

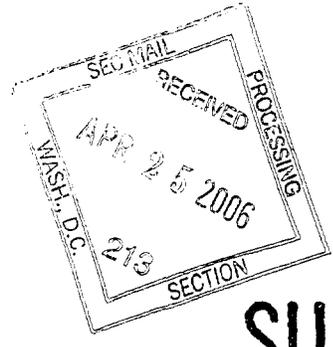
Our Ref: SIHL/ADR/06



24th April 2006

By Courier

Securities and Exchange Commission  
Office of International Corporate Finance  
450 Fifth Street, N.W.  
Washington, D.C. 20549  
United States



**SUPL**

Dear Sirs,

**Shanghai Industrial Holdings Limited**  
**Rule 12g3-2(b) Materials**  
**File No. 82-5160**

On behalf of Shanghai Industrial Holdings Limited (the "Company"), I enclose the following materials pursuant to Rule 12g3-2(b)(1)(iii) under the Securities Exchange Act of 1934 (the "Exchange Act"), in connection with the exemption from reporting under that Rule of the Company:

1. Shareholders' circular dated 24th April 2006 in respect of the share reform plan of Shanghai Industrial United Holdings Co. Ltd.; and
2. Announcement of 2005 Annual Results.

Pursuant to Rule 12g3-2(b)(4) and (5), the enclosed materials shall not be deemed "filed" with the Commission or otherwise subject to the liabilities of Section 18 of the Exchange Act, and the furnishing of such materials shall not constitute an admission for any purpose that the Company is subject to the Exchange Act.

Meanwhile, should you have any queries, please do not hesitate to contact the undersigned at (852) 2876 2306.

Yours faithfully,

Marina Wong  
Company Secretary

**PROCESSED**  
**APR 27 2006**  
**THOMSON FINANCIAL**

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Encl.

c.c. Messrs. Morrison & Foerster, LLP (By mail)  
Attn: Mr. Paul Boltz/Mr. Jonathan Lemberg



**Turnover and segment information**

The Group is principally engaged in the provision of air and sea freight forwarding services, exhibition forwarding and household removal services and third party logistics (representing trucking and warehousing services).

**(a) Primary reporting format - geographical segments**

	Six months ended 31st January 2006					Group
	Greater China	North America	Asia	EMEA	Elimination	
Turnover	1,377,624	339,515	161,363	179,689	-	1,848,291
Interest expense	254,239	47,488	26,471	28,991	(232,411)	1,848,291
Total	1,631,863	387,003	187,834	208,680	(232,411)	1,848,291
Segment results	56,111	33,449	7,853	(9,787)	-	84,613
Finance costs	(9,311)	(137)	(14)	(46)	-	(10,518)
Share of profits less losses of jointly controlled entities	169	-	-	-	-	169
Associates	194	63	343	1,487	-	2,187
Profit before income tax	151,163	32,375	7,839	(10,320)	-	178,057
Income tax expense	(18,752)	(3,117)	(612)	(1,178)	-	(23,659)
Profit for the period	132,411	29,258	7,227	(11,498)	-	154,390
Capital expenditure for property, plant and equipment	1,844	230	1,837	2,146	-	6,057
Depreciation charge	1,872	390	1,432	811	-	4,505
Amortisation charge	878	-	-	-	-	878
Provision for impairment of trade receivables	1,873	211	211	476	-	3,771
Segment assets	154,987	158,173	93,811	97,598	-	1,284,118
Jointly controlled entities	5,518	-	-	-	-	5,518
Associates	4,144	426	3,844	(1,191)	-	7,223
Unallocated assets	-	-	-	-	-	5,284
Total assets	164,649	158,599	97,655	96,407	-	1,302,243
Segment liabilities	418,224	41,433	34,864	73,814	-	568,335
Jointly controlled entities	-	-	-	-	-	-
Associates	-	-	-	-	-	-
Total liabilities	418,224	41,433	34,864	73,814	-	568,335

**(b) Secondary reporting format - business segments**

	Six months ended 31st January 2006					Group
	Turnover	Segment results	Capital expenditure	Total assets	Total liabilities	
Air freight	1,231,879	55,896	4,885	494,534	52,482	
Sea freight	676,317	25,962	2,431	327,788	38,142	
Exhibition forwarding and household removal services	58,875	1,578	932	52,482	5,248	
Third party logistics	90,980	3,677	1,349	98,142	12,120	
Jointly controlled entities	3,048,051	86,013	9,297	972,346	122,120	
Associates	-	-	-	7,069	-	
Unallocated	-	-	-	240,732	-	
Total	3,048,051	86,013	9,297	1,223,901	140,642	

**Other operating income**

	Six months ended 31st January 2006	2005
	HK\$'000	HK\$'000
Compensation on claims (note a)	10,443	-
Net exchange gain	1,681	-
Gain on disposal of non-current assets held for sale (note b)	11,409	-
Gain on partial disposal of an associate	30	-
Gain on disposal of subsidiaries	12	66
Gain on disposal of property, plant and equipment	2,052	504
Interest income	84	812
Others	26,000	1,921

(a) In January 2003, the Group acquired 100% of the issued share capital of Juridex Logistics Holdings Limited and its subsidiaries which are engaged in freight forwarding businesses worldwide. Subsequent to the completion of the acquisition, certain issues were raised and claims had been filed against the vendor.

On 10th January 2006, the Group entered into a settlement deed with the vendor for HK\$25,500,000. The compensation was fully settled in cash on 10th January 2006 and credited in part to the income statement except for the portion relating to the compensation for certain specific future expenses which has been deferred and will be applied to offset those expenses as they are incurred.

(b) On 19th August 2005, the Group disposed of its 50% interest in Korchina Logistics Holdings Limited and 15% interest in Freight Taiwan Limited to Korchina Logistics Holdings Limited. The aggregate consideration of US\$4,600,000 (approximately HK\$37,440,000) was settled in cash on 25th August 2005.

**Operating profit is stated after crediting the following:**

	Six months ended 31st January 2006	2005
	HK\$'000	HK\$'000
Crediting		
Write-back of provision for impairment of trade receivables	3,096	1,277
Charging		
Amortisation charge	878	878
Leasehold land and land use rights	214	-
Intangible assets	10,639	5,704
Depreciation charge	86	345
Owned property, plant and equipment	86	345
Leased property, plant and equipment	22,072	23,125
Net exchange loss	1,981	5,749
Provision for impairment of trade receivables	1,981	5,749

**Finance costs**

	Six months ended 31st January 2006	2005
	HK\$'000	HK\$'000
Interest on bank borrowings and overdrafts	1,746	1,216
Interest element of finance leases	9	47
Total	1,755	1,263

**Income tax expense**

	Six months ended 31st January 2006	2005
	HK\$'000	HK\$'000
Current income tax	2,853	2,577
Hong Kong profits tax	2,118	6,306
Overseas taxation	258	77
Under provision in prior years	(3)	429
Deferred income tax	(10,006)	(10,082)

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The Group's share of income tax expenses of jointly controlled entities and associates of HK\$336,000 (2005: HK\$365,000) and HK\$188,000 (2005: HK\$508,000) are included in the income statement as share of profits less losses of jointly controlled entities and associates respectively.

**Dividend**

	Six months ended 31st January 2006	2005
	HK\$'000	HK\$'000
Interim, proposed, of HK3.7 cents (2005: HK3.3 cents) per share	11,241	9,850

Notes:  
 (a) A final dividend and a special dividend of HK11.0 cents and HK2.0 cents per share respectively for the year ended 31st July 2005 were approved in the Annual General Meeting held on 31st December 2005.  
 (b) At a meeting held on 21st April 2006, the directors declared an interim dividend of HK3.7 cents per share for the six months ended 31st January 2006. This proposed dividend is not classified as a dividend payable in this Condensed Consolidated Financial Statement, but will be reflected as an appropriation of retained profits for the year ending 31st July 2006.

