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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE JOINT BID FOR THE DEVELOPMENT OF THE LAND

ACQUISITION OF THE LAND

The Open Auction was held from 16 July 2009 until 4:00 p.m. on 30 July 2009. Shenzhen Development, an indirect 70% owned subsidiary of the Company and Huizhou Zhongwang jointly won the bid at the Open Auction to acquire the land use right of the Land.

The Land consists of a parcel of land located at 惠州市惠陽區淡水街道辦橋背村與秋長街道辦鐵門扇村地段 (Danshui street Banqiaobei village and Qiuchang street Bantiemenshan village in Huiyang District, Huizhou City*) with a site area of 196,880 sq. m. and a land use term of 70 years for residential use.

The consideration for the acquisition of the Land is RMB92,927,400 (approximately HK\$105.0 million) and will be settled by cash. Shenzhen Development is in discussion with Huizhou Zhongwang on the cooperation for the development of the Land, including the possible establishment of a joint venture. Further announcement will be made as and when appropriate.

LISTING RULES REQUIREMENT

As some of the relevant percentage ratios under Rule 14.07 of the Listing Rules exceed 5% but less than 25%, accordingly, the transaction contemplated under the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

At the request of the Company, trading in its Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 29 July 2009 pending the release of an announcement which contains price sensitive information. Trading of the Shares will remain suspended until further notice.

1. ACQUISITION OF THE LAND

The Open Auction was held from 16 July 2009 until 4:00 p.m. on 30 July 2009. Shenzhen Development, an indirect 70% owned subsidiary of the Company and Huizhou Zhongwang jointly won the bid at the Open Auction to acquire the land use right of the Land. On 30 July 2009, 惠州市惠陽區土地交易所 (Huizhou City, Huiyang District Land Exchange Centre*) on behalf of 惠州市國土資源局惠陽區分局 (Huizhou City Huiyang Land Resources Sub-bureau*) confirmed the winning of the joint bid.

The Land consists of a parcel of land located at 惠州市惠陽區淡水街道辦橋背村與秋長街道辦鐵門扇村地段 (Danshui street Banqiaobei village and Qiuchang street Bantiemenshan village in Huiyang District, Huizhou City*) with a site area of 196,880 sq.m. and a land use term of 70 years for residential use.

The consideration for the acquisition of the Land is RMB92,927,400 (approximately HK\$105.0 million) and will be settled by cash. The consideration will be financed by internal resources of the Group.

The consideration was determined with reference to the potential value of the development of the Land.

The Company is in discussion with Huizhou Zhongwang on the cooperation for the development of the Land, including the possible establishment of a joint venture. Further announcement will be made as and when appropriate.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Huizhou Zhongwang and its ultimate beneficial owner and 惠州市國土資源局惠陽區分局 (Huizhou City Huiyang Land Resources Sub-bureau*) are Independent Third Parties.

2. REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activities of the Group comprise property investment and development, manufacturing and marketing of electric fans and other electrical household appliances and contract manufacturing business, property leasing and investment holding.

Huizhou Zhongwang is principally engaged in property development and sale of properties.

The Directors consider that the Acquisition is in line with the Group's stated strategy and will further enhance the Group's interest in a portfolio of property development projects in the PRC. The Directors are of the view that the Acquisition is fair and reasonable and is in the interests of the Company and Shareholders as a whole.

3. LISTING RULES REQUIREMENTS

As some of the relevant percentage ratios under Rule 14.07 of the Listing Rules exceed 5% but less than 25%, accordingly, the transaction contemplated under the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

At the request of the Company, trading in its Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 29 July 2009 pending the release of an announcement which contains price sensitive information. Trading of the Shares will remain suspended until further notice.

4. DEFINITIONS

Unless the context otherwise require, the following expressions have the following meanings in this announcement:

“Acquisition”	the acquisition of the Land
“Board”	the Board of Directors
“Company”	Shell Electric Mfg. (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou Zhongwang”	惠州眾望光耀城房地產有限公司, (Huizhou Zhongwang Guangyao City Real Estate Limited*), a company incorporated in the PRC with limited liability
“Independent Third Party(ies)”	person(s), or in the case of companies, the company and their ultimate beneficial owner(s), who are independent of and not connected with the Company and its subsidiaries and its connected persons or in the case of a corporation (the ultimate beneficial owner) their respective associates (“connected persons” and “associates” as defined in the Listing Rules)
“Land”	a parcel of land located at 惠州市惠陽區淡水街道辦橋背村與秋長街道辦鐵門扇村地段 (Danshui street Banqiaobei village and Qiuchang street Bantiemenshan village in Huiyang District, Huizhou City*) with a site area of 196,880 sq. m. and a land use term of 70 years for residential use
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Open Auction”	the auction of the Land at 惠州市惠陽區土地交易所 (Huizhou City, Huiyang District Land Exchange Centre*)
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s), currently with par value of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shenzhen Development”	深圳市建地投資有限公司 (Shenzhen Development and Investment Limited*), a company incorporated in the PRC with limited liability and is indirectly owned as to 70% by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metres
“%”	per cent.

Amounts denominated in RMB in this announcement have been translated into HK\$ at a rate of RMB1.00 = HK\$1.13 for illustration purposes.

By Order of the Board
Billy K Yung
Group Chairman and Chief Executive

Hong Kong, 4 August 2009

As at the date of this announcement, the Board comprises eight 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 three independent non-executive Directors, namely Mr. Peter WONG Chung On, Mr. Peter LAM and Mr. Lawrence LEUNG Man Chiu.

* For identification purpose only