

# 上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 0363)

## Continuing Connected Transactions — Lease of Properties

The Board announces that SIIC Management (Shanghai) and the Company have entered into tenancy agreements with SIIC Shanghai and SIIC in relation to the lease of the Golden Bell Plaza Property and Harcourt House Property on 26th April, 2004 and 20th August, 2004 respectively. The rental periods for the two transactions are both for a term of one year with an aggregate total annual rent amounting to approximately HK\$8,022,000. The rental amounts were determined by the parties to the agreements on arm's length basis. The Board (including the Independent Non-executive Directors) considers that the terms of the tenancy agreements are on normal commercial terms and are fair and reasonable and that the transactions are in the interests of the Shareholders as a whole. In accordance with the Listing Rules, the above transactions constitute continuing connected transactions for the Company. The Company shall disclose the relevant details of the transactions in its next and subsequent published annual reports and accounts for the financial years during which the above tenancy agreement(s) persist(s) pursuant to Rule 14A.46 of the Listing Rules.

### TENANCY AGREEMENTS

#### Golden Bell Plaza Property

On 26th April, 2004, SIIC Management (Shanghai), a wholly-owned subsidiary of the Company, has entered into a tenancy agreement in relation to the lease of property by SIIC Shanghai to SIIC Management (Shanghai) in respect of the Golden Bell Plaza Property. The property is the existing office premises of the Shanghai regional headquarter of the Company with a total gross floor area of approximately 2,092 sq. m. (equivalent to approximately 22,590 sq. ft.). The lease is for a term of one year commencing 1st May, 2004 with total annual rent amounting to US\$305,439 (equivalent to approximately HK\$2,382,000). The management fees shall be borne by SIIC Management (Shanghai). A deposit amount totalling US\$33,951 (equivalent to approximately HK\$265,000) was duly paid by SIIC Management (Shanghai) upon the signing of the tenancy agreement.

#### Harcourt House Property

On 20th August, 2004, the Company has entered into two tenancy agreements in relation to the lease of property by SIIC to the Company. The property is the existing office premises of the Company with a total gross floor area of approximately 26,347 sq. ft. The lease is for a term of one year commencing 1st July, 2004 with total annual rent amounting to HK\$5,640,000. The rates and management fees shall be borne by the Company. A deposit amount totalling HK\$940,000 was duly paid by the Company upon the signing of the tenancy agreements.

### RENTAL AMOUNTS

The rental amounts for the above rental agreements were determined by the parties to the agreements on arm's length basis and by reference to the rental values based on the independent valuations by Debenham Tie Leung comparable to the open market rent of the relevant properties as at 1st May, 2004 and 1st July, 2004 respectively (where applicable). The Board (including the Independent Non-executive Directors) considers that the terms of the tenancy agreements are on normal commercial terms and are fair and reasonable and that the transactions are in the interests of the Shareholders as a whole.

### LISTING RULES

As SIIC is a substantial shareholder of the Company and SIIC Shanghai is a wholly-owned subsidiary of SIIC, both are accordingly connected persons of the Company. In accordance with the Listing Rules, the transactions constitute continuing connected transactions for the Company. In accordance with Rule 14A.33(3)(a) of the Listing Rules, the total annual rent for the tenancy agreement in relation to the Golden Bell Plaza Property represents less than 0.1% of each of the applicable percentage ratios (other than the profits ratio), as such, no reporting and disclosure obligations are required for the Company and it is not required to seek approval of the transaction from independent Shareholders. However, in accordance with Rule 14A.25 of the Listing Rules, since the rental agreements in relation to the Golden Bell Plaza Property and Harcourt House Property shall be deemed to be transactions entered into by the Company with the same party and were entered into within a 12-month period, the above transactions shall be aggregated and construed as a series of transactions. As the aggregate total annual rent for the above rental agreements represents more than 0.1% but less than 2.5% of each of the applicable percentage ratios (other than the profits ratio), it is not required to seek approval of the transactions from independent Shareholders but the transactions are subject to the announcement and reporting requirements pursuant to Rules 14A.45 to 14A.47 of the Listing Rules. The Company shall disclose the relevant details of the transactions in its next and

subsequent published annual reports and accounts for the financial years during which the above tenancy agreement(s) persist(s) pursuant to Rule 14A.46 of the Listing Rules.

### GENERAL

The Company and its subsidiaries are engaged in the principal businesses of infrastructure facilities, medicine, consumer products and information technology. SIIC is a diversified holding company with principal businesses involved in infrastructure, medicine and health food, consumer products, merchandise trading, property development and investment, hotel investment and operations and securities investment. The principal business activities of SIIC Shanghai are investment holding and property investment.

### DEFINITIONS

Terms	Meaning
"Company"	Shanghai Industrial Holdings Limited, incorporated in Hong Kong, whose shares are listed on the Stock Exchange
"Board"	the Board of Directors of the Company
"Golden Bell Plaza Property"	the property situated at Unit Nos. 2101 and 2102 on Level 21, Unit No. 2201 on Level 22 and Unit No. 2401 on Level 24, Golden Bell Plaza, 98 Huaihai Central Road, Shanghai, PRC
"Harcourt House Property"	the property situated at the whole of 26th Floor and a portion of 27th Floor, Harcourt House, 39 Gloucester Road, Hong Kong
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Shareholders"	the shareholders of the Company
"SIIC"	Shanghai Industrial Investment (Holdings) Company Limited, incorporated in Hong Kong
"SIIC Management (Shanghai)"	SIIC Management (Shanghai) Co., Ltd.* (上海實管理(上海)有限公司), incorporated in the PRC
"SIIC Shanghai"	SIIC Shanghai (Holdings) Co., Ltd.* (上海上實(集團)有限公司), incorporated in the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**Roger L. C. Leung**  
Company Secretary

Hong Kong, 20th August, 2004

Registered Office:  
26th Floor, Harcourt House,  
39 Gloucester Road,  
Hong Kong

As at the date hereof, the board of directors of the Company is comprised of 12 directors, of which 9 are Executive Directors, namely Messrs. Cai Lai Xing, Lu Ming Fang, Lu Da Yong, Ding Zhong De, Lu Shen, Qian Shi Zheng, Yao Fang, Tang Jun and Ge Wen Yao and 3 are Independent Non-executive Directors, namely Messrs. Lo Ka Shui, Woo Chia-Wei and Leung Pak To, Francis.

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