



SHIMAO CHINA HOLDINGS LIMITED

世茂中國控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 649)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special 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, 43rd Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai Hong Kong on Monday, 13 June 2005 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the sale and purchase agreement dated 19 February 2005 entered into between Dynamic Keen Developments Limited (the “**Vendor**”) as vendor, the Company as purchaser and Mr. Hui Wing Mau as guarantor (the “**Agreement**”) (a copy of which is produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) whereby, amongst others, the Vendor conditionally agreed to sell to the Company the entire issued share capital of and a loan due to the Vendor by Value Ahead Investments Limited on completion of the Agreement at an aggregate consideration of HK\$496,220,000 to be satisfied as to HK\$250,000,000 by the Company issuing a redeemable convertible note of a principal amount of HK\$250,000,000 (the “**Convertible Note**”) and as to the balance of HK\$246,220,000 by the Company issuing a promissory note of a principal amount of HK\$246,220,000 (the “**Promissory Note**”) in favour of the Vendor on and subject to the terms and conditions of the Agreement, be and is hereby approved, confirmed and ratified and the transactions contemplated thereunder be and are hereby approved;
- (b) the directors of the Company be and are hereby authorised to issue the Convertible Note and the Promissory Note on and subject to the terms and conditions of the Agreement and to allot and issue shares of the Company upon the exercise of the conversion rights attached to and in accordance with the terms and conditions of the Convertible Note; and
- (c) the board of directors of the Company be and are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and supplemental agreements or deeds (including without limitation deed of tax indemnity) whether under hand or seal of the Company and to do all such things and take all such action as they may consider necessary or desirable for the purpose of completing the transactions contemplated under the Agreement with such changes as they may consider necessary, desirable or expedient.”

2. “**THAT:**

- (a) the operation of the existing share option scheme of the Company which was adopted by the Company by a written resolution of its sole shareholder on 24 June 1998 (the “**Existing Share Option Scheme**”) be terminated and that no further options will be granted under the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (if any) granted prior thereto or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme and options (if any) granted prior to such termination shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme; and
- (b) the rules of a new share option scheme of the Company (the “**New Share Option Scheme**”) (a copy of which is produced to the Meeting marked “B” and signed by the chairman of the Meeting for the purpose of identification) be and are hereby approved and adopted and that the board of directors of the Company be and are hereby authorized to:
 - (1) administer the New Share Option Scheme including granting options to subscribe for new shares of the Company (the “**New Shares**”) to eligible participants under the New Share Option Scheme;
 - (2) modify and/or amend the rules of the New Share Option Scheme from time to time subject to the provisions of such rules;
 - (3) issue and allot from time to time such number of New Shares as may be required to be issued pursuant to the exercise of the options which may be granted under the New Share Option Scheme; and
 - (4) make application at the appropriate time to The Stock Exchange of Hong Kong Limited, and any other stock exchange upon which the New Shares may for the time being be listed, for listing of, and permission to deal in, the New Shares which may thereafter from time to time be issued and allotted pursuant to the exercise of options which may be granted under the New Share Option Scheme.”

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

Hong Kong, 25 May 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 proxies 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. 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 Ground Floor, 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 and in default the instrument of proxy shall not be treated as valid. 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.
3. A form of proxy for use at the special general meeting is enclosed with the circular despatched to the shareholders of the Company.
4. As ordinary resolution no. 1 is subject to independent shareholders' approval, the votes of shareholders to be taken at the above Meeting to approve such ordinary resolution shall be taken on a poll.

Chairman and Non-Executive Director

Hui Wing Mau

Independent Non-Executive Directors

Lee Chack Fan

Liu Hing Hung

Zhu Wenhui

Executive Directors

Chung Shui Ming, Timpson

Hui Mei Mei, Carol

Hui Sai Tan, Jason

Tung Chi Shing

Chan Loo Shya

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