上海實業控股有限公司
SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

DISCLOSEABLE TRANSACTIONS

ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF CONTINENTAL LAND DEVELOPMENT LIMITED AND ISSUE AND ALLOTMENT OF SHARES IN SUBSIDIARY TO PRESTIGE LAND

Acquisition of the entire issued share capital of Continental Land Development Limited

On 25 September 2014, SIUD and the Purchaser, a wholly-owned subsidiary of SIUD and hence an indirect subsidiary of the Company, entered into the Sale and Purchase Agreement with the Sellers pursuant to which the Sellers agreed to sell and the Purchaser agreed to purchase the Sale Shares and the Sale Loans for a total consideration of approximately US$579,300,000 (equivalent to approximately HK$4,518,540,000) in cash. The Sale Shares represent the entire issued share capital of the Target and the Sale Loans represent the aggregate amount of shareholders' loans, together with interest accrued thereon, owed by the Target to the Sellers as of 31 May 2014. All rights attaching to the Sale Shares accrued after 31 May 2014 are for the account of the Purchaser.

Issue and allotment of shares in the Purchaser to Prestige Land

On 25 September 2014, after completion of the Acquisition, SIUD, the Purchaser and Keychina, a wholly-owned subsidiary of SIUD and hence a subsidiary of the Company and the immediate holding company of the Purchaser, entered into the Joint Venture Agreement with Prestige Land, a member of the Nan Fung Group, and Nan Fung Investment in relation to the Formation of the Joint Venture and the Subscription. Pursuant to the Joint Venture Agreement, Prestige Land subscribed for and the Purchaser issued and allotted the Subscription Shares at par value of US$1 each for a total consideration of US$49 (equivalent to approximately HK$382).

Following the issue and allotment of the Subscription Shares, Prestige Land became the holder of 49% of the enlarged issued capital of the Purchaser and Keychina's shareholding interest in the

Purchaser was reduced from 100% to 51%. The issue and allotment of the Subscription Shares therefore constitutes a deemed disposal of the Company's interest in the Purchaser through Keychina. The Purchaser remains as an indirect subsidiary of the Company. The Joint Venture Agreement also sets out the respective rights and obligations of Keychina and Prestige Land in relation to the management of the business of the Purchaser following the completion of the Subscription.

Listing Rules implications

According to Rule 14.24 of the Listing Rules, the Acquisition and the Subscription will be classified by reference to the larger of the Acquisition or the Subscription.

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but none of them exceeds 25% (as calculated under Rule 14.07 of the Listing Rules), the entering into of the Sale and Purchase Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

The issue and allotment of the Subscription Shares constitutes a deemed disposal of the Company's interest in the Purchaser through Keychina. As one or more of the applicable percentage ratios in respect of the Subscription exceed 5% but none of them exceeds 25% (as calculated under Rule 14.07 of the Listing Rules), the entering into of the Joint Venture Agreement (including the Formation of the Joint Venture and the issue and allotment of the Subscription Shares to Prestige Land) constitutes a discloseable transaction for the Company under the Listing Rules.

As both the Acquisition and the Subscription constitute discloseable transactions for the Company, they are subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that there are risks associated with the Acquisition, the Formation of the Joint Venture and the Subscription. Shareholders and potential investors should consider and assess all the risks carefully and are reminded to exercise extreme caution when dealing in the Shares and other securities of the Company.

1. THE ACQUISITION

On 25 September 2014, SIUD and the Purchaser, a wholly-owned subsidiary of SIUD and hence an indirect subsidiary of the Company, entered into the Sale and Purchase Agreement with the Sellers pursuant to which the Sellers agreed to sell and the Purchaser agreed to purchase the Sale Shares and the Sale Loans for a total consideration of approximately US$579,300,000 (equivalent to approximately HK$4,518,540,000) in cash. SIUD has agreed to guarantee the Purchaser's payment obligations under the Sale and Purchase Agreement.

The Sale Shares represent the entire issued share capital of the Target and the Sale Loans represent the aggregate amount of shareholders' loans, together with interest accrued thereon, owed by the

Target to the Sellers as of 31 May 2014. All rights attaching to the Sale Shares accrued after 31 May 2014 are for the account of the Purchaser.