**Earnings per share**

	Six months ended 31st January 2006	2005
	HK\$'000	HK\$'000
Profit attributable to equity holders of the Company for the purposes of basic and diluted earnings per share	71,032	47,256
Weighted average number of shares for the purpose of basic earnings per share (thousands)	303,396	301,501
Effect of dilutive potential shares in respect of share options deemed to be issued at no consideration (thousands)	4,829	1,354
Weighted average number of shares for the purpose of diluted earnings per share (thousands)	308,225	302,855

The calculation of the basic and diluted earnings per share is based on the following:  
 Profit attributable to equity holders of the Company for the purposes of basic and diluted earnings per share

Weighted average number of shares for the purpose of basic earnings per share (thousands)  
 Effect of dilutive potential shares in respect of share options deemed to be issued at no consideration (thousands)

Weighted average number of shares for the purpose of diluted earnings per share (thousands)

**Trade receivables**

	At 31st January 2006	At 31st January 2005
	HK\$'000	HK\$'000
30 days or below	381,983	298,471
31-60 days	155,644	149,898
61-90 days	66,248	58,259
Over 90 days	49,449	36,420
Total	653,324	542,048

The credit terms given to trade customers are determined on an individual basis with the credit period ranging from one month to three months. The ageing analysis of trade receivables (net of provision) was as follows:

	At 31st January 2006	At 31st January 2005
	HK\$'000	HK\$'000
30 days or below	381,983	298,471
31-60 days	155,644	149,898
61-90 days	66,248	58,259
Over 90 days	49,449	36,420
Total	653,324	542,048

**Trade payables**

	At 31st January 2006	At 31st January 2005
	HK\$'000	HK\$'000
30 days or below	89,161	172,140
31-60 days	24,246	43,329
61-90 days	28,049	8,523
Over 90 days	29,279	28,684
Total	181,335	252,736

**Contingent liabilities**

(a) In November 2001, the Group acquired 70% equity interest in BALTRON Logistics (Canada) Limited ("BALTRON Canada") at a consideration of C\$6,440,000, with further contingent consideration payable in 2007 and 2008 amounting to 50% of the net profit of BALTRON Canada exceeding C\$1,840,000 for each of the financial years ending 31st October 2006 and 31st October 2007.

Subsequent to 31st January 2006, the Group has agreed with the vendors to cancel the aforesaid contingent consideration payable in 2007 and 2008 in exchange for a new management commission entitling the vendors to a certain share in the net profit of BALTRON Canada, which will be paid out by BALTRON Canada. Hence, there will be no further contingent consideration outstanding for BALTRON Canada going forward.

(b) In May 2004, the Group acquired 50% equity interest in Exhibitors Logistics Limited ("Exhibitors") at an initial consideration of HK\$4,010,000 with further contingent consideration payable in 2005, 2006 and 2007. The contingent consideration will be serviced by multiplying an applicable percentage to each tier of gross profit achieved within those financial years, as summarised in the following table:

Tiers of annual gross profit achieved during each financial year	Applicable percentage
1. The first US\$200,000 gross profit achieved	0%
2. Gross profit between US\$200,001 and US\$400,000	45.8%
3. Gross profit in excess of US\$400,000	15%

The contingent consideration has been forecast to be HK\$6,839,000 (31st July 2005: HK\$6,839,000) based on the three year business plan provided by the vendors. This amount has been accrued and included as deferred consideration payable as at 31st January 2006. The final contingent consideration will be calculated based on the agreed formula after the gross profit achieved for those financial years has been determined and any excess or shortfall to the accrued amount above will be adjusted accordingly.

(c) During the year ended 31st July 2005, certain subsidiaries of the Company received complaint filed with the United States Bankruptcy Court, alleging that those subsidiaries had collected unsecured debts ("Transfers") of approximately US\$1,400,000 from certain US customers within 90 days preceding 21st March 2003 (the date such US customers filed for voluntary petitions for reorganization relief under Chapter 11 of the Bankruptcy Code in the US), and that these Transfers have enabled these subsidiaries to receive more than they would have received if such Transfers had not been made and these subsidiaries received payment on the unsecured debts to the extent provided by the Bankruptcy Code. The complaint seeks to void and recover such Transfers. The Company has sought legal advice on this issue. In response to the advice from the US counsel, the exposure is likely to be significantly less than the full amount of the alleged Transfers and the provision made in prior year is adequate due to the availability of a wide range of valid defences under the statute of reorganisation as well as the statute regarding several sections of the Bankruptcy Code as well as additional common law defences.

(d) As at 31st January 2006, the Group was subject to claims arising in the normal course of business. The directors are of the opinion that any final claims which may be required to be settled will be insignificant. Accordingly no provision has been made for these claims in the Condensed Consolidated Financial Statements.

**INTERIM DIVIDEND**

The directors have resolved to declare an interim dividend of HK3.7 cents per share (2005 interim dividend: HK3.3 cents per share). The interim dividend will be payable on or before Tuesday, 30th May 2006 to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 17th May 2006.

**CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Monday, 15th May 2006 to Wednesday, 17th May 2006 both days inclusive, during which period, no transfer of shares will be effected. In order to qualify for the above interim dividend, all transfer documents accompanying the relevant share certificates must be lodged with the Company's registrar in Hong Kong, Abacus Share Registrars Limited, 26th Floor, Teasby Centre, 29 Queen's Road East, Hong Kong, no later than 4:00 pm on Friday, 12th May 2006. Dividend warrants will be dispatched to the shareholders on or before Tuesday, 30th May 2006.

**PURCHASE, SALE OR REDEMPTION OF SHARES**

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

**COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES**

Throughout the period, the Company was in compliance with the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules, except for the following deviation:

Code provision A2.1  
 The above provision requires the roles of chairman and chief executive officer to be separate and should not be performed by the same individual. The division of responsibility between the chairman and chief executive officer should also be clearly established in writing. Currently the Chairman of the Company assumes the role of the chief executive officer which constitutes a deviation from the Code.

Code provision A4.1  
 The above provision states that non-executive directors should be appointed for a specific term, subject to re-election. Although non-executive directors are not appointed to a term specified by the Company's Bye-laws, the Company's Bye-laws requires that every director is subject to re-election at the general meetings once every three years.

Code provision A4.1  
 However, the Company will make such appropriate arrangement in order to have all non-executive directors appointed for a specific term.

**COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the model code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors (the "Code"). Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Code for the period under review.

**REVIEW OF INTERIM RESULTS**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters during a review of the unaudited interim financial statements for the six months ended at 31st January 2006 with the directors.

**SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of its directors, the directors confirm that the Company has maintained during the financial period, the amount of public float as required under the Listing Rules.

**PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

The 2006 Interim Report will be dispatched to shareholders as well as made available on the Stock Exchange of Hong Kong Limited's website.

On behalf of the Board  
 Anthony Siu Wing Lau  
 Chairman and Chief Executive

Hong Kong, 21st April 2006  
 As at the date of this announcement, the Board of the Company comprises executive directors: Mr. Lau Siu Wing Anthony and Mr. Ng Hooi Chong; non-executive directors: Mr. Wei Chiu Hui, Mr. William David Farrow, Mr. Christopher John David Clarke and Mr. Naruyuki Sudo; and independent non-executive directors: Mr. Yu Hon To David, Mr. Lau Kin Yee Miriam and Mr. Ng Cheung Shing.

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- Sex indication, e.g. male or female
- Marital status, e.g. single, married etc
- Disability status, e.g. physical or mental
- Pregnancy status
- Family status

Publishers, advertisers and the advertising agents are each responsible for ensuring that advertisements do not contain any discriminatory elements which violate any of the above Ordinances. As publisher, South China Morning Post Publishers Limited ("SCMP") reserves the right to reject, decline or refuse to publish in whole or in part or to amend any advertisement without prior notice to advertisers. SCMP shall not be liable for any loss or damage arising as a result of such non-publication or amendment as aforesaid (nor shall any refund or reduction from the costs of the advertisement or any other compensation be granted by SCMP to the advertisers in the event of such non-publication or amendment).

DIVIDENDS DECLARED

Table listing dividends for various companies including Johnson & Johnson, Alcoa, and others, with columns for company name, dividend amount, and date.

SUBSTANTIAL SHAREHOLDER NOTIFICATIONS REPORT

Table listing substantial shareholdings for various companies, including names of shareholders, share counts, and percentages.

HIGH COURT WRITS

Table listing high court writs, including case numbers, plaintiffs, defendants, and particulars.

