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(Incorporated in Hong Kong with limited liability)

(Stock Code: 363)

VOLUNTARY ANNOUNCEMENT

UPDATE IN RELATION TO THE PLACING OF NEW SHARES IN SHANGHAI INDUSTRIAL DEVELOPMENT CO., LTD., GIVING RISE TO A DEEMED DISPOSAL

Reference is made to the announcement of the Company dated 28 April 2015 in relation to, among other things, the placing of new shares in SI Development, giving rise to a deemed disposal of the Company for the purposes of the Listing Rules.

This is a voluntary announcement made by the Company.

Subsequent to a dividend on ordinary shares distributed by SI Development in July 2015, the issue price for shares in SI Development under the SI Development Share Issuance Contracts has been adjusted from RMB 11.70 (equivalent to approximately HK\$14.26) to RMB11.63 (equivalent to approximately HK\$14.18) per share pursuant to the price adjustment mechanism under the SI Development Share Issuance Contracts.

As a result of the adjustment to the issue price and based on the total subscription amount to be paid by Shanghai Asset and Cao Wenlong under the First SI Development Share Issuance Contract and the Second SI Development Share Issuance Contract, the number of ordinary shares in SI Development to be issued to each of Shanghai Asset and Cao Wenlong will be adjusted accordingly. As the number of shares to be issued must be a whole number, the final total subscription amount (being the product of the number of shares to be issued and the adjusted issue price per share) to be paid by Shanghai Asset and Cao Wenlong will be adjusted slightly.

On 2 November 2015, SI Development also entered into the Supplemental Other SI Development Share Issuance Agreements with the Other Placees, respectively, in relation to the Other SI Development Share Issuance Contracts, under which:

- the adjustment to the issue price as a result of a dividend on ordinary shares distributed by SI Development in July 2015 is confirmed;
- the subscription amount to be paid by the Other Placees, respectively, will be reduced (the total subscription amount to be paid by the Other Placees will be reduced from RMB4,765,999,995.90 (equivalent to approximately HK\$5,810,778,000) to RMB3,566,000,008.67 (equivalent to approximately HK\$4,347,720,000)); and
- as a result of the adjustment to the issue price and the reduction in the total subscription amount, the number of ordinary shares in SI Development to be issued to the Other Placees will be adjusted accordingly.

As the completion of the Adjusted SI Development Share Issuance is conditional on the satisfaction of the conditions precedent set out under the headings “I – FIRST SI DEVELOPMENT SHARE ISSUANCE CONTRACT”, “II – SECOND SI DEVELOPMENT SHARE ISSUANCE CONTRACT” AND “III – OTHER SI DEVELOPMENT SHARE ISSUANCE CONTRACTS” in the announcement of the Company dated 28 April 2015, the Adjusted SI Development Share Issuance may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.

Reference is made to the announcement of the Company dated 28 April 2015 in relation to, among other things, the placing of new shares in SI Development, giving rise to a deemed disposal of the Company for the purposes of the Listing Rules.

This is a voluntary announcement made by the Company.

On 28 April 2015, SI Development, a non-wholly owned subsidiary of the Company listed on the Shanghai Stock Exchange, entered into the SI Development Share Issuance Contracts, under which SI Development agreed to issue an aggregate of 512,820,512 ordinary shares in SI Development (representing approximately 47.34% of SI Development’s total issued shares immediately prior to the SI Development Share Issuance and 32.13% of SI Development’s total issued shares as enlarged by the SI Development Share Issuance) to Shanghai Asset, Cao Wenlong and the Other Placees. The transactions contemplated under the SI Development Share Issuance Contracts have not been completed as at the date of this announcement.

Under the SI Development Share Issuance Contracts, the issue price for shares in SI Development is RMB11.70 (equivalent to approximately HK\$14.26) per share, and in the event there is any ex-dividend or ex-right adjustments on the ordinary shares in SI Development during the period from the Pricing Benchmark Date to the date of completion of the SI Development Share Issuance, the base issue price and the number of ordinary shares in SI Development to be issued with respect to the SI Development Share Issuance shall be adjusted accordingly.

Pursuant to the above price adjustment mechanism and subsequent to a dividend on ordinary shares distributed by SI Development in July 2015, the issue price for shares in SI Development under the SI Development Share Issuance Contracts has been adjusted to RMB11.63 (equivalent to approximately HK\$14.18) per share.

