC. As at the date of this announcement, 51% of the registered capital in Feng Qi Shanghai is owned by SIDC (including 42% of its registered capital to be disposed to the Feng Qi Shanghai Purchaser in accordance with the First Feng Qi Shanghai Agreement) and 49% of its registered capital is owned by SIUDH (which is to be disposed to the Feng Qi BVI Purchaser in accordance with the Feng Qi BVI Agreement). Please refer to the Feng Qi Shanghai Announcement for further detailed information of the First Feng Qi Shanghai Agreement and the Feng Qi BVI Announcement for further detailed information of the Feng Qi BVI Agreement respectively.

The principal business of Feng Qi Shanghai is the holding and development of the Feng Qi Property, which comprises the piece of land located at Block 10 (18/5 Qiu) Zhujiajiao Town of Qingpu District in Shanghai (上海市青浦區朱家角鎮 10 街坊(18/5 丘)). As at the date of this announcement, the Feng Qi Property is a piece of state-owned grant vacant bare land available for low density residential development with a land plot ratio of 0.5, owned by Feng Qi Shanghai with a total site area of 434,855 sq.m.

The audited loss before taxation and the loss after taxation of Feng Qi Shanghai for the two years ended 31 December 2012 and 2011, which were prepared in accordance with generally accepted accounting principles in the PRC, were as follows:

	Year ended 31 December	
	2012	2011
	<i>RMB</i>	<i>RMB</i>
Loss before and after taxation	3,157,158	2,013,745
	(equivalent to approximately HK\$4,042,000)	(equivalent to approximately HK\$2,578,000)

Upon completion of the Second Feng Qi Shanghai Transaction, the First Feng Qi Shanghai Transaction and the Feng Qi BVI Transaction, Feng Qi Shanghai will no longer be a subsidiary of the Company.

Consideration

The consideration for the Second Feng Qi Shanghai Transaction is RMB150,882,357.33 (equivalent to approximately HK\$193,191,000), which shall be payable by the Feng Qi Shanghai Purchaser to SIDC in Renminbi.

The consideration for the Second Feng Qi Shanghai Transaction was determined with reference to various factors, including the net asset value of Feng Qi Shanghai as of 31 August 2013 of RMB1,673,376,368.92 (equivalent to approximately HK\$2,142,607,000).

Conditions

Completion of the Second Feng Qi Shanghai Agreement is conditional upon each party having complied with its pre-completion obligations and covenants in all respects.

Completion

Completion shall take place in the first half of 2014.

REASONS FOR AND BENEFITS OF THE SECOND FENG QI SHANGHAI TRANSACTION

Upon completion of the First Feng Qi Shanghai Transaction and the Feng Qi BVI Transaction, the value of the Remaining Sale Shares were booked as available for sale investment by reference to the consideration of the above transactions. As the carrying value of the Remaining Sale Shares is equal to the consideration, the profit of the Second Feng Qi Shanghai Transaction will have been booked at the time upon completion of the First Feng Qi Shanghai Transaction and the Feng Qi BVI Transaction.

It is estimated that the Company will record an unaudited after-tax profit of approximately HK\$1.2 billion upon completion of the Second Feng Qi Shanghai Transaction, the First Feng Qi Shanghai Transaction and the Feng Qi BVI Transaction.

The disposal of the Remaining Sale Shares will enable SIDC to have a good return on investment, effectively optimize its cash flow, and benefit the sustainable and healthy development of the company. By disposing all equity interests in Feng Qi Shanghai, the Group can efficiently revitalize its assets and release its cash flow, and gain considerable profit, so as to further enhance the Group's overall return on capital and core business profitability.

The Board (including the independent non-executive Directors) believes that the terms of the Second Feng Qi Shanghai Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole. None of the Directors has a material interest in the Second Feng Qi Shanghai Transaction or was required to abstain from voting on the relevant resolutions of the Board.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SIDC is a non-wholly owned subsidiary of the Company and holds 51% of the registered capital in Feng Qi Shanghai (including 42% of its registered capital to be disposed to the Feng Qi Shanghai Purchaser in accordance with the First Feng Qi Shanghai Agreement). Feng Qi Shanghai owns the Feng Qi Property.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Feng Qi Shanghai Purchaser is an independent third party of the Company.