As of the date of this announcement, the Target holds 99% of Shanghai World Trade. Shanghai World Trade owns Shanghaimart, a permanent international trade mart located in the Shanghai Hongqiao Economic & Technological Development Zone in the PRC.

The Sale and Purchase Agreement

Date

25 September 2014

Parties

(1) The Purchaser;
(2) The Sellers; and
(3) Guarantor: SIUD, as the guarantor for the Purchaser's payment obligations

Subject matter of the Acquisition

The Acquisition comprises the sale and purchase of (i) the Sale Shares; and (ii) the Sale Loans in the amount of approximately US$185,000,000 (equivalent to approximately HK$1,443,000,000), being the aggregate amount of shareholders' loans, together with interest accrued thereon, owed by the Target to the Sellers as of 31 May 2014.

The information on the Target Group is set out in the paragraph headed "Information on the Target Group" below.

Consideration

The price for the Sale and Purchase of the Sale Shares and the Sale Loans Rights is approximately US$579,300,000 (equivalent to approximately HK$4,518,540,000), which is payable in cash in the following manner:

(a) approximately US$521,400,000 (equivalent to approximately HK$4,066,920,000) (representing 90% of the Purchase Price) (the "**First Payment**") was paid by the Purchaser to the Sellers on the date of the Sale and Purchase Agreement; and

(b) the remaining 10% of the Purchase Price (the "**Final Payment**") is payable in two tranches as follows:

    (i) approximately US$46,300,000 (equivalent to approximately HK$361,140,000) (representing 8% of the Purchase Price) (the "**Amount Withheld Against Sellers' Tax**") will be withheld by the Purchaser against the Sellers' tax liabilities owed to the PRC tax authorities in relation to the transactions contemplated under the Sale and

Purchase Agreement. Following the issue of the tax demand, the Purchaser will make the tax payment to the relevant PRC tax authorities on behalf of the Sellers up to the Amount Withheld Against Sellers' Tax. The Sellers are responsible for any tax payable by the Sellers in excess of the Amount Withheld Against Sellers' Tax. In the event that the tax payable by the Sellers is less than the Amount Withheld Against Sellers' Tax, the Purchaser will pay any excess to the Sellers; and

(ii) approximately US$11,600,000 (equivalent to approximately HK$90,480,000) (representing 2% of the Purchase Price) will be withheld by the Purchaser and will only be released to the Sellers upon the expiry of one year from the date of the Sale and Purchase Agreement if there are no claims by the Purchaser against the Sellers under the terms of the Sale and Purchase Agreement outstanding as of the expiry of the said one-year period.

Hong Kong stamp duty payable in respect of the transfer of the Sale Shares will be borne by the Purchaser as to 50% on one part and by the Sellers as to 50% on the other part. An amount equal to the estimated Hong Kong stamp duty payable by the Sellers has been deducted from the First Payment.

The Purchase Price was determined after arm's length negotiations among the Purchaser and the Sellers, with reference to:

(a) the valuation of the Property of approximately US$774,000,000 (equivalent to approximately HK$6,037,200,000) determined by an independent property valuer based on the audited consolidated financial statements of the Target Group for the year ended 31 December 2013; and

(b) the amount of Sale Loans of approximately US$185,000,000 (equivalent to approximately HK$1,443,000,000),

and after taking into account various other factors, including but not limited to the historical financial information of the Target Group and the reasons and benefits for the Acquisition.

The First Payment was financed by the internal resources of the SIUD Group as to US$160,000,000 (equivalent to HK$1,248,000,000) and as to the remainder the NF Loan in accordance with the terms of the Joint Venture Agreement. Please see "Issue and Allotment of Shares in the Purchaser to Prestige Land – The Joint Venture Agreement - The financing for the Acquisition" in this announcement for the details of the NF Loan.

SIUD Guarantee

SIUD has agreed to guarantee the payment obligations of the Purchaser under the Sale and Purchase Agreement.

Condition precedent for the Acquisition

Completion of the Acquisition is conditional upon the approval by the shareholders of SIUD in respect of the Subscription.

As of the date of this announcement, SIUD has obtained a written approval for the Sale and Purchase Agreement and the Acquisition contemplated therein from Smart Charmer, which holds 3,365,883,000 shares of SIUD (representing approximately 69.95% of the issued share capital of SIUD). As such, the condition precedent for the completion of the Subscription has been satisfied.

