



INSOL International

Shanghai Worldbest Co. Ltd.

**The First PRC Reorganisation of
a Central Government Owned
Listed Company**

Case Study Series - 5



Acknowledgement

INSOL International is pleased to present the 5th case study on Shanghai Worldbest Co. Ltd under its Case Study series.

Shanghai Worldbest Co. Ltd., case is the first reorganisation of a Central Government Owned Company listed in the Shanghai Stock Exchange.

We are Honoured and privileged that this case study was jointly prepared by Judge Fu Wang, of the Shanghai Second Intermediate Peoples Court and Alan Tang of SHINEWING (HK) CPA Ltd. Judge Fu Wang is a member of the Collegial panel of judges that handled the reorganisation of Shanghai Worldbest Co., Ltd.

When a listed company is suffering from severe financial losses the Chinese Stock Exchanges identifies these companies as Special Treatment (ST) companies for the protection of investors. Prior to the new PRC bankruptcy laws coming into effect there have been attempts to bring financial stability to these ST companies by out of court restructurings but many such attempts failed and the companies were delisted.

After the introduction of the new PRC bankruptcy law it has had a significant impact on Chinas Securities market as it now provides a low cost restructuring alternative that also has the final approval of the court.

Since the successful reorganisation of the Shanghai Worldbest Co. Ltd there have been many more ST companies filing for reorganisation and the courts have approved the reorganisation plans. It is hoped that the positive trend will continue in the future too.

INSOL is most grateful to Judge Fu Wang and Alan Tang for preparing this excellent case study.

March 2011

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Shanghai Worldbest Co., Ltd : The First PRC Reorganisation of a Central Government Owned Company Listed in the Shanghai Stock Exchange

Written jointly by Judge Fu Wang and Alan CW Tang

A. Case name and date of decision

Case Name: Shanghai Worldbest Co., Ltd, (上海华源股份有限公司), the first case of reorganization of a Central Government-owned¹ company listed on the Shanghai Stock Exchange

Date of Decision: The reorganization plan of Shanghai Worldbest Co., Ltd was approved on 13 December 2008.

B. Court location and jurisdiction

Shanghai Second Intermediate People's Court approved the reorganisation plan of Shanghai Worldbest Co., Ltd.

C. Judge's name

Judge Fu Wang, a Judge of the Shanghai Second Intermediate People's Court, is a member of the collegial panel of judges which handled the reorganization of Shanghai Worldbest Co., Ltd.

D. Background summary

The new PRC Enterprise Bankruptcy Law ("New Law"), which came into effect on 1 June 2007, is a cornerstone of the legal infrastructure of the PRC. Among all notable developments, the concept of reorganization for all types of corporate enterprises (not just only for the Stated-owned Enterprises, as was the case under the 1986 Enterprise Bankruptcy Law) is firstly introduced under Chapter 8 of the New Law. A more definite time frame and more details are now provided in respect of the key procedures for reorganization. Yet not many PRC companies have gone through the reorganization process and most of those companies subject to reorganization have been listed companies in the PRC².

Shanghai Worldbest Co., Ltd ("Shanghai Worldbest") is the first Central Government-owned listed company having been reorganized successfully in the PRC. The issues emanating from the reorganization process of Shanghai Worldbest are worthwhile to note, particularly when certain provisions of the New Law remain unclear (and more so in cases involving listed companies). It will take time for the legislation to mature and it is expected that the New Law will be modified in the future to facilitate, inter alia, the reorganization operation. Meanwhile, the Supreme People's Court is expected to pronounce its long-awaited Judicial Interpretation of the Enterprise Bankruptcy Law (企业破产法司法解释).³

E. Procedural history

Shanghai Worldbest, a sino-foreign joint venture, was established on 18 July 1996 by China Worldbest Co., Ltd ("China Worldbest") and registered in Shanghai Pudong New Area. Its B shares

¹ There are many forms (and tiers) of state or government owned enterprises in the PRC, the most important and influential of which are those owned by the Central Government (effectively the State Council).

² As of 31 October 2010, the number of listed companies subject to reorganisation under the New Enterprise Bankruptcy Law was 30. See also INSOL's Technical Series Issue No. 9 published in September 2009 "How The New PRC Enterprise Bankruptcy Law Has Fared - Restructuring of A-Share Listed Companies and Cross-Border Implications" written by Alan CW Tang.

³ English translation by the authors.



and A shares⁴ were listed on the Shanghai Stock Exchange in July 1996 and July 1997 with stock codes 900940 and 600094 respectively. The registered capital of Shanghai Worldbest was RMB 629 million ("m") and China Worldbest was its largest shareholder with a 24.61% shareholding.

According to the 2007 audited accounts, the total assets of Shanghai Worldbest amounted to RMB 1,440m and the total liabilities amounted to RMB 2,495m. Shanghai Worldbest was heavily insolvent with a book deficit of RMB 1,055m. Because Shanghai Worldbest had been making losses for three consecutive years, it had a prefix "ST" added to its quoted name on the Shanghai Stock Exchange ("ST" stands for Special Treatment) noting that the company had high risks of being delisted. Its shares were suspended from trading on the Shanghai Stock Exchange on 19 May 2008. Shanghai Worldbest had been negotiating with its bank creditors for out-of-court settlement but to no avail. A creditor, Shanghai Tai Xing Fu Enterprise Development Company Limited (上海泰升富企业发展有限公司) applied to the Shanghai Second Intermediate People's Court for the reorganization of Shanghai Wordbest on 11 August 2008. Upon approval by the Shanghai Higher People's Court and the Supreme People's Court⁵, the Shanghai Second Intermediate People's Court agreed to handle this case and then constituted on 27 September 2008 a liquidation committee of Shanghai Worldbest to be its administrator ("the Administrator")⁶.

