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Shanghai Land Holdings Limited
上海地產控股有限公司

(Incorporated in Hong Kong with limited liability)

Clarification Announcement

This announcement is made in response to an article appeared in The Hong Kong Economic Times on 18th January, 2003 regarding the identity of the Vendor and the interest of Mr. Chau Ching Ngai who is the controlling shareholder of the Company in the Proposed Transaction.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited and is in response to an article appeared in The Hong Kong Economic Times on 18th January, 2003 regarding the identity of the Vendor and the interest of Mr. Chau Ching Ngai who is the controlling shareholder of the Company in the Proposed Transaction. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Company's announcement dated 16th January, 2003.

In relation to the identity of the Vendor of the Proposed Transaction, the directors of the Company would like to reconfirm that Ms. Yu, is independent of, and not connected with the Company or the directors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates (as defined in the Listing Rules) and accordingly, the Proposed Transaction constitute a discloseable transaction under the Listing Rules.

In relation to Mr. Chau's interest in the Proposed Transaction, the directors of the Company would like to confirm that Mr. Chau acquired a 10% equity interest in Longbai Co Ltd, a subsidiary of Hip Yick which in turn owns Hotel Yihe Longbai Shanghai, on 27th July 2001 from Hotel Nikko Corporation, being independent of, and not connected with the Company or the directors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates (as defined in the Listing Rules), and subsequently disposed of his 10% equity interest in Longbai Co Ltd on 9th April, 2002 to Hip Yick. Hip Yick had obtained the formal approval of the new articles and the shares transfer of Longbai Co Ltd from the relevant PRC government authorities on 4th June, 2002 and Longbai Co Ltd became a wholly-owned subsidiary of Hip Yick which in turn is wholly owned by Ms. Yu. Mr. Chau would like to confirm that he has no interest in Hip Yick since its incorporation in August 2000.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board of
Shanghai Land Holdings Limited
Chau Ching Ngai
Chairman

Hong Kong, 21st January, 2003

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