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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)

CHANGE OF AUDITORS

The Board announces that PwC has resigned as auditors of the Group with effect from 9 August 2006 and Deloitte has been appointed as auditors of the Group with immediate effect to fill the casual vacancy following the resignation of PwC and shall hold office until the conclusion of the next AGM.

The board of directors (the "Board") of Shimao International Holdings Limited (the "Company") announces that with effect from 9 August 2006, Messrs. PricewaterhouseCoopers ("PwC") has resigned as auditors of the Company and its subsidiaries ("Group") and Messrs. Deloitte Touche Tohmatsu ("Deloitte") has been appointed as the auditors of the Group to fill the casual vacancy following the resignation of PwC with immediate effect, and to hold office until the conclusion of the next annual general meeting (the "AGM") of the Company. According to the bye-laws of the Company, the Board is empowered to fill any casual vacancy arising from the resignation of the auditors of the Company. The reason for change of auditors of the Group is due to the fact that the Company and PwC could not reach an agreement over the audit fees for the financial year ending 31 December 2006. PwC has not commenced any audit work on the financial results of the Company for the financial year ending 31 December 2006.

PwC has confirmed to the Board that there were no circumstances connected with its resignation which it considered should be brought to the attention of the shareholders of the Company. The Board further confirms that there was no other disagreement or unresolved issue between the Company and PwC, and there were no circumstances connected with the resignation of PwC which the Board considers should be brought to the attention of the shareholders of the Company.

The Board would like to thank PwC for its services rendered during its tenure as auditors of the Group.

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*)
Tung Chi Shing (*Executive Director*)
Chan Loo Shya (*Executive Director*)

Independent Non-executive Directors:

Lee Chack Fan
Liu Hing Hung
Zhu Wenhui

Hong Kong, 15 August 2006

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