The Shanghai Second Intermediate People's Court convened the first creditors' meeting on 11 November 2008 and tabled at that meeting a list of creditors' claims prepared by the Administrator. Total claims amounted to RMB 2,187 m. An outline reorganization plan was also tabled. The key components of the reorganization plan included disposal of assets, capital reduction, allotment of shares plus cash repayment to creditors and share transfers to a new investor. The second creditors' meeting was convened by The Shanghai Second Intermediate People's Court on 20 November 2008 at which the preferential creditors voted and approved the reorganization plan⁷. However, the voting of the unsecured creditors could not meet the required support and the plan was not approved. The contributories' meeting was convened on 21 November 2008 at which the plan was approved. A second voting was held at a subsequent creditors' meeting on 1 December 2008 and the creditors finally voted for and approved the plan. The Shanghai Second Intermediate People's Court approved the reorganization plan on 13 December 2008.

F. Main parties involved

Petitioner: Shanghai Tai Xing Fu Enterprise Development Company Limited (上海泰升富企业发展有限公司)

Debtor: Shanghai Worldbest Co., Ltd (上海华源股份有限公司)

Major A-share shareholder: China Worldbest Co. Ltd.

Major B-share corporate⁸ shareholders: Guotai Junan Securities (Hong Kong) Limited, SCBHK A/C Credit Suisse, ABN AMRO Bank NV and China Merchants Securities (HK) Co., Ltd

⁴ "A" shares represent domestic shares of Mainland listed companies denominated and traded in RMB and owned exclusively by Mainland residents only. Foreign persons are prohibited from entering the A-share market, whether in their own names or through nominees. "B" shares represent domestic shares of Mainland listed companies denominated in RMB but traded in foreign currency and owned by foreign persons. From 19 February 2001, Mainland residents holding legal foreign currency deposits can also enter the B-share market.

⁵ It is customary for major bankruptcy / reorganisation applications to be referred to superior courts before a decision to "agree to handle" the application is made.

⁶ Under the provisions of the New Enterprise Bankruptcy Law, a court may appoint pre-registered individuals or individual firms of lawyers, accountants, bankruptcy advisory firms or any adhoc court-appointed liquidation committee to be "administrator".

⁷ As stipulated in Article 64 of the New Law, a resolution in the creditors' meeting has to be approved by the majority of those attending the meeting and whose claims represent more than half of the total claims (excluding any security held) of the relevant class of creditors, unless it is separately prescribed by the New Law (e.g. Article 84 for reorganisations, as discussed later in this article).

⁸ The two largest B-share holders on record are individuals who between them hold more than double the combined shareholding of the largest 4 corporate B-share holders.



G. Key issues identified

1. One key element of the reorganisation plan of Shanghai Worldbest is its capital restructuring:
 - a) capital reduction of 25% for all shareholders – the share capital of all A and B shareholders were reduced by 25% on a pro-rata basis. The total share capital of Shanghai Worldbest was therefore reduced from RMB629.45 m to RMB472.08 m.
 - b) share transfer – subsequent to the reduction of capital of Shanghai Worldbest, all of the shareholders transferred part of their shares proportionally as one element of a compensation package (debt-equity swap) to and for the unsecured creditors as well as to the new investor. China Worldbest, the controlling shareholder of Shanghai Worldbest, transferred out 87% of its shareholding in Shanghai Worldbest i.e. 101.1m shares. All other shareholders transferred out 24% of their shareholding in Shanghai Worldbest, i.e. 85.41 m shares - 37.72 m of these were A shares and 47.69 m were B shares. The total number of shares transferred to unsecured creditors was 186.5 m, of which 138.81 m were A shares and 47.69 m were B shares.

Among the total number of shares to be transferred by the shareholders of Shanghai Worldbest, 79.93 m A shares were allotted to the unsecured creditors in proportion to their claims, whereas the remaining 58.89 m A shares and 47.69 m B shares were allotted to the new investor on a conditional basis. The Administrator however, faced various operational problems when dealing with the transfer of both A and B shares – and the B shares in particular. It costs USD\$30 for each transaction payable to the China Securities Depository and Clearing Corporation Limited to transfer one lot of B shares and the total costs incurred were approximately USD\$1m with over 30,000 B-share shareholders. The Administrator also encountered difficulty when they tried to open securities account for the B shares, and apparently the operating system of the China Securities Depository and Clearing Corporation Limited was not set to facilitate the reduction and then transfer of B shares. In view of all these obstacles the Administrator had spent enormous efforts to work with the China Securities Depository and Clearing Corporation Limited to ensure the reduction and transfer of shares could be completed, and in time.

At the same time, the assets of Shanghai Worldbest were disposed of during six rounds of public auctions.