Information on the Shanghai World Trade Acquisition

On 20 December 2013, the Target entered into an equity transfer agreement with SHUDC pursuant to which the Target agreed to purchase, and SHUDC agreed to sell, SHUDC's 1% equity interest in Shanghai World Trade at a consideration to be determined by the Target and SHUDC in due course (the "**Shanghai World Trade Acquisition**").

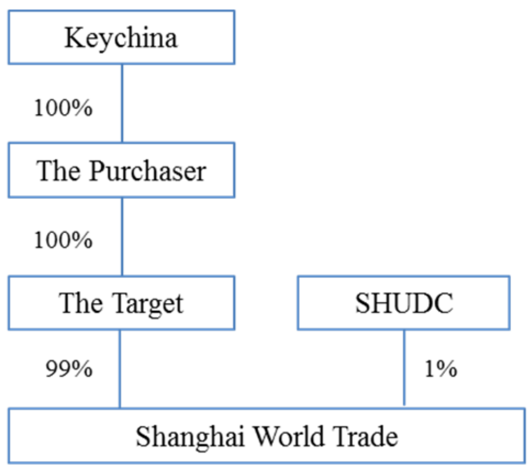
As of the date of this announcement, completion of the Shanghai World Trade Acquisition has not taken place. Each of the Sellers has undertaken to use its commercially reasonable endeavours to assist in the completion of the Shanghai World Trade Acquisition.

Upon completion of the Shanghai World Trade Acquisition, the Target will become the sole shareholder of Shanghai World Trade.

Completion of the Acquisition

Completion of the Acquisition took place on 25 September 2014 immediately following the execution of the Sale and Purchase Agreement. Following the completion of the Acquisition, the Target becomes an indirect subsidiary of the Company and its results will be consolidated into the accounts of the Group.

The below diagram depicts the shareholding structure of the Target after completion of the Acquisition:



2. ISSUE AND ALLOTMENT OF SHARES IN THE PURCHASER TO PRESTIGE LAND

On 25 September 2014, after the completion of the Acquisition, SIUD, the Purchaser and Keychina (which is a wholly-owned subsidiary of SIUD and the immediate holding company of the Purchaser and also an indirect subsidiary of the Company) entered into the Joint Venture Agreement with Prestige Land and Nan Fung Investment in relation to the Formation of the Joint Venture and the Share Subscription. Under the Joint Venture Agreement, Prestige Land subscribed for and the Purchaser allotted and issued the Subscription Shares at par value of US$1 each for a total amount of US$49 (equivalent to approximately HK$382). Following the completion of the Subscription, Prestige Land became the holder of 49% of the enlarged issued capital of the Purchaser and Keychina's shareholding interest in the Purchaser was reduced from 100% to 51%. The issue and allotment of the Subscription Shares therefore constitutes a deemed disposal of the Company's interest in the Purchaser through Keychina. The Purchaser remains as an indirect subsidiary of the Company upon and after the completion of the Subscription. The Joint Venture Agreement also sets out the rights and obligations of Keychina and Prestige Land in relation to the management of the business of the Purchaser following the completion of the Subscription.

The Joint Venture Agreement

Date

25 September 2014

Parties

(1) the Purchaser;
(2) Prestige Land;
(3) Keychina, a wholly-owned subsidiary of SIUD and the immediate holding company of the Purchaser and also an indirect subsidiary of the Company;
(4) SIUD; and
(5) Nan Fung Investment.

Scope of business

Keychina, Prestige Land and the Purchaser agreed that following the completion of the Subscription, the Purchaser's scope of business shall include the renovation, management and operation of Shanghaimart, and such other businesses as Keychina, Prestige Land and the Purchaser may agree from time to time.