OFFICIAL LIST

Table listing official listings for various companies, including company names, stock codes, and listing dates.

Tender Notices

345 Lockhart Rd., Wan Fung Mansion, HK. Tender Pre-qualification Notice. Contractors experienced in repair works can submit the following for tender pre-qualification...

Legal & General Notices

WONG'S KING KING INTERNATIONAL (HOLDINGS) LIMITED. NOTICE OF ANNUAL GENERAL MEETING. NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Salon 5, JW Marriott Ballroom, JW Marriott Hotel Hong Kong...

Legal & General Notices

TCL 通訊科技控股有限公司. DISCLOSE TRANSACTION. Reference is made to the announcement of the Company dated 3 April 2006 in relation to the JV Agreement, the Acquisition and future business arrangements between the Group and JRD Group...

Workplace English Training

職業英語培訓資助計劃. Funding Scheme for Workplace English Training. 網頁 Website: www.english.gov.hk

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Shanghai Industrial Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Shanghai Industrial Holdings Limited.

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**上海實業控股有限公司**

**SHANGHAI INDUSTRIAL HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 363)**

## **DISCLOSEABLE TRANSACTION**

### **SHARE REFORM PLAN**

#### **OF**

### **SHANGHAI INDUSTRIAL UNITED HOLDINGS CO., LTD.**

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A letter from the board of directors of Shanghai Industrial Holdings Limited on the share reform plan of Shanghai Industrial United Holdings Co., Ltd. is set out on pages 3 to 9 of this circular.

24th April 2006

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## DEFINITIONS

*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

<b>Term</b>	<b>Meaning</b>
“A Shares”	freely transferable shares of SI United
“Board”	the board of Directors
“Company”	Shanghai Industrial Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“Conversion Date”	the date all Non-Tradable Shares have been converted into A Shares pursuant to the Share Reform Plan
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	20th April 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Companies
“Non-Tradable Shares”	non-freely transferable shares of SI United
“PRC”	the People’s Republic of China
“Qingchunbao”	Chia Tai Qingchunbao Pharmaceutical Co. Ltd., a limited liability company established under the laws of the PRC and owned by the Group as to 55%
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shanghai Industrial YKB”	Shanghai Industrial YKB Limited, a company incorporated under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Shareholders”	holder(s) of the share(s) in the capital of the Company

“Share Reform Plan”	the plan for conversion of all Non-Tradable Shares into tradable A Shares in exchange for an offer of Non-Tradable Shares to holders of A Shares proposed by Shanghai Industrial YKB, with further details as described in this circular
“SIH”	Shanghai Investment Holdings Ltd., a limited liability company established under the laws of the British Virgin Islands
“SIIC”	Shanghai Industrial Investment (Holdings) Co. Ltd., a company incorporated in Hong Kong with limited liability
“SIIC Capital”	SIIC Capital (B.V.I.) Ltd., a limited liability company established under the laws of the British Virgin Islands
“SIIC CM Development”	SIIC CM Development Ltd., a limited liability company established under the laws of the British Virgin Islands
“SI United”	Shanghai Industrial United Holdings Co., Ltd., a joint stock limited company established under the laws of the PRC which is a subsidiary of the Company listed on the A Shares Market of the Shanghai Stock Exchange (stock code: 600607)
“STC”	Shanghai Industrial Investment Treasury Co. Ltd., a limited liability company established under the laws of the British Virgin Islands
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

*In this circular, for reference purpose only and unless otherwise stated, the exchange rate at HK\$1 = RMB1.04 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.*



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 363)

*Executive Directors:*

Mr. Cai Lai Xing (Chairman)  
Mr. Cai Yu Tian (Vice Chairman and Chief Executive Officer)  
Mr. Qu Ding (Vice Chairman and Executive Deputy CEO)  
Mr. Lu Ming Fang  
Mr. Ding Zhong De  
Mr. Qian Shi Zheng (Deputy CEO)  
Mr. Yao Fang  
Mr. Tang Jun

*Registered office:*

26th Floor  
Harcourt House  
39 Gloucester Road  
Wanchai  
Hong Kong

*Independent Non-executive Directors:*

Dr. Lo Ka Shui  
Prof. Woo Chia-Wei  
Mr. Leung Pak To, Francis

24th April 2006

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION**

**SHARE REFORM PLAN  
OF**

**SHANGHAI INDUSTRIAL UNITED HOLDINGS CO., LTD.**

**1. INTRODUCTION**

On 6th April 2006, the Directors announced that under the Share Reform Plan, Shanghai Industrial YKB, an indirect wholly-owned subsidiary of the Company, would offer three Non-Tradable Shares to all holders of A Shares for every ten A Shares held by each such holder in exchange for the consent by the holders of A Shares to the conversion of all Non-Tradable Shares held by Shanghai Industrial YKB into tradable A Shares. There will be a reduction of shareholding in SI United held by Shanghai Industrial YKB pursuant to the Share Reform Plan.

~~LETTER FROM THE BOARD~~

The reduction of shareholding in SI United pursuant to the Share Reform Plan constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. The Company is required by the Listing Rules to issue this circular to provide the Shareholders with further information on such transaction and to give other information in relation to the Company.

## **2. THE SHARE REFORM PLAN**

SI United is held by Shanghai Industrial YKB as to approximately 56.63% of its total issued share capital which comprises the entire issued Non-Tradable Shares. All the A Shares being the remaining issued share capital of SI United are listed on the Shanghai Stock Exchange.

Under the Share Reform Plan proposed by Shanghai Industrial YKB, Shanghai Industrial YKB will offer three Non-Tradable Shares to all holders of A Shares for every ten A Shares held by each such holder in exchange for the consent by the holders of A Shares to the conversion of all Non-Tradable Shares held by Shanghai Industrial YKB into tradable A Shares. The Share Reform Plan will be proposed for consideration and approval by the shareholders of SI United at a general meeting of SI United to be convened on 24th April 2006.

### **Conditions of the Share Reform Plan**

The Share Reform Plan is subject to the following:

1. the approvals of more than two-thirds of the voting rights of (i) all the shareholders of SI United and (ii) the holders of A Shares attending the general meeting; and
2. all other necessary approval as may be required to be obtained in relation to the Share Reform Plan pursuant to the applicable legal requirements or provisions.

If any of such approvals cannot be obtained, the Share Reform Plan will not be implemented. There is no long stop date for fulfillment of the above conditions. The Company will issue a further announcement if the Share Reform Plan will not be implemented.

### **Undertakings**

In connection with the Share Reform Plan, Shanghai Industrial YKB undertakes that:

- (i) it will after approval of the Share Reform Plan at a general meeting of shareholders of SI United, actively cooperate with the board of directors of SI United to implement the Share Reform Plan;

- (ii) within 24 months from the Conversion Date, it will not trade or transfer the A Shares which are originally converted from Non-Tradable Shares and, within 12 months thereafter, it will not dispose of such A Shares representing more than 5% of the total number of shares of SI United on the Shanghai Stock Exchange and it will comply with the statutory disclosure requirements.

In addition, the Company undertakes that it will at the appropriate time transfer or inject its shareholding in Qingchunbao to SI United at a fair market price in accordance with applicable legal requirements and procedures. The Company currently has a 55% indirect equity interest in Qingchunbao. The Company will make disclosure of details of the proposed transfer of shareholding in Qingchunbao when the duty of disclosure under the Listing Rules arises.

### **3. CHANGE IN THE PERCENTAGE SHAREHOLDING IN SI UNITED HELD BY THE GROUP**

SI United is held by the Company through Shanghai Industrial YKB, its indirect wholly-owned subsidiary, as to approximately 56.63%. After the transfers of shares in SI United by Shanghai Industrial YKB to the holders of A Shares on the basis of three Non-Tradable Shares for every ten A Shares held by each such holder under the Share Reform Plan, the percentage shareholding in SI United held by Shanghai Industrial YKB will be reduced to approximately 43.62%.

The aggregate number of Non-Tradable Shares disposed of by Shanghai Industrial YKB to the holders of A Shares amount to approximately 13.01% of the total issued share capital of SI United. The net asset value of the portion of shareholding in SI United being disposed of by Shanghai Industrial YKB under the Share Reform Plan is RMB218,812,000 (equivalent to approximately HK\$210,396,000) based on the unaudited consolidated balance sheet of SI United as at 30th September 2005, which were prepared in accordance with the generally accepted accounting principles in the PRC.