2. Key operative and repayment terms for different classes of creditors under the reorganization plan of Shanghai Worldbest are summarized in Table 1 below. Creditors that have security rights over pledged assets have priority to receive payment to the extent of the value of the secured assets. Any shortfall in repayment to the secured creditors was classified as unsecured claims.

Table 1

Type of Creditor	Total Amount of Claims (RMB in million)	Key Repayment Terms / Percentage Recovery
Secured – fully repaid portion	40.77	Enforcement over secured assets.
Employees	38.51	100% settled in full by cash
Tax – related	19.16	100% settled in full by cash
Unsecured		
- General unsecured claims	1,795.95	a) share allotment - received 3.3 A shares valued at RMB4.37 each for every RMB\$100 of claim at a recovery rate of 14.42%;
- Unsecured portion of secured creditors	444.43	b) cash repayment at a recovery rate of 1.09%



H. Comments on issues

There are various issues which are worthwhile noting during the implementation of the reorganization plan of Shanghai Worldbest.

1. Requirements to initiate the reorganisation procedures and the role of the Court

There is a common-sense view that reorganization should only be commenced for those debtor enterprises which have a viable business or can bring added value to society in the long term. However this view can be subjective and the involvement of the Court is, amongst other reasons, to bring in some objective assessment.

The reorganisation process is often complicated and costly. However the estimated return to the creditors would be generally higher under reorganization than under a corporate bankruptcy / liquidation scenario. The People's Court usually carries out a preliminary assessment to evaluate whether the initiation of the reorganization procedure should be commenced. Yet, it would be up to the creditors and other stakeholders together with their professional advisors to determine whether the reorganization plan is workable - this definitely would involve commercial sense and business acumen. Judges are familiar with the rules and regulations but may not have in-depth industry knowledge or the practical skill sets of reorganization such as capital restructuring, negotiations with potential investors and assessing profitability of the salvageable businesses after reorganisation. Therefore the Court should not refuse to handle any reorganization case simply for the reason that the plan does not appear to have any viable business element or a strong chance of success. After the Court agrees to handle a case, if there is still any doubt as to whether the debtor company should be placed into reorganization or liquidation, a hearing can be convened at which different parties' arguments may be heard and their interests could be assessed, with the assistance of industry experts and specialists before the Court makes a decision.

Yet, many creditors (especially overseas creditors) have encountered apparently strong reluctance of many local courts in even agreeing to handle their bankruptcy petitions over insolvent enterprises which operate within the court's jurisdiction, for fear that the local government will be upset as there might be a massive redundancy of the employees concerned. Worse still, these overseas creditors (or their locally appointed lawyers) simply do not hear of anything from the courts regarding their application at all. Court transparency and accountability need to be improved further.

In some cases, creditors feel that the Court's involvement in reorganization should be restricted to major issues of principle or when the creditors have different and diverse views. Otherwise, the creditors should be allowed to have more "say" in the reorganization process, which should not be "over-controlled" by the Courts.

2. Pre-packaged reorganization and identification of new investors

Currently there is no requirement under the New Law that an investor must have been identified by the parties before initiating the reorganization procedures. In the case of Shanghai Worldbest, no investor showed any interest during the out-of-court restructuring period; but once Shanghai Worldbest was placed into reorganization by the Court, nine potential investors expressed their interests in reorganizing Shanghai Worldbest.

It is relatively much easier to attract investors for reorganization of any distressed listed companies than non-listed companies. This is because⁹ listed companies have to satisfy certain disclosure requirements and therefore the chances for investors to be exposed to any risks of

⁹ Other than of course the value of the "listed shell" as discussed in INSOL Technical Series Issue No. 9 noted in footnote 2 above.



hidden liabilities of the debtor companies during reorganisation could be minimized. This is more so when the reorganization is conducted under the framework of the New Law and with full supervision of the Court.

The concept of pre-packaged reorganization commonly used in the United States has been extensively borrowed and practised in the reorganization of listed companies in the PRC. Under these arrangements, the debtor company has generally solicited sufficient acceptances from the major creditors, shareholders, the Government, the Court and other stakeholders before filing the reorganization plan. This can reduce the costs of reorganisation significantly and can ensure a smooth process with a relatively high chance of success.

3. Roles of Administrators

The administrators have significant roles to play in any reorganization. Their in-depth knowledge in Bankruptcy Law, Securities Law and Company Law as well as capabilities and resources to interact with different stakeholders and regulatory authorities are some of the key elements to the success of any reorganization proposal.

China Worldbest proposed to the Court that the major controlling shareholders of Shanghai Worldbest and those parties previously involved in the preparation of reorganization of Shanghai Worldbest should form a designated liquidation / reorganisation committee, and this committee should be appointed as the administrator for Shanghai Worldbest to formulate and implement the reorganization plan. China Worldbest also recommended certain other members to join the liquidation committee based on the anticipation that their in-depth knowledge of the operations of Shanghai Worldbest would put them in an advantageous position to handle the complexity and social impact of the reorganization.

According to "The Provisions of the Supreme People's Court on the Designation of Administrators" ("the Provisions"), the administrators must be selected from a panel of qualified professional intermediary institutions such as law firms, accounting firms, bankruptcy liquidation firms or individuals ("the Panel"). Other than to appoint from the Panel, the Court may also appoint a liquidation committee as the administrators. Article 19 of the Provisions states that the respective People's Court can select members of the liquidation committee from the government authorities, from the intermediary institutions of the Panel, or from Government financial asset management companies; whereas the People's Bank and the financial regulatory authorities may also nominate designated individuals to be members of the liquidation committee in accordance with the relevant regulations.