The financing for the Acquisition

Pursuant to the Joint Venture Agreement, Nan Fung Group provided the NF Loan in the amount of approximately US$361,400,000 (equivalent to approximately HK$2,818,920,000) to SIUD to finance part of the payment of the First Payment (that is, 90% of the Purchase Price for the Acquisition). As part of the NF Loan arrangement, the SIUD Group has placed a total deposit of

RMB660,000,000 (equivalent to approximately HK$824,382,000) with the Nan Fung Group. Following the completion of the Subscription, Prestige Land contributed 49% of the First Payment (that is, 90% of the Purchase Price for the Acquisition) and has agreed to the transfer of approximately US$255,500,000 (equivalent to approximately HK$1,992,900,000) of the NF Loan from SIUD to the Purchaser thereby converting US$255,500,000 (equivalent to approximately HK$1,992,900,000) of the NF Loan into a shareholder's loan extended to the Purchaser. Both Keychina and Prestige Land undertake to provide shareholders' loans in accordance with their respective shareholding interest in the Purchaser to pay for the remainder of the Purchase Price. Keychina, Prestige Land and the Purchaser are considering obtaining external bank financing by the Purchaser to refinance the First Payment (that is, 90% of the Purchase Price for the Acquisition) and to fund the general working capital requirements of the Purchaser and its subsidiaries (following the completion of the Acquisition).

Unless Keychina and Prestige Land otherwise agree, neither Keychina nor Prestige Land has any obligation to provide further funding to the Purchaser (or its subsidiaries) following the completion of the Subscription. Any further financing or guarantee to be provided by Keychina or Prestige Land to the Purchaser (or its subsidiaries) shall be in proportion to their respective shareholding in the Purchaser following the Subscription.

Board of directors of the Purchaser and its subsidiaries

Following the completion of the Subscription, the board of directors of the Purchaser and each of its subsidiaries shall comprise seven directors, including four appointed by Keychina and three by Prestige Land. Keychina shall have the right to appoint the chairman of the board of directors of each of these companies while Prestige Land shall have the right to appoint the vice chairman of the board of directors of each of these companies. The quorum for the board meetings of each of these companies shall be four directors (including at least two directors appointed by Keychina and two directors appointed by Prestige Land).

The board of directors of these companies shall be responsible for, *inter alia*, the approval of the annual budgets, changes in capital structure, dividends, acquisition or disposal of any material assets, and changes to the members of any executive committees of these companies, and the approval of certain aforementioned matters require the unanimous consent of the board of directors of these companies The board of directors of these companies may from time to time delegate its powers to executive committees or other member(s) of the senior management to carry out its duties.

Senior Management of Shanghai World Trade

Shanghai World Trade shall form an executive committee which comprises four members, including two members appointed by Keychina and two members appointed by Prestige Land, to supervise matters relating to the project design, project management, operational management and asset management.

The general manager of Shanghai World Trade shall be appointed by Keychina while the first deputy general manager of Shanghai World Trade shall be appointed by Prestige Land.

Lock-up Undertaking

Unless otherwise agreed by both Keychina and Prestige Land or permitted under the Joint Venture Agreement, both Keychina and Prestige Land have undertaken, for a period of three years commencing from the date of the Joint Venture Agreement (the "**Initial Lock-up Period**"), not to dispose of or create any encumbrance over any of the shares in the Purchaser. Following the expiry of the Initial Lock-up Period, the transfer of the shares in the Purchaser by Keychina or Prestige Land (as the case may be) will be subject to the other party's rights of first refusal and rights to tag along, unless such transfer is to a company controlling, controlled by or under common control of Keychina or Prestige Land (as the case may be).

Guarantee by Nan Fung Investment

Pursuant to the Sale and Purchase Agreement, SIUD has provided a guarantee to the Sellers in respect of the payment obligations of the Purchaser under the Sale and Purchase Agreement.

Pursuant to the Joint Venture Agreement, Nan Fung Investment has agreed to be responsible for 49% of SIUD's guarantee obligations pursuant to the Sale and Purchase Agreement in proportion to Prestige Land's shareholding proportion in the Purchaser (following the issue and allotment of the Subscription Shares).

Subscription

Pursuant to the terms of the Joint Venture Agreement, Prestige Land has subscribed for and the Purchaser has issued and allotted the Subscription Shares at the par value of US$1 each for an aggregate subscription price of US$49 (equivalent to approximately HK$382).

The Purchaser will apply the proceeds of the Subscription as part of the Purchaser's working capital.

Since the consideration received for the issue and allotment of the Subscription Shares is classified as equity and will not result in a loss of the Group's control over the Purchaser, the effect of the deemed disposal will be accounted for as an equity transaction that will not result in the recognition of any gain or loss in the Company's profit (or loss).

