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SHANGHAI MERCHANTS HOLDINGS LIMITED

上海商貿控股有限公司*

(Receivers and Managers appointed)

(Incorporated in Bermuda with limited liability)

DELAY IN THE RELEASE OF INTERIM RESULTS AND LEGAL PROCEEDINGS AGAINST WIN VICTORY

In accordance with the provisions of the Listing Agreement between the Company and the Stock Exchange, the Company's interim results for the six months ended 30 June 2003 should be released by 30 September 2003. Following the appointment of the Receivers on 17 June 2003, the Receivers are still reviewing the books and records of the Group and are unable at this time to ascertain when the interim results of the Group will be released. Accordingly, the release of the Group's interim results will be delayed. The delay in the release of the interim results of the Group constitutes a non-compliance with the Listing Agreement between the Company and the Stock Exchange. A further announcement will be made once the time for release of the Group's interim results can be ascertained.

The Receivers, on behalf of the Company, petitioned for the winding-up of Win Victory and obtained an order from the High Court on 24 September 2003, among other things, appointing Messrs Desmond Chung Seng Chiong and Roderick John Sutton of Ferrier Hodgson Limited as the provisional liquidators of Win Victory. Further announcement(s) regarding any significant developments on the above matters will be made by the Company as and when appropriate.

Trading in the shares of the Company has been suspended at the request of the Company with effect from 9:30 a.m. on 2 June 2003 and will remain suspended until further notice.

In the meantime, shareholders and other investors should exercise extreme caution when dealing in the shares of the Company.

Reference is made to the announcements of Shanghai Merchants Holdings Limited (Receivers and Managers appointed) (the "Company") dated 17 June 2003 (the "Appointment Announcement") and 2 July 2003, 15 July 2003 and 27 August 2003 (the "Legal Proceedings Announcements"). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Appointment Announcement or the Legal Proceedings Announcements.

DELAY IN THE RELEASE OF THE INTERIM RESULTS

As referred to in the Appointment Announcement, pursuant to an order of the High Court dated 17 June 2003 (the "17 June Order"), the Receivers were appointed as the joint and several receivers and managers of the Company.

Prior to the appointment of the Receivers, the books and records of the Company and its subsidiaries (the "Group") were seized by the Independent Commission Against Corruption (the "ICAC"). The Receivers have been allowed access to the Group's papers and records now kept with the ICAC and their investigation of these records for the period from January 2003 to June 2003 are continuing.

Since their appointment on 17 June 2003, the Receivers have taken such actions as they have considered appropriate in their capacity and have, among other matters, discovered a number of questionable transactions and/or transfers of funds which occurred in the six month period ended 30 June 2003. The Receivers have commenced actions against various third parties to recover monies paid by the Group and against certain of the directors and ex-directors of the Company and other third parties to obtain additional information on the affairs of the Group. Shareholders and other investors are referred to the Legal Proceedings Announcements in relation to the transactions and/or transfers of funds and the actions taken by the Receivers.

Although Ms Mo Yuk Ping and Ms Gong Bei Ying remain on record as directors of the Company, the 17 June Order provided that the powers of all directors of the Company shall cease forthwith. In addition, prior to and following the appointment of the Receivers, all employees of the Group have either been dismissed or resigned.

In accordance with the provisions of the Listing Agreement between the Company and the Stock Exchange, the Company's interim results for the six months ended 30 June 2003 should be released by 30 September 2003. Following the appointment of the Receivers on 17 June 2003, the Receivers are still reviewing the books and records of the Group and are unable at this time to ascertain when the interim results of the Group will be released. Accordingly, the release of the Group's interim results will be delayed. The Stock Exchange has indicated that the Company is not in compliance with paragraphs 10(1) and 11(6) of the Listing Agreement between the Company and the Stock Exchange. A further announcement will be made once the time for release of the Group's interim results can be ascertained.

LEGAL PROCEEDINGS AGAINST WIN VICTORY

Further to the Legal Proceedings Announcements, the Receivers, on behalf of the Company, petitioned for the winding-up of Win Victory on the grounds that Win Victory is unable to pay its debts and/or it is just and equitable for Win Victory to be wound up and obtained an order from the High Court on 24 September 2003, among other things, appointing Messrs Desmond Chung Seng Chiong and Roderick John Sutton of Ferrier Hodgson Limited of 14th Floor, Hong Kong Club Building, 3A Chater Road, Hong Kong as the provisional liquidators of Win Victory. In the first instance, this order will remain valid up to and including 7 October 2003, on which date the matter will be heard again by the High Court. Further announcement(s) regarding any significant developments on the above matters will be made by the Company as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended at the request of the Company with effect from 9:30 a.m. on 2 June 2003 and will remain suspended until further notice.

In the meantime, shareholders and other investors should exercise extreme caution when dealing in the shares of the Company.

For and on behalf of
Shanghai Merchants Holdings Limited
(Receivers and Managers Appointed)
Alan Chung Wah Tang and Alison Wong Lee Fung Ying
Joint and Several Receivers & Managers

Hong Kong SAR, 26 September 2003

* *for identification purpose only*

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