### **4. CHANGES IN SHAREHOLDING STRUCTURE OF SI UNITED**

Under the Share Reform Plan, the percentage shareholding in SI United held by the Group will be reduced from 56.63% to 43.62%. The following are the changes in the shareholding structure of SI United before and after completion of the Share Reform Plan.

**Before completion of the Share Reform Plan**

Type of Shares	No. of Shares	Percentage of total issued share capital of SI United
Non-Tradable Shares (all held by Shanghai Industrial YKB)	173,580,341	56.63%
Tradable A Shares	<u>132,932,010</u>	<u>43.37%</u>
Total	<u><u>306,512,351</u></u>	<u><u>100.00%</u></u>

**After completion of the Share Reform Plan**

Type of Shares	No. of Shares	Percentage of total issued share capital of SI United
Non-Tradable Shares	Nil	Nil
Tradable A Shares held by Shanghai Industrial YKB (subject to non-disposal undertakings)	133,700,738	43.62%
Tradable A Shares held by other shareholders	<u>172,811,613</u>	<u>56.38%</u>
Total	<u><u>306,512,351</u></u>	<u><u>100.00%</u></u>

**5. INFORMATION ON SI UNITED**

SI United is a subsidiary owned by the Company as to approximately 56.63%, the A shares of which are listed on the Shanghai Stock Exchange. SI United and its subsidiaries are principally engaged in the manufacture and sale of medical and pharmaceutical products and commercial network operations.

As at the Latest Practicable Date, Mr. Lu Ming Fang, Mr. Ding Zhong De (both being Directors) and Mr. Lu Shen (a former Director who resigned in December 2005) beneficially owned 15,000 A Shares, 15,000 A Shares and 12,000 A Shares respectively, representing approximately 0.005%, 0.005% and 0.004% of the total issued share capital of SI United. To the best of the Director's knowledge, information and belief and having made all reasonable enquiries, the other holders of A Shares are third parties independent of and not connected with any of the directors, chief executive or substantial shareholders of the Group or any of their respective associates.

The consolidated profit before taxation and minority interests and the consolidated profit after taxation and minority interests of SI United for the two years ended 31st December 2004 and the nine months period ended 30th September 2005, which were prepared in accordance with the generally accepted accounting principles in the PRC, were as follows:

	<u>Audited</u>	<u>Audited</u>	<u>Unaudited</u>
	Year ended	Year ended	Nine months
	31st December	31st December	ended
	2003	2004	30th September
	<i>RMB'000</i>	<i>RMB'000</i>	2005
			<i>RMB'000</i>
Consolidated profit before taxation and minority interests	140,314	175,527	149,301
Consolidated profit after taxation and minority interests	96,830	104,900	75,258

The consolidated total asset value and the consolidated net asset value of SI United for the two years ended 31st December 2004 and the nine months period ended 30th September 2005, which were prepared in accordance with the generally accepted accounting principles in the PRC, were as follows:

	<u>Audited</u>	<u>Audited</u>	<u>Unaudited</u>
	Year ended	Year ended	Nine months
	31st December	31st December	ended
	2003	2004	30th September
	<i>RMB'000</i>	<i>RMB'000</i>	2005
			<i>RMB'000</i>
Consolidated total asset value	2,649,814	3,039,560	2,982,919
Consolidated net asset value	1,570,533	1,641,586	1,681,773

The audited consolidated turnover of SI United for each of the two years ended 31st December 2003 and 31st December 2004 amounted to approximately RMB1,819,877,000 and RMB2,238,653,000.

## 6. REASONS FOR AND BENEFITS OF THE SHARE REFORM PLAN

The implementation of the Share Reform Plan is in line with the prevailing development of the securities market of the PRC and will render the Non-Tradable Shares held by Shanghai Industrial YKB becoming freely transferable on the Shanghai Stock Exchange.

Qingchunbao is a manufacturer of Chinese medicinal products primarily based on natural herbal ingredients in mainland PRC. The Directors consider that the transfer of shareholding in Qingchunbao to SI United by the Company pursuant to its undertaking referred to above will serve the purpose of streamlining the corporate structure of the Group and consolidating the Group's corporate interests in the medical business.

The Directors believe that the terms of the Share Reform Plan are fair and reasonable and in the interests of the Shareholders as a whole.

## **7. FINANCIAL EFFECTS OF THE SHARE REFORM PLAN**

Pursuant to the Share Reform Plan and based on the unaudited net asset value of SI United as at 30th September 2005, the Group will record an exceptional loss of approximately HK\$200 million for the year ending 31st December 2006 upon completion of the Share Reform Plan. Such exceptional loss is calculated by reference to the unaudited carrying value in the accounts of the Group as at 30th September 2005 of the aggregate number of Non-Tradable Shares to be offered to the holders of A Shares (amounting to approximately 13.01% of the total issued share capital of SI United) under the Share Reform Plan of approximately HK\$200 million. Since Shanghai Industrial YKB will not receive any proceeds from the transfer of such Non-Tradable Shares to the holders of A Shares, the estimated amount of the exceptional loss is equal to the unaudited carrying value of those Non-Tradable Shares. As such exceptional loss will only be recorded in the profit and loss account of the Group and will not involve a cash outflow, the Directors consider that the Share Reform Plan will have no material adverse effect on the day-to-day operations of the Group.

Out of the nine directors of SI United, apart from the three independent directors, all other directors of SI United were nominated by the Company. Over half of the directors on the board of SI United were thus nominated by the Company and the Company controls the board of SI United. The Company has confirmed with its auditors that because there will be no change to the board of directors and management of SI United before and after completion of the Share Reform Plan, SI United will remain controlled by the Company and will continue to be accounted for and consolidated in the audited consolidated accounts of the Company as a subsidiary after completion of the Share Reform Plan.

### **(i) Effect on net asset value**

Net asset value of the Group will decrease by approximately HK\$200 million (being the unaudited carrying value of the investment by the Group in SI United as at 30th September 2005 attributable to the shareholding in SI United to be reduced under the Share Reform Plan) after completion of the Share Reform Plan, which principally reflects the exceptional loss on the reduction of shareholding in SI United held by the Group from 56.63% to 43.62%. Such change in net asset value of the Group represents approximately 1.28% of the audited consolidated net asset value of the Group as at 31st December 2004. The Directors consider that the exceptional loss will not have a material adverse financial effect on the Group.

(ii) **Effect on earnings**

After completion of the Share Reform Plan, the consolidated net profit of the Group will be reduced for the part of the results contributed by SI United due to the reduction of shareholding in SI United held by the Group of approximately 13.01%.

In view of the profits contributed by SI United to the Group, the Directors consider that there will be no material impact on the earnings of the Group as a result of the reduction of shareholding in SI United held by the Group.

**8. GENERAL**

The Group is principally engaged in the business of infrastructure facilities, medicine, consumer products and information technology. Shanghai Industrial YKB is an investment holding company.

As the revenue ratio under Chapter 14 of the Listing Rules for the reduction of shareholding in SI United held by Shanghai Industrial YKB under the Share Reform Plan exceeds 5% but is less than 25%, such reduction constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

Yours faithfully,  
For and on behalf of the Board  
**CAI LAI XING**  
*Chairman*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the interest or short positions of the Directors and the chief executive of the Company in the shares and underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### (i) Interests in shares and underlying shares of the Company

#### (a) Ordinary Shares

Name of Director	Capacity	Nature of interests	Number of issued shares of the Company held	Percentage of total issued share capital of the Company
Cai Lai Xing	Beneficial Owner	Personal	4,000,000	0.41%
Qu Ding	Beneficial Owner	Personal	1,250,000	0.13%
Lu Ming Fang	Beneficial Owner	Personal	4,200,000	0.43%
Ding Zhong De	Beneficial Owner	Personal	200,000	0.02%
Qian Shi Zheng	Beneficial Owner	Personal	200,000	0.02%
Yao Fang	Beneficial Owner	Personal	200,000	0.02%

All interests stated above represented long positions.

