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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Shimao China Holdings Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**SHIMAO CHINA HOLDINGS LIMITED**

**世茂中國控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 649)**

**PROPOSALS FOR  
RE-ELECTION OF RETIRING DIRECTORS  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
CHANGE OF COMPANY NAME AND ADOPTION OF CHINESE NAME  
AMENDMENTS TO EXISTING BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at the Conference Room of the Company’s principal office at Units 4307-12, 43/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 23rd May 2005 at 10:00 a.m., is set out on pages 19 to 24 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and returning of the form of proxy will not prevent you from subsequently attending and voting at the meeting or any adjourned meetings should you so wish.

29th April 2005

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# CONTENT

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Chairman</b>	
Introduction .....	3
Re-election of Retiring Directors .....	4
General Mandates to Issue and Repurchase Shares .....	4
Proposed Change of Company Name and Adoption of Chinese Name .....	5
Conditions .....	5
Effects of Change of Company Name and Adoption of Chinese Name .....	6
Proposed Amendments to the Existing Bye-Laws .....	6
Annual General Meeting .....	6
Procedures by which Shareholders may demand a poll .....	7
Responsibility Statement .....	7
Recommendation .....	7
General Information .....	8
<b>Appendix I – Directors to be re-elected</b> .....	9
<b>Appendix II – Explanatory Statement on Share Repurchase Mandate</b> .....	14
<b>Appendix III – Explanatory Statement on Amendments to Bye-Laws</b> .....	18
<b>Notice of Annual General Meeting</b> .....	19

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## DEFINITIONS

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*In this document, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2004 AGM”	The annual general meeting of the Company held on 2nd April 2004
“2005 AGM”	the annual general meeting of the Company to be held at the Conference Room of the Company’s principal office at Units 4307-12, 43/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 23rd May 2005 at 10:00 a.m., to consider and, if appropriate, to approve, amongst other things, the Ordinary Resolutions and the Special Resolutions, or any adjournment thereof
“AGM Notice”	the notice convening the 2005 AGM as set out in pages 19 to 24 of this circular
“Bye-Laws”	the bye-laws of the Company
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Shimao China Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Existing Issue Mandate”	a general mandate granted to the Directors at the 2004 AGM to allot, issue and deal with Shares not exceeding 20 per cent. of the aggregate number of Shares comprised in the share capital of the Company in issue as at 2nd April 2004
“Existing Repurchase Mandate”	a general mandate granted to the Directors at the 2004 AGM to repurchase Shares not exceeding 10 per cent. of the aggregate number of Shares comprised in the share capital of the Company in issue as at 2nd April 2004
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26th April 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ordinary Resolutions”	the ordinary resolutions to be proposed and passed at the 2005 AGM for the matters as set out in the AGM Notice
“PRC”	The People’s Republic of China
“Proposed Issue Mandate”	a general mandate proposed to be granted to the Directors at the 2005 AGM to allot, issue and deal with Shares of up to 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Proposed Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the 2005 AGM to repurchase Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Special Resolutions”	the special resolutions to be proposed and passed at the 2005 AGM for the matters as set out in the AGM Notice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	The Hong Kong Codes on Takeovers and Mergers

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LETTER FROM THE CHAIRMAN

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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)**

***Directors:***

Mr. Hui Wing Mau *(Chairman and Non-executive Director)*

Mr. Chung Shui Ming, Timpson

*(Chief Executive Officer and Executive Director)*

Miss Hui Mei Mei, Carol

*(Deputy Chairman and Executive Director)*

Mr. Hui Sai Tan, Jason *(Executive Director)*

Mr. Tung Chi Shing *(Executive Director)*

Mr. Chan Loo Shya *(Executive Director)*

***Independent Non-Executive Directors:***

Professor Lee Chack Fan

Mr. Liu Hing Hung

Dr. Zhu Wenhui

***Registered Office:***

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

***Principal Place of Business***

***in Hong Kong:***

Units 4307-12, 43rd Floor

Office Tower, Convention Plaza

1 Harbour Road, Wanchai

Hong Kong

29th April 2005

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
RE-ELECTION OF RETIRING DIRECTORS  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
CHANGE OF COMPANY NAME AND ADOPTION OF CHINESE NAME  
AMENDMENTS TO EXISTING BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of the Ordinary Resolutions and the Special Resolutions to be proposed at the 2005 AGM for, amongst other things,:

- (i) re-election of retiring Directors;

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## LETTER FROM THE CHAIRMAN

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- (ii) granting to the Directors the Proposed Issue Mandate;
- (iii) granting to the Directors the Proposed Repurchase Mandate;
- (iv) extending the Proposed Issue Mandate by adding to it the aggregate number of the issued Shares repurchased under the Proposed Repurchase Mandate;
- (v) the change of the Company's name and the adoption of Chinese name; and
- (vi) the amendments to the existing Bye-Laws.

and to give the AGM Notice to the Shareholders, at which resolutions approving the above items will be considered and voted upon.

