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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)

ANNOUNCEMENT

DISPATCH OF THE MAJOR TRANSACTION CIRCULAR FOR THE ACQUISITION OF SHARES IN A COMPANY INVOLVING IN THE BUSINESS OF PROPERTY DEVELOPMENT IN THE PRC

AND

APPROVAL OF THE MAJOR TRANSACTION BY WAY OF WRITTEN SHAREHOLDERS' CERTIFICATE IN LIEU OF HOLDING A GENERAL MEETING

The Board wishes to announce that the circular detailing the Acquisition will be dispatched to the Shareholders on 28th June 2005 and a written shareholders' certificate has been obtained to approve the major transaction in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

The Board refers to the announcements dated 10th May 2005, 27th May 2005 and 21st June 2005 made by the Company in relation to the Acquisition, the first and second extension of time for the dispatch of the circular to 21st June 2005 and 30th June 2005 respectively. Terms used herein shall bear the same meanings as those defined in the announcement of the Company dated 10th May 2005 unless the context requires otherwise.

The Board wishes to announce that a circular containing, amongst other things, details of the Acquisition will be dispatched to the Shareholders of the Company on 28th June 2005 in accordance with the Listing Rules.

The Board would also like to announce that i) no shareholder of the Company is required to abstain from voting if the general meeting were to be convened for the approval of the Acquisition; and ii) the Controlling Shareholders (*Note*), who have no interest in the Acquisition other than their interests as Shareholders holding approximately 51% of the present issued share capital of the Company, have issued a written certificate to the Company to approve the Acquisition in lieu of a general meeting pursuant to Rule 14.44 of the Listing Rules. Therefore, the Company will not be required to convene a general meeting to consider and approve the transaction contemplated under the Agreement as prescribed under Rule 14.44 of the Listing Rules.

Note: The Controlling Shareholders are Madam YUNG Ho Wun Ching (as executive Director), On Fat Profits Corporation and Diamond Key Enterprises Inc. (both being companies holding the Shares concerned on trust for the benefit of the spouse and children of Mr. Billy K YUNG, an executive Director) who, as at the close of business on 3rd May 2005, were collectively holding an aggregate of 226,377,775 Shares (respectively of 53,196,300 Shares, 69,385,531 Shares and 103,795,944 Shares) representing approximately 51% of the Company's issued share capital of 447,892,356 Shares.

By Order of the Board
Peter Lee Yip Wah
Secretary

Hong Kong, 24th June 2005

As at the date hereof, the Board comprises of 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. Peter WONG Chung On and Mr. Peter LAM as independent non-executive Directors.