One common potential obstacle to reorganising a listed company is to balance the interests of all the stakeholders involved. In the case of Shanghai Worldbest, it has more than 200 creditors and over 60,000 shareholders on record. The reorganization process had to be compliant with various laws as well as securities regulations. The existing general regulation in relation to selection of the administrator is most likely unable to ensure that an individual firm of administrators with relevant experience is appointed. According to Article 20 of the Provisions, the respective People's Court may randomly select an administrator from the Panel whereas according to Article 21, in cases of bankruptcy of a commercial bank, securities company, insurance company or any financial institution, or those cases involving national influence / interests, the relevant People's Courts would have to invite members from the Panel with adequate resources to bid to be appointed as the administrator. There must be at least three such intermediary institutions in the bidding. Both the random selection method and the "bidding" process have been rarely applied to appoint administrators for the reorganization of listed companies - as it is critical to ensure that the capabilities and expertise of the administrators have to meet the high standards of and they have to be familiar with the securities regulations and requirements.



China Worldbest nominated to the Shanghai Second Intermediate People's Court King and Wood, a PRC law firm registered on the Panel in many court jurisdictions throughout the PRC, to be appointed as the intermediary institution of the reorganization / liquidation committee, due to the expertise of King and Wood in reorganization generally and its involvement in the preliminary out-of-court restructuring process of Shanghai Worldbest. Shanghai Wordlbest had to meet the deadline for approval of its reorganization plan or it would be delisted according to the securities regulations. Taking into account of the tight timeframe, and on recommendation from the relevant Government authorities, King and Wood was appointed by the Court directly as a member of the bankruptcy liquidation committee while the other committee members appointed were drawn from the Shanghai Finance Bureau, Shanghai Municipal State-own Assets Supervision and Administration Commission, Shanghai Securities Regulatory Bureau of China Securities Regulatory Commission and Shanghai Banking Regulatory Bureau.

This direct appointment of an intermediary institution of the reorganisation / liquidation committee is a special case and should not be adopted for all other cases to avoid potential criticisms. For the reorganization of listed companies, the "bidding method" to select the administrator would be the most objective one. If for some cases it is more appropriate to recommend a specific administrator, it should be recommended by the creditors but not by the Court or government authorities. For example, in the reorganization of Ya Hsin Electronics (Suzhou) Co., Ltd. (雅新电子(苏州)有限公司) and Ya Hsin Printed Circuit Board (Suzhou) Co., Ltd.¹⁰ (雅新电路板(苏州)有限公司) – both are non-listed companies, as no Panel has been established in Suzhou as yet, the Court advertised publicly to seek nominations for a qualified administrator and at the same time, on recommendation by the syndicated bank creditors, the Court appointed one major international accounting firm to be the administrator. This approach follows and is in line with the principle of the existing legislation as well as taking into account of the creditors' wishes and interests.

4. Contents of the Reorganisation Plan and the Court's involvement

The elements of reorganization often include debt restructuring, streamlining of the business and capital injection etc. For Shanghai Worldbest, its reorganization plan includes debt to equity swap, private share placement and disposal of all of its assets with only the listing shell remaining. It is not easy for a company to be listed in the PRC and "back door listing" is a less costly method for a company to be listed in the PRC by acquiring the shell of a distressed listed company¹¹. However for the case of Shanghai Worldbest, the business of the new investor was completely unrelated to the operation of Shanghai Worldbest, and this form of getting listed through acquiring the listing shell of a distressed company is effectively some form of reverse takeover.

The Court should only determine whether the reorganization plan is legally effective but not to assess or determine whether the plan itself is viable because reorganization involves commercial decision making. The Court should let the creditors take the role of approving the plan or otherwise; the Court should be objective to the contents of the reorganisation plan.

The effect on shareholders' interests during the reorganisation is another issue. As most of the companies undergoing reorganizing are already grossly insolvent, there is unlikely any return for the shareholders as the employees and creditors have priority over the shareholders. However the PRC government is keen to ensure some form of return to the shareholders to ensure that the chances of social unrests following the collapse of a listed company are brought to a minimum.

¹⁰ English translation by the authors.

¹¹ A similar practice of back-door listing was common for listed companies in Hong Kong during the Asian Financial Crisis in the late 1990s. Alan CW Tang has conducted a survey of the listed companies in Hong Kong that have been involved in some form of restructuring from the period from 1998 to 2004 - among the 84 companies which had attempted to restructure, more than half had sold their listing status.

5. Issues concerning meetings of creditors and contributories

According to Article 84 of the New Law, when 50% or more of the creditors in number representing two-thirds or more in the total amount of claims in the same voting class approve at the relevant creditors' meeting the reorganisation plan, and all classes of creditors agree, the plan is approved. The Peoples' Courts should ensure the meetings of creditors to be convened smoothly. However, the interpretation of the respective legislation in relation to the procedures of the first and second voting should be modified to facilitate easier operation, as well as the procedure to convene the meetings of creditors and contributories.