*(b) Share Options*

Name of Director	Capacity	Date of grant	Exercise price	Number of share options of the Company held	Percentage of total issued share capital of the Company
Cai Lai Xing	Beneficial Owner	September 2005	HK\$14.89	800,000	0.08%
Qu Ding	Beneficial Owner	September 2005	HK\$14.89	560,000	0.06%
Lu Ming Fang	Beneficial Owner	September 2005	HK\$14.89	480,000	0.05%
Qian Shi Zheng	Beneficial Owner	September 2005	HK\$14.89	300,000	0.03%
Tang Jun	Beneficial Owner	September 2005	HK\$14.89	300,000	0.03%

The above share options are exercisable within a period of three years commencing from 2nd March 2006 to 1st March 2009.

**(ii) Interests in shares of associated corporation of the Company***SI United*

Name of Director	Capacity	Nature of interests	Number of issued publicly tradable shares of SI United held	Percentage of total issued share capital of SI United
Lu Ming Fang	Beneficial Owner	Personal	15,000	0.005%
Ding Zhong De	Beneficial Owner	Personal	15,000	0.005%

All interests stated above represented long positions.

- (b) As at the Latest Practicable Date, so far as was known to the Directors, the interest of the persons (not being a Director or chief executive of the Company) in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity	Nature of interests	Number of ordinary shares of the Company beneficially held	Percentage of total issued share capital of the Company
<i>(a) Long Positions</i>				
SIIC	Interest held by controlled corporations	Corporate	548,076,000 <i>(note (i))</i>	56.62%
Templeton Asset Management Limited	Beneficial owner	Corporate	48,436,253	5.00%
<i>(b) Short Positions</i>				
SIIC	Interest held by controlled corporations	Corporate	87,653,993 <i>(note (ii))</i>	9.06%

*Notes:*

- (i) SIH, SIIC Capital and SIIC CM Development held 468,066,000, 80,000,000 and 10,000 ordinary shares of the Company respectively. SIIC owns 100% of SIIC CM Development and STC respectively whereas STC owns 100% of SIH, which in turn owns 100% of SIIC Capital.
- (ii) SIIC was taken to have short positions in respect of 87,653,993 underlying shares of the Company under certain listed equity derivatives pursuant to the Zero Coupon Guaranteed Exchangeable Bonds issued by STC due March 2009 unconditionally and irrevocably guaranteed by SIIC and exchangeable into ordinary shares of the Company.

As at the Latest Practicable Date, so far as was known to the Directors, the following Directors are also directors or employees of SIIC:

Name of Director	Position held in SIIC
Mr. Cai Lai Xing	Chairman
Mr. Cai Yu Tian	Executive Director and President
Mr. Qu Ding	Executive Director and Executive Vice President
Mr. Lu Ming Fang	Executive Director
Mr. Ding Zhong De	Executive Director
Mr. Qian Shi Zheng	Vice President

- (c) As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than members of the Group) were directly or indirectly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the following members of the Group (other than the Company) and the amount of each of such person's interest in such securities were as follows:

Name of member of the Group	Name of substantial shareholders	Class of share capital	Percentage of shareholding
Changzhou Pharmaceutical Co. Ltd.* (常州藥業股份有限公司)	Changzhou State-owned Assets Investment Co.* (常州國有資產投資經營總公司)	equity interest	23.05%
Chia Tai Qingchunbao Pharmaceutical Co. Ltd.	China (Hangzhou) Qingchunbao Group Co. Ltd.* (中國(杭州)青春寶集團有限公司)	equity interest	20%
	Hangzhou Chia Tai Qingchunbao Staff Shareholding Association* (杭州市正大青春寶職工持股協會)	equity interest	20%
Chifeng Arker Pharmaceutical Technology Co. Ltd.* (赤峰艾克製藥科技股份有限公司)	Hainan Dalong International Investment Co. Ltd.* (海南大龍國際投資有限公司)	equity interest	14.67%
	Shenzhen Yigong Industrial Co. Ltd.* (深圳益公實業有限公司)	equity interest	14.67%
Chifeng Mysun Pharma Co. Ltd.* (赤峰蒙欣藥業有限公司)	Chifeng Pharmaceutical (Group) Co. Ltd.* (赤峰製藥(集團)有限責任公司)	equity interest	17.91%
Guangdong Techpool Biochem Pharma Co. Ltd.* (廣東天普生化醫藥股份有限公司)	Guangzhou Bopu Biotechnology Co. Ltd.* (廣州市博普生物技術有限公司)	equity interest	32.75%
	Guangdong Province Technology Venture Investment Co.* (廣東省科技創業投資公司)	equity interest	10%
Hangzhou Huqingyutang Pharmaceutical Co. Ltd.	Hangzhou Huqingyutang Investment Co. Ltd.	equity interest	44.9566%
Liaoning Herbapex Pharmaceutical (Group) Co. Ltd.	Medieval International Limited	equity interest	28.8%
	Zheng Ji Yu	equity interest	16.5%

\* The English name is an informal English translation of the official Chinese name.

Name of member of the Group	Name of substantial shareholders	Class of share capital	Percentage of shareholding
Mergen Biotech Limited	Excellent Hope Holdings Inc.	ordinary share	15%
Shanghai Qiyi Dental Equipment Co. Ltd.* (上海奇異牙科器材有限公司)	Shanghai Dental Materials Factory Qi Xin Operating Services Department* (上海齒科材料廠奇新綜合經營服務部)	equity interest	10%
Shanghai Sunway Biotech Co. Ltd.	Shanghai Alliance Investment Ltd.	equity interest	18.6%
Shanghai Tongjian Pharmacy Co. Ltd.* (上海同健藥房有限公司)	Shanghai Huajian Medical Technology Co.* (上海華健醫藥科技公司)	equity interest	40%
Shanghai Victor Medical Instrument Co. Ltd.	The Mansfield Corp. USA	equity interest	30%
Shanghai Yichuang Traditional Chinese Medicine Research & Development Center Co. Ltd.	Shanghai University of Traditional Chinese Medicine Technological Development Co.* (上海中醫大科技發展公司)	equity interest	45%
Shanghai Yuemin Pharmacy Co. Ltd.* (上海悅民大藥房有限公司)	Shanghai Yuanfeng Pharmacy* (上海源豐藥房)	equity interest	30%
Shanghai Yunhu Raw-pharmaceutical Co. Ltd.* (上海雲湖醫藥藥材股份有限公司)	Shanghai Yunhu Raw Pharmaceutical Co. Ltd. Staff Shareholding Association* (上海雲湖醫藥藥材股份有限公司職工持股會)	equity interest	14.09%
SI United Changcheng Pharmaceutical Co. Ltd.* (上海實業聯合集團長城藥業有限公司)	Jin Jiang International Holdings Co. Ltd.	equity interest	30%
SI United Pharmacy Co. Ltd.* (上海實業聯合集團大藥房有限公司)	Shanghai Zhenru Shangcheng Co. Ltd.* (上海真如商城股份有限公司)	equity interest	10%
Xiamen Traditional Chinese Medicine Co. Ltd.	Xiamen Dinglu Ind. Corp.* (廈門鼎爐實業總公司)	equity interest	30%

\* The English name is an informal English translation of the official Chinese name.

Name of member of the Group	Name of substantial shareholders	Class of share capital	Percentage of shareholding
Chengdu Jiuxing Printing and Packing Co. Ltd.	Sichuan Quanxing Co. Ltd.	equity interest	20%
	Chengdu Jiang Shi Investment Co. Ltd.* (成都江氏投資有限公司)	equity interest	29%
Chengdu Wingfat Printing Co. Ltd.* (成都永發印務有限公司)	Sichuan Quanxing Co. Ltd.	equity interest	20%
	Chengdu Jiang Shi Investment Co. Ltd.* (成都江氏投資有限公司)	equity interest	29%
Hebei Yongxin Paper Co. Ltd.* (河北永新紙業有限公司)	Xinnan (Tianjin) Paper Co. Ltd.* (新南(天津)紙業有限公司)	equity interest	29%
Xuchang Yongchang Printing Co. Ltd.	Xuchang Cigarette Factory* (許昌捲煙總廠)	equity interest	49%
Zhejiang Rongfeng Paper Co. Ltd. (浙江榮豐紙業有限公司)	Hui Kin Yip	equity interest	6.375%

(d) Save as disclosed above, as at the Latest Practicable Date:

- (i) so far as was known to the Directors, none of the Directors or chief executive of the Company had any interest or short positions in any shares or underlying shares or interest in debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.
- (ii) there was no person known to the Directors who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, was, directly or indirectly, interested in 10% or more of the nominal valued of the issued share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group, or any options in respect of such capital.

