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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

ANNOUNCEMENT

LETTER OF INTENT IN RELATION TO THE PROPOSED DISPOSAL OF ZHUHAI QI'AO ISLAND PROJECT

This announcement is made by Shanghai Industrial Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE PROPOSED DISPOSAL

On 29 September 2015, Shanghai Industrial Urban Development Group Limited (“**SIUD**”), a non-wholly owned subsidiary of the Company listed on the Main Board of the Stock Exchange, entered into a letter of intent (the “**LOI**”) with De Rong Group Limited (the “**Purchaser**”), pursuant to which SIUD proposes to procure the sale of, and the Purchaser proposes to acquire, the entire equity interest in Neo-China Real Estate (Shanghai) Limited (the “**Target Company**”) for a total consideration of RMB3,100,000,000 payable in cash (the “**Proposed Disposal**”).

The Target Company, incorporated in the British Virgin Islands with limited liability, is an indirect wholly-owned subsidiary of SIUD and therefore a non-wholly owned subsidiary of the Company. Its primary asset is a piece of land located at Qi'ao Island, Zhuhai City (珠海市淇澳島) in China with a gross site area of approximately 2,215,516 square metres, which is intended to be developed as a mixed use complex comprising commercial property and residential villas, namely Zhuhai Qi'ao Island Project (珠海淇澳島項目). As at the date of this announcement, construction work for the Zhuhai Qi'ao Island Project has not commenced.

The Purchaser is a company incorporated in the Independent State of Samoa with limited liability. To the best of the Company's directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Upon signing of the LOI, the Purchaser shall pay SIUD a deposit of RMB100,000,000. Pursuant to the LOI, SIUD has granted to the Purchaser an exclusivity period of 90 days commencing on the first day after the date of receipt of the deposit. The parties intend to enter into a definitive agreement following completion of the state-owned assets valuation filing in relation to the Proposed Disposal.

GENERAL INFORMATION

The Company wishes to emphasise that the Proposed Disposal may or may not materialise. If the Proposed Disposal materialises, it may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. In the event that a definitive agreement in respect of the Proposed Disposal is entered into, the Company will comply with the relevant disclosure and/or shareholders' approval requirements in respect of the Proposed Disposal in accordance with all applicable requirements under the Listing Rules where appropriate.

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

Hong Kong, 29 September 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