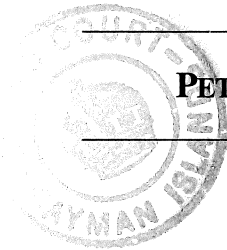


IN THE GRAND COURT OF THE CAYMAN ISLANDS

Cause No 424 of 2003

IN THE MATTER OF SIIC MEDICAL SCIENCE AND TECHNOLOGY (GROUP) LIMITED
AND IN THE MATTER OF THE COMPANIES LAW (2002 REVISION)



PETITION



To: THE GRAND COURT OF THE CAYMAN ISLANDS

THE HUMBLE PETITION OF SIIC MEDICAL SCIENCE AND TECHNOLOGY (GROUP) LIMITED c/o Maples and Calder, P.O. Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands (hereinafter called the "Company") SHEWETH as follows: -

1. The object of this Petition is to seek the sanction of the Court pursuant to Section 86 of the Companies Law (2002 Revision) to a proposed Scheme of Arrangement (hereinafter called the "Scheme") between the Company and the holders of the Scheme Shares, as defined in paragraph 13 below. A copy of the proposed Scheme is annexed to this Petition by way of Schedule.
2. The Company was incorporated as an exempted company limited by shares under the Companies Law Cap. 22 on 17th September 1999. The registered office of the Company is situate at the offices of Maples and Calder, P.O. Box 309GT, Uglan House, South Church Street, Grand Cayman, Cayman Islands.
3. The Company itself is an ultimate investment holding company and the Company does not engage in trading activities. The principal activities of the Company's subsidiaries

are as follows: production and sale of pharmaceutical products and health food; operation of medical retail outlets; production and sale of medical equipment; production and sale of personal care products.

4. The authorised share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 ordinary shares of HK\$0.10 each ("Shares"). As at the date hereof 620,300,000 Shares have been issued and are fully paid or credited as fully paid. Since December 1999 the issued Shares have been listed and traded on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange").
5. As at the date hereof there are no outstanding warrants to subscribe for Shares or any securities convertible into new Shares.
6. On 11th November 1999 the Company adopted a share option scheme. On 20th January 2000 the Company granted 39,200,000 options (the "Options") to various persons (the "Optionholders") pursuant to that share option scheme. Each Option entitles the Optionholder to subscribe for a Share at HK\$1.69. The Options are exercisable during the period from 21st January 2003 to 20th January 2006. As at the date hereof a total of 1,000,000 of the Options have lapsed.
7. As at the date hereof one of the Optionholders has exercised a total of 300,000 of the Options. Feng Gen Sheng, Li Wei Da, Chen Shu Zi, Ge Wen Yao and Wu Jian Zhuang (each of whom is a director of the Company) own a total of 21,000,000 of the outstanding 37,900,000 Options.
8. On 6th May 2002 the Company adopted a new share option scheme. As at the date hereof the Company has not granted any options to any person pursuant to this new share option scheme.
9. Shanghai Industrial Holdings Limited ("SIHL") is a company incorporated in Hong Kong with limited liability. SIHL has the beneficial interest in 19,119,000 Shares, representing approximately 3.08 per cent of the issued share capital of the Company. The shares of SIHL are publicly traded and listed on the HK Stock Exchange. The

ultimate controlling shareholder of SIHL is Shanghai Industrial Investment (Holdings) Company Limited ("SIIC"), a company incorporated in Hong Kong with limited liability.

10. Each of Central Force Investments Limited ("CFI"), SIHL Treasury Limited ("SIHL Treasury") and S.I. Infrastructure Holdings Limited ("SIIH") are companies incorporated in the British Virgin Islands with limited liability, and are direct wholly owned subsidiaries of SIHL. Together, CFI, SIHL Treasury and SIIH have the beneficial interest in 389,815,000 Shares, representing approximately 62.84 per cent of the issued share capital of the Company.
11. Each of Nanyang Enterprises Limited ("NEL") and Nanyang Enterprises Properties Limited ("NPL") are companies incorporated in Hong Kong with limited liability, and are indirect wholly owned subsidiaries of SIIC. Together NEL and NPL have the beneficial interest in 9,063,000 Shares.
12. Shen Wei Jia, a director of the Company, has the beneficial interest in 225,000 Shares.
13. The object of the proposed Scheme is for the Company to become a wholly-owned subsidiary of SIHL by:
 - (1) the Company reducing its share capital by cancelling and extinguishing all of the Shares in issue as at 5:00 p.m. Hong Kong time on the day immediately preceding the date on which the Scheme becomes effective other than those beneficially owned by SIHL, CFI, SIHL Treasury and SIIH (together, the "Controlling Parties") (the "Scheme Shares");
 - (2) the Company applying the credit thereby arising in its books of account as a result of the reduction of its share capital referred to in sub-paragraph (1) above to a reserve account in the books of account of the Company.