### **RE-ELECTION OF RETIRING DIRECTORS**

Pursuant to Bye-law 87 of the Bye-Laws, Mr. Hui Sai Tan, Jason shall retire by rotation at the 2005 AGM. In addition, Mr. Chung Shui Ming, Timpson, Mr. Tung Chi Shing, Mr. Chan Loo Shya, Professor Lee Chack Fan and Dr. Zhu Wenhui, being Directors appointed by the board of Directors after the 2004 AGM, will hold office only until the 2005 AGM pursuant to Bye-law 86(2) of the Bye-Laws. All retiring Directors, being eligible, offered themselves for re-election.

Details of the retiring Directors proposed to be re-elected are set out in Appendix I to this circular.

### **GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

At the 2004 AGM, ordinary resolutions were passed granting the Existing Issue Mandate and the Existing Repurchase Mandate to the Directors.

In accordance with the provisions of the Listing Rules and the terms of the Existing Issue Mandate and the Existing Repurchase Mandate, the Existing Issue Mandate and the Existing Repurchase Mandate shall lapse at the conclusion of the 2005 AGM.

Resolutions to consider and, if thought fit, to approve the Proposed Issue Mandate and the Proposed Repurchase Mandate as set out in Ordinary Resolutions numbered 5 to 7 will be proposed at the 2005 AGM. With reference to the Proposed Issue Mandate and the Proposed Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue or repurchase any Shares pursuant thereto.

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## LETTER FROM THE CHAIRMAN

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An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution for the Proposed Repurchase Mandate at the 2005 AGM.

### **PROPOSED CHANGE OF COMPANY NAME AND ADOPTION OF CHINESE NAME**

On 23rd February 2005, the Company announced that it proposed to change the name of the Company from “Shimao China Holdings Limited” to “Shimao International Holdings Limited” to reflect the strategic business focus of the Group going forward. The Directors further propose that subject to the change of the Company’s name becoming effective, to adopt the Chinese name “世茂國際控股有限公司” in place of its current Chinese name “世茂中國控股有限公司” as the Company’s Chinese name for the purpose of registration in Hong Kong.

### **CONDITIONS**

The proposed change of name of the Company and adoption of Chinese name are subject to the following conditions:

- (a) the passing of a special resolution by the Shareholders at the 2005 AGM to approve each of the proposed change of name of the Company and adoption of Chinese name;
- (b) the Registrar of Companies in Bermuda approving the proposed change of name of the Company and entering the new name of the Company on the register of companies in place of its former name; and
- (c) the registration of the Chinese name with the Registrar of Companies in Hong Kong.

The effective date of the change of name of the Company will be the date on which the new name is entered by the Registrar of Companies in Bermuda on the register of companies in place of the existing name while the adoption of Chinese name will become effective upon the registration mentioned in paragraph (c) above.

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## **LETTER FROM THE CHAIRMAN**

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### **EFFECTS OF CHANGE OF COMPANY NAME AND ADOPTION OF CHINESE NAME**

The proposed change of name of the Company and the adoption of Chinese name will not affect any of the rights of the Shareholders and all existing share certificates in issue bearing the Company's existing name will, after the proposed change of name of the Company and adoption of Chinese name becoming effective, continue to be evidence of title to the Shares and will be valid for trading, settlement and registration purposes. Any issue of share certificates thereafter will be under the new names of the Company. The size of board lots for trading in the Shares will remain unchanged after the change of name of the Company and adoption of Chinese name have become effective.

Further announcement will be made by the Company to inform the Shareholders of the effective date of the change of name and adoption of Chinese name of the Company, the time and procedures for exchange of new share certificates and the arrangement relating to the trading and dealings in the Shares on the Stock Exchange.

