



Press Release (A)

SIIC celebrates 25th anniversary & SIHL celebrates 10th anniversary New co-operation projects underscore the Group's competitive strengths

(September 4, 2006 – HONG KONG) On the occasion of the 25th anniversary of Shanghai Industrial Investment (Holdings) Co., Ltd. (“SIIC”) and the 10th anniversary of its subsidiary Shanghai Industrial Holdings Limited (“SIHL”, stock code: 0363.hk), the Shanghai Industrial Group of companies celebrated with contract signing of new co-operation projects and a large-scale exhibition that underscore the Group’s competitive strengths in core businesses including international trade, medicine, real estate and infrastructure facilities, and outline its vision for the next decade.

Dignitaries attending the celebration activities – opening ceremony, contract signing ceremony and cocktail celebration - include **Ms Guo Li**, Deputy Director of the Liaison Office of the Central People's Government in HKSAR; **Mr Henry Tang**, GBS, JP, Financial Secretary of HKSAR; **Mr Ming Junfu**, Deputy Commissioner of the Office of the Commissioner of the Ministry of Foreign Affairs of the PRC in HKSAR; **Mr Yang Guoqiang**, Head of the Shanghai Municipal Government delegation and Director of the Hong Kong and Macao Affairs Office, Shanghai Municipal Government; **Dr Tsang Hin Chi**, Standing Committee Member of the 10th National People’s Congress of the PRC; **Mrs Rita Fan**, Hong Kong Deputy to the 10th National People’s Congress of the PRC; **Mr Wang Bingxin**, Head of Economic Affairs Department, the Liaison Office of the Central People's Government in HKSAR; **Mr Ling Baoheng**, Director of Shanghai State-owned Assets Supervision and Administration Commission of the State Council; **Mr Cai Laixing**, Chairman of SIIC and SIHL, and leaders of the business community in Hong Kong.

Mr Yang Guoqiang, Head of the Shanghai Municipal Government delegation, extended congratulations to the SIIC Group on the occasion of the anniversaries. He commended the Group for its leadership role in developing overseas markets and introducing global resources to Shanghai. He said that SIIC has grown from a HK\$200-million company to become a conglomerate with total assets worth HK\$50 billion and the ownership of three listed companies and a global network comprising nine overseas regional headquarters. He described the SIIC Group as Shanghai’s business card in overseas markets and endorsed its accomplishment in promoting the exchange and cooperation between Shanghai and Hong Kong. “Under the CEPA framework, the two cities are like brothers – one at young age, the other at mature age – getting ready to cooperate on extensive and intensive scale in various sectors,” said Mr Yang. He hoped to see the SIIC Group continue its role as a “bridge” and “economic ambassador” for further promoting Shanghai-Hong Kong cooperation, in the course of consolidating its own competitive strengths in the coming decade.

SIIC and SIHL chairman Cai Laixing expressed his sincere thanks on behalf of the Group's board of directors to the government leaders, business communities and co-operation partners for their long-term support to the SIIC Group. He said that the Group is committed to consolidating its strengths in the coming decade with key objectives of becoming: (1) an "international trade and business integrator," leveraging the monumental "Baltic Pearl" project; (2) a "regional development integrator," focusing on the Chongming Dongtan project; (3) one of China's biggest medicine groups, maximizing on its core technology development as well as mergers and acquisitions opportunities. In addition, the Group will focus on strategic reorganization to make SIHL a strong "red chip", and further promote the Shanghai-Hong Kong exchange and co-operation through the CEPA framework.

About 30 representatives from three Shanghai Industrial companies and five business and government entities participated in four co-operation projects contract signing on the occasion of the Shanghai Industrial anniversaries celebration. These projects include the "Baltic Pearl" community development project in St. Petersburg, Russia; Dongtan Eco-City Sustainable Food Production Area Project, and Dongtan Eco-City Energy Production Centre Project, both on Chongming Island, Shanghai; and Sui Fen He City Water Facilities Project in Heilongjiang (*please refer to Press Release B*). The contract signing marked a milestone in SIIC's accomplishment of the recently adopted strategies of innovation and integration. The conclusion of these projects will further enhance the Group's business scale and strength, particularly in the development of the Dongtan and Baltic Pearl projects.

Established in Hong Kong in 1981, SIIC is a conglomerate enterprise wholly owned by the Shanghai Municipal Government with current total assets of about HK\$50 billion. Headquartered in Hong Kong, the Group owns a number of listed companies and direct subordinate enterprises both domestically and abroad. With nine overseas headquarters in North America, Japan, Europe, Commonwealth of Independent States, Oceania, South Africa, South America, the Middle East and Southeast Asia, SIIC is equipped with a global business network and is the designated flagship of Shanghai's overseas economic development.

SIHL, a subsidiary of SIIC, was listed on the Stock Exchange of Hong Kong in May 1996. Its business portfolio involves infrastructure, medicine, consumer products and information technology. Its turnover amounted to HK\$6.025 billion and profit attributable to shareholders HK\$1.027 billion in 2005.

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