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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)

**(i) ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF AND THE ENTIRE
OUTSTANDING SHAREHOLDER'S LOAN TO
ARTIC STAR LIMITED AND HERO PALACE HOLDINGS LIMITED
(DISCLOSEABLE AND CONNECTED TRANSACTION)
(ii) AGENCY ARRANGEMENT FOR THE SALE OF DE ORIENTAL LONDON
(ONGOING CONNECTED TRANSACTION)**

The Directors are pleased to announce that King Success, a wholly owned subsidiary of the Company, has entered into the Conditional Sale and Purchase Agreement on 25th April, 2003 with Fortune Harbour and Mr. Chau, pursuant to which (inter alia) King Success conditionally agreed to purchase and, Fortune Harbour conditionally agreed to sell (i) the entire issued share capital of, and the entire shareholder's loan as at Completion to Artic Star; and (ii) the entire issued share capital of, and the entire shareholder's loan as at Completion to Hero Palace, for a consideration of RMB700 million (equivalent to approximately HK\$661.5 million), subject to downward adjustment. Mr. Chau, as guarantor to King Success for Fortune Harbour, has agreed to provide certain undertakings and warranties to King Success pursuant to the terms and conditions of the Conditional Sale and Purchase Agreement. The Consideration will be satisfied in cash by internal resources.

The terms of the Conditional Sale and Purchase Agreement and the basis of Consideration have been arrived at after arm's length negotiations and is based on normal commercial terms with reference to an independent property valuation as at 31st March, 2003 of De Oriental London of RMB1,000 million (equivalent to approximately HK\$945 million) performed by Vigers. The Directors believe that the Proposed Transaction represents an excellent opportunity for the Company to diversify its property investment in the PRC and to capture the exponential growth in the property market in the PRC and particularly in Shanghai.

Mr. Chau is a Director and the controlling shareholder of the Company holding approximately 75% equity interest and Fortune Harbour is wholly owned by Mr. Chau. Accordingly, Fortune Harbour is a connected person of the Company under the Listing Rules and as the Consideration exceeds 15% of the net asset value of the Group as at 31st December, 2002, it constitutes a discloseable and connected transaction for the Company and may only proceed with the approval of the Independent Shareholders pursuant to Rule 14.26 of the Listing Rules. As Mr. Chau has an interest in the Proposed Transaction, Mr. Chau and his associates will abstain from voting at the EGM.

Upon Completion, the arrangement under the Agency Agreement in respect of the sales of De Oriental London will constitute an ongoing connected transaction for the Company under Rule 14.25(1) of the Listing Rules as the Directors expect that the amount of agency commission payable to Uni-Pac, which is owned as to 70% by Ms. Mo, pursuant to the Agency Agreement for each year will be less than the higher of HK\$10,000,000 or 3% of the net tangible asset value of the Group for each of the three years ending 30th June, 2005 which would normally be subject to certain disclosure requirements. The Directors believe that it would not be practical to make disclosure of the Ongoing Connected Transaction on each occasion as it arises. The Directors will therefore apply to the Stock Exchange for a waiver from strict compliance with the requirements under the Listing Rules in respect of the Ongoing Connected Transaction.

An independent board committee of the Company will be formed to advise the Independent Shareholders in respect of the Proposed Transaction. An independent financial adviser will be appointed to advise the independent board committee of the Company on whether the terms of the Proposed Transaction are fair and reasonable so far as the Independent Shareholders are concerned.

A circular containing, among other things, details of the Proposed Transaction and the Ongoing Connected Transaction, the Valuation Report, the recommendation from the independent board committee of the Company and the opinion from the independent financial adviser in respect of the Proposed Transaction, will be despatched to the Shareholders within 21 days after the date of publication of this announcement.

