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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

FURTHER ANNOUNCEMENT

(1) CONNECTED AND DISCLOSEABLE TRANSACTION ACQUISITION OF 100% EQUITY INTEREST IN SHANGHAI INVESTMENT CO., LTD. BY SHANGHAI INDUSTRIAL DEVELOPMENT CO., LTD.

AND

(2) DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement of the Company dated 28 April 2015 in relation to, among other things, the acquisition of 100% equity interest in Shanghai Investment by SI Development.

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules.

THE SUPPLEMENTAL AGREEMENT

On 15 May 2015, SI Development and SIIC Shanghai entered into the Supplemental Agreement to amend the Shanghai Investment Equity Interest Transfer Agreement and the Shanghai Investment Performance Compensation Agreement, including among other things, the final consideration for the Shanghai Investment Acquisition and the performance guarantee provided by SIIC Shanghai to SI Development under the Shanghai Investment Performance Compensation Agreement.

DELAY IN DESPATCH OF CIRCULAR

As set out in the Announcement, a circular containing, inter alia, details of the Shanghai Investment Acquisition, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the recommendation of the Independent Board

Committee to the Independent Shareholders, the notice convening the EGM and other information as required under the Listing Rules, is to be despatched to the Shareholders on or before 22 May 2015. As additional time is required by the Company to finalise the information in the circular, it is expected that the date of despatch of the circular will be postponed to on or before 1 June 2015.

Reference is made to the announcement of Shanghai Industrial Holdings Limited (the “**Company**”) dated 28 April 2015 in relation to, among other things, the acquisition of 100% equity interest in Shanghai Investment Co., Ltd. by Shanghai Industrial Development Co., Ltd. (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules.

THE SUPPLEMENTAL AGREEMENT

On 15 May 2015, SI Development and SIIC Shanghai entered into a supplemental agreement (the “**Supplemental Agreement**”) to amend certain terms of the Shanghai Investment Equity Interest Transfer Agreement and the Shanghai Investment Performance Compensation Agreement.

Amendments to the Shanghai Investment Equity Interest Transfer Agreement

As disclosed in the Announcement, SIIC Shanghai agreed to sell, and SI Development agreed to purchase, 100% of the equity interest in Shanghai Investment for a consideration of RMB3,400,000,000 (equivalent to approximately HK\$4,248,938,000). The consideration was determined with reference to the appraisal by an independent valuer and to be finally confirmed by SASAC. It was contemplated in the Shanghai Investment Equity Interest Transfer Agreement that a supplemental agreement will be signed between the parties to confirm the final consideration.

Pursuant to the Supplemental Agreement, the parties confirmed that the final consideration for the Shanghai Investment Acquisition is RMB3,432,702,989.61 (equivalent to approximately HK\$4,289,806,000) (the “**Final Consideration**”), which is the final fair value estimate of Shanghai Investment appraised by 上海東洲資產評估有限公司 (Orient Appraisal Co., Ltd.) (the “**Independent Valuer**”) and was confirmed by SASAC.

It was disclosed in the Announcement that SI Development will apply part of the proceeds from the SI Development Share Issuance to pay the consideration of RMB3,400,000,000 (equivalent to approximately HK\$4,248,938,000) for the Shanghai Investment Acquisition. As the Final Consideration is RMB3,432,702,989.61 (equivalent to approximately HK\$4,289,806,000), SI Development will satisfy the difference, which is RMB32,702,989.61 (equivalent to approximately HK\$40,869,000), with its own internal resources.