\* The English name is an informal English translation of the official Chinese name.

**3. DIRECTORS' INTERESTS IN CONTRACTS**

- (a) As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.
- (b) Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31st December 2004, (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by, or leased to the Company or any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (c) Save as disclosed herein, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular and which is significant in relation to the business of the Group.

**4. DIRECTORS' INTEREST IN COMPETING BUSINESS**

As at the Latest Practicable Date, so far as was known to the Directors, none of the Directors, and their respective associates was considered to have interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group pursuant to the Listing Rules.

**5. LITIGATION**

So far as the Directors are aware, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or arbitration of material importance was pending or threatened against the Company or any of its subsidiaries as at the Latest Practicable Date.

**6. MISCELLANEOUS**

- (a) The registered office of the Company is at 26th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.
- (b) The share registrar and transfer office of the Company is Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Ms. Wong Mei Ling, Marina who is a Fellow of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (d) The qualified accountant of the Company is Mr. Lee Kim Fung, Edward who is a Fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.
- (e) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

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上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(於香港註冊成立之有限公司)

(股份代號：363)

須予披露交易

上海實業聯合集團股份有限公司

之

股權分置改革方案

上海實業控股有限公司董事會就上海實業聯合集團股份有限公司之股權分置改革方案而發出之函件載於本通函第3頁至第9頁。

二零零六年四月二十四日

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在本通函內，除文義另有所指外，下列詞語具有以下涵義：

詞彙	涵義
「流通股」	上實聯合之流通股股份
「董事會」	董事會
「本公司」	上海實業控股有限公司，一家根據香港法律註冊成立之有限責任公司，其股份於聯交所主板上市
「換股日期」	根據股權分置改革方案，所有非流通股轉換為流通股之日期
「董事」	本公司董事
「本集團」	本公司及其附屬公司
「最後實際可行日期」	二零零六年四月二十日，即本通函付印前為確定其所載若干資料的最後實際可行日期
「上市規則」	聯交所證券上市規則
「標準守則」	上市公司董事進行證券交易的標準守則
「非流通股」	上實聯合之非流通股股份
「中國」	中華人民共和國
「青春寶」	正大青春寶藥業有限公司，一家根據中國法律成立之有限責任公司並由本集團擁有其55%權益
「證券及期貨條例」	香港法例第571章證券及期貨條例
「上實YKB」	Shanghai Industrial YKB Limited，一家根據英屬維爾京群島法律成立之公司，為本公司之間接全資附屬公司
「股東」	本公司股本中的股份持有人

「股權分置改革方案」	上實YKB建議通過向流通股股東轉讓非流通股股份，以換取將所有非流通股轉換為流通股之方案，詳情載於本通函
「上海投資」	Shanghai Investment Holdings Ltd.，一家根據英屬維爾京群島法律成立的有限責任公司
「上實集團」	上海實業(集團)有限公司，一家在香港註冊成立的有限責任公司
「上實資本」	SIIC Capital (B.V.I.) Ltd.，一家根據英屬維爾京群島法律成立的有限責任公司
「上實崇明開發」	上海實業崇明開發建設有限公司，一家根據英屬維爾京群島法律成立的有限責任公司
「上實聯合」	上海實業聯合集團股份有限公司，一家根據中國法律成立之股份有限公司，為本公司一家於上海證券交易所A股市場上市之附屬公司(證券代碼：600607)
「上實財務」	Shanghai industrial Investment Treasury Company Ltd.，一家根據英屬維爾京群島法律成立之有限公司
「聯交所」	香港聯合交易所有限公司
「港元」	港元，香港法定貨幣
「人民幣」	人民幣，中國法定貨幣

在本通函內，除非另有註明，否則在適用情況下所採納的人民幣兌港元匯率為1港元兌人民幣1.04元，惟僅供參考說明之用，並不表示曾經、可能曾經或可以於有關的某個或多個日期或任何其他日期，按任何特定匯率兌換任何款項。



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(於香港註冊成立之有限公司)

(股份代號：363)

執行董事：

蔡來興先生 (董事長)

蔡育天先生 (副董事長及行政總裁)

瞿定先生 (副董事長及常務副行政總裁)

呂明方先生

丁忠德先生

錢世政先生 (副行政總裁)

姚方先生

唐鈞先生

註冊辦事處：

香港灣仔

告士打道三十九號

夏慤大廈二十六樓

獨立非執行董事：

羅嘉瑞先生

吳家璋先生

梁伯韜先生

敬啟者：

須予披露交易

上海實業聯合集團股份有限公司進行  
之  
股權分置改革方案

1. 緒言

於二零零六年四月六日，董事公佈本公司之間接全資附屬公司上實YKB同意根據股權分置改革方案向所有流通股股東提出要約，即流通股股東每持有10股流通股將獲3股非流通股，以換取流通股股東同意上實YKB持有之所有非流通股轉換為流通股。根據股權分置改革方案，本公司所持上實聯合之股權將會調減。

按上市規則第14.06條，根據股權分置改革方案而導致上實聯合股權的調減構成本公司須予披露交易。根據上市規則，本公司須刊發本通函，以向股東提供是項交易之進一步資料及有關本公司之其他資料。

## 2. 股權分置改革方案

上實YKB持有上實聯合已發行股本總額約56.63%，為已發行非流通股的全數。上實聯合所有流通股（即其餘之已發行股本）於上海證券交易所上市。

根據上實YKB提議的股權分置改革方案，上實YKB同意向所有流通股股東提出要約，即流通股股東每持有10股流通股將獲3股非流通股，以換取流通股股東同意上實YKB持有之所有非流通股轉換為流通股。股權分置改革方案將於二零零六年四月二十四日召開之上實聯合股東大會上提呈上實聯合股東，以供彼等考慮及批准。

### 股權分置改革方案之條件

股權分置改革方案乃受下列條件規限：

1. 股權分置改革方案需(i)參加相關股東會議表決的股東所持表決權的三分之二以上通過並(ii)經參加相關股東會議表決的流通股股東所持表決權的三分之二以上通過；及
2. 已根據適用的法律規定或條文，取得股權分置改革方案可能需要的全部其他必要審批。

若任何上述批准無法取得，則股權分置改革方案將不會予以實行。上述條件的達成並無最後完成日期。倘若不實行股權分置改革方案，則本公司將另行發表公佈。

### 承諾

就股權分置改革方案，上實YKB承諾：

- (i) 在上實聯合股東大會對股權分置改革方案作出決議後，將積極配合上實聯合董事會，落實股權分置改革方案；

- (ii) 非流通股股份自換股日期起，在二十四個月內不上市交易或轉讓。在上述期滿後的十二個月內，通過上海證券交易所掛牌交易出售的原非流通股股份佔上實聯合股份總數的比例不超過5%，並遵守法定信息披露要求。

此外，本公司承諾將按照適用法律規定及程序，將其持有之青春寶股權適時和採用市場公允價格轉讓予或注入上實聯合。本公司目前間接持有青春寶55%股本權益。本公司將在上市規則項下具披露責任時披露有關建議轉讓青春寶股權之詳情。

### 3. 本集團持有上實聯合股權百分比之調整

本公司透過其間接全資附屬公司上實YKB持有上實聯合約56.63%權益。根據股權分置改革方案，上實YKB在按各流通股股東每持有10股流通股可獲3股非流通股的基準，向流通股股東轉讓上實聯合之股份後，上實YKB於上實聯合之股權百分比將減至約43.62%。

上實YKB向流通股股東出售之非流通股總額，佔上實聯合之全部已發行股本約13.01%。根據上實聯合於二零零五年九月三十日之未經審核綜合資產負債表(根據中國公認會計準則編製)計算，上實YKB根據股權分置改革方案調減上實聯合股權部分之資產淨值為人民幣218,812,000元(相當於約210,396,000港元)。

