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SHANGHAI MING YUAN HOLDINGS LIMITED

上海銘源控股有限公司*

(incorporated in Bermuda with limited liability)

Financial Adviser

Henco & Associates
Henco Capital Limited

**ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF
GIANT POWER INTERNATIONAL LIMITED
INVOLVING ISSUE OF NEW SHARES**

The Directors are pleased to announce that the Sale and Purchase Agreement dated 22 January 2003 regarding the sale and purchase of the entire issued capital of Giant Power has been completed on 23 May 2003.

Reference is made to the announcement of the Company dated 24 January 2003 (the “**Announcement**”), the announcement of the Company in relation to share subdivision dated 27 February 2003 and the circulars of the Company dated 14 February 2003 and 12 March 2003. Terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

The Directors are pleased to announce that all conditions to the Sale and Purchase Agreement have been fulfilled and completion of the Acquisition has taken place on 23 May 2003. A total of 200,000,000 new shares of HK\$0.05 each of the Company at an issue price of HK\$0.20 have been issued and allotted to Mr. Lee at completion of the Acquisition in accordance with the terms of the Sale and Purchase Agreement (the “**Completion**”).

In view to the significant effect on the net asset value of the Group pursuant to the completion of acquisitions of Fieldcrown investments Limited and Giant Power International Limited, the Directors are pleased to give Shareholders a better picture of the updates of the Group’s financial position and to demonstrate a good practice on maintaining corporate transparency of the Group by setting out below the pro forma unaudited consolidated net asset value of the Group, based on the audited consolidated net asset value of the Group as at 31 December 2002.

	<i>Approximately HK\$'000</i>
Audited consolidated net assets as at 31 December 2002	102,319
Acquisition of the entire issued share capital of Fieldcrown Investments Limited completed in February 2003 (<i>Note</i>)	13,000
Unaudited operating loss attributable to Shareholders for the four months ended 30 April 2003	<u>(3,000)</u>
Pro forma adjusted unaudited consolidated net assets prior to Completion	112,319
Effect of the Acquisition:	
Acquisition of the entire issued share capital of Giant Power International Limited	<u>40,000</u>
Pro forma adjusted unaudited consolidated net asset value upon Completion	<u>152,319</u>
Pro forma adjusted unaudited consolidated net asset value per share prior to Completion (<i>based on 2,163,096,230 Shares</i>)	<u>HK\$0.052</u>
Pro forma adjusted unaudited consolidated net asset value per share upon Completion (<i>based on 2,363,096,230 Shares</i>)	<u>HK\$0.064</u>

Note: Prior to the share subdivision of the Company in April 2003, the consideration of acquisition of Fieldcrown Investments Limited of HK\$38,000,000 had been partly satisfied by HK\$25,000,000 in cash and the issue and allotment by the Company of 13,000,000 shares of HK\$0.25 each at an issue price of HK\$1.00 each.

By Order of the Board
Shanghai Ming Yuan Holdings Limited
 上海銘源控股有限公司*
Chien Hoe Yong
Executive Director

Hong Kong, 26 May 2003

* *For identification purposes only*

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