1. THE PROPOSED TRANSACTION

Date of the Conditional Sale and Purchase Agreement:

25th April, 2003

Parties:

Vendor: Fortune Harbour, a company wholly owned by Mr. Chau
Purchaser: King Success, a wholly-owned subsidiary of the Company
Guarantor: Mr. Chau

Assets to be acquired:

Pursuant to the Conditional Sale and Purchase Agreement, King Success conditionally agreed to purchase and, Fortune Harbour conditionally agreed to sell (i) the entire issued share capital of, and the entire shareholder's loan as at Completion to Artic Star (as at 31st January, 2003, the shareholder's loan amounted to approximately HK\$29,567,556); and (ii) the entire issued share capital of, and the entire shareholder's loan as at Completion to Hero Palace (as at 31st January, 2003, the shareholder's loan amounted to approximately HK\$118,257,374), for a consideration of RMB700 million (equivalent to approximately HK\$661.5 million), subject to certain conditions precedent as described in paragraph 3 below. The Consideration will be satisfied in cash by internal resources. The terms of the shareholders' loans from Fortune Harbour to Artic Star and Hero Palace are both unsecured, interest free and repayable on demand. Artic Star and Hero Palace will each become a wholly owned subsidiary of King Success upon Completion.

Information on Artic Star

Artic Star was incorporated on 5th July, 2001 under the laws of BVI and is wholly owned by Mr. Chau, a Director and the controlling shareholder of the Company holding approximately 75% equity interest, through Fortune Harbour. Artic Star is an investment holding company whose sole asset is its 20% interest in Polyplace Investments, which in turn wholly owns Shanghai Paullee.

The audited consolidated loss before and after taxation of Artic Star from the date of incorporation to the period ended 31st July, 2002 was approximately HK\$0.2 million. The audited consolidated net liabilities of Artic Star as at 31st July, 2002 were approximately HK\$0.1 million. The audited consolidated loss before and after taxation of Artic Star for the six months ended 31st January, 2003 was approximately HK\$1.2 million. The audited consolidated net liabilities of Artic Star as at 31st January, 2003, were approximately HK\$1.3 million.

Information on Hero Palace

Hero Palace was incorporated on 16th August, 2001 under the laws of BVI and is wholly owned by Mr. Chau, a Director and the controlling shareholder of the Company, through Fortune Harbour. Hero Palace is an investment holding company whose sole asset is its 80% interest in Polyplace Investments, which in turn wholly owns Shanghai Paullee.

The audited consolidated loss before and after taxation of Hero Palace from the date of incorporation to the period ended 31st July, 2002 was approximately HK\$0.8 million. The audited consolidated net liabilities of Hero Palace as at 31st July, 2002 were approximately HK\$0.5 million. The audited consolidated loss before and after taxation of Hero Palace for the six months ended 31st January, 2003 was approximately HK\$5.8 million. The audited consolidated net liabilities of Hero Palace as at 31st January, 2003 were approximately HK\$5.1 million.

Information on Polyplace Investments

Polyplace Investments is an intermediate holding company whose sole asset is its 100% interest in Shanghai Paullee which in turn wholly owns De Oriental London. Polyplace Investments was incorporated on 12th March, 1992 under the laws of Hong Kong.

The unaudited consolidated loss before and after taxation of Polyplace Investments for the six months ended 31st January, 2003 was approximately HK\$5.8 million. The unaudited consolidated net asset values of Polyplace Investments as at 31st January, 2003 were approximately HK\$16.7 million.

Information on Shanghai Paullee

Shanghai Paullee is principally engaged in property development, investment and management in the PRC and is the developer of De Oriental London, a luxurious residential project situated at Gubei Road, Chiangning District, Shanghai. The audited net asset value of Shanghai Paullee as at 31st January, 2003, was approximately HK\$16.5 million.

Upon completion of the Development which is expected to be on or before the first anniversary of the date of the Conditional Sale and Purchase Agreement, De Oriental London will comprise two inter-connected 25-storey residential buildings, a 4-storey service apartment building, a clubhouse and carparks. Up to the date of this announcement, the exterior construction works of De Oriental London has been substantially completed and Shanghai Paullee will start the interior decoration of De Oriental London at the third quarter of 2003. The table below sets out the key development statistics of De Oriental London:

Function	Gross floor area (sq.m.)
Apartments	45,210
Service apartments	1,207
Club House	3,504
Car parks	3,719
	53,640

