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*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 363)**

## **VOLUNTARY ANNOUNCEMENT**

### **COMPLETION OF THE PLACING OF NEW SHARES IN SHANGHAI INDUSTRIAL DEVELOPMENT CO., LTD., GIVING RISE TO A DEEMED DISPOSAL**

Reference is made to the announcements of the Company dated 28 April 2015 and 2 November 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.

As at the date of this announcement, the Adjusted SI Development Share Issuance has been completed in respect of:

- (i) the placing of ordinary shares in SI Development to Shanghai Asset pursuant to the First SI Development Share Issuance Contract;
- (ii) the placing of ordinary shares in SI Development to Cao Wenlong pursuant to the Second SI Development Share Issuance Contract; and
- (iii) the placing of ordinary shares in SI Development to five out of seven placees pursuant to the Other SI Development Share Issuance Contracts as supplemented by the Supplemental Other SI Development Share Issuance Agreements.

As a result of the completion of the Adjusted SI Development Share Issuance, SI Development issued an aggregate of 335,523,659 new ordinary shares (representing approximately 30.97% of its total issued shares prior to the Adjusted SI Development Share Issuance and 23.65% of its total issued shares as enlarged by the Adjusted SI Development Share Issuance) at an issue price of RMB11.63 (equivalent to approximately HK\$13.89). The total subscription amount paid by all the placees, including the 9,181,978 shares in Longchuang as consideration from Cao Wenlong which were valued at RMB139,260,000 (equivalent to approximately HK\$166,300,000), amounted to

RMB3,902,140,154.17 (equivalent to approximately HK\$4,659,828,000). After deducting the cost of issuance of RMB46,940,000 (equivalent to approximately HK\$56,054,000), the net proceeds received by SI Development was RMB3,855,200,154.17 (equivalent to approximately HK\$4,603,774,000).

Reference is made to the announcements of the Company dated 28 April 2015 and 2 November 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. Unless otherwise stated, capitalised terms used in this announcement shall have the meanings as those defined therein.

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As a result of the completion of the Adjusted SI Development Share Issuance, SI Development issued an aggregate of 335,523,659 new ordinary shares (representing approximately 30.97% of its total issued shares prior to the Adjusted SI Development Share Issuance and 23.65% of its total issued shares as enlarged by the Adjusted SI Development Share Issuance) at an issue price of RMB11.63 (equivalent to approximately HK\$13.89). The number of shares issued to each placee and the corresponding subscription amount paid are set out in the table below.

Name of subscriber	Number of shares 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 paid (RMB)	Way by which consideration was settled
Shanghai Asset	85,984,522	7.94%	6.06%	999,999,990.86	Cash
Cao Wenlong	20,120,378	1.86%	1.42%	233,999,996.14	(1) 9,181,978 shares in Longchuang, which were valued at RMB139,260,000  (2) Cash in the amount of RMB94,739,996.14
BOSC Asset Management Co., Ltd.	57,901,537	5.34%	4.08%	673,394,875.31	Cash
Jun Zheng (Shanghai) Equity Investment Fund Partnership (Limited Partnership)	51,468,033	4.75%	3.63%	598,573,223.79	Cash
CITIC Securities Company Limited	45,163,199	4.17%	3.18%	525,248,004.37	Cash
China Great Wall Asset Management Corporation	38,601,025	3.56%	2.72%	448,929,920.75	Cash
Beijing Zhong Rong Ding Xin Investment Management Co., Ltd.	36,284,965	3.35%	2.56%	421,994,142.95	Cash

BOSC Asset Management Co., Ltd. is subscribing for the ordinary shares in SI Development through BOSC Asset Wealth No.38 Asset Management Plan (which is managed by itself).

The total subscription amount paid by all the placees, including the 9,181,978 shares in Longchuang as consideration from Cao Wenlong which were valued at RMB139,260,000 (equivalent to approximately HK\$166,300,000), amounted to RMB3,902,140,154.17 (equivalent to approximately HK\$4,659,828,000). After deducting the cost of issuance of RMB46,940,000 (equivalent to approximately HK\$56,054,000), the net proceeds received by SI Development was RMB3,855,200,154.17 (equivalent to approximately HK\$4,603,774,000).

The new ordinary shares in SI Development issued pursuant to the Adjusted SI Development Share Issuance were registered with China Securities Depository and Clearing Corporation Limited on 22 January 2016. Their listing on the Shanghai Stock Exchange is still subject to approval. The 9,181,978 shares in Longchuang (as consideration from Cao Wenlong) have been registered in the name of SI Development as at the date of this announcement. As the new ordinary shares in SI Development shall not be transferred within 36 months after their date of issuance according to the *Measures on Administration of the Issuance of Securities of Listed Companies*\*, it is expected that they will be available for trading on 22 January 2019 (or, if such date is a statutory public holiday, the next trading day).

As a result of the Adjusted SI Development Share Issuance, the Company's shareholding interest in SI Development was diluted in aggregate from 63.65% to 48.60%, which amounted to a deemed disposal of the Company for the purposes of the Listing Rules. 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.

*For the purposes of this announcement, the exchange rate of HK\$1.00 = RMB0.8374 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, 26 January 2016

*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*