The requirements in relation to the meeting of the contributories and the second voting procedures are stipulated in Articles 85 and 87 of the New Law respectively. When the reorganization plan affects the interests of the contributories, a separate meeting for the contributories should be convened and to vote for or against the respective resolution in the meeting. For those voting classes who do not approve the plan, the administrator or the debtor can negotiate with them and arrange for the second voting.

Some related companies which were also the creditors of Shanghai Worldbest negotiated with other creditors with smaller claims and agreed to purchase their claims if they would agree to vote for approval of the reorganisation plan of Shanghai Worldbest. Questions of the legitimacy or otherwise of such debt novation arrangements were raised. The respective legislation of the New Law in relation to the purchase / novation of claims should be modified in the future to avoid different interpretations.

Banks are usually the largest creditors and they should be proactive in restructuring distressed companies to minimize their own losses. This may even involve additional bank loans (with super priority security) for the debtor company under reorganisation, as is commonly the case in reorganisation cases in the western countries. However, most PRC banks are still taking a very passive role in reorganisation cases as many loans are still "policy loans" and local bank officers often have to seek approval to deal with delinquent loans and write-offs from more than one level of superior departments internally.

6. Disclosure of information for listed companies

More specific legislation regarding the disclosure of information for listed companies under reorganisation should be introduced in the near future. For the case of Shanghai Worldbest, the creditors did not obtain adequate information about its sustainability and profitability after reorganisation.

The China Securities Regulatory Commission ("CSRC") promulgated the regulation on information disclosure of listed companies on 13 December 2006. Another regulation named as the "Administration Measures for Significant Asset Restructuring of Listed Companies" was also promulgated by CSRC and became effective on 18 May 2008. CSRC further formulated a Supplementary Provision on Pricing Shares Issued in the Material Assets Reorganization of Bankrupt Listed Companies for Restructuring on 12 November 2008 to meet the development of the capital market. All these measures impose more stringent information disclosure duties for those listed companies under reorganization to enhance protection for the stakeholders.

Judge Fu Wang
Judge of the Shanghai Second Intermediate People's Court
&
Alan CW Tang
SHINEWING (HK) CPA Ltd

上海华源股份有限公司

重整计划草案

上海华源股份有限公司管理人

上海华源股份有限公司

二零零八年十一月

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前 言

债权人上海泰升富企业发展有限公司申请债务人上海华源股份有限公司（以下简称“华源股份”）破产重整一案，上海市第二中级人民法院（以下简称“上海二中院”）已于2008年9月27日依法裁定受理，并指定华源股份清算组作为破产管理人（以下简称“管理人”）开展重整工作。

管理人成立后，严格按照《中华人民共和国企业破产法》（以下简称“《企业破产法》”）的规定履行相应职责，包括对债务人实施接管，通知已知债权人申报债权，通知债务人的债务人向管理人履行债务，开展债权登记审核工作，聘请审计、评估等中介机构对华源股份现有资产进行审计、评估，制订重整计划草案等。考虑到华源股份作为上市公司，其重整计划草案将涉及债权人、企业职工、全体股东和潜在重组方的利益平衡、调整 and 安排，加之华源股份保留上市资格的时间非常紧迫，故管理人将重整计划草案的协商与制作视为华源股份重整工作的重中之重。

截至目前，管理人已完成对华源股份债权审查、资产审计、评估及偿债能力分析等各项基础工作，对华源股份的现状已有较全面的了解。现管理人及华源股份根据《企业破产法》的有关规定，结合华源股份的实际情况，并在充分考虑债权人、企业职工、股东和潜在重组方等各方利益的基础上，制作本重整计划草案，供债权人会议审议、表决。

一、华源股份基本情况

（一）设立情况

华源股份于 1996 年 7 月 18 日通过募集方式设立，其公开发行的境内上市外资股（以下简称“B 股”）股票于 1996 年 7 月 26 日在上海证券交易所挂牌上市交易；其公开发行的境内上市内资股（以下简称“A 股”）于 1997 年 7 月 3 日在上海证券交易所挂牌上市交易。华源股份注册资本为人民币 629,445,120.00 元，经营范围为生产、加工聚酯产品、化纤、棉毛丝麻纺织品、印染及后整理制品，服装服饰、生物制品、农药及中间体（限分支机构经营）、药品原料及制剂（限分支机构经营）、保健品（筹建）、新型建材、包装材料、现代通讯信息新材料及相关器件，上述产品的研究开发、技术咨询、销售自产产品；投资举办符合国家产业政策的项目（具体项目另行报批）；经营进出口业务（涉及许可经营的凭许可证经营）。

华源股份的控股股东为中国华源集团有限公司（以下简称“华源集团”），目前华源集团持有华源股份 154,932,000 股 A 股，占华源股份总股本的 24.61%。

华源股份下设 3 家分公司，包括常州化纤分公司、常州合成材料分公司、锡山织造分公司，并有 9 家控股子公司及 5 家参股子公司，所有下属企业均已停止生产经营。华源股份进入重整程序前，已丧失盈利能力。

因华源股份 2005 年至 2007 年连续三年亏损，上海证券交易所根据《上海证券交易所股票上市规则》的有关规定，决定自 2008 年 5 月

19 日起对华源股份股票实施暂停上市。

（二）申请重整情况

华源股份设立后，为维持并扩大生产经营，曾陆续向多家商业银行贷款，并为多家子公司提供担保，债务负担十分沉重。自 2004 年起，受市场影响，公司经营遇到困难；同时，由于各家商业银行调整相关贷款政策，致使华源股份资金链出现断裂，企业生产经营所需流动资金严重不足。加之下属企业相继停产，致使债权人纷纷起诉华源股份，其有效资产均被查封或者执行，正常生产经营受到影响，陷入严重的财务危机。

