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SHIMAO INTERNATIONAL HOLDINGS LIMITED

世茂國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 649)

ANNOUNCEMENT

Relating to Proposed Business Delineation and Non-Competition Undertaking

This announcement is made at the request of the Stock Exchange.

The Board announces that the Company received a letter dated 1 September 2005 from the Listing Division requesting the Company to clarify certain information in the letter from the independent financial adviser set out in the circular of the Company dated 31 August 2005 (the "Circular"). Terms used in this announcement shall have the same meanings as defined in the Circular.

The Board confirms that the Group had, in August 2004, actively pursued an opportunity in Malaysia regarding the purchase of certain property interests for development, and a letter of intent was subsequently entered into by the Group in relation to the potential project. The letter of intent was terminated in April this year. Platinum Securities Company Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Undertaking proposed in the Circular, confirms that the termination of the letter of intent in relation to the potential Malaysian project will not affect its views and analysis in the Circular.

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

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

Directors:

Hui Wing Mau (*Chairman and Non-Executive Director*)

Chung Shui Ming, Timpson

(Chief Executive Officer and Executive Director)

Hui Mei Mei, Carol

(Deputy Chairman and Executive Director)

Hui Sai Tan, Jason (*Executive Director*)

Tung Chi Shing, Joseph (*Executive Director*)

Chan Loo Shya (*Executive Director*)

Independent non-executive Directors:

Lee Chack Fan

Liu Hing Hung

Zhu Wenhui

Hong Kong, 5 September 2005

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