### **PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS**

On 1st January 2005, the Listing Rules were amended by replacing the Code of Best Practice in Appendix 14 by a new Code on Corporate Governance Practices (the "Code of Corporate Governance"). Accordingly, the Directors proposed to amend the Bye-Laws to reflect the changes required by the new Code of Corporate Governance. An explanation of the proposed amendments to the existing Bye-Laws is set out in Appendix III to this circular.

### **ANNUAL GENERAL MEETING**

Set out on pages 19 to 24 of this circular is a notice convening the 2005 AGM to consider and, if appropriate, to approve, amongst other things, the Ordinary Resolutions and the Special Resolutions relating to the Proposed Issue Mandate, the Proposed Repurchase Mandate, the proposed change of name and adoption of Chinese name of the Company and the proposed amendments to the existing Bye-Laws.

A form of proxy for use at the 2005 AGM is enclosed herewith. Whether or not you are able to attend the 2005 AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the 2005 AGM. Completion and returning of a form of proxy will not preclude you from attending and voting at the 2005 AGM or any adjourned meetings if you so wish.



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## LETTER FROM THE CHAIRMAN

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### **PROCEDURES BY WHICH SHAREHOLDERS MAY DEMAND A POLL**

The Bye-Laws provide that a poll may be demanded by (i) the chairman of the meeting, (ii) at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting, or (iii) a Shareholder or Shareholders present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting, or (iv) a Shareholder or Shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorized representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right. The Bye-Laws further provide that a demand by a person as proxy for a Shareholder (or, in the case of a Shareholder being a corporation, by its duly authorized representative) shall be deemed to be the same as a demand by a Shareholder.

### **RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### **RECOMMENDATION**

Having considered the reasons set out herein, the Directors consider that the proposed Ordinary Resolutions for (a) re-election of retiring Directors; (b) granting to the Directors the Proposed Issue Mandate; (c) granting to the Directors the Proposed Repurchase Mandate; (d) extending the Proposed Issue Mandate by adding to it the aggregate number of the issued Shares repurchased under the Proposed Repurchase Mandate; as well as the proposed Special Resolutions for (e) the change of the Company name and the adoption of Chinese name and (f) amendment of the existing Bye-Laws; are in the best interest of the Company and, in particular, the Group as a whole. The Directors therefore recommend the Shareholders to vote in favour of such Ordinary Resolutions and Special Resolutions at the 2005 AGM.

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## LETTER FROM THE CHAIRMAN

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### GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I, Appendix II and Appendix III to this circular.

By Order of the Board  
**Shimao China Holdings Limited**  
**Hui Wing Mau**  
*Chairman*

*The details of the Directors proposed for re-election at the 2005 AGM are set out below:*

**Mr. HUI Sai Tan, Jason**, aged 28, is an executive Director and the Senior Controller -Sales & Marketing of the Company. He is primarily responsible for the sales and market development of property projects. Mr. Hui obtained a Masters Degree in Business Administration from the University of South Australia in 2004, and a Masters of Science Degree in Real Estate from the University of Greenwich, UK in 2001. In 2003, he presided over the sales and marketing of Shanghai Shimao Lakeside Garden which ranked third in sales revenue in Shanghai for 2003.

Mr. Jason Hui did not hold any directorship in any listed public company in the past three years. Mr. Jason Hui is the son of Mr. Hui Wing Mau, the Chairman and a non-executive Director, and brother of Miss Hui Mei Mei, Carol, the Deputy Chairman and an executive Director. Mr. Jason Hui is also (1) a discretionary object of a discretionary family trust whose trustee, Trident Corporate Services (B.V.I.) Limited, holds all the units of a unit trust of which the trustee is Overseas Investment Group International Limited (“Overseas Investment”), the controlling shareholder of the Company (2) a director of Overseas Investment and Perfect Zone International Limited, both are controlling shareholders of the Company and (3) a director and/or senior management of a group of companies either wholly owned by Mr. Hui Wing Mau (the Chairman and a non-executive Director) or owned jointly with his immediate family members. Save as disclosed herein, Mr. Jason Hui does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

The service contract entered into by the Company with Mr. Jason Hui provides for a fixed term of three years and may be terminated in accordance with the terms thereof. Mr. Jason Hui will also be subject to retirement by rotation of Directors pursuant to the Company’s Bye-Laws. The emolument currently payable to Mr. Jason Hui include a fixed basic salary of HK\$1,094,762.16 per annum plus a discretionary bonus. The Board determines the above emoluments by taking into consideration his duties and responsibilities within the Group, the prevailing market rates, the Group’s performance and remuneration policy.