由于华源股份无力清偿到期债务，债权人上海泰升富企业发展有限公司于 2008 年 8 月 11 日向上海二中院申请对华源股份进行重整。上海二中院经审查后，于 2008 年 9 月 27 日以（2008）沪二中民四（商）破字第 2-1 号《民事裁定书》裁定受理华源股份破产重整一案。

（三）资产负债情况

1、债权审查情况

管理人根据《企业破产法》的规定，开展了受理债权申报、登记等工作，并对债权人申报的债权进行审查，编制了《上海华源股份有限公司债权表》。

华源股份在债权申报期内，共申报普通债权 1,998,502,292.23 元，担保债权额为 578,646,077.56 元。经管理人审查，确认普通债权 1,795,945,316.84 元；尚不能确认金额的普通债权 69,996,631.49 元；

确认对特定财产享有担保权的债权 485,202,952.43 元。

华源股份共有 2 家税款债权人申报税款债权，申报金额为 9,384,834.49 元，另有 9,781,660.70 元的税款尚未申报。

华源股份职工债权为 38,507,256 元。

2、资产情况

（1）资产评估情况

根据上海上会资产评估有限公司（以下简称“上会评估公司”）出具的沪上会整资评报（2008）第 240 号《上海华源股份有限公司企业清算价值评估报告书》（以下简称“《评估报告》”），以 2008 年 9 月 27 日为评估基准日，华源股份资产评估值为 517,088,090.77 元。

在上述评估资产中，华源股份持有的华源（墨西哥）纺织实业有限公司（以下简称“墨西哥公司”）股权已于 2008 年 8 月在上海联合产权交易所挂牌转让。在扣除墨西哥公司股权转让净值 350,000,000 元后，华源股份实际可处置资产的评估值为 167,088,090.77 元。

（2）资产担保情况

华源股份在向债权人融资的过程中，已将其部分资产抵押、质押给债权人，具体情况为：

1) 2005 年 9 月 30 日，华源股份将位于天津河东区津塘公路二号桥地毯路 24 号面积为 41903.2 平方米的土地使用权，面积为 33674.31 平方米的房产，抵押予东亚银行（中国）有限公司上海分行，抵押贷款本息合计 22,056,474.09 元。该抵押物现评估价值为 36,338,403.32 元；

2) 2005 年 9 月 30 日, 华源股份将位于常熟市尚湖风景区面积为 195990.8 平方米的划拨土地使用权抵押予上海银行, 抵押贷款本息合计 62,570,107.12 元。该抵押物现评估价值为 15,794,898.57 元;

3) 2002 年 12 月 13 日, 华源股份将位于上海市陆家嘴东路 66 号面积为 1777.04 平方米的房产抵押予中国进出口银行上海分行, 该笔贷款本金已经偿还, 利息为 2,922,662.81 元。该抵押物现评估价值为 54,022,016 元。

4) 2006 年 6 月 29 日, 华源股份将其持有的上海华源投资发展(集团)有限公司股权质押予交通银行股份有限公司上海长宁支行, 质押贷款本息合计 91,968,850.91 元。该质押股权现评估价值为 0 元。

5) 2005 年 10 月 20 日, 华源股份将其持有的安徽华源生物药业有限公司、山东华源蓝天纸业有限公司股权质押予中国工商银行股份有限公司上海分行第二营业部(以下简称“工行上海分行”), 质押贷款本息合计 243,828,159.89 元, 该两家公司的股权已被转让或执行, 未纳入此次评估范围。

2005 年 9 月 30 日, 华源股份将其持有的常州华源蕾迪斯有限公司股权质押予工行上海分行, 质押贷款本息合计 61,856,697.61 元, 该质押股权现评估价值为 0 元。

上述担保贷款本息合计 485,202,952.43 元, 担保资产评估值共计 106,155,317.89 元。

（四）偿债能力分析情况

为核算破产清算状态下华源股份普通债权人的获偿情况，管理人委托上会评估公司对华源股份的偿债能力进行分析，并出具《偿债能力分析报告》。在考虑华源股份资产负债的变动情况及市场环境对资产变现价格的影响等因素后，上会评估公司对华源股份资产的评估价值进行了相应调整，调整后华源股份资产评估值为 146,675,979.93 元。华源股份如实施破产清算，假定资产能够按评估价值变现，其资产在优先支付破产费用 35,000,000 元（包括案件受理费、管理人报酬及执行职务的费用、其他中介机构费用、资产处置税费、信息披露费用等），并清偿对特定财产享有担保权的债权 40,774,035.47 元、职工债权 38,507,256.00 元、税款债权 19,166,495.19 元后，剩余资产向普通债权人进行分配，普通债权的清偿率为 0.59%。

二、出资人组及出资人权益调整方案

根据《企业破产法》第八十五条第二款规定，重整计划草案涉及出资人权益调整事项的，应当设出资人组，对该事项进行表决。本重整计划草案将对华源股份出资人权益进行调整并设立出资人组对调整事项进行表决。