The consideration for the issue and allotment of the Subscription Shares was determined after arm's length negotiations between the Purchaser and Prestige Land, with reference to:

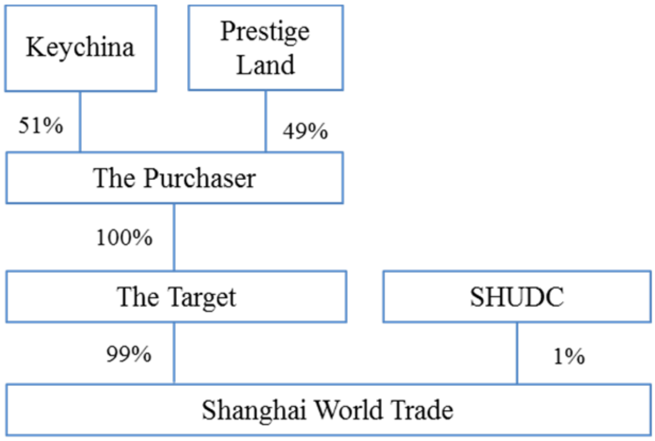
(a) the consideration for the Acquisition;

(b) the amount of shareholders loan owed by the Target upon the completion of the Acquisition (but prior to the completion of the Subscription) of approximately US$185,000,000 (equivalent to approximately HK$1,443,000,000); and

(c) the amount of the shareholders loan of the Purchaser upon the completion of the Subscription and after taking into account the terms of the Joint Venture Agreement and the Sale and Purchase Agreement.

As at the date of this announcement, the Purchaser does not own any material assets except that upon the completion of the Acquisition, the Purchaser owned the entire issued share capital of the Target and therefore indirectly held an 99% equity interest in Shanghaimart (assuming that the Shanghai World Trade Acquisition has not yet been completed at that time).

The below diagram depicts the shareholding structure of the Target and the Purchaser after completion of both the Acquisition and the Subscription, but assuming that the completion of the Shanghai World Trade Acquisition has not yet been completed:



Payment of price for the Subscription

US$1 per share for a total of US$49 (equivalent to approximately HK$382)

Condition precedent for the Subscription

Completion of the Subscription is conditional upon the approval by the shareholders of SIUD in respect of the Subscription.

As of the date of this announcement, SIUD has obtained a written approval for the Joint Venture Agreement and the transactions contemplated therein (including the Formation of the Joint Venture and the Subscription) from Smart Charmer, which holds 3,365,883,000 shares of SIUD (representing approximately 69.95% of the issued share capital of SIUD). As such, the condition precedent for the completion of the Subscription has been satisfied.

Completion of the Subscription

Completion of the Subscription took place immediately following the signing of the Joint Venture Agreement, following which, the Purchaser is owned as to 51% by Keychina and 49% by Prestige Land. The issue and allotment of the Subscription Shares therefore constitutes a deemed disposal of the Company's interest in the Purchaser through Keychina.

Upon completion of the Acquisition and after the issue and allotment of the Subscription Shares, the Target became an indirect subsidiary of the Company and its results will be consolidated into the accounts of the Group.

3. GENERAL INFORMATION

Information on the Sellers

The following table sets out the percentage holding of the Target held by each Seller and basic information of each Seller:

Sellers	Approximate percentage shareholding in the Target	Place of incorporation	Principal business
Shing Kwan	25.0%	Singapore	Investment Holding
Eastlake	25.0%	BVI	Investment Holding
Universal Global	15.2%	BVI	Investment Holding
Pearlking	12.5%	BVI	Investment Holding
Smoothly Capital	9.8%	BVI	Investment Holding
Huntington	7.5%	BVI	Investment Holding
Multi-United	5.0%	BVI	Investment Holding

The Directors confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, each of the Sellers and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Information on Prestige Land and Nan Fung Investment

Each of Prestige Land and Nan Fung Investment is an investment holding company and a subsidiary of Nan Fung International Holdings Limited, which through its subsidiaries, is an international business conglomerate with global interests in property markets, financial investments and a diverse range of business partnerships.

