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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)

DISCLOSURE UNDER RULE 13.09 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.09 of the Listing Rules on the disclosure of the legal proceedings against the Company and three subsidiaries of the Company in relation to the Alleged Agreement and/or Common Understanding and the removal of an individual as directors of two subsidiaries of the Company.

THE LEGAL PROCEEDINGS

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board announces that, on 19 August 2009, the Company received a writ of summons with indorsement of claim issued on 18 August 2009 naming Assure Win Investments Limited as plaintiff, and the Company, Jodrell, Pan China Land and Pandue Investments as defendants. The Plaintiff claims against the Company and Jodrell for, among other things, (i) a declaration that there is an agreement and/or common understanding between the Plaintiff and the Company and/or Jodrell (the “**Alleged Agreement and/or Common Understanding**”) that if either party should intend to dispose of its beneficial interest in EBRE (a non wholly-owned subsidiary of the Company), the other party should be entitled to exercise a pre-emption right in respect of the same interest; and the termination of major management officers of EBRE should be passed by a resolution of over two thirds of the directors of EBRE; (ii) a declaration that by reason of the Alleged Agreement and/or Common Understanding, the Plaintiff being the beneficial owner of 30% shareholding in EBRE has the pre-emption right to purchase 70% shareholding in EBRE from the Company and/or Jodrell should the Company and/or Jodrell decide to dispose of its interest in EBRE; and (iii) an injunction to restrain the Company and/or Jodrell from breaching the Alleged Agreement and/or Common Understanding by disposing of its interest in EBRE without first allowing the Plaintiff to consider whether to exercise its pre-emption right.

In the same indorsement of claim, the Plaintiff also claims against the Company, Jodrell, Pan China Land and Pandue Investments for, among other things, (i) a declaration that the removal of Liu Zhan as a director of Pandue Investments by Pan China Land on 6 August 2009 was invalid by reason of procedural irregularities and/or that it was in breach of the Alleged Agreement and/or Common Understanding; and (ii) a declaration that the removal of Liu Zhan as a director of EBRE by Pandue Investments on 6 August 2009 was invalid by reason of procedural irregularities and/or that it was in breach of the Alleged Agreement and/or Common Understanding.

The Company is seeking legal advice in respect of the above legal proceedings. Based on the preliminary advice from the Company's legal advisers, the Directors consider that the above legal proceedings do not have any merit. The Company will make timely disclosure should there be any significant progress requiring disclosure under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Shell Electric Mfg. (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company from time to time
“EBRE”	China Everbright Real Estate Development Limited, a non wholly-owned subsidiary of the Company
“Jodrell”	Jodrell Investments Limited, a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pan China Land”	Pan China Land (Holdings) Corporation, a non wholly-owned subsidiary of the Company
“Pandue Investments”	Pandue Investments Limited, a non wholly-owned subsidiary of the Company
“Plaintiff”	Assure Win Investments Limited, owner of 30% shareholding interest in Pan China Land and beneficial owner of 30% shareholding interest in EBRE
“Share(s)”	ordinary share(s) of HK\$0.50 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the board of
Shell Electric Mfg. (Holdings) Company Limited
Billy K Yung
Group Chairman and Chief Executive

Hong Kong, 20 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.