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Shanghai Land Holdings Limited

上海地產控股有限公司

(Receivers Appointed)

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT APPOINTMENT OF RECEIVERS

This announcement is made pursuant to paragraph 2 of the Listing Agreement.

The Company would like to announce that the Board, following a meeting held on 6 June, 2003 with notice served to all Directors but only one executive Director and four non-executive Directors were present and formed the quorum, had decided to apply to the Court for an appointment of receivers of the Company to take all appropriate actions to preserve the assets of the Company, to carry on the business of the Company and to do all such other things as reasonably necessary for the purpose of protecting the value of the Company's assets and its business. Mr. Justice Sakhrani of the Court heard the Company's application on 7 June, 2003 and granted on the same day an order that the Receivers be appointed jointly and severally as the receivers of the Company until further notice. The reasons for the application included the two unorthodox loan transactions entered into by two Subsidiaries and the fact that there is no governing body of executive Directors comprising the Board.

No winding-up petition has been filed against the Company and the Company is therefore not in liquidation.

The Receivers will take such actions as they consider appropriate in light of their powers granted by the Court as the receivers of the Company. All the Directors remain as directors of the Company but their powers are assumed by the Receivers pursuant to the order of the Court granted on 7 June, 2003.

The Company also noted that the Bank has been granted an order by the Court for the receivership of New Nongkai in order to receive and protect the business and asset of New Nongkai and its subsidiaries. The Company received a copy of the order of appointment on 7 June, 2003.

Trading in the Shares on the Main Board was suspended with effect from 9:30 a.m. on 2 June, 2003 and will remain suspended until further announcement. The Company will make further announcements on the latest development of the Group as and when appropriate pursuant to the requirements of the Listing Rules.

This announcement is made pursuant to paragraph 2 of the Listing Agreement.

Background information

It was widely reported in the press in Hong Kong that Mr. Chau had been arrested in the PRC and an investigation is currently conducted by ICAC on Madam Mo. Mr. Chau is the Chairman of the Group and a controlling shareholder (as defined in the Listing Rules) of the Company. Madam Mo is a general manager of the Company and a director of certain Subsidiaries. The Board was also informed by the management of the Group on 6 June, 2003 that SYLHL and SWXPL were engaged in two unorthodox loan transactions in the PRC whereby an aggregate amount of approximately RMB650 million (equivalent to approximately HK\$611 million at the exchange rate of RMB1.00 = HK\$0.94) was lent to two PRC entities, which represented approximately 25.9 per cent. of the unaudited net assets of the Group of approximately HK\$2,356.5 million as of 31 December, 2002. An announcement will be made by the Company on new findings of these two unorthodox loan transactions. The Board also considers that the recent reported arrest of Mr. Chau, the investigation conducted by ICAC on Madam Mo and the two unorthodox loan transactions engaged by the Subsidiaries constitute an obvious damaging risk to the business of the Group.

Members of the Board (other than those that cannot be contacted as at the date of this announcement) were not formally informed by Mr. Chau or other government authorities in the PRC of the reported arrest of Mr. Chau in the PRC.

Appointment of receivers

In light of the foregoing and the fact that there is no governing body of executive Directors composing the Board, the Board, following a meeting held on 6 June, 2003 with notice served to all Directors but only one executive Director and four non-executive Directors, namely Mr. Koo Hoi Yan, Donald, Ms. Fan Cho Man, Vivien, Mr. Tan Lim Heng, Mr. Liu Lit Man and Mr. Mok Chiu Kuen, were present and formed the quorum, had decided to apply to the Court for an appointment of receivers of the Company to take all appropriate actions to preserve the assets of the Company, to carry on the business of the Company and to do all such other things as reasonably necessary for the purpose of protecting the value of the Company's assets and its business. Mr. Justice Sakhrani of the Court heard the Company's application on 7 June, 2003 and granted on the same day an order that the Receivers be appointed jointly and severally as the receivers of the Company until further notice, pursuant to section 21L of the High Court Ordinance (Chapter 4 of the Laws of Hong Kong) and Order 30, rule 1 of the Rules of High Court on the ground that it is just and equitable to do so.

The Board also resolved at the meeting that the authorities of all existing directors of the Subsidiaries are suspended until further notice.

No winding-up petition has been filed against the Company and the Company is therefore not in liquidation.

The Receivers will take such actions as they consider appropriate in light of their powers granted by the Court as the receivers of the Company. All the Directors remain as directors of the Company but their powers are assumed by the Receivers pursuant to the order of the Court granted on 7 June, 2003.

Receivership on New Nongkai

The Company also noted that the Bank has been granted an order by the Court for the receivership of New Nongkai in order to receive and protect the business and asset of New Nongkai and its subsidiaries. The Company received a copy of the order of appointment on 7 June, 2003.

Definitions used in this announcement

Unless the context requires, the use of capitalised terms in this announcement shall have the following meanings:

“Bank”	Bank of China (Hong Kong) Limited;
“Board”	the board of Directors;
“Company”	Shanghai Land Holdings Limited (上海地產控股有限公司), a company incorporated in Hong Kong with limited liability with the Shares listed on the Main Board;
“Court”	the High Court of Hong Kong;
“Directors”	the directors of the Company;
“Group”	the Company and the Subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“ICAC”	Independent Commission Against Corruption of Hong Kong;
“Listing Agreement”	the listing agreement entered into between the Company and the Stock Exchange in the form set forth in Appendix 7a to the Listing Rules;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Madam Mo”	Madam Mo Yuk Ping, the spouse of Mr. Chau and a general manager of the Company and a director of certain Subsidiaries;
“Main Board”	the main board operated by the Stock Exchange;
“Mr. Chau”	Mr. Chau Ching Ngai, the Chairman of the Group and is deemed to be interested in 2,288,521,317 Shares under Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), representing approximately 75 per cent. of the Shares;
“New Nongkai”	New Nongkai Global Investments Limited, a company incorporated in the British Virgin Islands, the shares of which are beneficially owned by Mr. Chau;

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Receivers”	Messrs. Stephen Liu Yiu Keung and Kenneth Yeo Boon Ann, both of Ernst & Young Transactions Limited of 17th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong;
“Share(s)”	the issued share(s) of the Company;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiaries”	the subsidiaries (as defined in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company;
“SWXPL”	Shanghai Wang Xin Property Limited, a company established in the PRC and a wholly owned Subsidiary; and
“SYLHL”	Shanghai Yihe Longbai Hotel Limited, a company established in the PRC and a wholly owned Subsidiary.

General information

Trading in the Shares on the Main Board was suspended with effect from 9:30 a.m. on 2 June, 2003 and will remain suspended until further announcement. The Company will make further announcements on the latest development of the Group as and when appropriate pursuant to the requirements of the Listing Rules.

For and on behalf of
Shanghai Land Holdings Limited
(Receivers Appointed)
Stephen LIU Yiu Keung
and Kenneth YEO Boon Ann
Joint & Several Receivers

Hong Kong, 9 June, 2003

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