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, each of Prestige Land and Nan Fung Investment and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Information on the Group

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

Information on SIUD

SIUD is an indirect subsidiary of the Company, the shares of which are listed on the Main Board of the Stock Exchange. The SIUD Group is a property developer in the PRC and is principally engaged in the business of property development, property investment and hotel operations.

Information on Keychina

Keychina is a company incorporated in the BVI with limited liability and, as of the date of this announcement, is an indirect wholly-owned subsidiary of SIUD and hence an indirect subsidiary of the Company. Its principal business is investment holding.

Information on the Purchaser

The Purchaser is a company incorporated in the BVI with limited liability and is an indirect wholly-owned subsidiary of SIUD and hence an indirect subsidiary of the Company. Its principal business is investment holding. The principal asset of the Purchaser, following the Acquisition, is the 99% equity interest in Shanghai World Trade. Shanghai World Trade is the owner of the Property, an international trade mart, the largest of its kind in Asia and located in the Shanghai Hongqiao Economic & Technological Development Zone, the PRC. The other 1% of the equity interest of Shanghai World Trade is held by SHUDC.

Prior to the completion of the Subscription, the total issued share capital of the Purchaser was US$51 divided into 51 shares of US$1 each. Following the completion of the Subscription, the total issued share capital of the Purchaser became US$100 divided into 100 shares of US$1 each. Since the consideration received for the issue and allotment of the Subscription Shares is classified as equity and the Subscription will not result in a loss of the Group's control over the Purchaser, the Subscription will be accounted for as an equity transaction that will not result in the recognition of any gain or loss in the Company's profit (or loss).

Information on the Target Group

The Target Group comprises the Target and Shanghai World Trade. The Target is an investment holding company with no material assets, other than its equity interest in Shanghai World Trade. As of the date of this announcement, the Target holds 99% equity interest in Shanghai World Trade, a sino-foreign joint venture company established in the PRC. The other 1% equity interest of Shanghai World Trade is held by SHUDC, which is a sino-foreign joint venture enterprise approved by the People's Government of Shanghai City and undertakes the overall development and management of the Hongqiao Economic & Technological Development Zone.

Shanghai World Trade is the owner of the Property and engages in the business of showcasing, exhibiting and hosting trade fairs for imported and exported products, providing trading venues and facilities for its domestic and foreign customers and other ancillary services, operating car-parks and providing property management services.

Information on the Property

Opened in 1999, the Property is the first permanent international trade mart in the PRC. It is located at 2299 Yan'an Road (West) in the Shanghai Hongqiao Economic & Technological Development Zone, approximately 20 minutes away from Shanghai Hongqiao Airport. With an aggregate gross floor area in excess of 280,000 sq.m., the Property is the largest of its kind in Asia and comprises three main buildings, namely the Mart, Expo and Tower. The Mart, which spans over 201,000 sq.m., functions as a year round product showcase venue. The Expo, which has a gross floor area of approximately 37,000 sq.m., is a venue suited for hosting exhibitions and fairs. The Tower, which has a total gross floor area of approximately 42,000 sq.m. and spans 30 floors, accommodates a multi-storey commercial office space for corporations and consulates. The land use rights in respect of the land on which the Property is situated has been granted for a period of 50 years commencing 21 October 1999 and ending on 20 October 2049.

Financial information on the Target Group

The audited net asset value of the Target Group as of 31 December 2013 was approximately US$335,700,000 (equivalent to approximately HK$2,618,460,000).

The audited net profit before and after taxation and extraordinary items of the Target Group for each of the two financial years immediately preceding the Acquisition are set out below:

	For the year ended on 31 December of	
	2012	**2013**
	US$'000	*US$'000*
Net profit before taxation and extraordinary items	37,785 (equivalent to approximately HK$294,723)	42,226 (equivalent to approximately HK$329,363)
Net profit after taxation and extraordinary items	30,983 (equivalent to approximately HK$241,667)	26,401 (equivalent to approximately HK$205,928)

Financial information on the Purchaser

The Purchaser was incorporated in the BVI on 4 September 2014. The Purchaser therefore does not have any net profit before and after taxation and extraordinary items for each of the two financial years ended on 31 December 2013.

Reasons for and benefits of the Acquisition

The Board considers that the Acquisition is in line with the development strategy of the Group and the Property has investment value. From the perspective of the Group, the Acquisition can help enhance and enlarge the property investment portfolio of its real estate segment in Shanghai and bring additional recurring rental income to the Group.