As a result of the adjustment to the issue price and based on the total subscription amount to be paid by Shanghai Asset and Cao Wenlong under the First SI Development Share Issuance Contract and the Second SI Development Share Issuance Contract, the number of ordinary shares in SI Development to be issued to each of Shanghai Asset and Cao Wenlong will be adjusted in accordance with the tables below. As the number of shares to be issued must be a whole number, the final total subscription amount (being the product of the number of shares to be issued and the adjusted issue price per share) to be paid by Shanghai Asset and Cao Wenlong will be adjusted slightly from RMB999,999,994.50 (equivalent to approximately HK\$1,219,215,000) to RMB999,999,990.86 (equivalent to approximately HK\$1,219,215,000) and from RMB234,000,000.00 (equivalent to approximately HK\$285,296,000) to RMB233,999,996.14 (equivalent to approximately HK\$285,296,000), respectively.

On 2 November 2015, SI Development also entered into the Supplemental Other SI Development Share Issuance Agreements with the Other Placees, respectively, in relation to the Other SI Development Share Issuance Contracts, under which:

- the adjustment to the issue price described above is confirmed;
- the subscription amount to be paid by the Other Placees, respectively, will be reduced (the total subscription amount to be paid by the Other Placees will be reduced from RMB4,765,999,995.90 (equivalent to approximately HK\$5,810,778,000) to RMB3,566,000,008.67 (equivalent to approximately HK\$4,347,720,000)); and
- as a result of the adjustment to the issue price and the reduction in the total subscription amount, the number of ordinary shares in SI Development to be issued to the Other Placees will be adjusted in accordance with the tables below.

Before the adjustment to the issue price and entering into the Supplemental Other SI Development Share Issuance Agreements

Name of subscriber	Number of shares to be allotted	As a percentage of SI Development's total issued shares immediately prior to the SI Development Share Issuance	As a percentage of SI Development's total issued shares as enlarged by the SI Development Share Issuance	Subscription amount to be paid (RMB)
Shanghai Asset	85,470,085	7.89%	5.35%	999,999,994.50
Cao Wenlong	20,000,000	1.85%	1.25%	234,000,000.00
BOSC Asset Management Co., Ltd.	76,923,076	7.10%	4.82%	899,999,989.20
Jun Zheng (Shanghai) Equity Investment Fund Partnership (Limited Partnership)	68,376,068	6.31%	4.28%	799,999,995.60
CITIC Securities Company Limited	60,000,000	5.54%	3.76%	702,000,000.00
Shanghai Da Zhen Asset Management Centre (Limited Partnership)	51,282,051	4.73%	3.21%	599,999,996.70
China Great Wall Asset Management Corporation	51,282,051	4.73%	3.21%	599,999,996.70
Beijing Lancapital Agricultural Industrial Investment Fund Management Centre (Limited Partnership)	51,282,051	4.73%	3.21%	599,999,996.70
Beijing Zhong Rong Ding Xin Investment Management Co., Ltd.	48,205,130	4.45%	3.02%	564,000,021.00

After the adjustment to the issue price and entering into the Supplemental Other SI Development Share Issuance Agreements

Name of subscriber	Number of shares to be allotted	As a percentage of SI Development's total issued shares immediately prior to the Adjusted SI Development Share Issuance	As a percentage of SI Development's total issued shares as enlarged by the Adjusted SI Development Share Issuance	Subscription amount to be paid (RMB)
Shanghai Asset	85,984,522	7.94%	5.75%	999,999,990.86
Cao Wenlong	20,120,378	1.86%	1.34%	233,999,996.14
BOSC Asset Management Co., Ltd.	57,901,537	5.34%	3.87%	673,394,875.31
Jun Zheng (Shanghai) Equity Investment Fund Partnership (Limited Partnership)	51,468,033	4.75%	3.44%	598,573,223.79
CITIC Securities Company Limited	45,163,199	4.17%	3.02%	525,248,004.37
Shanghai Da Zhen Asset Management Centre (Limited Partnership)	38,601,025	3.56%	2.58%	448,929,920.75
China Great Wall Asset Management Corporation	38,601,025	3.56%	2.58%	448,929,920.75
Beijing Lancapital Agricultural Industrial Investment Fund Management Centre (Limited Partnership)	38,601,025	3.56%	2.58%	448,929,920.75
Beijing Zhong Rong Ding Xin Investment Management Co., Ltd.	36,284,965	3.35%	2.43%	421,994,142.95

As a result of the Adjusted SI Development Share Issuance, the Company's shareholding interest in SI Development will be diluted in aggregate from 63.65% to 46.09%, which will amount to a deemed disposal of the Company for the purposes of the Listing Rules. It is expected that SI Development will continue to be accounted for as a subsidiary of the Company and consolidated in the Group's financial statements after the Adjusted SI Development Share Issuance.