As at the Latest Practicable Date, Mr. Jason Hui has interests in long position in 618,571,397 Shares. Save as disclosed in this circular, Mr. Jason Hui has no interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Jason Hui has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election.

**Mr. CHUNG Shui Ming, Timpson**, GBS, JP, aged 53, is an executive Director and the Chief Executive Officer of the Company. He is mainly responsible for corporate policies and overseeing the Group's operations. Mr. Chung is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He holds a Masters degree in Business Administration from the Chinese University of Hong Kong and a Bachelor of Science Degree from the University of Hong Kong. Mr. Chung has extensive experience in the financial and real estate industries and has held senior positions in various financial institutions and public organisations.

He is currently a member of the National Committee of the Tenth Chinese People's Political Consultative Conference, the Deputy Chairman of the Council of City University of Hong Kong, a member of the Hong Kong Housing Authority and a court member of the University of Hong Kong. Mr. Chung is also an independent non-executive director of five other listed companies, namely Stockmartnet Holdings Ltd., Hantec Investment Holdings Limited, Tai Shing International (Holdings) Limited, Glorious Sun Enterprises Limited and China Netcom Group Corporation (Hong Kong) Limited. Mr. Chung is also an executive director and the Chief Executive Officer of Shima Property Holdings Limited, a company currently wholly-owned by Mr. Hui Wing Mau, the Chairman and a non-executive Director. Formerly Mr. Chung was also a board member of China Rich Holdings Limited and Extrawell Pharmaceutical Holdings Limited, the terms of which ceased on 10 September 2002 and 29 March 2004 respectively.

Save as disclosed above, Mr. Chung did not hold any directorship in any listed public company in the past three years. Save as disclosed herein, Mr. Chung does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

The service contract entered into by the Company with Mr. Chung provides for a fixed term of three years and may be terminated in accordance with the terms thereof. Mr. Chung will also be subject to retirement by rotation of Directors pursuant to the Company's Bye-Laws. The emolument currently payable to Mr. Chung include a fixed basic salary of HK\$3,600,000 per annum plus a discretionary bonus. The Board determines the above emoluments by taking into consideration his duties and responsibilities within the Group, the prevailing market rates, the Group's performance and remuneration policy

As at the Latest Practicable Date, Mr. Chung did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Chung Shui Ming, Timpson has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election.

**Mr. CHAN Loo Shya**, aged 36 and a Malaysian national, is an executive Director of the Company. Mr. Chan is responsible for the corporate finance management of the Group. He graduated from TunjkuAbdul Rahman College in Malaysia and is an associate member of the Association of Chartered Certified Accountants. Mr. Chan has over 11 years' experience in accounting, finance and management of which two were gained in Malaysia and nine in the PRC. Mr. Chan worked for Horsedale Development Berhad, a Malaysian property company and was involved in a number property projects in Malaysia as financial management executive including Kota Kemuning, Pan Pacific Glenmarie Resort and Glenmarie Golf and Country Club. Prior to joining the Company, Mr. Chan was a deputy financial controller of the group of Shimao Property Holdings Limited, a company currently wholly-owned by Mr. Hui Wing Mau, the Chairman and a non-executive Director.

Mr. Chan did not hold any directorship in any listed public company in the past three years. Save as disclosed herein, Mr. Chan does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

The service contract entered into by the Company with Mr. Chan does not provide for a fixed term of tenure and may be terminated in accordance with the terms thereof. Mr. Chan will be subject to retirement by rotation of Directors pursuant to the Company's Bye-Laws. The emolument payable to Mr. Chan include a fixed basic salary of HK\$665,000 per annum plus a discretionary bonus. The Board determines the above emoluments by taking into consideration his duties and responsibilities within the Group, the prevailing market rates, the Group's performance and remuneration policy.

As at the Latest Practicable Date, Mr. Chan did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Chan has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election.

