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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)

(Stock Code: 67)

ANNOUNCEMENT

On 27 November 2004, the Receivers received the Judgment dated 19 November 2004 issued by the Intermediate Court. The Judgment states that, among other things, the Longbai Purported Loan Agreements are legally binding, the Intermediate Court does not support Longbai's applications for the invalidation of the Longbai Purported Loan Agreements, the return by SRCC of the interest of approximately RMB9,928,000 paid by Longbai and payment of an amount of approximately RMB399,000, being the interest accrued on the interest paid by Longbai.

Longbai can appeal against the Judgment within 15 days of 27 November 2004, being the date of the delivery of the Judgment to Longbai.

The Company will make further announcement(s) to inform the Shareholders of further developments as and when appropriate.

Trading in the shares of the Company on the Stock Exchange has been suspended since 9:30 a.m. on 2 June 2003 and will remain suspended until further announcement.

Reference is made to the announcements of the Company dated 14 July 2004 and 26 November 2004.

BACKGROUND

Longbai Purported Loan

As stated in the announcement of the Company dated 14 July 2004, pursuant to the Longbai Purported Loan Agreements dated 11 April 2003 signed by the former legal representative of Longbai in the PRC, Hotel Longbai was purportedly pledged as the alleged security for a loan of RMB350 million (equivalent to approximately HK\$330.2 million) purportedly granted by SRCC to Longbai for a term of five years commencing from 18 April 2003 with interest payable quarterly and charged at an interest rate of 5.58% per annum. According to the Longbai Purported Loan Agreements, the Longbai Purported Loan was allegedly required for the purpose of an alleged acquisition by Longbai of a block of serviced apartments in Shanghai. During the course of the proceedings against SRCC leading up to the Judgment, documentation has come to the attention of the Receivers which suggests that the proposed vendor of the block of serviced apartments was a company believed to be connected with Mr Chau Ching Ngai (the Chairman of the Company).

The bulk of the Longbai Purported Loan, in an amount of approximately RMB347 million (equivalent to approximately HK\$327.4 million), was deposited with Fuyou Securities on 29 April 2003 via four SRCC's cashier orders totalling RMB347 million made payable to Longbai. The Receivers understand that such deposit was possible as the former legal representative of Longbai, under the instruction of Mr Chau Ching Ngai (the Chairman of the Company), endorsed the payments to Fuyou Securities on the back of SRCC's cashier orders. Mr Jiang Dong Liang, an executive Director of the Company and a former director of Longbai, is also the legal representative of a company which has a shareholding of approximately 20% in Fuyou Securities. The intermediate holding company of Longbai (a wholly-owned subsidiary of the Company) applied to the High Court to commence legal proceedings against Fuyou Securities in 2003. The High Court stated in July 2004 that any application in this respect should be made directly to the Intermediate Court if Longbai or its shareholder wish to continue with such application.

The Receivers understand that the remaining amount of approximately RMB3 million of the total sum of the Longbai Purported Loan represents purported interest payment of the Longbai Purported Loan retained by SRCC before the Receivers were appointed as the joint and several receivers of the Company on 7 June 2003.

The Receivers understand that the Longbai Purported Loan was not duly authorised or approved by the Board. The Receivers have previously lodged a police report with the Shanghai Police Department against the former legal representative of Longbai. The Receivers have met representatives of SRCC and have written to SRCC questioning the validity of the Longbai Purported Loan and requesting information and documents in relation to it but have not received any satisfactory reply from SRCC.

Given the irregularities concerning the Longbai Purported Loan, the Receivers, after effecting the change of the legal representative and the board of directors of Longbai on 16 December 2003 and securing management control of Longbai and its hotel operations, did not cause Longbai to make the quarterly interest payments of approximately RMB4.9 million commencing with the payment due on 20 March 2004 in respect of the Longbai Purported Loan.