The Scheme Shares include the Shares beneficially owned by NEL, NPL and Shen Wei Jia.

14. In consideration for the cancellation and extinguishment of the Scheme Shares, SIHL will pay or cause to be paid by a company other than the Company to holders of Scheme Shares HK\$2.15 in cash for each Scheme Share. If the proposed Scheme becomes effective, the Company will apply to the HK Stock Exchange for the withdrawal of the listing of the Shares.
15. The Shares beneficially owned by the Controlling Parties will not be cancelled pursuant to the proposed Scheme and do not form part of the Scheme Shares. If the proposed Scheme becomes effective, the Company will become a wholly owned subsidiary of SIHL.
16. The Company intends to make an application herein for directions including orders that it should be at liberty to convene a meeting of the holders of the Scheme Shares (the "Court Meeting") for the purpose of considering and if thought fit approving (with or without modification) the proposed Scheme, time, date and place of the Court Meeting, publication of notices of the Court Meeting, the appointment of a Chairman of the Court Meeting and for directions that the Chairman should report the result of such Court Meeting to the Court.
17. The resolution to be submitted at the Court Meeting is intended to be: -

"THAT this Court Meeting approves without modification the proposed Scheme of Arrangement a print of which has been submitted to this Court Meeting and for the purpose of identification signed by the Chairman of this Court Meeting."

18. The Company intends to convene an Extraordinary General Meeting to take place immediately after the Court Meeting. The special resolution to be submitted to the Extraordinary General Meeting is intended to be as follows.

"THAT:

- (A) the proposed Scheme of Arrangement (the "Scheme") between the Company and the holders of the Scheme Shares (as defined in the Scheme) in the form of the print thereof which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, subject to any modifications, additions or conditions as*

may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved;

- (B) *for the purposes of giving effect to the Scheme, on the Effective Date (as defined in the Scheme):*
- (i) *the authorised and issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares;*
 - (ii) *the Company shall apply the credit arising in its books of account as a result of the reduction of capital referred to in subparagraph (1) to a reserve account in the books of account of the Company; and*
- (C) *the directors of the Company be and are hereby authorised to do all other acts and things as considered by them to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving of consent to any modifications of, or additions to, the Scheme, which the Grand Court of the Cayman Islands may see fit to impose;*
- (D) *with effect from the date on which this resolution is passed, the Articles of Association of the Company be amended by the adoption and inclusion of the following new Article 182, immediately following the existing Article 181:*

This Article applies if:

- (1) *a compromise or arrangement (a "Scheme") is propose between the Company and its shareholders or any class of them pursuant to Section 86 of the Companies Law (2002 Revision) of the Cayman Islands (the "Section") whether or not such Scheme includes a reduction of the Company's share capital, and*
- (2) *the Grand Court of the Cayman Islands directs a meeting or meetings of the Company's shareholders or any class of them pursuant to the Section ("Court Meeting(s")).*

If the Company issues any share(s) (or, where the proposed scheme is between the Company and any class of its shareholders, any share(s) in any such class) between the day of any such Court Meeting(s) and 5:00 p.m. on the day preceding the date upon which such Scheme shall become effective, then such share(s) shall be subject to the provisions of such Scheme. Provided that, any such new share shall only be subject to a reduction of the Company's share capital that is part of such Scheme if such new share has been issued before 5:00 p.m. on the date on which such reduction of capital becomes effective."

19. If the above resolutions are passed by the Extraordinary General Meeting then the Company intends to issue a petition seeking the confirmation of the proposed reduction of the Company's capital. The hearing of that Petition is intended to be heard at the

same time as the hearing of the Petition herein.

YOUR PETITIONER THE COMPANY THEREFORE HUMBLY PRAYS:

1. That the Scheme may be sanctioned by the Court so as to be binding on the Company and its shareholders.
2. Such other or further relief as the Court shall deem meet.

AND YOUR PETITIONER WILL EVER PRAY, ETC.

Dated this 23rd day of June 2003.



MAPLES and CALDER

Note: it is not intended that this Petition be served on anyone.

ENDORSEMENT

This Petition has been presented to the Grand Court of the Cayman Islands on the 23rd day of June 2003 and will be heard by the Grand Court of the Cayman Islands on the day of 2003 at o'clock in the fore/after noon (or as soon thereafter as the Petition can be heard).