The registered capital of Shanghai Paullee is US\$9.3 million (equivalent to approximately HK\$72.5 million) and such registered capital has not been fully paid up. As the investment on De Oriental London was increased substantially by Shanghai Paullee in 2002, the Shanghai Administration of Industry and Commerce (“SAIC”) has requested the shareholder of Shanghai Paullee, Polyplace Investments, to inject further capital to Shanghai Paullee in order to renew and obtain a new business license from the SAIC. Polyplace Investments has an negotiation with SAIC in November 2002 and SAIC has agreed to issue the business license to Shanghai Paullee first with a condition that Polyplace Investments would undertake to inject further capital of approximately US\$4.5 million (equivalent to approximately HK\$35.1 million) into Shanghai Paullee before 30th June, 2003. Pursuant to the Conditional Sale and Purchase Agreement, should the remaining capital contribution remain outstanding as at Completion, King Success will deduct the outstanding capital contribution from the Consideration payable to Fortune Harbour.

Undertaking by Fortune Harbour and Mr. Chau to King Success:

Under the Conditional Sale and Purchase Agreement, Fortune Harbour and Mr. Chau have jointly and severally undertaken to King Success that they shall procure completion of the Development on or before the first anniversary of the date of the Conditional Sale and Purchase Agreement and shall be liable for all of the obligations and liabilities, including without limitation, contingent and absolute liabilities, borrowings and advances, capital or commitments, taxation of the Shanghai Paullee Group, which include those obligations and liabilities:-

- as at Completion; and
- in respect of and in connection with the Development including but not limited to all uncompleted or pending contracts (whether they are created prior to, on or subsequent to the date of the Conditional Sale and Purchase Agreement)

Accordingly, Fortune Harbour and Mr. Chau shall be jointly and severally responsible (inter alia) to (i) settle all the outstanding liabilities of the Shanghai Paullee Group; and (ii) procure the assignment to King Success absolutely of the debt due by the Shanghai Paullee Group to Fortune Harbour’s related parties.

2. CONSIDERATION

The Consideration payable to Fortune Harbour by King Success for a 100% interest in each of Artic Star and Hero Palace and the assignment of the shareholders’ loans is subject to the downward adjustment as stipulated in paragraph 1 above, of up to US\$4.5 million (equivalent to approximately HK\$35.1 million). The Consideration was negotiated on an arm’s length basis and on normal commercial terms and was determined by reference to the audited consolidated net asset values of Artic Star and Hero Palace as at 31st January, 2003 after taking into account of an independent property valuation as at 31st March, 2003 performed by Vigers. The Consideration represents a discount of 30% to the independent property valuation of De Oriental London of RMB1,000 million as at 31st March, 2003 performed by Vigers. The Consideration shall be payable at Completion and will be satisfied in cash by internal resources.

The Directors consider that the Consideration is fair and reasonable as (i) the Consideration represents a 30% discount to the independent property valuation of De Oriental London of RMB1,000 million as at 31st March, 2003 performed by Vigers; (ii) De Oriental London is located at a prime location in Shanghai which is highly recognised by expatriates; and (iii) the Group can commence the pre-sales of De Oriental London immediately after Completion.

3. CONDITIONS PRECEDENT OF THE PROPOSED TRANSACTION

Completion is conditional (inter alia) upon satisfaction of the following conditions:

- (i) the due diligence review on the Shanghai Paullee Group being completed to the absolute satisfaction of King Success;
- (ii) the passing by the Independent Shareholders of an ordinary resolution at the EGM approving the Conditional Sale and Purchase Agreement;
- (iii) the obtaining of all approvals and consents by the Group necessary for Completion;
- (iv) the obtaining of certificate of good standing and certificate of incumbency of each of Artic Star and Hero Palace;
- (v) the obtaining of written confirmation to release and discharge all guarantees and/or indemnities given by the Shanghai Paullee Group in respect of the obligations or liabilities of Fortune Harbour and its related parties;

- (vi) the receipt by the Company of a legal opinion issued by a firm of lawyers qualified to practice in the PRC, in such form and substance satisfactory to the Company, confirming (inter alia) Shanghai Paullee's title to De Oriental London; and
- (vii) the granting of a waiver by the Stock Exchange from strict compliance with the relevant disclosure requirement of Rule 14.25(1) of the Listing Rules in respect of the Ongoing Connected Transaction.

