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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)

DELAY IN DESPATCH OF CIRCULAR

The Company announces that the despatch of the Circular will be postponed to on or before 13 June 2006. In view of the public holidays in the first week of May in the PRC, the Company requires additional time for the reporting accountants to perform their work on the financial information, including the accountants' report of the OU Group, the indebtedness statement and the unaudited pro forma assets and liabilities statement which are required for inclusion in the Circular. The Company has applied to the Stock Exchange for a waiver from the strict compliance with Rule 14.38 of the Listing Rules by extending the deadline for the despatch of the Circular to 13 June 2006.

Reference is made to the announcement of the Company dated 24 April 2006 (the "Announcement") in respect of, among others, the major transactions of the Company. Terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to despatch a circular in relation to the major transactions of the Company (the "Circular") to the Shareholders within 21 days after the publication of the Announcement, which is on or before 16 May 2006. In view of the public holidays in the first week of May in the PRC, the Company requires additional time for the reporting accountants to perform their work on the financial information, including the accountants' report of the OU Group, the indebtedness statement and the unaudited pro forma assets and liabilities statement which are required for inclusion in the Circular. As such, the Company has applied to the Stock Exchange for a waiver from the strict compliance with Rule 14.38 of the Listing Rules by extending the deadline for the despatch of the Circular to 13 June 2006.

By Order of the Board
Shimao International Holdings Limited
Yau Kwan Shan
Company Secretary

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

Directors:

Hui Wing Mau (*Chairman and Non-executive Director*)
Hui Mei Mei, Carol (*Deputy Chairman and Executive Director*)
Hui Sai Tan, Jason (*Executive Director*)
Tung Chi Shing (*Executive Director*)
Chan Loo Shya (*Executive Director*)

Independent Non-executive Directors:

Lee Chack Fan
Liu Hing Hung
Zhu Wenhui

Hong Kong, 16 May 2006

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