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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

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

The board of directors (“Board”) of Shell Electric Mfg. (Holdings) Company Limited (“Company”) has noted the increase in the price and trading volume of the shares of the Company as at the date of this announcement and the Board is not aware of any reasons for such increases save for the following transactions discussions of which are under negotiation that may lead to notifiable/connected transactions which will be announced as soon as the underlying transactions materialize:

- a) An indirect non-wholly owned subsidiary of the Company is considering an incentive option scheme whereby certain connected persons will be granted options.
- b) An indirect non-wholly owned subsidiary of the Company is in discussion to finalize a purchase involving certain equity interest concerning real estate assets in Beijing, the PRC.
- c) An indirect non-wholly owned subsidiary of the Company is in discussion to acquire certain equity interest concerning real estate assets in Guangzhou, the PRC.

The Board confirms that, save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange (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.

The Company would also like to draw the shareholders’ attention to the Company’s announcement of 31 May 2007 in relation to the Company’s intention to spin-off for a separate listing of its properties business in the PRC (“Spin-off”). The Company wishes to state that it has continued to consider a number of alternatives in relation to the properties business in the PRC including but not limited to the Spin-off as well as other alternatives. As the consideration for the number of alternatives for the properties business of the Company, including the Spin-off, is still at an early and preliminary stage, no conclusion has been reached.

The Company will ensure compliance with 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 Spin-off, or any other proposals which the Company considers from time to time, may materialize and should therefore exercise caution when dealing with the securities of the Company.

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

By Order of the Board

Billy K Yung

Group Chairman and Chief Executive

Hong Kong, 8 November 2007

As at the date of this announcement, the Board comprises nine Directors, of which four are executive Directors, namely Mr. Billy K YUNG, Madam YUNG HO Wun Ching, Mr. LEUNG Chun Wah 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 and South China Morning Post.”