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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

FURTHER ANNOUNCEMENT

PROFIT FORECAST IN RELATION TO DISCLOSEABLE TRANSACTION FOR ACQUISITION OF FUDAN WATER ENGINEERING AND TECHNOLOGY CO., LTD. BY SIIC ENVIRONMENT HOLDINGS LTD.

We refer to the announcement of Shanghai Industrial Holdings Limited (the “**Company**”) dated 24 March 2015 in relation to the acquisition of Fudan Water Engineering and Technology Co., Ltd. (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Independent Valuer has relied primarily on the discounted cash flow methodology as well as the comparable company valuation approach to determine the blended range of the fair value estimate of 92.15% equity interest in Fudan Water Group between RMB1,569,000,000 (equivalent to approximately HK\$1,960,760,000) and RMB1,749,000,000 (equivalent to approximately HK\$2,185,704,000).

Accordingly, the Valuation Report constitutes a profit forecast under Rule 14.61 of the Listing Rules. This announcement is therefore subject to the requirements under Rules 14.60A and 14.62 of the Listing Rules in relation to profit forecast.

Assumptions of valuation

The principal assumptions, including commercial assumptions, upon which the Valuation Report was based are as follows:

- the estimate period for each of Fudan Water’s subsidiary (“**Fudan Subsidiary**”) is from 1 October 2014 to the end of the concession or commission operation period of its respective project;

- from the fourth quarter of 2014 to the end of 2016, the collection period for the receivables of Fudan Subsidiary shall be based on its existing actual collection period, while from 2017 onwards, the collection period for the receivables of Fudan Subsidiary shall be based on that as specified in relevant concession or commission agreements;
- the operational cash necessary for Fudan Subsidiary shall be calculated based on the monthly cost of its core business;
- the operational costs of each project consist of fixed cost and variable cost;
- the original investment amount of each completed project is derived from the financial due diligence report;
- for the last year during the term of each concession project, the labour cost shall be calculated in proportion with the actual number of days, while the management cost shall be calculated on an annual basis;
- the amount of project equipment upgrade shall be calculated based on 0.5% of the total investment;
- the valuation does not take into consideration the adjustment of sewage treatment fee;
- regarding all building-operation-transfer projects, the intangible assets shall be amortised using the straight line method based on the total investment amount of each project within their respective concession period;
- the repayment plan and interest rate of relevant loans (if any) shall be implemented in accordance with relevant loan agreements;
- regarding projects with alteration and/or extension plans, Fudan Subsidiary shall use its internal resources supplemented by bank loans to finance such alteration/extension works (if any), and the valuation shall also take into consideration potential increase of maintenance and repair expenses, labour costs and management fees;
- the inventories of Fudan Subsidiary shall be calculated based on one month's costs of the sewage treatment chemicals; and
- uncollectible receivables shall be treated as bad debts.

Confirmations

Union Alpha C.P.A. Limited (“**Union Alpha**”), acting as the Company’s reporting accountants, has examined the calculations of the discounted future estimate cash flow in which the Valuation Report was based, which do not involve the adoption of accounting policies in its preparation.

Union Alpha has reported to the Directors in respect of the compilation, in accordance with the assumptions described above, of the discounted future estimate cash flows in connection with the valuation of 92.15% equity interest in Fudan Water Group prepared by the Independent Valuer as set out in the Valuation Report.

The Directors confirm that the valuation of the shareholders' equity interest in Fudan Water Group has been made after due and careful enquiry.

A letter from Union Alpha in compliance with Rule 14.62(2) of the Listing Rules dated 13 April 2015 and a letter from the Board in compliance with Rule 14.62(3) of the Listing Rules have been submitted to the Stock Exchange, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

Experts and consents

The qualifications of the experts who have given their statements in this announcement are as follows:

Name	Qualification
Shanghai International Tendering Co., Ltd. (上海國際招標有限公司*)	an independent valuer commissioned by SI Environment to conduct a desktop far value estimate range of 92.15% equity interest in Fudan Water Group as at 30 September 2014. It is established in the PRC to provide consultation and valuation services for investments in the water and environmental protection industries
Union Alpha	Certified Public Accountants

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, each of the Independent Valuer and Union Alpha is a third party independent of the Group and is not a connected person of the Group. As at the date of this announcement, neither the Independent Valuer nor Union Alpha has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Independent Valuer and Union Alpha has given and has not withdrawn its respective written consent to the issue of the Announcement and/or this announcement with inclusion of its name, statements and all references to its name (including its qualification) in the form and context in which they are included.

