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## **SHAW BROTHERS (HONG KONG) LIMITED**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 080)

### **ANNOUNCEMENT**

Reference is made to the Company's announcement dated 27 July 2006.

The directors of the Company have noted the recent increase in the price and trading volume of the shares of the Company, as well as articles published in certain newspapers citing further market speculation that the Company may be subject to a takeover offer, after the publication of the Company's announcement dated 27 July 2006.

The Company confirms that, save as disclosed in its announcement dated 27 July 2006, the Company is not aware of any reasons for the increase in the price and trading volume of its shares. **Shareholders and potential investors are therefore advised to exercise caution when trading in shares of the Company.**

In compliance with Rule 3.8 of the Hong Kong Code on Takeovers and Mergers ("Takeovers Code"), the relevant securities of the Company in issue comprise 398,390,400 ordinary shares of HK\$0.25 each as at the date of this Announcement. The Company does not have in issue any options or other securities carrying conversion or subscription rights into or in respect of any of its ordinary shares as at the date of this Announcement.

As required under Rule 3.8 of the Takeovers Code, associates (as defined in the Takeovers Code) of the Company and any potential offeror of the shares of the Company as well as its associates (as defined in the Takeovers Code) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

Made by the order of Shaw Brothers (Hong Kong) Limited, the board of directors of which jointly and severally accept 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 contained in this announcement the omission of which would make any statement in this document misleading.

By Order of the Board  
**Shaw Brothers (Hong Kong) Limited**  
**Jeremiah Rajakulendran**  
*Company Secretary*

Hong Kong, 31 July 2006

As at the date of this announcement, the board of directors of the Company comprises:

*Executive Directors:*

Sir Run Run Shaw, GBM (*Executive Chairman*)  
Mona Fong (*Deputy Chairperson and Managing Director*)  
Jeremiah Rajakulendran

*Independent Non-Executive Directors:*

Dr. Chow Yei Ching  
Ng Julie Yuk Shun  
Nelson Hon Sang Chiu

*In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:*

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

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