**Mr. Tung Chi Shing**, aged 44, is an executive Director of the Company. Mr. Tung is responsible for the monitoring of project management for the Group's development projects and quality assurance. Mr. Tung graduated from The Hong Kong Polytechnic University and has worked in the Public Works Department of the Hong Kong Government, Dragages et Travaux Publics, FJT (HK) Ltd. and HCCM Nuclear Power Construction Joint Venture Company as quantity surveyor in Hong Kong and was involved in a number of projects including Island Shangrila and Conrad Hotel in Pacific Place, Phase 1B of the University of Hong Kong, Stanley Fort Married Quarters, the Pumping Station Areas of the Daya Bay Nuclear Power Station and a Xian five-star hotel in the PRC. Prior to joining the Company, Mr. Tung was a project controller of the group of Shimao Property Holdings Limited, a company currently wholly-owned by Mr. Hui Wing Mau, the Chairman and a non-executive Director.

Mr. Tung did not hold any directorship in any listed public company in the past three years. Save as disclosed herein, Mr. Tung does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

The service contract entered into by the Company with Mr. Tung does not provide for a fixed term of tenure and may be terminated in accordance with the terms thereof. Mr. Tung will be subject to retirement by rotation of Directors pursuant to the Company's Bye-Laws. The emolument payable to Mr. Tung include a fixed basic salary of HK\$1,012,000 per annum plus a discretionary bonus. The Board determines the above emoluments by taking into consideration his duties and responsibilities within the Group, the prevailing market rates, the Group's performance and remuneration policy.

As at the Latest Practicable Date, Mr. Tung did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Tung has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election.

**Professor Lee Chack Fan, JP**, aged 59, is an independent non-executive Director of the Company. Professor Lee is a Pro-Vice Chancellor and Chair Professor of The University of Hong Kong and is also a Chartered Engineer. He is a fellow of the Hong Kong Institution of Engineers and the Institution of Civil Engineers, UK, and an academician of the Chinese Academy of Engineering, China. Professor Lee holds a Doctorate in Geotechnical Engineering and has extensive experience in Geotechnical Engineering and Civil Engineering. He is currently the Chairman of Harbour-front Enhancement Committee, the President of Hong Kong Academy of Engineering Science, a member of Audit Sub-Committee of Hong Kong Housing Authority, a board member of Hong Kong Cyberport Management Company Limited and a member of Research Grants Council. He had been a member of the Investigation Panel on Accountability appointed by Hong Kong Housing Authority, the Provisional Construction Industry Co-ordination Board and the Slope Safety Technical Review Board.

Professor Lee did not hold any directorship in any listed public company in the past three years. Save as disclosed herein, Professor Lee does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

There is neither service contract being executed between the Company and Professor Lee nor any specific length or proposed length of service with the Company in respect of his appointment. Professor Lee will be subject to retirement by rotation of Directors pursuant to the Company's Bye-Laws.

As at the Latest Practicable Date, Professor Lee did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Professor Lee has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election.

**Dr. ZHU Wenhui**, aged 36, is an independent non-executive Director of the Company. Dr. Zhu is a research fellow of the China Business Centre of The Hong Kong Polytechnic University and a visiting fellow of the Centre for Northeast Asian Studies of The Brookings Institution. Dr. Zhu holds a Doctorate in Economics from the Renmin University and has extensive experience in PRC trade and foreign direct investment majoring in the study of the economic development of Mainland China, Taiwan, Hong Kong and South East Asia. Dr. Zhu is the writer of a number of economic publications and is also a regular contributor to Yezhou Zhouban, Hong Kong Economic Times and Mingpao Daily.

Dr. Zhu did not hold any directorship in any listed public company in the past three years. Save as disclosed herein, Dr. Zhu does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

There is neither service contract being executed between the Company and Dr. Zhu nor any specific length or proposed length of service with the Company in respect of his appointment. Dr. Zhu will be subject to retirement by rotation of Directors pursuant to the Company's Bye-Laws.

As at the Latest Practicable Date, Dr. Zhu did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Dr. Zhu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election.

*This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the 2005 AGM in relation to the Proposed Repurchase Mandate.*

## **1. LISTING RULES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

### **(a) Source of funds**

Repurchases must be made out of funds which are legally available for such purpose in accordance with the company's constitutional documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

### **(b) Maximum number of Shares to be repurchased**

A maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution approving the Proposed Repurchase Mandate may be repurchased on the Stock Exchange.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 827,639,886 Shares.

On the basis of the abovementioned number of Shares in issue and on the assumption that no further Shares will be issued or repurchased prior to the date of the 2005 AGM, the Directors would be authorised to repurchase up to a maximum of 82,763,988 Shares, subject to the passing of the Proposed Repurchase Mandate.



