



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

上海實業集團成員 A Member of SIIC

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SHANGHAI INDUSTRIAL FORGES STRATEGIC ALLIANCE WITH CHINA'S HIGH-TECH ORGANIZATIONS

(August 21, 2000 Shanghai) Shanghai Industrial Holding Limited ("SIHL") announced the formation of a strategic alliance with eight Chinese organizations that are leading players in the promotion, investment management and R&D of high-tech companies. The alliance is expected to sharpen SIHL's edge in sourcing and developing high-tech ventures in the mainland.

Members of the alliance include Torch High Technology Industrial Development Centre under the Ministry of Science & Technology, National Centre for Science & Technology Evaluation, Shanghai branch of the Chinese Academy of Science, Science & Technology Academy of Shanghai, Shanghai Science & Technology Investment Corporation, Shanghai Fortune High-technology (Group) Corporation Ltd., Shanghai Triman Information & Technology Corporation Ltd. and Shanghai Gaozhi Science & Technology Development Corporation Ltd.

Officiating at the alliance contract signing ceremony held today in Shanghai, SIHL chairman Cai Lai Xing described the alliance as a combination of companies and organizations with strengths in capital, marketing, innovation and human resources to enhance the development of high-tech industries in Shanghai and in China. By adopting the dual approach of venture capital investment and direct investment, SIHL would achieve wider coverage of high-tech projects, strengthen the innovative capabilities so as to further the objectives of developing new core products and core companies, said Mr Cai.

Mr Cai likened SIHL's joining the alliance to buying futures of investment projects bearing high growth potential. It is also like switching on more brain cells to add energy & creativity to the company, he said.

SIHL has invested in two high-tech venture capital funds: Shanghai High-tech Venture Fund (partnering with Shanghai Venture Capital Corporation) and S.I. Technology Fund (partnering with Singapore Temasek Holdings and Vertex Management) with the total amount exceeding RMB\$900 million.

Torch High Technology Industrial Development Centre under the Ministry of Science & Technology promotes thousands of high technology projects and acts as incubator for new high tech enterprises whereas the National Centre for Science & Technology Evaluation evaluates hundred of new projects every year and keeps tab on the information of nation-wide high potential scientific projects. With the formation of the alliance, SIHL would be able to share important project data provided by these two centres, thereby enhancing the company's competitive edge in sourcing and evaluating quality investment projects.

Shanghai branch of the Chinese Academy of Science and the Science & Technology Academy of Shanghai possess ample resource of high technology talents. There are over 30 internationally acclaimed research centres under the two academies which are vital research resources in Shanghai as well as in China. Over 60 leading academicians and 3,000 scientists and engineers in the two academies conduct hundreds of research projects every year. As members of the alliance, the academies would help SIHL companies carry out technical improvement projects, technology upgrade and new product development projects by means of personnel exchange, project co-operation and technology introduction.

Shanghai Science & Technology Investment Corporation, Shanghai Fortune High-technology (Group) Corporation Ltd., Shanghai Triman Information & Technology Corporation Ltd. and Shanghai Gaozhi Science & Technology Development Corporation Ltd. are all well managed companies with strong investment capabilities. Together they have accumulated experience in investing and running high-tech companies. Their combined strength and SIHL's advantage in the international capital market can help elevate the innovative capabilities and overall competitiveness of high-tech industries in Shanghai. A number of high-tech products are ready for commercialization, including digital maps and a number of information software products.

SIHL is a listed company in SEHK and one of the Hang Seng Index constituent stocks. Its business portfolio comprises of consumer products/retailing, automotive parts, infrastructure facilities, medical and high technology projects. The turnover and profits attributable to shareholders in 1999 was HK\$330 million and HK\$101.1million respectively.

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