If all of the above conditions (other than condition (ii)) are not fulfilled or waived by King Success at or before 5:00 p.m. on the Long Stop Date or such later date as may be mutually agreed in writing between the parties, King Success may (but without prejudice to any other right or remedy it may have including without limitation, any rights to claim damages or compensation from the Vendor), (i) by notice in writing to Fortune Harbour to rescind the Conditional Sale and Purchase Agreement; or (ii) proceed to Completion, without prejudice to its rights thereunder, including without limitation, any right to claim damages or compensation from Fortune Harbour by reason of any breach of the warranties or non-fulfilment of any of the undertakings or covenants on the part of Fortune Harbour and/or Mr. Chau (as the case may be).

4. PARTICULARS OF THE ONGOING CONNECTED TRANSACTION

Upon Completion, the transaction set out below involving payment by Shanghai Paullee to Uni-Pac on an ongoing basis and will constitute an ongoing connected transaction for the Company for the purpose of the Listing Rules.

Agency commission payable to Uni-Pac

Transaction nature

Shanghai Paullee has entered into the Agency Agreement with Uni-Pac on 5th September, 2002 whereby Uni-Pac would act as the agent for Shanghai Paullee in respect of the sales of De Oriental London.

Connected person

Uni-Pac is owned as to 70% by Fortune Day which is wholly owned by Ms. Mo, the spouse of Mr. Chau, a Director and the controlling shareholder of the Company and therefore a connected person of the Company.

Pricing basis

In accordance with the Agency Agreement, Shanghai Paullee agreed to pay Uni-Pac an agency commission at rates from 2.0% to 4.0% of the sale price of the apartments, depending on the average selling price per square meter of the apartments.

5. REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION AND THE ONGOING CONNECTED TRANSACTION

The Group is principally engaged in property development and investment in the PRC. The Directors consider that there is tremendous growth potential in the PRC properties market, and in particular in Shanghai. Following the PRC's accession into the World Trade Organisation, the scheduled opening of Shanghai Universal Studios in 2006 and the successful bid for China's World Expo in Shanghai, the Directors expect that a large number of foreign companies will set up their regional offices in the PRC which will bolster the demand for both residential and commercial properties. In addition, sustained income growth of household income in Shanghai, mortgage rate cuts and increased push for housing reform by the government will also boost the growth in the residential and commercial property market.

Playing a pivotal role in the Chinese economy, multinational companies continue to relocate regional and national headquarters of their businesses to Shanghai. This is likely to stimulate an increase in demand for high-end residential and office buildings. Government policies (10th Five-year Plan) are to maintain stable supply and demand in the property market in Shanghai. The Group will take advantage of favourable elements, such as housing mortgage policies which have raised the purchasing power of the people and an increasingly active market for second-hand housing, to develop its property business in Shanghai, through the investment in high-end and luxurious housing, redevelopment of the old-city districts and construction of high-end 'smart' office buildings.

The Directors believe that the Proposed Transaction represents a good opportunity for the Company to diversify itself in property investment and development businesses in the PRC and to strengthen its position as one of the leading property developers in Shanghai. In addition, the Directors believe that the Proposed Transaction is in line with the Group's business strategy and will bring a recurring income to strengthen the profitability and cash flow of the Group.

It is the intention of the Group to expand its property investment and development businesses in Shanghai which will have a great market potential with the economic development of the PRC and particularly in Shanghai.

The Ongoing Connected Transaction will be conducted in the ordinary and usual course of business of the Company on normal commercial terms. The Ongoing Connected Transaction has been and will be conducted in accordance with the terms of the Agency Agreement which were negotiated on an arm's length basis and on terms no less favourable than those available to or from independent third parties. The Directors consider it to be in the interests of the Group to engage in the Ongoing Connected Transaction as it will facilitate the sale of De Oriental London and the terms of the Agency Agreement are fair and reasonable so far as the Shareholders are concerned.

6. DISCLOSURE REQUIREMENT AND WAIVER SOUGHT

The Directors expect that the amount of agency commission payable to Uni-Pac pursuant to the Agency Agreement for each year will be less than the higher of HK\$10,000,000 or 3% of the net tangible asset value of the Group for each of the three years ending 30th June, 2005. As Uni-Pac is indirectly owned as to 70% by Ms. Mo, the spouse of Mr. Chau, a Director and the controlling shareholder of the Company, the Ongoing Connected Transaction constitutes a connected transaction for the Company under the Listing Rules after Completion and would normally be subject to certain disclosure requirements under Rule 14.25(1) of the Listing Rules.

