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Shanghai Merchants Holdings Limited

上海商貿控股有限公司*

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

This announcement is released at the request of The Stock Exchange of Hong Kong Limited. The Company is not aware of today's press allegation of an arrest of the controlling shareholder of the Company.

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

The board (the “**Board**”) of directors of Shanghai Merchants Holdings Limited (the “**Company**”) refers to the articles that appeared in today's press alleging an arrest of Mr. Chau Ching Ngai, the controlling shareholder of approximately 74.3% of the entire issued share capital of the Company in the People's Republic of China. The Board wishes to confirm that the Company is not aware of such alleged arrest on the basis that Ms. Mo Yuk Ping, the chairman of the Company, has obtained a verbal confirmation from Mr. Chau Ching Ngai directly by telephone, and that the operations and financial condition of the Company remain normal.

By Order of the Board of
Shanghai Merchants Holdings Limited
Mo Yuk Ping
Chairman

Hong Kong, 29 May, 2003

** for identification purpose only*

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