As the Second Feng Qi Shanghai Transaction, the First Feng Qi Shanghai Transaction and the Feng Qi BVI Transaction were made within a 12-month period, the Directors consider that the Second Feng Qi Shanghai Transaction, the First Feng Qi Shanghai Transaction and the Feng Qi BVI Transaction shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios in respect of the Second Feng Qi Shanghai Transaction, the First Feng Qi Shanghai Transaction and the Feng Qi BVI Transaction on an aggregation basis exceeds 5% but is less than 25%, the Second Feng Qi Shanghai Transaction is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14 of the Listing Rules.

GENERAL

The Company and its subsidiaries are principally engaged in the business of infrastructure facilities, real estate and consumer products.

SIDC, an indirect non-wholly owned subsidiary of the Company, is principally engaged in the business of property development, property investment and management.

The Feng Qi Shanghai Purchaser is principally engaged in property development, property investment and management.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“Board”	the board of directors of the Company
“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
“Director(s)”	the director(s) of the Company
“Feng Qi BVI”	S.I. Feng Qi Properties (BVI) Limited (上實豐啟置業(BVI)有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of SIUDH
“Feng Qi BVI Agreement”	the agreement dated 26 November 2013 as disclosed in the Feng Qi BVI Announcement
“Feng Qi BVI Announcement”	the announcement of the Company dated 26 November 2013 in relation to the Feng Qi BVI Transaction
“Feng Qi BVI Purchaser”	Shanghai City Land (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Feng Qi Shanghai Purchaser
“Feng Qi BVI Transaction”	the transaction as contemplated under the Feng Qi BVI Agreement and as disclosed in the Feng Qi BVI Announcement
“Feng Qi Property”	the piece of land located at Block 10 (18/5 Qiu) Zhujiajiao Town of Qingpu District in Shanghai (上海市青浦區朱家角鎮 10 街坊(18/5 丘)) which is owned by Feng Qi Shanghai with a total site area of 434,855 sq.m.
“Feng Qi Shanghai”	Shanghai Feng Qi Properties Co., Ltd. (上海豐啟置業有限公司), a foreign enterprise established in the PRC, 51% of the registered capital of which is owned by SIDC as at the date of this announcement

“Feng Qi Shanghai Announcement”	the announcement of the Company dated 7 January 2014 in relation to the First Feng Qi Shanghai Transaction
“Feng Qi Shanghai Purchaser”	Shanghai City Land (Group) Co., Ltd. (上海城投置地(集團)有限公司), a company established in the PRC and an independent third party of the Company as at the date of this announcement
“First Feng Qi Shanghai Agreement”	the agreement dated 7 January 2014 entered into between SIDC and the Feng Qi Shanghai Purchaser in relation to the sale and purchase of 42% of the registered capital in Feng Qi Shanghai held by SIDC
“First Feng Qi Shanghai Transaction”	the sale and purchase of 42% of the registered capital in Feng Qi Shanghai held by SIDC as contemplated under the First Feng Qi Shanghai Agreement
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Remaining Sale Shares”	the equity interest in Feng Qi Shanghai representing 9% of the registered capital in Feng Qi Shanghai held by SIDC
“RMB”	Renminbi, the lawful currency of the PRC
“Second Feng Qi Shanghai Agreement ”	the agreement dated 28 January 2014 entered into between SIDC and the Feng Qi Shanghai Purchaser in relation to the sale and purchase of the Remaining Sale Shares
“Second Feng Qi Shanghai Transaction”	the sale and purchase of the Remaining Sale Shares as contemplated under the Second Feng Qi Shanghai Agreement
“Shanghai United Assets and Equity Exchange”	上海聯合產權交易所, a comprehensive platform approved by Shanghai Municipal Government for assets and equity transaction

“SIDC”	Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司), a joint stock limited liability company established under the laws of the PRC which is indirectly held as to 63.65% by the Company and is listed on the A Shares Market of the Shanghai Stock Exchange (stock code: 600748)
“SIIC”	Shanghai Industrial Investment (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company
“SIUDH”	S.I. Urban Development Holdings Limited (上實城開控股有限公司), a company incorporated in Hong Kong with limited liability which is an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For the purposes of this announcement, the exchange rate of HK\$1.00 = RMB0.7810 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date or at all.

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

Hong Kong, 28 January 2014

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

Executive Directors:

Mr. Wang Wei, Mr. Zhou Jie, Mr. Lu Shen, Mr. Zhou Jun, Mr. Xu Bo and Mr. Qian Yi

Independent Non-Executive Directors:

*Dr. Lo Ka Shui, Prof. Woo Chia-Wei, Mr. Leung Pak To, Francis and
Mr. Cheng Hoi Chuen, Vincent*