Given the continuing and recurring nature of the Ongoing Connected Transaction, the Directors believe that strict compliance with the disclosure requirement under the Listing Rules would be impractical and unduly onerous. As such, the Company will make an application to the Stock Exchange for a waiver from the announcement requirement in connection with the Ongoing Connected Transaction as required under the Listing Rules on conditions that:

- (a) the Ongoing Connected Transaction will be entered into:–
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) in accordance with the agreement governing it;
 - (iii) on normal commercial terms or on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and
 - (iv) in the manner as stated in (b) below;
- (b) the aggregate amount of the Ongoing Connected Transaction shall not exceed the higher of HK\$10,000,000 or 3% of the net tangible asset value of the Group for each of the three financial years ending 30th June, 2005;
- (c) details of the Ongoing Connected Transaction will be disclosed in the Company's annual report as described in Rule 14.25(1)(A) to (D) of the Listing Rules for that financial year together with a statement of the opinion of the independent non-executive Directors referred in the paragraph (d) below;
- (d) the independent non-executive Directors shall review the Ongoing Connected Transaction annually and confirm in the Company's next annual report and accounts that the Ongoing Connected Transaction has been entered into in the manner as stated in (a) above;
- (e) each year the auditors of the Company shall provide a letter (the "Letter") to the Board confirming that the Ongoing Connected Transaction:
 - (i) has received the approval of the Board;
 - (ii) has been entered into in accordance with the terms of the Agency Agreement; and
 - (iii) has not exceeded the cap amounts set out in paragraph (b) above.

The Letter is to be addressed to the Directors and a copy of the Letter is to be provided by the Company to the Stock Exchange. Where, for whatever reason, the auditors decline to accept the engagement or are unable to provide the Letter, the Directors shall contact the Stock Exchange as soon as practicable.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than as at the date of the proposed waiver application on transaction of the kind to which the Ongoing Connected Transaction belong, including, but not limited to, a requirement that such transaction be made conditional on approval by the independent shareholders, the Company will take immediate steps to ensure compliance with such requirements within a reasonable period.

The Company will fully comply with the disclosure and independent shareholders' approval requirements provided in Chapter 14 of the Listing Rules in respect of connected transactions if the Ongoing Connected Transaction exceeds the amount as stated in (b) above.

7. CONFIRMATION FROM THE DIRECTORS

The Directors (including the independent non-executive Directors) consider that the Proposed Transaction and the Ongoing Connected Transaction are entered into on normal terms in the ordinary course of business of the Company and the terms thereof are fair and reasonable and are in the interest of the Company.

8. EGM

The EGM will be convened in accordance with the provisions of the articles of association of the Company and the relevant laws, regulations and rules of Hong Kong, at which ordinary resolution will be proposed to approve the Proposed Transaction. Mr. Chau and his associates, which, together own about 75% of the issued share capital of the Company, will abstain from voting in respect of the ordinary resolution to approve the Proposed Transaction. **Given that the Proposed Transaction is subject to the fulfilment of the conditions as set out in paragraph 3 above, Shareholders and public investors should exercise extreme caution when dealing in the Shares.**

A notice of the EGM, together with a proxy form, will be despatched to Shareholders as soon as practicable in compliance with the requirements of the Listing Rules.

9. GENERAL

Mr. Chau is a Director and the controlling shareholder of the Company and Fortune Harbour is wholly owned by Mr. Chau. Accordingly, Fortune Harbour is a connected person of the Company under the Listing Rules. The Proposed Transaction constitutes a discloseable and connected transaction for the Company under the Listing Rules and requires approval from the Independent Shareholders at the EGM whereby Mr. Chau and his associates will abstain from voting in respect of the resolution approving the Proposed Transaction.

An independent board committee of the Company will be formed to advise the Independent Shareholders in respect of the terms of the Proposed Transaction. An independent financial adviser will be appointed to advise the independent board committee of the Company in respect of the terms of the Proposed Transaction.