Amendments to the Shanghai Investment Performance Compensation Agreement

As disclosed in the Announcement, upon the occurrence of all of the following:

- (i) the Shanghai Investment Acquisition is completed; and
- (ii) Shanghai Investment fails to achieve the agreed performance target, which is the total sum of the estimated net profits attributable to shareholders of Shanghai Investment for the years 2015 to 2017 as reported in the valuation report prepared by an independent valuer,

SIIC Shanghai shall pay a performance compensation to SI Development in cash, which shall be calculated as follows:

Performance compensation amount = the aggregate estimated net profits attributable to shareholders of Shanghai Investment for the years 2015 to 2017 – the aggregate actual net profits attributable to shareholders of Shanghai Investment for the years 2015 to 2017

Pursuant to the Supplemental Agreement, the parties confirmed that, based on the final valuation report on the fair value estimate of Shanghai Investment appraised by the Independent Valuer, the agreed performance target (which is the total sum of the estimated net profits attributable to shareholders of Shanghai Investment for the years 2015 to 2017) is RMB73,124,860,000 (equivalent to approximately HK\$91,383,229,000).

SI Development and SIIC Shanghai also confirmed in the Supplemental Agreement that the performance compensation shall not exceed the Final Consideration for the Shanghai Investment Acquisition, which is RMB3,432,702,989.61 (equivalent to approximately HK\$4,289,806,000).

Save for the aforesaid, there were no other material changes to the Shanghai Investment Equity Interest Transfer Agreement or the Shanghai Investment Performance Compensation Agreement.

The Directors are of the view that the Supplemental Agreement was entered into on normal commercial terms and that the terms of the Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Supplemental Agreement, nor is he required to abstain from voting in the relevant board resolution of the Company.

PROFIT FORECAST REQUIREMENT UNDER THE LISTING RULES

The Independent Valuer was commissioned by SI Development to conduct a fair value estimate of the valuation of each of Shanghai Investment and its seven subsidiaries (details of which are set out in the Announcement), which forms the basis for determining the Final Consideration for the Shanghai Investment Acquisition.

The Independent Valuer has relied primarily on the discounted cash flow methodology to determine the fair value estimate of the valuation of 100% equity interest in Shanghai New Century, one of the

subsidiaries of Shanghai Investment, as RMB69,000,000 (equivalent to approximately HK\$86,228,000).

Accordingly, the valuation report on Shanghai New Century prepared by the Independent Valuer (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:

- there is an open market for the shares in Shanghai New Century;
- the assets of Shanghai New Century are and, based on the relevant data and information, will continue to be in in operation;
- Shanghai New Century, based on its existing assets and resources, will continue to operate legally and will not cease to operate in the foreseeable future because of whatever reason;
- the Valuation Report does not take into consideration, unless otherwise stated, any unusual factors which will affect the valuation such as existing or future pledges or guarantees provided by Shanghai New Century;
- there will not be any material changes in the existing laws, policies or macroeconomics of the PRC, or the political, economical or social environment of the regions in which Shanghai New Century is situated;
- there will not be any material changes in the tax rate applicable to Shanghai New Century and the credit policy, interest rates and exchange rates are largely stable;
- the Valuation Report represents a valuation of the market value of Shanghai New Century based on the valuation standards and system as at the date of valuation;
- the business contracts, business licences, articles of association, executed agreements, audited reports, financial information and other information provided by Shanghai New Century are true and valid;
- the existing and future management team of Shanghai New Century is and will be diligent, will not commit any material breaches which will affect the development and revenue of Shanghai New Century, and will continue to operate Shanghai New Century on the existing management model;
- the contracts entered into by Shanghai New Century are valid and enforceable;

- the valuation is a reasonable estimate of the future based on the current market conditions and does not take into account the unforeseeable material changes and fluctuations in the future market, such as political riot, economic turmoil and adverse inflation; and
- the various revenues, relevant prices and costs relied on in the valuation are based on the historical data provided by Shanghai New Century.

Confirmations

Deloitte Touche Tohmatsu (“**Deloitte**”), acting as the Company’s auditor, has examined the calculations of the discounted future estimated cash flows on which the Valuation Report was based.