出资人组由截止 2008 年 11 月 12 日股票交易结束后华源股份全体登记在册的股东组成，共计 69722 家。华源股份总股本为 62944.5 万股，其中 A 股为 36448.5 万股，B 股为 26496 万股。

出资人权益调整方案如下：

1、同比例缩减股本

全体股东同比例缩减股本，缩减比例为 25 %。华源股份总股本由 62944.5 万股缩减至 47208.4 万股。

2、股权让渡方案

股权让渡的总体安排是：在华源股份缩减股本的基础上，全体股东按一定比例让渡其持有的股票，由于控股股东对上市公司的重组负有更大的责任，故华源集团的让渡比例高于其他股东。股权让渡方案为：华源集团让渡其所持有股票的 87%，共计让渡 10109.3 万股；其他股东分别让渡其所持有股票的 24%，共计让渡 8541.1 万股，其中 3771.9 万股为 A 股、4769.1 万股为 B 股。按上述方案，全体股东在缩减股本后让渡的股票共计 18,650.4 万股，其中 A 股 13881.2 万股、B 股 4769.1 万股。

华源股份出资人让渡股票中的 7993.2 万股 A 股按债权比例向普通债权组债权人分配；剩余 5888.1 万股 A 股、4769.1 万股 B 股由重组方有条件受让。

三、债权分类及调整方案

根据《企业破产法》的规定，本重整计划草案对华源股份债权做如下分类及调整：

（一）对华源股份的特定财产享有担保权的债权组（以下简称“担保债权组”）

担保债权确认金额为 485,202,952.43 元。根据《企业破产法》的

规定，对债务人的特定财产享有担保权的债权可就该特定财产获得全额清偿。假定担保财产能按评估价值变现，担保债权中有 40,774,035.47 元可以在重整计划中列入担保债权组，可就担保财产获得全额清偿。剩余 444,428,916.96 元债权由于无法就担保物受偿，需列入普通债权组，按照普通债权组的调整及受偿方案获得清偿。

因此，担保债权组的债权金额为 40,774,035.47 元，共计 3 家债权人。

该组担保债权以担保财产获得全额清偿。

（二）职工债权组

职工债权包括华源股份所拖欠职工的工资和医疗、伤残补助、抚恤费用，所欠的应当划入职工账户的基本养老保险、基本医疗保险费用，以及根据法律、行政法规应当支付给职工的补偿金。初步测算职工债权金额 38,507,256 元。

该组债权按 100% 比例清偿。

（三）税款债权组

税款债权金额 9,384,834.49 元。

该组债权按 100% 比例清偿。

（四）普通债权组

普通债权金额共计 1,795,945,316.84 元。此外，无法就华源股份特定财产优先获偿的债权 444,428,916.96 元需列入普通债权组，涉及 3

家债权人。因此，普通债权人组债权金额为 2,240,374,233.8 元，共计 136 家债权人。

普通债权的调整方案为：普通债权以出资人让渡的股票受偿，每 100 元债权受偿 3.3 股 A 股，在华源股份按上述方案履行完清偿债权的义务后，对于未获清偿的部分，根据《企业破产法》的规定，华源股份不再承担清偿责任。

四、债权受偿方案

（一）担保债权组

担保债权组债权 40,774,035.47 元以华源股份担保资产的变现资金进行清偿。如担保资产的实际处置价格高于资产评估价值，高出部分在担保债权范围内的，仍由担保债权人优先受偿，但已列入普通债权组的债权参加分配的部分则进行相应调整；如担保资产的实际处置价格低于资产评估价值，就担保资产未获清偿的部分按照普通债权组的清偿方案获得清偿。

（二）职工债权组

职工债权 38,507,256 元以华源股份资产处置收入进行清偿。

（三）税款债权组

税款债权 9,384,834.49 元以华源股份处置资产收入进行清偿。

对于尚未申报的税款债权 9,781,660.70 元，由管理人以华源股份

资产变现款项进行清偿。

（四）普通债权组

普通债权共计 2,240,374,233.8 元，该部分债权以出资人让渡的股票按债权比例进行分配。以华源股份股票停牌前一日的收盘价格 4.37 元作为测算依据，每 100 元债权受偿 3.3 股华源股份 A 股，普通债权清偿比例为 14.42%。相关债权人应于本重整计划草案获法院裁定批准之日起 15 日内，向管理人提供股票账户卡等相关资料，由管理人按债权比例向债权人分配。

此外，如华源股份可处置资产的变现资金，在按照《企业破产法》的规定，支付完重整费用、职工债权、税款债权后，仍有剩余的，剩余资金向普通债权人按比例分配。

考虑到在重整计划执行期间及执行完毕后，仍可能有部分债权因特殊原因无法获得受偿（以下简称“未获偿债权”），为保证未获偿债权能够切实得到清偿，管理人将预留 600 万股 A 股。如按照下述安排清偿未获偿债权后，预留股票有剩余，股票将进行变现，变现资金按债权比例向其他普通债权人进行追加分配：