Longbai Enforcement Notice

A summons dated 28 June 2004 was served on Longbai by the Intermediate Court on 30 June 2004 requiring Longbai or its attorneys to appear at the hearing held on 6 July 2004 in relation to SRCC's enforcement application against Longbai regarding the Longbai Purported Loan. The Longbai Enforcement Notice dated 28 June 2004 was also served on Longbai on 30 June 2004 stating, among other things, that the Intermediate Court had ruled that Longbai should pay to SRCC RMB354,934,911.58 with accrued penalty interest and an enforcement fee of RMB356,935; and that, if Longbai failed to fulfil such payment obligations before 6 July 2004, the Intermediate Court would take enforcement measures against Longbai. Longbai has not made any payments to SRCC pursuant to the Longbai Enforcement Notice.

Action taken by Longbai

On 5 July 2004, Longbai filed a statement of claim against SRCC with the Intermediate Court to apply for the invalidation of the Longbai Purported Loan Agreements and the Intermediate Court accepted the application on the same day. The court hearing was held on 24 August 2004.

JUDGMENT

On 27 November 2004, the Receivers received the Judgment dated 19 November 2004 issued by the Intermediate Court in respect of the hearing on 24 August 2004. The Judgment states that, among other things, the Longbai Purported Loan Agreements are legally binding, the Intermediate Court does not support Longbai's application for the invalidation of the Longbai Purported Loan Agreements, the return by SRCC of the interest of approximately RMB9,928,000 paid by Longbai and payment of an amount of approximately RMB399,000, being the interest accrued on the interest paid by Longbai, and further ruled that Longbai must bear the court fees of approximately RMB1,760,000, which have already been paid.

Longbai can appeal against the Judgment within 15 days of 27 November 2004, being the date of the delivery of the Judgment to Longbai.

GENERAL

Based on the information available to the Receivers so far, there is no information indicating that the Company has provided any guarantee for the Longbai Purported Loan or that SRCC has any recourse against the Company in respect of the Longbai Purported Loan.

The Receivers are advised that the Intermediate Court may resume the execution of the Longbai Enforcement Notice any time. The Receivers have received legal advice with regard to the Judgment and have invited the Board to discuss the matter with them. Longbai may lose its ownership of Hotel Longbai if the execution of Longbai Enforcement Notice is resumed and Longbai fails to fulfil the alleged payment obligations pursuant to the Longbai Enforcement Notice.

Hotel Longbai is one of the principal business operations/assets of the Group. The other major business operations/assets of the Group are Hongxin Land and the Group's investment properties at Jun Ling Plaza. The Group's other assets comprise primarily cash and legal claims. As stated in the Company's announcement dated 26 November 2004, the Intermediate Court has ruled (amongst other things) that the Hongxin Purported Loan Agreements are valid.

The Receivers are advised that execution of the Hongxin Enforcement Notice may resume at any time. The Group's investment properties at Jun Ling Plaza generated rental income of HK\$1,816,000 for the year ended 30 June 2003 and HK\$944,000 for the six months ended 31 December 2003. The Group's investment properties at Jun Ling Plaza were valued at HK\$33 million as at 30 June 2003 by an independent professionally qualified property valuer. Should the Company cease to own Hotel Longbai as a result of the execution of the Longbai Enforcement Notice and cease to own Hongxin Land as a result of the Hongxin Enforcement Notice, there is a risk that the Company may be unable to comply with Rule 13.24 of the Listing Rules. Rule 13.24 states that an issuer shall carry out, directly or indirectly, a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to the Stock Exchange to warrant the continued listing of the issuer's securities. The Company will make further announcement(s) to inform the Shareholders of further developments as and when appropriate.

Trading in the shares of the Company on the Stock Exchange has been suspended since 9:30 a.m. on 2 June 2003 and will remain suspended until further announcement.