After taking into consideration the above factors, the Board considers that the Sale and Purchase Agreement has been entered into on normal commercial terms and that its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons for and benefits of the Joint Venture Agreement and the Subscription

Through the Subscription, Prestige Land became a shareholder of the Purchaser and a joint venture party in relation to the renovation, management and operation of Shanghaimart. The Board considers that (i) the Formation of the Joint Venture is a value-creating opportunity to form a strong partnership with the Nan Fung Group to achieve operational synergies and efficiencies focusing on each of their strengths; and (ii) enlarge the talent pool by tapping into the management expertise of both the SIUD Group and the Nan Fung Group; and (iii) obtain additional financial resources from Nan Fung Group, and in each case, for the purpose of the management, operation and renovation of Shanghaimart.

After taking into consideration the above factors, the Board considers that the Joint Venture Agreement (including the Formation of the Joint Venture and the issue and allotment of the Subscription Shares to Prestige Land) has been entered into on normal commercial terms and that its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

According to Rule 14.24 of the Listing Rules, the Acquisition and the Subscription will be classified by reference to the larger of the Acquisition and the Subscription.

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but none of them exceeds 25% (as calculated under Rule 14.07 of the Listing Rules), the entering into of the Sale and Purchase Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

The issue and allotment of the Subscription Shares constitutes a deemed disposal of the Company's interest in the Purchaser through Keychina. As one or more of the applicable percentage ratios in respect of the Subscription exceed 5% but none of them exceeds 25% (as calculated under Rule 14.07 of the Listing Rules), the entering into of the Joint Venture Agreement (including the Formation of the Joint Venture and the issue and allotment of the Subscription Shares to Prestige Land) constitutes a discloseable transaction for the Company under the Listing Rules.

As both the Acquisition and the Subscription constitute discloseable transactions for the Company, they are subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that there are risks associated with the Acquisition, the Formation of the Joint Venture and the Subscription. Shareholders and potential investors should consider and assess all the risks carefully and are reminded to exercise extreme caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

"Acquisition"	the acquisition of the Sale Shares and the Sale Loans Rights by the Purchaser pursuant to the terms of the Sale and Purchase Agreement
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"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
"connected persons"	has the meaning ascribed to it under the Listing Rules
"Directors"	directors of the Company
"Eastlake"	Eastlake Corporation, a company incorporated in the BVI with limited liability and one of the Sellers
"Formation of the Joint Venture"	the formation of the joint venture between Keychina and Prestige Land in accordance with the terms of the Joint Venture Agreement
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong, Special Administrative Region of the PRC
"Huntington"	Huntington Development Limited, a company incorporated in the BVI with limited liability and one of the Sellers
"Joint Venture"	the joint venture formed between Keychina and Prestige Land for the purpose of the management and operation of Shanghaimart
"Joint Venture Agreement"	the joint venture agreement entered into among SIUD, the Purchaser, Keychina, Prestige Land and Nan Fung Investment on 25 September 2014 in respect of the Formation of the Joint Venture and the Subscription

"Keychina"	Keychina Investment Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of SIUD and the direct holding company of the Purchaser. Upon completion of the Subscription, Keychina and Prestige Land held 51% and 49% of the enlarged issued capital of the Purchaser respectively
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Multi-United"	Multi-United Investment Inc., a company incorporated in the BVI with limited liability and one of the Sellers
"Nan Fung Group"	Nan Fung International Holdings Limited, a company incorporated in the BVI with limited liability, together with its subsidiaries
"Nan Fung Investment"	Nan Fung Investment China Holdings Limited, a company incorporated in the BVI and a member of the Nan Fung Group
"NF Loan"	a loan of approximately US$361,400,000 (equivalent to approximately HK$2,818,920,000) provided by Nan Fung Group to SIUD to finance the Acquisition
"Pearlking"	Pearlking Developments Ltd., a company incorporated in the BVI with limited liability and one of the Sellers
"PRC"	the People's Republic of China and for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
"Prestige Land"	Prestige Land Investments Limited, a company incorporated in the BVI with limited liability and a member of the Nan Fung Group who owns a 49% interest of the Purchaser upon completion of the Subscription
"Property" or "Shanghaimart"	Shanghaimart, a permanent international trade mart located in the Shanghai Hongqiao Economic & Technological Development Zone, which is owned by Shanghai World Trade
"Purchase Price"	the aggregate consideration in the amount of approximately US$579,300,000 (equivalent to approximately HK$4,518,540,000) payable by the Purchaser for the Acquisition in accordance with the terms of the Sale and Purchase Agreement