1、关于未申报的债权

未在债权申报期限内申报但受法律保护的债权，在重整计划执行完毕后，按照同类债权的清偿比例以预留的华源股份 A 股进行清偿。

2、关于主债务人提供担保物的债权

对于在债权申报期内申报的，因华源股份提供保证形成的债权，且

主债务人同时还向债权人提供物的担保，且在第一次债权人会议召开前，债权人尚未就主债务人提供的担保物获得受偿的，在债权人就主债务人提供的担保物获得受偿，而主债务人担保物不足以清偿债务的情况下，不足部分按照同类债权的清偿比例以预留的华源股份 A 股进行清偿。

3、存在诉讼、仲裁未决的债权

对于诉讼或者仲裁尚未终结的债权，在诉讼或者仲裁终结后，根据判决或仲裁所确认的债权金额，按照同类债权的清偿比例进行以预留的华源股份 A 股进行清偿。

4、担保资产实际变现值低于评估价值的债权

对于担保债权组中，担保资产变现后，实际处置价格低于资产评估价值的部分，按照普通债权组的清偿比例以预留的华源股份 A 股进行清偿。

五、经营方案

由于华源股份已停止生产经营活动，公司所有资产都将通过公开拍卖或变卖方式进行处置。要从根本上挽救华源股份，在对华源股份进行债务重组，减轻债务负担基础上，必须引进重组方并通过重组方向华源股份注入具有盈利能力的优质资产，使华源股份获得重生。

（一）资产剥离

管理人将根据华源股份现有资产的实际情况，制订资产处置方案，并根据《企业破产法》的规定，在向上海二中院报告并获得批准后，对相关资产进行处置。

（二）确定重组方并受让股权

具有一定实力且符合中国证券监督管理委员会关于上市公司重大资产重组规范性要求的潜在投资人，可确认为重组方，受让出资人让渡的部分股票。

（三）重组方注入资产

重组方应当在重整程序终结之后以定向增发等合法方式向华源股份注入净资产不低于人民币 10 亿元、并具有一定盈利能力的优质资产，使华源股份恢复持续经营能力和持续盈利能力，成为业绩优良的上市公司。

六、重整计划的执行期限

重整计划的执行期限为 4 个月，自法院裁定批准重整计划之日起计算。在此期间内，华源股份应严格依照本重整计划草案制订的债权受偿方案向有关债权人清偿债务，并根据需要随时支付重整费用等支出。如非华源股份自身原因，致使华源股份重整计划无法在上述执行期限内执行完毕，华源股份应于执行期限届满前 15 日，向上海二中院提交延长重整计划执行期限的申请，并根据上海二中院批准的执行期限继续执

行。对于因延长执行期限而产生的重整费用等支出，华源股份仍应根据需要随时支付。

七、重整计划的监督期限

重整计划的监督期限为 4 个月，自法院裁定批准重整计划之日起计算。在此期间内，由管理人监督华源股份对重整计划的执行。华源股份应接受管理人的监督，对于重整计划执行情况、公司财务状况，以及重大经营决策、财产处置等事项，及时向管理人报告。如华源股份向上海二中院提交延长重整计划执行期限的申请，则管理人将向上海二中院提交申请延长重整计划执行监督期限的申请，并根据上海二中院批准的执行监督期限继续履行监督职责。监督期届满时，管理人向上海二中院提交监督报告，自监督报告提交之日起，管理人的监督职责终止。

八、关于执行重整计划的其他方案

（一）资产变现

上海二中院批准重整计划后，华源股份将以《评估报告》确定的评估价值为底价，公开拍卖或变卖现有资产。对于华源股份资产变现款高于评估价值的部分，在用于优先支付重整费用及清偿职工债权、税款债权后如有剩余，剩余资金向普通债权人追加分配（普通债权的实际清偿率相应增加）；如资产变现款不足以支付重整费用、清偿职工债权、税款债权，不足部分由预留股份变现后补足。

（二）有关重整费用的支付

1、人民法院案件受理费、管理人报酬、聘请中介机构的费用在重整计划获法院裁定批准之日起10日内支付；

2、让渡股票过户税费、管理人执行职务的费用、资产处置费用、信息披露费用根据重整计划执行进展情况随时支付。

（三）关于未受领分配的债权

就已被上海二中院裁定确认的债权，由于无法联系到债权人或债权人无法按时向管理人提供股票账户卡等相关资料而未及时受领分配股票的，由管理人提存相关股票，债权人自重整计划执行完毕公告之日起满二个月仍不领取的，视为放弃受领分配的权利，华源股份将提存的股票按债权比例追加分配给债权人。

以上为华源股份重整计划草案的基本内容。管理人在制作草案过程中，充分考虑各方主体的利益，并在尊重华源股份资产负债这一基本事实的基础上，在《企业破产法》等法律、法规允许的范围内，与相关利益主体进行了充分的沟通和协商，制作出本重整计划草案。而只有各组债权人通过本重整计划草案、出资人组通过出资人权益调整方案，且获得人民法院的批准，华源股份才能避免破产清算。在此基础上，通过资产重组，恢复华源股份的生产经营和盈利能力，从而使全体债权人分得的股票、原股东剩余的股票和重组方持有的股票成为真正意义上的优质资产，所有利益主体真正享有华源股份重整成功所带来的巨大的重整效

益。为了实现这一目标，管理人真诚地希望各位债权人和出资人鼎力支持华源股份的重整，通过管理人和华源股份提出的重整计划草案。

上海华源股份有限公司管理人

上海华源股份有限公司

二〇〇八年十一月十三日