As at the date of this announcement, the board of directors of the Company comprises nine directors. The executive directors are Mr Chau Ching Ngai, Ms Gong Bei Ying, Mr Jiang Dong Liang, Mr Koo Hoi Yan, Donald and Mr Mao Wei Ping. The non-executive directors are Ms Fan Cho Man and Mr Tan Lim Heng. The independent non-executive directors are Mr Mok Chiu Kuen and Mr Ho Yau Hoo, Ronald.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Shanghai Land Holdings Limited (上海地產控股有限公司) (Receivers Appointed), a company incorporated in Hong Kong with limited liability the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Fuyou Securities”	Fuyou Securities Brokerage Co., Limited (富友證券經紀有限責任公司), a company established in the PRC
“Group”	the Company and its subsidiaries
“High Court”	上海市高級人民法院 (High People’s Court of Shanghai) of the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hongxin”	上海宏興房地產發展有限公司 (Shanghai Hongxin Real Estate Development Company Limited), a company established in the PRC and a wholly owned subsidiary of the Company, which is principally engaged in property development
“Hongxin Enforcement Notice”	the enforcement notice dated 28 June 2004 served on Hongxin stating, among other things, that the Intermediate Court had ruled that Hongxin should pay to SRCC RMB301,447,005.54 with accrued penalty interest and an enforcement fee of RMB303,447
“Hongxin Land”	a parcel of land situated at 26 Wu Zhong Lu, Shanghai, the PRC which is owned by Hongxin
“Hongxin Purported Loan”	the loan of RMB300 million purportedly made by SRCC to Hongxin pursuant to a loan agreement dated 27 March 2003
“Hongxin Purported Loan Agreements”	the loan agreement dated 27 March 2003 and the accompanying security agreement dated 27 March 2003 purportedly entered into between SRCC and Hongxin
“Hotel Longbai”	上海逸和龍柏飯店 (Hotel Yihe Longbai Shanghai), which is situated at 2451 Hong Qiao Road, Shanghai, the PRC and owned by Longbai
“Intermediate Court”	上海市第一中級人民法院 (Shanghai No.1 Intermediate Court) of the PRC
“Judgment”	the Judgment dated 19 November 2004 issued by the Intermediate Court stating that, among other things, the Longbai Purported Loan Agreements are legally binding, the Intermediate Court does not support Longbai’s applications for the invalidation of the Longbai Purported Loan Agreements, the return by SRCC of the interest of approximately RMB9,928,000 paid by Longbai and payment of an amount of approximately RMB399,000, being the interest accrued on the interest paid by Longbai, and further ruled that Longbai must bear the court fees of approximately RMB1,760,000, which have already been paid
“Jun Ling Plaza”	Jun Ling Plaza, an office building located at 500 Chengdu North Road, Huangpu District, Shanghai, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longbai”	上海逸和龍柏酒店有限公司 (Shanghai Yihe Longbai Hotel Limited) (formerly known as 上海逸和龍柏飯店有限公司), a company established in the PRC and a wholly owned subsidiary of the Company, which is principally engaged in hotel investment and operation
“Longbai Enforcement Notice”	the enforcement notice dated 28 June 2004 served on Longbai stating, among other things, that the Intermediate Court had ruled that Longbai should pay to SRCC RMB354,934,911.58 with accrued penalty interest and an enforcement fee of RMB356,935
“Longbai Purported Loan”	the loan of RMB350 million purportedly made by SRCC to Longbai pursuant to a loan agreement dated 11 April 2003
“Longbai Purported Loan Agreements”	the loan agreement dated 11 April 2003 and the accompanying security agreement dated 11 April 2003 entered into between SRCC and Longbai

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Receivers”	Messrs. Stephen Liu Yiu Keung and Yeo Boon Ann, both of Ernst & Young Transactions Limited of 17th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong
“Shareholders”	the shareholders of the Company
“SRCC”	上海市農村信用合作社聯合社 (Shanghai Rural Credit Cooperatives Union) and its branches, being the lender of the Hongxin Purported Loan and the Longbai Purported Loan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

The translation of HK\$ and RMB used in this announcement is made at the exchange rate of HK\$1.00 = RMB1.06 and is for illustration purposes only.

For and on behalf of
Shanghai Land Holdings Limited
(Receivers Appointed)

Stephen Liu Yiu Keung
and Yeo Boon Ann
Joint & Several Receivers

Hong Kong, 3 December 2004

The Receivers jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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