For the purposes of this announcement, the exchange rates of HK\$1.00 = RMB0.8002 have been used, where applicable, for purpose of illustration only and do not constitute a representation that any amount has been, could have been or may be exchanged 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, 13 April 2015

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

Executive Directors:

Mr. Wang Wei, Mr. Zhou Jie, Mr. Lu Shen, Mr. Zhou Jun 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

APPENDIX I - LETTER FROM THE COMPANY'S REPORTING ACCOUNTANTS

13 April 2015

The Board of Directors
Shanghai Industrial Holdings Limited
26/F., Harcourt House
39 Gloucester Road
Wanchai, Hong Kong

Dear Sirs,

ACCOUNTANTS' REPORT ON ARITHMETICAL ACCURACY OF THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATE CASH FLOWS IN CONNECTION WITH THE VALUATION OF EQUITY INTEREST IN FUDAN WATER ENGINEERING AND TECHNOLOGY CO., LTD.

We have been engaged to examine the arithmetical accuracy of the calculations of the discounted future estimate cash flows on which the valuation (the “**Valuation**”) prepared by Shanghai International Tendering Co., Ltd. (上海國際招標有限公司) dated 28 February 2015, in respect of a 92.15% equity interest in Fudan Water Engineering and Technology Co., Ltd. (復旦水務工程技術有限公司) (“**Fudan Water**”) and its subsidiaries as at 30 September 2014 is based. The Valuation, based on discounted future estimate cash flows, is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and reference to the Valuation is included in an announcements of Shanghai Industrial Holdings Limited (the “**Company**”) dated 24 March 2015 and 13 April 2015 (the “**Announcements**”) in connection with the acquisition of entire issued and paid-up capital of Global Envirotech Investment Ltd. (“**Global Envirotech**”) by SIIC Environment Holdings Ltd. Global Envirotech, through its wholly-owned subsidiary Global Environment Investment (HK) Limited, holds 92.15% of the registered capital of Fudan Water.

Directors' responsibility for the discounted future estimated cash flows

The directors of the Company are responsible for the preparation of the discounted future estimate cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcements (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimate cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

It is our responsibility to form an opinion on the arithmetical accuracy of the calculations of the discounted future estimate cash flows on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not

assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the arithmetical calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work does not constitute any valuation of Fudan Water.

Because the Valuation relates to discounted future estimate cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the appropriateness, reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, in so far as the arithmetical calculations are concerned, have been properly compiled in all material respects, in accordance with the Assumptions.

Yours faithfully,

UNION ALPHA C.P.A. LIMITED

Certified Public Accountants (Practising)

Leung Lok Ming

Director

APPENDIX II - LETTER FROM THE BOARD

13 April 2015

Listing Division
The Stock Exchange of Hong Kong Limited
11th Floor, One International Finance Centre
1 Harbour View Street
Hong Kong

Dear Sir / Madam,

Discloseable Transaction

Acquisition of Fudan Water Engineering and Technology Co., Ltd. (復旦水務工程技術有限公司) (“Fudan Water”) by SIIC Environment Holdings Ltd. (“SI Environment”), a Subsidiary of Shanghai Industrial Holdings Limited (the “Company”), and Deemed Disposal of Equity Interest in SI Environment

We refer to the announcements of the Company dated 24 March 2015 and 13 April 2015 in relation to the acquisition of equity interest in Fudan Water (the “**Announcements**”) by SI Environment. Unless the context otherwise requires, terms defined in the Announcements shall have the same meanings when used herein.

We have reviewed and discussed the Valuation Report, which forms the basis for determining the consideration for the Acquisition. We note that the methodology applied in deriving the fair value of 92.15% equity interest in Fudan Water Group is regarded as a profit forecast under Rule 14.61 of the Listing Rules. Pursuant to Rule 14.62 of the Listing Rules, we have engaged Union Alpha C.P.A. Limited, acting as the Company’s reporting accountants, to examine the arithmetical accuracy of the calculation of the Valuation Report in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants.

On the basis of the above, we confirm that the fair value of 92.15% equity interest in Fudan Water Group as contained in the Valuation Report has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the board of directors of
Shanghai Industrial Holdings Limited

Zhou Jie
*Executive Director, Chief Executive Officer
and Vice Chairman*