



SHELL ELECTRIC MFG. (HOLDINGS) COMPANY LIMITED

蜆壳電器工業(集團)有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code : 00081)

Final Dividend for the year ended 31st December, 2004 Scrip Option in lieu of Cash Dividend

1. Form of election should be lodged with the Share Registrars of the Company **not later than 4:00 p.m. on Wednesday, 1st June, 2005**. No form of election is required if shareholders choose to receive Final Dividend in cash.
2. Formula for calculation of scrip dividend entitlements is set out below.

On 6th April, 2005, the board of directors (the "Board") of Shell Electric Mfg. (Holdings) Company Limited announced their recommendation of a final dividend (the "Final Dividend") of HK\$0.07 per share of nominal value of HK\$0.50 each (the "Share") for the year ended 31st December, 2004, such dividend to be satisfied in cash, with an option to receive a scrip dividend of Shares ("New Shares"), payable to shareholders of the Company ("Shareholders") whose names appear on the register of members on 11th May, 2005 (the "Record Date"). At the annual general meeting of the Company held on 11th May, 2005, the Final Dividend was approved by the Shareholders.

A circular setting out details of the Final Dividend was sent to Shareholders on 17th May, 2005. It was mentioned, among others, that for the purpose of calculating the number of New Shares to be allotted, the market value of a New Share will be calculated as an amount equal to the average closing price of one Share on The Stock Exchange of Hong Kong Limited for the five consecutive trading days (on which such price was available) up to and including 23rd May, 2005. It is now determined that the average closing price is HK\$1.458. Accordingly, the number of New Shares which Shareholders will receive, in respect of their existing Shares registered in their names as at 11th May, 2005 and for which elections to receive New Shares are lodged with Standard Registrars Limited, the Share Registrars of the Company, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong **not later than 4:00 p.m. on Wednesday, 1st June, 2005**, will be calculated as follows:-

$$\begin{array}{l} \text{Number of New Shares} \\ \text{to be received} \end{array} = \begin{array}{l} \text{Number of existing} \\ \text{Shares held on the Record} \\ \text{Date for which New Share} \\ \text{election is made} \end{array} \times \frac{\text{HK\$0.07}}{\text{HK\$1.458}}$$

No form of election is required if Shareholders choose to receive Final Dividend in cash. The number of New Shares to be received will be rounded down to the nearest whole number of the New Shares. Fractional entitlements to New Shares will be aggregated and sold and the benefit thereof will accrue to the Company. The New Shares to be issued will rank pari passu in all respects with the existing Shares except that they shall not rank for the Final Dividend.

Share certificates for the New Shares and/or cheques for cash dividend will be posted by ordinary mail to those entitled thereto at their own risk on or around Wednesday, 8th June, 2005.

By Order of the Board
Billy K. YUNG
(Chairman)

Hong Kong, 23rd May, 2005

As at the date of this announcement, the board of directors of the Company comprises Mr. Billy K. YUNG, Madam YUNG HO Wun Ching, Mr. LEUNG Chun Wah and Mr. Plato POON Chak Sang as executive Directors, Mr. Simon YUNG Kwok Choi as non-executive Director and Dr. Leo Tung-Hai LEE, Mr. Shiu-Kit NGAI, Mr. WONG Chung On, Peter and Mr. Peter LAM as independent non-executive Directors.