### 4. 上實聯合之股權架構變動

根據股權分置改革方案，本集團所持上實聯合之股權百分比，將由56.63%減至43.62%。於股權分置改革方案完成前後，上實聯合股權架構的變動如下：

## 股權分置改革方案完成前

股份類別	股份數目	佔上實聯合 已發行股本 總額百分比
非流通股(全部由上實YKB持有)	173,580,341	56.63%
流通股	132,932,010	43.37%
合計	<u>306,512,351</u>	<u>100.00%</u>

## 股權分置改革方案完成後

股份類別	股份數目	佔上實聯合 已發行股本 總額百分比
非流通股	無	無
由上實YKB持有之流通股 (受不出售承諾規限)	133,700,738	43.62%
由其他股東持有之流通股	172,811,613	56.38%
合計	<u>306,512,351</u>	<u>100.00%</u>

## 5. 有關上實聯合之資料

上實聯合為本公司擁有其約56.63%股權之附屬公司，其流通股於上海證券交易所上市。上實聯合及其附屬公司主要從事製造及銷售醫藥產品及經營商務網絡。

於最後實際可行日期，呂明方先生及丁忠德先生(兩位均為董事)及陸申先生(前董事，於二零零五年十二月辭任)分別實益擁有15,000股流通股、15,000股流通股及12,000股流通股，分別佔上實聯合已發行股本總額約0.005%、0.005%及0.004%。據董事於作出一切合理查詢後所知、所得資料及所信，其他流通股股東均為與本集團之任何董事、主要行政人員或主要股東或任何彼等各自之聯繫人概無關連之獨立第三方。

上實聯合於截至二零零四年十二月三十一日止兩個年度，以及截至二零零五年九月三十日止九個月，根據中國公認會計準則編製之綜合除稅及少數股東權益前溢利及綜合除稅及少數股東權益後溢利如下：

	經審核	經審核	未經審核
	截至	截至	截至
	二零零三年	二零零四年	二零零五年
	十二月三十一日	十二月三十一日	九月三十日
	止年度	止年度	止九個月
	人民幣千元	人民幣千元	人民幣千元
綜合除稅及少數股東權益前溢利	140,314	175,527	149,301
綜合除稅及少數股東權益後溢利	96,830	104,900	75,258

上實聯合於截至二零零四年十二月三十一日止兩個年度及截至二零零五年九月三十日止九個月，根據中國公認會計準則編製之綜合資產總值及綜合資產淨值如下：

	經審核	經審核	未經審核
	截至	截至	截至
	二零零三年	二零零四年	二零零五年
	十二月三十一日	十二月三十一日	九月三十日
	止年度	止年度	止九個月
	人民幣千元	人民幣千元	人民幣千元
綜合資產總值	2,649,814	3,039,560	2,982,919
綜合資產淨值	1,570,533	1,641,586	1,681,773

上實聯合於截至二零零三年十二月三十一日止及截至二零零四年十二月三十一日止兩個年度各年之經審核綜合營業額分別約為人民幣1,819,877,000元及人民幣2,238,653,000元。

## 6. 進行股權分置改革方案之理由及效益

進行股權分置改革方案乃符合中國證券市場當前之發展，並使上實YKB所持之非流通股可於上海證券交易所自由轉讓。

青春寶為中國內地以天然草藥為主要原料之中醫藥製藥企業。董事認為，本公司根據上述其所作之承諾向上實聯合轉讓青春寶之股權，將有助精簡本集團之企業架構，以及可使本集團的醫藥業務集中於一個平台上。

董事相信，股權分置改革方案之條款均屬公平合理，且符合股東之整體利益。

## 7. 股權分置改革方案之財務影響

根據股權分置改革方案，及按上實聯合於二零零五年九月三十日之未經審核資產淨值計算，於股權分置改革方案完成時，本公司於截至二零零六年十二月三十一日止年度將錄得約2億港元特殊虧損。該特殊虧損的計算經參考本集團於二零零五年九月三十日之賬目中根據股權分置改革方案將向流通股股東轉讓非流通股總數(約佔上實聯合已發行股本總額約13.01%)的未經審核賬面餘額約為2億港元。由於上實YKB不會就轉讓非流通股份予流通股股東收取任何款項，特殊虧損估計款額相等於該等非流通股之未經審核賬面餘額。由於此特殊虧損只在本集團的損益帳中錄得，並不涉及現金支出，董事認為，股權分置改革方案將不會對本集團之日常運作構成重大不利影響。

在上實聯合的九名董事中，除三名獨立董事外，所有其他董事均由本公司提名。故此上實聯合董事會內有一半以上董事是由本公司提名及本公司擁有上實聯合董事會之控制權。本公司已向其核數師確認，由於在完成股權分置改革方案前後，上實聯合之董事會及管理層不會有任何變動，故於股權分置改革方案完成後，上實聯合將仍然由本公司控制，其財務業績將仍如一家附屬公司合併入本公司之綜合帳目內。

### (i) 資產淨值之影響

於完成股權分置改革方案後，本集團的資產淨值將減少約2億港元(其為本集團在二零零五年九月三十日按股權分置改革方案將減少於上實聯合股權歸屬部份的未經審核帳面投資餘額)，主要反映本集團所持上實聯合股權由56.63%減持至43.62%的特殊虧損。本集團此資產淨值之變動相當於本集團於二零零四年十二月三十一日經審核綜合資產淨值的約1.28%。董事認為此特殊虧損將不會對本集團構成重大不利影響。

(ii) 盈利之影響

於完成股權分置改革方案後，由於本集團所持上實聯合之股權減少約13.01%，上實聯合業績對本集團綜合淨利潤之貢獻將相應減少。

鑒於上實聯合對本集團溢利之貢獻，董事認為，本集團所持上實聯合股權之調減不會對本集團之盈利構成重大影響。

8. 一般事項

本集團主要從事基建設施、醫藥、消費品及信息技術。上實YKB為一家投資控股公司。

上實YKB根據股權分置改革方案調減上實聯合股權涉及根據上市規則第14章之收益比率超逾5%但低於25%，因此根據上市規則第14.06條，是項調減構成本公司之一項須予披露交易。

此 致

列位股東 台照

代表董事會  
董事長  
蔡來興  
謹啟

二零零六年四月二十四日

## 1. 責任聲明

本通函包括遵照上市規則而列載的詳細資料，旨在提供有關本集團的資料。董事對本通函所載資料的準確性共同及個別承擔全部責任，並在作出一切合理查詢後確認，盡彼等所知及所信，本通函並無遺漏其他事項，致使本通函所載任何陳述有所誤導。

## 2. 權益披露

(a) 於最後實際可行日期，董事及本公司最高行政人員於本公司或其任何相聯法團（按證券及期貨條例第XV部涵義）股份及相關股份或債券證權益中擁有的權益或淡倉，根據證券及期貨條例第XV部第7及8分部須通知本公司及聯交所（包括根據該等證券及期貨條例條文彼等被認為或被視作持有的權益或淡倉）；或根據證券及期貨條例第352條須列入本公司按該條例存置之登記冊；或根據標準守則須通知本公司及聯交所者如下：

### (i) 於本公司股份及相關股份之權益

#### (a) 普通股

董事姓名	身份	權益性質	持有本公司 已發行 股份數目	佔本公司 已發行 股本總額 的百分比
蔡來興	實益擁有人	個人	4,000,000	0.41%
瞿定	實益擁有人	個人	1,250,000	0.13%
呂明方	實益擁有人	個人	4,200,000	0.43%
丁忠德	實益擁有人	個人	200,000	0.02%
錢世政	實益擁有人	個人	200,000	0.02%
姚方	實益擁有人	個人	200,000	0.02%

上述權益皆為好倉。

## (b) 購股期權

董事姓名	身份	授出日期	行使價	持有本公司已發行期權數目	佔本公司已發行股本總額的百分比
蔡來興	實益擁有人	二零零五年九月	14.89港元	800,000	0.08%
瞿定	實益擁有人	二零零五年九月	14.89港元	560,000	0.06%
呂明方	實益擁有人	二零零五年九月	14.89港元	480,000	0.05%
錢世政	實益擁有人	二零零五年九月	14.89港元	300,000	0.03%
唐鈞	實益擁有人	二零零五年九月	14.89港元	300,000	0.03%