### **3. REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders to have the Proposed Repurchase Mandate to enable the Directors to repurchase Shares on the market, and which can give the Company the flexibility to do so if and when appropriate. An exercise of the Proposed Repurchase Mandate may, depending on the market conditions and funding arrangement at the time, result in an enhancement of the net assets value per Share and/or earnings per Share. The number(s) and class(es) of Shares to be repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining and such repurchase will only be made when the Directors believe that such a purchase will benefit the Company and the Shareholders as a whole.

### **4. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company shall only apply funds legally available for such purpose in accordance with the Company's memorandum of association and the Bye-Laws and the applicable laws of Bermuda. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

### **5. IMPACT OF REPURCHASE**

The Directors are aware that there may be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31st December, 2004) in the event that the proposed repurchase of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Proposed Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing position which in the opinion of the Directors is from time to time appropriate for the Company.

### **6. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Proposed Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda and in accordance with the Company's memorandum of association and the Bye-Laws.

There are no Directors and, to the best of the knowledge of the Directors having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), who have a present intention, in the event that the Proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected person (as defined in the Listing Rules) of the Company has notified the Company of a present intention to sell Shares to the Company and no such person has undertaken not to sell any such Shares to the Company in the event that the Proposed Repurchase Mandate is approved by the Shareholders.

## **7. HONG KONG CODE ON TAKEOVERS AND MERGERS**

If on the exercise of the power to repurchase Shares pursuant to the Proposed Repurchase Mandate, a Shareholder's proportionate interest in voting rights of the Company increases, such increase in shareholding will be treated as an acquisition for the purpose of Rule 32 of the Takeover Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, each of Mr. Hui Wing Mau, Ms. Hui Mei Mei, Carol, Mr. Hui Sai Tan, Jason, Perfect Zone International Limited, Overseas Investment Group International Limited as trustee of a unit trust and Trident Corporate Services (B.V.I.) Limited as trustee of a discretionary trust is taken to have an interest under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) in the same block of 618,571,397 Shares, representing approximately 74.74% of the issued share capital of the Company. Mr. Hui Wing Mau, through a wholly-owned company, is also taken to have a conditional interest in a convertible note, of which 185,185,185 Shares would be issued upon exercised.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the term of the Proposed Repurchase Mandate to be proposed at the 2005 AGM, and taking no account of the exercise of the convertible note, the interests of the aforesaid persons in the share capital of the Company would be increased to approximately 83.04% of the issued share capital of the Company. The Directors are not aware of any consequence which may arise under the Takeover Code as a result of any purchase to be made under the Proposed Repurchase Mandate. However, the Directors have no intention to exercise the Proposed Repurchase Mandate to such an extent which would affect the minimum public float requirement under the Listing Rules.

**8. GENERAL**

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months prior to the date of this circular.

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the twelve months preceding the Latest Practicable Date are as follows:

	<b>Shares</b>	
	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
<b>2004</b>		
April	0.82	0.65
May	0.80	0.63
June	0.70	0.60
July	0.70	0.63
August	0.78	0.62
September	0.76	0.64
October	0.85	0.66
November	1.50	0.71
December	1.23	1.00
<b>2005</b>		
January	1.20	1.03
February	1.56	1.02
March	1.33	0.95

The following is an explanation of the proposed amendments to the existing Bye-Laws:

- (i) A new provision will be included to provide that if the aggregate proxies held by the Chairman of a particular general meeting and the Directors account for 5 per cent. or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposite manner to that instructed in those proxies, the Chairman of the general meeting and/or any Director holding proxies as aforesaid shall demand a poll, unless it is apparent from the total proxies held by those persons that a vote taken on a poll will not reverse the vote taken on a show of hands.
  
- (ii) The Bye-Laws will be amended so that every Director shall retire from office by rotation no later than the third annual general meeting of the Company after he was last elected or re-elected and Directors holding office as Chairman or Managing Director are also subject to retirement by rotation.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “Meeting”) of Shimao China Holdings Limited (“the Company”) will be held at the Conference Room of the Company’s principal office at Units 4307-12, 43/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Monday, 23rd May 2005 at 10:00 a.m. for the following purposes:

#### **ORDINARY BUSINESS**

1. To receive and consider the audited financial statements together with the reports of the Directors and the auditors for the year ended 31st December 2004;
2. To declare a final dividend for the year ended 31st December 2004;
3. To re-elect Directors, authorise the Board to fix the remuneration of Directors, set a maximum number of Directors and authorise the appointment of additional Directors;
4. To re-appoint the retiring auditors and to authorize the Directors to fix their remuneration;

