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**第一上海**

FIRST SHANGHAI GROUP

## **China Assets (Holdings) Limited**

**(“CAHL”)**

*(Incorporated in Hong Kong with limited liability)*

## **First Shanghai Investments Limited**

**(“FSIL”)**

*(Incorporated in Hong Kong with limited liability)*

### **JOINT ANNOUNCEMENT**

- The Agreement for the disposal by CAHL of 10 investment projects in the PRC to FSIL will lapse on 31st August, 2000 as it is expected that the underlying conditions for the completion of the Agreement will not be fulfilled before the extended deadline of 31st August, 2000.
- The proposed Capital Distribution and Reduction of Capital by CAHL will, accordingly, not proceed.

Reference is made to the joint announcements of CAHL and FSIL dated 22nd May, 13th June and 14th July, 2000. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in those announcements.

The board of directors of CAHL and FSIL jointly announce that no agreement has been reached between the parties on the proposed amendments to the terms of the Agreement which involves the proposed sale by CAHL of 10 investment projects in the PRC to FSIL. Accordingly, it is expected that the conditions precedent for the completion of the Agreement cannot be fulfilled before the extended deadline of 31st August, 2000. The Agreement will therefore lapse on 31st August, 2000 and no parties to the Agreement shall have any claims upon each other.

Due to non-completion of the Agreement, the proposed Capital Distribution and Reduction of Capital by CAHL will not proceed.

By Order of the Board  
**China Assets (Holdings) Limited**  
**Tsui Che Yin Frank**  
*Director*

By Order of the Board  
**First Shanghai Investments Limited**  
**Yeung Wai Kin**  
*Director*

Hong Kong, 28 August, 2000