Deloitte has reported to the Directors in respect of the compilation, in accordance with the assumptions described above, of the discounted future estimated cash flows in connection with the valuation of 100% equity interest in Shanghai New Century prepared by the Independent Valuer as set out in the Valuation Report. The Directors are solely responsible for the assumptions described above and the work performed by Deloitte did not include any assessment of the reasonableness or validity of the assumptions.

The Directors confirm that the valuation of the shareholders’ equity interest in Shanghai New Century has been made after due and careful enquiry.

A report from Deloitte dated 15 May 2015 in compliance with Rule 14.62(2) of the Listing Rules 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
上海東洲資產評估有限公司 (Orient Appraisal Co., Ltd.)	an independent valuer commissioned by SI Development to conduct a fair value estimate of the valuation of 100% equity interest in each of Shanghai Investment and its seven subsidiaries as at 31 March 2015. It is established in the PRC to provide intermediary consultation and appraisal services.
Deloitte	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 Deloitte 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 Deloitte has any shareholding 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 Deloitte has given and has not withdrawn its respective written consent to the issue of 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.

DELAY IN DESPATCH OF CIRCULAR

As set out in the Announcement, a circular containing, inter alia, details of the Shanghai Investment Acquisition, the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the recommendation of the Independent Board Committee to the Independent Shareholders, the notice convening the EGM and other information as required under the Listing Rules, is to be despatched to the Shareholders on or before 22 May 2015. As additional time is required by the Company to finalise the information in the circular, it is expected that the date of despatch of the circular will be postponed to on or before 1 June 2015.

For the purposes of this announcement, the exchange rate 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 the Order of the Board
Shanghai Industrial Holdings Limited
Yee Foo Hei
Company Secretary

Hong Kong, 15 May 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 – REPORT FROM THE COMPANY’S AUDITOR

ACCOUNTANTS' REPORT ON CALCULATIONS OF THE DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF EQUITY INTEREST IN SHANGHAI NEW CENTURY REAL ESTATE SERVICE CO., LTD.

TO THE DIRECTORS OF SHANGHAI INDUSTRIAL HOLDINGS LIMITED

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by 上海東洲資產評估有限公司 (Orient Appraisal Co., Ltd.) dated 10 May 2015, in respect of the entire equity interest in 上海新世紀房產服務有限公司 (Shanghai New Century Real Estate Service Co., Ltd.) ("**Shanghai New Century**") as at 31 March 2015 (the "**Valuation**") is based. Shanghai New Century is a company established in the People's Republic of China and is principally engaged in property management, real estate agency, consulting, garage management and conference services. The Valuation based on the discounted future estimated 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 will be included in the announcement dated 15 May 2015 issued by Shanghai Industrial Holdings Limited (the "**Company**") in connection with the acquisition of the 100% equity interest in Shanghai Investment Co., Ltd. of which Shanghai New Century is its 75% owned subsidiary, by Shanghai Industrial Development Co., Ltd. (the "**Announcement**").

Directors' responsibility for the discounted future estimated cash flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated 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 estimated 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 calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work does not constitute any valuation of Shanghai New Century.

Because the Valuation relates to discounted future estimated 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 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, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

15 May 2015

APPENDIX II – LETTER FROM THE BOARD

15 May 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,

Connected and Discloseable Transaction – Acquisition of 100% Equity Interest in Shanghai Investment Co., Ltd. by Shanghai Industrial Development Co., Ltd.

We refer to the announcements of Shanghai Industrial Holdings Limited (the “**Company**”) dated 28 April 2015 and 15 May 2015 in relation to the acquisition of 100% equity interest in Shanghai Investment by SI Development (the “**Announcements**”). 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 Final Consideration for the Shanghai Investment Acquisition. We note that the methodology applied in deriving the fair value estimate of the valuation of 100% equity interest in Shanghai New Century 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 Deloitte Touche Tohmatsu, acting as the Company’s auditors, 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 estimate of the valuation of 100% equity interest in Shanghai New Century 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*