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SHK 新工投資有限公司 Hong Kong Industries Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 666)

PLACING OF SHARES BY CONTROLLING SHAREHOLDER

The Company has been informed by its controlling shareholder, Allied Group Limited (“AGL”), that on 10th December, 2010, Bright Clear Limited (the “Vendor”, a wholly-owned subsidiary of AGL) and Rising Fortune Group Limited (the “Placee”) entered into a conditional sale and purchase agreement (the “Agreement”), pursuant to which the Vendor agreed to sell and the Placee agreed to purchase 1,145,000,000 shares of the Company (the “Sale Shares”), representing approximately 27.97% of the issued share capital of the Company, at the consideration of HK\$469,450,000 (HK\$0.41 per share).

Immediately following completion of the sale and purchase of the Sale Shares (“Completion”), AGL’s interest in the Company will be reduced from approximately 72.14% to approximately 44.17% of the issued share capital of the Company, and the Company will cease to be a subsidiary of AGL.

Completion is conditional and may or may not materialize. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when dealing in the shares of the Company.

Background

This statement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company has been informed by AGL, that on 10th December, 2010, the Vendor and the Placee entered into the Agreement pursuant to which the Vendor agreed to sell and the Placee agreed to purchase the Sale Shares, representing approximately 27.97 per cent of the issued share capital of the Company, at the consideration of HK\$469,450,000 (HK\$0.41 per share).

Immediately following Completion, AGL’s interest in the Company will be reduced from approximately 72.14% to approximately 44.17% of the issued share capital of the Company, and the Company will cease to be a subsidiary of AGL.

Conditions

Completion is conditional upon the consolidated net asset value per share of the Company as at 30th November, 2010 expected to be published by the Company on or about 15th December, 2010 being not less than HK\$0.30 (the “NAV Condition”).

The Placee may conduct a due diligence review to ascertain whether the NAV Condition is satisfied on or before 20th January, 2011, and shall notify the Vendor upon its satisfaction of the NAV Condition.

If the Vendor does not receive any notification from the Placee that the NAV Condition is not satisfied, Completion shall take place on or before the 3rd business day from 20th January, 2011. If before 20th January, 2011 the Placee notifies the Vendor that the NAV Condition is satisfied, Completion shall take place within 3 business days from the date of such notification. If the Placee notifies the Vendor on or before 20th January, 2011 with proof that the NAV Condition is not satisfied, the Agreement shall lapse and be terminated.

Shareholding Structure

Based on the latest notifications received by the Company pursuant to Part XV of the Securities and Futures Ordinance, the shareholding structure of the Company before (and after) the completion of the Agreement is (and is expected to be) as follows:

Existing Shareholding

AGL	2,952,869,606	72.14%
Argyle Street Management Holdings Limited	262,500,000	6.41%
Placee	—	—
Others	<u>877,333,385</u>	<u>21.45%</u>
Total issued shares	4,092,702,991	100%

Shareholding after Completion

AGL	1,807,869,606	44.17%
Argyle Street Management Holdings Limited	262,500,000	6.41%
Placee	1,145,000,000	27.97%
Others	<u>877,333,385</u>	<u>21.45%</u>
Total issued shares	4,092,702,991	100%

Note: The shareholding in percentage is subject to rounding

Warning

Completion is conditional and may or may not materialize. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when dealing in the shares of the Company. For further details of the Agreement, please refer to the announcement issued by AGL on 10th December, 2010.

Responsibility

This announcement is made by the order of the board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of its contents.

By Order of the Board
SHK HONG KONG INDUSTRIES LIMITED
Lee Wa Lun, Warren
Chairman

Hong Kong, 10th December, 2010

As at the date of this announcement, the composition of the Board is as follows: Mr. Warren Lee Wa Lun (Chairman) and Mr. Mark Wong Tai Chun are Executive Directors; Mr. Arthur George Dew and Mr. Peter Lee Yip Wah are Non-executive Directors; and Mr. Ambrose So Shu Fai, Mr. Albert Ho and Mr. Louie Chun Kit are Independent Non-executive Directors.