#### **SPECIAL BUSINESS**

As special business, to consider and, if thought fit, to pass with or without amendments, the following resolution as an ordinary resolutions or special resolutions:

#### **AS ORDINARY RESOLUTIONS**

5. “**THAT:**
  - (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and otherwise deal with additional ordinary shares of the Company or securities convertible into shares, or options, warrants or

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## NOTICE OF ANNUAL GENERAL MEETING

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similar rights to subscribe for any shares and to make or grant offers, agreements and options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
  - (i) a Rights Issue (as defined in paragraph (d) below); or
  - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; or
  - (iii) the exercise of any option granted under the share option scheme or similar arrangement for the time being adopted or to be adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries, of options to subscribe for, or rights to acquire shares of the Company; or
  - (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company in force from time to time,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution; and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means the allotment, issue or grant of shares pursuant to an offer of shares open for a period fixed by the Directors to holders of the shares or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or stock exchange in any territory applicable to the Company).”

6. “**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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(b) the aggregate nominal amount of the shares of the Company to be repurchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company; or

(ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. “**THAT** conditional upon Resolution no. 5 and Resolution no. 6 mentioned above being passed, the aggregate nominal amount of the share capital of the Company which shall have been repurchased by the Company under the authority granted to the Directors as mentioned in Resolution no. 6 above (up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company as stated in Resolution no. 6 above) shall be added to the aggregate nominal amount of the share capital that may be allotted, issued or otherwise dealt with, or agreed conditionally and unconditionally to be allotted, issued or otherwise dealt with by the Directors pursuant to Resolution no. 5 above.”

### AS SPECIAL RESOLUTIONS

8. “**THAT**:

(a) subject to and conditional upon approval being granted by the Registrar of Companies in Bermuda (the “Registrar”), the name of the Company be changed from “Shimao China Holdings Limited” to “Shimao International Holdings Limited” with effect from the date on which the new name is entered into the register maintained by the Registrar;



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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) subject to the change of the name of the Company becoming effective, to adopt the Chinese name “世茂國際控股有限公司” in place of its current Chinese name “世茂中國控股有限公司” as the Company’s Chinese name and that such Chinese name be filed and / or registered with the Registrar of Companies in Hong Kong under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- (c) the Directors of the Company be and are hereby authorized generally to do all such acts and things and execute all documents they consider necessary or expedient to effect the change of name and such adoption of the new Chinese name on behalf of the Company.”

9. **THAT** the Bye-Laws of the Company be amended in the following manner:

- (a) By adding the following new Bye-law 66A immediately after Bye-law 66:

“66A. Notwithstanding any other provisions in these Bye-laws:

- (a) if the aggregate proxies held by (i) the Chairman of a particular meeting, and (ii) the Directors, account for 5 per cent. or more of the total voting rights at that meeting, and
- (b) if on a show of hands in respect of any resolution, the shareholders at the meeting vote in the opposite manner to that instructed in the proxies referred to in (a) above,

the Chairman of the meeting and/or any Director holding the proxies referred to above shall demand a poll. However, if it is apparent from the total proxies held by the persons referred to in (a) above that a vote taken on a poll will not reverse the vote taken on a show of hands, then no poll shall be required.”

- (b) By deleting Bye-law 87(1) in its entirety and replacing it with the following:

“87(1). Notwithstanding any other provisions in these Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3) the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall retire from office by rotation no later than the third annual general meeting after he was last elected or re-elected.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) By deleting the last sentence of Bye-law 90 and replacing it with the following sentence:

“A Director appointed to an office under this Bye-law shall be subject to the same provisions as to rotation, resignation and removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.”

10. To transact any other business.

By Order of the Board  
**Mok Chung Fu, Eric**  
*Company Secretary*

Hong Kong, 29th April 2005

*Notes:*

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or, if he holds two or more shares, more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy so appointed.
2. The register of members of the Company will be closed from 19th to 23rd May 2005, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the final dividend which is going to be approved at the Meeting, attending and voting at the Meeting, all properly completed and signed transfer forms accompanied with the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 18th May 2005.
3. In order to be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In relation to the Ordinary Resolutions nos. 5 to 7 set out in the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.