As the completion of the Adjusted SI Development Share Issuance is conditional on the satisfaction of the conditions precedent set out under the headings "I – FIRST SI DEVELOPMENT SHARE ISSUANCE CONTRACT", "II – SECOND SI DEVELOPMENT SHARE ISSUANCE CONTRACT" AND "III – OTHER SI DEVELOPMENT SHARE ISSUANCE CONTRACTS" in the announcement of the Company dated 28 April 2015, the Adjusted SI Development Share Issuance may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.

DEFINITIONS

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

"Adjusted SI Development Share Issuance"	collectively, the First SI Development Share Issuance, the Second SI Development Share Issuance and the Supplemental Other SI Development Share Issuance
"Board"	the board of Directors
"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 of Hong Kong Limited (Stock Code: 363)
"Directors"	the directors of the Company
"First SI Development Share Issuance"	the placing of ordinary shares in SI Development to Shanghai Asset pursuant to the First SI Development Share Issuance Contract
"First SI Development Share Issuance Contract"	the share subscription agreement entered into between SI Development and Shanghai Asset on 28 April 2015
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Other Placees”	上銀基金管理有限公司 (BOSC Asset Management Co., Ltd.*), 君證 (上海) 股權投資基金合伙企業 (有限合伙) (Jun Zheng (Shanghai) Equity Investment Fund Partnership (Limited Partnership*)), 中信證券股份有限公司 (CITIC Securities Company Limited*), 上海達甄資產管理中心 (有限合伙), (Shanghai Da Zhen Asset Management Centre (Limited Partnership*)), 中國長城資產管理公司 (China Great Wall Asset Management Corporation*), 北京藍巨農業產業投資基金管理中心 (有限合伙) (Beijing Lancapital Agricultural Industrial Investment Fund Management Centre (Limited Partnership*)) and 北京中融鼎新投資管理有限公司 (Beijing Zhong Rong Ding Xin Investment Management Co., Ltd.*)
“Other SI Development Share Issuance”	the placing of ordinary shares in SI Development to the Other Placees pursuant to the Other SI Development Share Issuance Contracts
“Other SI Development Share Issuance Contracts”	the share subscription agreements entered into between SI Development and the Other Placees on 28 April 2015
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Pricing Benchmark Date”	the date of the announcement of the resolution passed at the meeting of the board of directors of SI Development with respect to the SI Development Share Issuance, being 29 April 2015
“RMB”	Renminbi, the lawful currency of the PRC
“Second SI Development Share Issuance”	the placing of ordinary shares in SI Development to Cao Wenlong pursuant to the Second SI Development Share Issuance Contract
“Second SI Development Share Issuance Contract”	the share subscription agreement entered into between SI Development and Cao Wenlong on 28 April 2015
“Shanghai Asset”	上海上投資產經營有限公司 (Shanghai Asset Operation Co., Ltd.*), a company established in the PRC

“Shareholders”	the shareholders of the Company
“SI Development”	上海實業發展股份有限公司 (Shanghai Industrial Development Co., Ltd.*), a joint stock limited liability company established under the laws of the PRC which is listed on the Shanghai Stock Exchange (stock code: 600748) and a non-wholly owned subsidiary of the Company
“SI Development Share Issuance”	collectively, the First SI Development Share Issuance, the Second SI Development Share Issuance and the Other SI Development Share Issuance
“SI Development Share Issuance Contracts”	collectively, the First SI Development Share Issuance Contract, the Second SI Development Share Issuance Contract and the Other SI Development Share Issuance Contracts
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Supplemental Other SI Development Share Issuance”	the placing of ordinary shares in SI Development to the Other Placees pursuant to the Other SI Development Share Issuance Contracts as supplemented by the Supplemental Other SI Development Share Issuance Agreements
“Supplemental Other SI Development Share Issuance Agreements”	the supplemental agreements entered into between SI Development and the Other Placees, respectively, on 2 November 2015 in relation to the Other SI Development Share Issuance Contracts
“%”	per cent

For the purposes of this announcement, the exchange rate of HK\$1.00 = RMB0.8202 has been used, where appropriate, for the purposes of illustration only and does 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, 2 November 2015

As at 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 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*

** for identification purpose only*