A circular containing, among other things, further details of the Proposed Transaction and the Ongoing Connected Transaction, the Valuation Report together with the recommendation from the independent board committee of the Company, the advice from the independent financial adviser in respect of the Proposed Transaction and a notice convening the EGM to propose the ordinary resolution approving the Proposed Transaction, will be despatched to the Shareholders as soon as practicable in compliance with the requirements of the Listing Rules.

10. DEFINITIONS

As used in this announcement, the following words and phrases have the meanings assigned:

“Agency Agreement”	the agency agreement dated 5th September, 2002 entered into between Shanghai Paullee and Uni-Pac regarding the appointment of Uni-Pac as the agent for the sale of De Oriental London
“Artic Star”	Artic Star Limited, a company incorporated in the BVI, which directly owns a 20% equity interest in Polyplace Investments
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Shanghai Land Holdings Limited, a company incorporated in Hong Kong, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Conditional Sale and Purchase Agreement (which is subject to the conditions as set out under the paragraph headed “Conditions Precedent of the Proposed Transaction” being fulfilled or waived (if applicable) by the parties to the Conditional Sale and Purchase Agreement)
“Conditional Sale and Purchase Agreement”	the Conditional Sale and Purchase Agreement dated 25th April, 2003 entered into between King Success, Fortune Harbour and Mr. Chau regarding (inter alia) the acquisition of 100% equity interest in each of Artic Star and Hero Palace
“Consideration”	the consideration of RMB700 million (equivalent to approximately HK\$661.5 million) for the Proposed Transaction subject to downward adjustment of up to US\$4.5 million
“De Oriental London”	a luxurious residential development project, containing (inter alia) two interconnected 25-storey luxurious residential buildings, a 4-storey service apartment building, a clubhouse and carparks located at Gubei Road, Chiangning District in Shanghai developed by Shanghai Paullee
“Development”	the development of De Oriental London pursuant to the plans and the terms and conditions as stipulated in the Conditional Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider (inter alia) the Proposed Transaction
“Fortune Day”	Fortune Day Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Ms. Mo Yuk Ping, the spouse of Mr. Chau
“Fortune Harbour”	Fortune Harbour Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Chau
“Group”	the Company together with its subsidiaries and associated companies

“Hero Palace”	Hero Palace Holdings Limited, a company incorporated in the BVI with limited liability, which directly owns a 80% equity interest in Polyplace Investments
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than Mr. Chau and his associates
“King Success”	King Success Holdings Limited, a company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the 60th business day after the date of the Conditional Sale and Purchase Agreement or such other date the parties to the Conditional Sale and Purchase Agreement may mutually agree in writing.
“Mr. Chau”	Mr. Chau Ching Ngai, a Director and the controlling shareholder of the Company
“Ms. Mo”	Ms. Mo Yuk Ping, the spouse of Mr. Chau
“Ongoing Connected Transaction”	the transaction contemplated under the Agency Agreement
“Polyplace Investments”	Polyplace Investments Limited, a company incorporated in Hong Kong with limited liability
“PRC”	the People’s Republic of China
“Proposed Transaction”	the transaction contemplated under the Conditional Sale and Purchase Agreement
“Shanghai Paullee”	Shanghai Paullee Real Estate Development Co., Ltd (上海寶域房地產發展有限公司), a wholly-foreign-owned enterprise established on 9th September, 1992
“Shanghai Paullee Group”	Artic Star, Hero Palace, Polyplace Investments and Shanghai Paullee
“Share(s)”	shares(s) of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Uni-Pac”	Uni-Pac Property Consultants (Shanghai) Limited, a company incorporated in Hong Kong with limited liability which is owned as to 70% by Fortune Day which is in turn wholly-owned by Ms. Mo
“Valuation Report”	the valuation report in respect of De Oriental London dated 31st March, 2003 prepared by Vigers
“Vigers”	Vigers Hong Kong Limited, an independent property valuer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“sq.m.”	square meter(s)

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

Hong Kong, 28th April, 2003

Unless otherwise specified, the translation of RMB and US\$ into Hong Kong dollars are based on the exchange rate of HK\$1.00 to RMB1.06 and US\$1 to HK\$7.80. The above translation should not be construed as a representation that the relevant amounts have been, could have been, or could be, converted at that or any other rate at all.

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