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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)

PROPOSED CAPITAL REORGANISATION

The Board is pleased to announce that on 1st February, 2010, the Court made an order confirming the Share Capital Reduction and the Share Capital Cancellation.

Reference is made to the joint announcement issued by China Overseas Land & Investment Limited, Shell Electric Mfg. (Holdings) Company Limited (the “**Company**”) and Red Dynasty Investments Limited dated 29th September, 2009, the circular of the Company dated 8th December, 2009 (the “**Circular**”) and the announcements of the Company dated 13th January, 2010 and 25th January, 2010. Unless otherwise defined, the capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that on 1st February, 2010, the Court made an order (the “**Order**”) confirming the Share Capital Reduction and the Share Capital Cancellation which was previously approved by a special resolution passed by the Shareholders at the EGM held on 31st December, 2009. The Share Capital Reduction and the Share Capital Cancellation will take effect upon the registration of the Order by the Registrar of Companies in Hong Kong.

WARNING: THE DISTRIBUTION IN SPECIE IS SUBJECT TO, AMONG OTHER THINGS, THE FULFILLMENT OR WAIVER OF CERTAIN OF THE CONDITIONS TO COMPLETION OF THE SUBSCRIPTION AGREEMENT. AS SUCH, THE DISTRIBUTION IN SPECIE MAY OR MAY NOT PROCEED AND IS A POSSIBILITY ONLY. ALSO, AS THE PRIVATECO OFFER AND THE COLI OFFER WILL ONLY BE MADE AFTER COMPLETION, WHICH IS SUBJECT TO A NUMBER OF CONDITIONS, EACH OF THE PRIVATECO OFFER AND THE COLI OFFER MAY

OR MAY NOT PROCEED AND, AS SUCH, ARE POSSIBILITIES ONLY. INVESTORS AND SHAREHOLDERS ARE THEREFORE URGED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES.

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

Hong Kong, 1st February, 2010

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.