

# 上海實業控股有限公司

## SHANGHAI INDUSTRIAL HOLDINGS LIMITED



上海實業集團成員企業 A Member Company of SIIC

### Press Release

## SHANGHAI INDUSTRIAL ANNOUNCES SPIN-OFF AND GEM LISTING OF SIIC MEDTECH

\* \* \* \*

(Hong Kong, September 23, 1999) Shanghai Industrial Holdings Limited ("SIHL ") announced today that it had made application to The Stock Exchange of Hong Kong Limited for the separate listing of shares in the newly set-up SIIC Medical Science and Technology (Group) Limited ("SIIC MedTech") on the Growth Enterprise Market of the Stock Exchange. SIHL is proposing to inject its interests in Chia Tai Qingchunbao Pharmaceutical Co., Ltd. ("CTQ") and Shanghai Jahwa Co., Ltd. ("Shanghai Jahwa") into SIIC MedTech.

SIIC MedTech's recent business development focuses primarily on the modernisation and scientific applications of Chinese medicine. The existing operations of CTQ and Shanghai Jahwa, which have already established a strong foundation for SIIC MedTech to expand on its business, coupled with SIIC MedTech's future development plans and strategies, form very promising prospects for SIIC MedTech. SIIC MedTech also has plans to expand into other advanced technological applications of medicine such as biotechnology.

SIHL Chairman Cai Lai Xing said, "Given the potential for advancements in medical science based on Chinese medicine, the size of the global herbal market and the future development plans of SIHL in relation to projects on the modernisation and scientific applications of Chinese medicine, we feel that it is now appropriate to obtain a separate listing for our medical technology business, providing investors the option of direct investment in this business."

SIHL entered into an agreement with Shanghai University of Traditional Chinese Medicine yesterday for the establishment of a modern Chinese medicine research and development centre in Shanghai. The centre will specialise in the research and development, and commercialisation of research findings on Chinese medicine. SIHL has plans to set up several Chinese medicine research and development bases through cooperation with research institutes in Beijing and Hong Kong.

CTQ, which will be injected into SIIC MedTech, is engaged in the manufacture and sale of over 73 types of pharmaceutical products based primarily on natural herbal ingredients. CTQ's principal product is Shen Mai Injection, which is an intravenous drug derived from natural Ginseng (Radix Ginseng) and Mai Dong (Radix Ophiopogonis). The medical applications of Shen Mai Injection include recovering from fainting, improving cardiomyocardial systolic function, preserving and restoring cardiac muscle tissue. CTQ intends to submit application to the Food and Drug Administration in the United States of America with respect to Shen Mai Injection for its approval.

Shanghai Jahwa is engaged in the manufacture, distribution and sale of personal care and cosmetic products. In 1998, it expanded its product lines to include Chinese herbal-based personal care products, such as the new "Herborist Products" line featuring a high content of all-natural ingredients. The "Herborist Products" line will continue to be an important element in Shanghai Jahwa's product development strategy in the coming years. Currently, Shanghai Jahwa is being restructured for listing in Shanghai's A share market. Following the reorganisation, Shanghai Jahwa will expand into Chinese medicine businesses through the injection of such businesses from the Chinese holding company of Shanghai Jahwa. The latter is currently developing a range of pharmaceutical products including medicine for drug rehabilitation and blood clog, and granularisation of essence of Chinese herbs.

SIHL is a listed company on the Stock Exchange of Hong Kong with 17 companies engaged in consumer product manufacturing and sales (cigarettes, printing, cosmetics, pharmaceuticals, dairy products), commercial retail (department store), automotive parts, high technology products (telecommunications equipment) and infrastructure investment (city roadways). It is also a constituent stock of the Hang Seng Index. Its turnover and profit attributable to shareholders for the year in 1998 were HK\$3.558 billion and HK\$1.154 billion respectively.

*- end -*

Press enquiries: Shanghai Industrial Holding Limited  
Derek Fung (Tel: 2821-3919, 7201-1652)