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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)

ANNOUNCEMENT

This announcement is made at the request of The Stock Exchange of Hong Kong Limited. This announcement is made in response to the decreases in the price and increases in the trading volume of the shares of the Company traded today. The Company is not aware of any reasons for such decreases in the share price and increases in the trading volume save as those disclosed in the press announcements dated 28 April 2003 and 23 May 2003 and the circular dated 19 May 2003. In addition, this announcement is made to clarify certain allegations made in the media regarding the chairman and the controlling shareholder's financial position.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited.

All the directors of the Company have noted today's decreases in the price of the shares and increases in the trading volume of the shares of the Company and wish to state that none of them are aware of any reasons for such decreases in the share price and increases in the trading volume save as those disclosed in the press announcements dated 28 April 2003 and 23 May 2003 and the circular dated 19 May 2003.

Each director of the Company also confirms there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is he/she aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

The chairman and the controlling shareholder of the Company, Mr. Chau Ching Ngai, has confirmed to the board of directors of the Company that he has obtained a bank loan facility from a financial institution in May 2002 for the purpose of acquiring a controlling interest in the Company and the total 2,288,521,317 shares obtained, representing approximately 75% of the entire issued share capital of the Company, were subsequently pledged to the financial institution as security. Mr. Chau Ching Ngai has confirmed to the board of directors of the Company that the financial institution has not enforced such security as at the date of this announcement.

In addition, Mr. Chau Ching Ngai, has clarified certain allegations made in the media regarding his financial position and confirmed to the board of directors of the Company that he has no financial difficulties.

Made by the order of the Board of Shanghai Land Holdings Limited, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

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

Hong Kong, 28th May, 2003

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