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SHIMAO CHINA HOLDINGS LIMITED

世茂中國控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 649)

ANNOUNCEMENT AND RESUMPTION OF TRADING OF SHARES

The Board noted the increases in the price and trading volume of the Shares of the Company on 21 October 2004 and wishes to state that, save as described below, the Board is not aware of any reasons for such increases.

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 25 October 2004 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 27 October 2004.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The board of directors (the "Board") of Shimao China Holdings Limited (the "Company") noted the increases in the price and trading volume of the shares of the Company (the "Shares") on 21 October 2004 and wishes to state that, save as described below, the Board is not aware of any reasons for such increases.

The Company has been in negotiation with a director of the Company, namely Mr. Hui Wing Mau in relation to a proposed acquisition of a property interest in Suifenhe, Heilongjiang, the People's Republic of China. Notwithstanding that the negotiation is in an advance stage, no conclusive agreement could be made for the time being on the final terms and conditions of the proposed acquisition. The transaction, if materialized, will constitute connected and major transactions of the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). Further announcement will be made by the Company as and when appropriate to comply with the Listing Rules.

The Company is also in discussion with an independent third party in relation to a proposed acquisition of a property interest in South East Asia. In this connection, the Company has entered into a letter of intent with such party to explore the possibilities of the proposed acquisition, which letter is not legally binding on the acquisition of the property interest. The transaction, if materialized, may constitute a discloseable transaction of the Company under the Listing Rules. Up to the date of this announcement, no decision has been made by the Company to proceed with the acquisition nor on the terms and conditions thereof. Shareholders of the Company and potential investors should note that the proposed acquisition may or may not materialize. Further announcement will be made by the Company as and when appropriate to comply with the Listing Rules.

The Board confirms that, save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on 25 October 2004 pending the publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 27 October 2004.

This announcement is made by the order of the Board, the directors of which (excluding Professor Lee Chack Fan who is uncontactable prior to the publication of this announcement) individually and jointly accept responsibility for the accuracy of this statement.

As at the date of this announcement, the Board comprises:

Executive Directors:

Hui Wing Mau (*Chairman*)
Chung Shui Ming, Timpson (*Chief Executive Officer*)
Hui Mei Mei, Carol (*Deputy Chairman*)
Hui Sai Tan, Jason
Ip Wai Shing
Tang Ping Fai
Yao Li

Independent non-executive Directors:

Yu Hon To, David
Lee Chack Fan
Liu Hing Hung
Lu Hong Bing

By Order of the Board
Shimao China Holdings Limited
Mok Chung Fu, Eric
Company Secretary

Hong Kong, 26 October 2004

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