"Purchaser"	Advantage World Investment Limited, a company incorporated in the BVI with limited liability, which, prior to the completion of the Subscription, was an indirect wholly-owned subsidiary of SIUD but, following the completion of the Subscription, is owned by SIUD (via Keychina) as to 51% and Prestige Land as to 49%
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the sale and purchase agreement dated 25 September 2014 entered into among SIUD, the Purchaser and the Sellers in relation to the Acquisition
"Sale Loans"	the aggregate amount of shareholders' loans, together with interest accrued thereon, owed by the Target to the Sellers as of 31 May 2014
"Sale Loans Rights"	the rights of the Target over the Sale Loans
"Sale Shares"	10,000 shares in the issued share capital of the Target, representing the entire issued share capital of the Target
"Sellers"	Shing Kwan, Eastlake, Universal Global, Pearlking, Smoothly Capital, Huntington and Multi-United;
"Shanghai World Trade"	上海世界贸易商城有限公司 (Shanghai World Trade City Corp., Ltd.), a sino-foreign joint venture company incorporated in the PRC and is owned as to 99% by the Target and 1% by SHUDC
"Shanghai World Trade Acquisition"	has the meaning ascribed to it in the paragraph headed "Information on the Shanghai World Trade Acquisition"
"Shareholder"	a shareholder of the Company
"Shing Kwan"	Shing Kwan Investment (Singapore) Pte Ltd., a company incorporated in Singapore with limited liability and one of the Sellers
"SHUDC"	上海虹橋經濟技術開發區聯合發展有限公司 (Shanghai Hongqiao Economic & Technological Development Zone United Development Co., Ltd.), a Sino-foreign joint venture enterprise established in the PRC
"Smart Charmer"	Smart Charmer Limited, a company incorporated in the BVI with limited liability, which is the holder of 3,365,883,000 shares of SIUD as of the date of this announcement;
"Smoothly Capital"	Smoothly Capital Limited, a company incorporated in the BVI with limited liability and one of the Sellers

"SIUD"	Shanghai Industrial Urban Development Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 563) and an indirect subsidiary of the Company
"SIUD Group"	SIUD and its subsidiaries
"sq.m"	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of the Subscription Shares by Prestige Land pursuant to the Joint Venture Agreement
"Subscription Shares"	49 shares in the Purchaser issued and allotted to Prestige Land pursuant to the Joint Venture Agreement, representing 49% of the enlarged issued share capital of the Purchaser upon the completion of the Subscription
"Target"	Continental Land Development Limited, a company incorporated in Hong Kong with limited liability
"Target Group"	the Target and Shanghai World Trade
"Universal Global"	Universal Global Invest Limited, a company incorporated in the BVI with limited liability and one of the Sellers;
"US$"	United States dollars, the lawful currency of the United States of America

English translations for the Chinese names of the PRC entities, authorities or facilities in this announcement are for reference only. In the event of any discrepancies between the Chinese names of these PRC entities, authorities or facilities and their respective English translations, the Chinese versions shall prevail.

In this announcement, certain amounts quoted in RMB and USD have been converted into Hong Kong dollars (or vice versa) at the reference rate of RMB0.8006 to HK$1 and US$1 to HK$7.8 for information purpose only. Such conversion should not be construed as a representation that the relevant amounts have been, could have been, or could be, converted at that or any other rate or at all.

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

Hong Kong, 25 September 2014

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

Executive Directors:
Mr. Wang Wei, Mr. Zhou Jie, Mr. Lu Shen, Mr. Zhou Jun, Mr. Ni Jian Da and Mr. Xu Bo

Independent Non-Executive Directors:
Dr. Lo Ka Shui, Prof. Woo Chia-Wei, Mr. Leung Pak To, Francis and Mr. Cheng Hoi Chuen, Vincent