上述購股期權可於二零零六年三月二日至二零零九年三月一日的三年期間內予以行使。

## (ii) 於本公司相聯法團股份之權益

上實聯合

董事姓名	身份	權益性質	持有上實聯合已發行流通股股份數目	佔上實聯合已發行股本總額的百分比
呂明方	實益擁有人	個人	15,000	0.005%
丁忠德	實益擁有人	個人	15,000	0.005%

上述權益皆為好倉。

- (b) 於最後實際可行日期，就董事所悉，於本公司股份及相關股份擁有權益而按證券及期貨條例第XV部第2及第3分部知會本公司及聯交所有關權益的人士（本公司董事或最高行政人員除外）如下：

名稱	身份	權益性質	實益持有 本公司 已發行普 通股數目	佔本公司 已發行 股本總額的 百分比
<i>(a) 好倉</i>				
上實集團	受控制公司 所持有的權益	公司	548,076,000 (附註(i))	56.62%
鄧普頓資產 管理有限 公司	實益擁有人	公司	48,436,253	5.00%
<i>(b) 淡倉</i>				
上實集團	受控制公司 所持有的權益	公司	87,653,993 (附註(ii))	9.06%

附註：

- (i) 上海投資、上實資本及上實崇明開發分別持有468,066,000股、80,000,000股及10,000股本公司普通股。上實集團分別擁有上實崇明開發及上實財務的100%權益。而上實財務擁有上海投資的100%權益。上海投資擁有上實資本的100%權益。
- (ii) 上實集團被視為持有87,653,993股本公司相關股份的淡倉，此乃根據上實財務所發行，由上實集團提供無條件及不可撤回擔保，可轉換為本公司普通股股份的二零零九年三月到期零息擔保可換股債券之若干上市股份衍生工具。

於最後實際可行日期，就各董事所悉，下列董事亦為上實集團董事或僱員：

董事姓名	於上實集團所持職位
蔡來興先生	董事長
蔡育天先生	執行董事兼總裁
瞿定先生	執行董事兼常務副總裁
呂明方先生	執行董事
丁忠德先生	執行董事
錢世政先生	副總裁

- (c) 於最後實際可行日期，就董事所悉，直接或間接擁有附帶在所有情況下於下列本集團成員公司（本公司除外）的股東大會上投票權的已發行股本10%或以上權利的人士（本集團成員公司除外）及此等人士各自於此等證券的權益如下：

本集團成員公司名稱	主要股東姓名／名稱	股本類別	所持股份百分比
常州藥業股份有限公司	常州國有資產投資經營總公司	股本權益	23.05%
正大青春寶藥業有限公司	中國（杭州）青春寶集團有限公司	股本權益	20%
	杭州市正大青春寶職工持股協會	股本權益	20%
赤峰艾克製藥科技股份有限公司	海南大龍國際投資有限公司	股本權益	14.67%
	深圳益公實業有限公司	股本權益	14.67%
赤峰蒙欣藥業有限公司	赤峰製藥（集團）有限責任公司	股本權益	17.91%
廣東天普生化醫藥股份有限公司	廣州市博普生物技術有限公司	股本權益	32.75%
	廣東省科技創業投資公司	股本權益	10%
杭州胡慶餘堂藥業有限公司	杭州胡慶餘堂投資有限公司	股本權益	44.9566%
遼寧好護士藥業（集團）有限責任公司	中世紀國際有限公司	股本權益	28.8%
	鄭繼宇	股本權益	16.5%

本集團成員公司名稱	主要股東姓名／名稱	股本類別	所持股份百分比
Mergen Biotech Limited	Excellent Hope Holdings Inc.	普通股	15%
上海奇異牙科器材有限公司	上海齒科材料廠奇新綜合經營服務部	股本權益	10%
上海三維生物技術有限公司	上海聯和投資有限公司	股本權益	18.6%
上海同健藥房有限公司	上海華健醫藥科技公司	股本權益	40%
上海勝利醫療器械有限公司	美國漫斯菲爾德股份有限公司	股本權益	30%
上海醫創中醫藥科研開發中心有限公司	上海中醫大科技發展公司	股本權益	45%
上海悅民大藥房有限公司	上海源豐藥房	股本權益	30%
上海雲湖醫藥藥材股份有限公司	上海雲湖醫藥藥材股份有限公司 職工持股會	股本權益	14.09%
上海實業聯合集團長城藥業有限公司	錦江國際(集團)有限公司	股本權益	30%
上海實業聯合集團大藥房有限公司	上海真如商城股份有限公司	股本權益	10%
廈門中藥廠有限公司	廈門鼎爐實業總公司	股本權益	30%

本集團成員公司名稱	主要股東姓名／名稱	股本類別	所持股份百分比
成都九興印刷包裝有限公司	四川全興股份有限公司	股本權益	20%
	成都江氏投資有限公司	股本權益	29%
成都永發印務有限公司	四川全興股份有限公司	股本權益	20%
	成都江氏投資有限公司	股本權益	29%
河北永新紙業有限公司	新南(天津)紙業有限公司	股本權益	29%
許昌永昌印務有限公司	許昌捲煙總廠	股本權益	49%
浙江榮豐紙業有限公司	許建業	股本權益	6.375%

(d) 除以上所披露者外，於最後實際可行日期：

- (i) 就董事所悉，董事或本公司的最高行政人員，概無擁有於本公司或其任何相聯法團（按證券及期貨條例第XV部涵義）的任何股份或相關股份中的任何權益或淡倉或債權證中的任何權益，根據證券及期貨條例第XV部第7及8分部必須通知本公司及聯交所（包括根據該等證券及期貨條例條文彼等被認為或被視作持有的權益或淡倉）；或根據證券及期貨條例第352條須列入該條例所述的登記冊；或根據標準守則須通知本公司及聯交所。
- (ii) 就董事所知，並無任何人士於任何本公司股份及相關股份擁有任何權益或淡倉而須根據證券及期貨條例第XV部第2及3分部必須通知本公司及聯交所；或直接或間接擁有附帶在所有情況下於本集團任何其他成員公司股東大會上投票權的已發行股本面值10%或以上的權益，或有關此等股本的任何購股期權。

### 3. 董事的合約權益

- (a) 於最後實際可行日期，概無董事與本集團任何成員公司訂立或擬訂立本集團不得在一年內毋須支付賠償(法定賠償除外)而予以終止之服務合約。
- (b) 除本通函披露者外，於最後實際可行日期，自二零零四年十二月三十一日(本公司最近期公佈之經審核帳目結算日)以來，概無董事於本公司或本集團任何成員公司收購或出售或租用或建議由本集團任何成員公司收購或出售或租用之任何資產中，擁有任何直接或間接權益。
- (c) 除本通函披露者外，於最後實際可行日期，於本通函刊發日期，概無董事在與本集團業務有重大關係之合約或安排中擁有重大權益。

### 4. 董事於競爭業務之權益

於最後實際可行日期，就各董事所悉，根據上市規則，董事或彼等各自之聯繫人士並無被認為於與本集團業務構成或可能構成直接或間接競爭，或與本集團有任何其他利益衝突之任何業務中擁有權益。

### 5. 訴訟

據董事所知，於最後實際可行日期，本公司或其任何附屬公司未曾涉及任何重大訴訟或仲裁，而本公司或其任何附屬公司概無任何尚未了結或面臨任何重大訴訟或仲裁。

### 6. 其他事項

- (a) 本公司的註冊辦事處為香港灣仔告士打道三十九號夏慤大廈二十六樓。
- (b) 本公司的股份過戶登記處為秘書商業服務有限公司，地址為香港灣仔皇后大道東二十八號金鐘匯中心二十六樓。
- (c) 本公司的公司秘書為黃美玲女士，彼為英國特許秘書及行政人員公會及香港特許秘書公會資深會員。
- (d) 本公司的合資格會計師為李劍峰先生，彼為英國特許公認會計師公會及香港會計師公會資深會員。
- (e) 本通函的中、英文本如有歧異，概以英文本為準。