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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)

Unusual Price and Volume Movement

The Board noted the increases in the price and trading volume of the shares of the Company on 2 November 2004 and wish to state that, save as described below, the Board is not aware of any reasons for such increases.

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

The board of directors (the "Board") of Shimao China Holdings Limited (the "Company") on 2 November 2004 noted the increases in the price and trading volume of the shares of the Company and wish to state that save as disclosed in the announcement dated 26 October 2004 in relation to the proposed acquisitions of the Company (the "Announcement"), we are not aware of any reasons for such increases, save as disclosed below.

We confirm that, subsequent to the publication of the Announcement, (1) the Company has not entered into further negotiation with the director of the Company, namely Mr. Hui Wing Mau for the time being in relation to the proposed acquisition of the property interest in Suifenhe, Heilongjiang, China; and (2) the discussion with an independent third party in relation to a proposed acquisition of a property interest in South East Asia is still in process but to date no decision has been made by the Company to proceed with such transaction.

Save as disclosed above, we also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

This announcement is made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

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, 2 November 2004

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