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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)

### CLARIFICATION ANNOUNCEMENT

The Board makes this clarification announcement in response to newspaper articles relating to the Company's intention to spin-off for a separate listing of its properties business in the PRC.

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The board of directors (the "Board") of Shell Electric Mfg. (Holdings) Company Limited (the "Company") makes this clarification announcement in response to newspaper articles relating to the Company's intention to spin-off for a separate listing of its properties business in the PRC ("Alleged Spin-off"). The Company wishes to clarify that it is currently considering a number of alternatives in relation to the properties business in the PRC including but not limited to the Alleged Spin-off. As the consideration for the number of alternatives for the properties business of the Company, including the Alleged Spin-off, is still at an early and preliminary stage, no conclusion has been reached.

The Company will ensure compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") from time to time, and will make further announcement as and when necessary.

**Shareholders of the Company should be aware that there is no assurance whether and when the Alleged Spin-off materialise and should therefore exercise caution when dealing with the securities of the Company.**

Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board  
**Billy K Yung**

*Group Chairman and Chief Executive*

Hong Kong, 31 May 2007

*As at the date of this announcement, the Board comprises ten Directors, of which five are executive Directors, namely Mr. Billy K YUNG, Madam YUNG HO Wun Ching, Mr. LEUNG Chun Wah, Mr. Plato POON Chak Sang and Mr. Eddie HURIP, one non-executive Director being Mr. Simon YUNG Kwok Choi and four independent non-executive Directors, namely Dr. Leo Tung-Hai LEE, Mr. Shiu-Kit NGAI, Mr. Peter WONG Chung On and Mr. Peter LAM.*

Please also refer to the published version of this announcement in The Standard.