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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

The Board announces that, on 13 November 2006, (i) the Company, Top Ahead, the Existing OU Shareholders and Shanghai Jiangong entered into the Extension Letter A; (ii) the Company, Top Ahead, OU, Shanghai Shiye and Burla entered into the Extension Letter B; and (iii) the Company entered into the Extension Letter C, to extend the latest date for the fulfillment or waiver of the conditions precedent of each of the Three Agreements from four months from the date of the Three Agreements (i.e. 14 August 2006) to 29 December 2006.

Save as the amendment as contained in the Extension Letter A, the Extension Letter B and the Extension Letter C, all the other terms of the Agreements shall remain unchanged.

Reference is made to the announcement of Shimao International Holdings Limited (the "Company") dated 24 April 2006 and the circular of the Company dated 13 June 2006 (the "Circular") in relation to the entering into the Agreements for engaging in the property investment and development in the Baltic Pearl Project. Terms in this announcement shall have the same meanings as those defined in the Circular unless defined otherwise.

Pursuant to the Subscription Agreement, if any of the conditions precedent of the Subscription Agreement is not fulfilled or waived by the New OU Shareholders and/or the Existing OU Shareholders (as the case may be) within four months after the date of the Subscription Agreement or such other date as shall be agreed in writing between the parties to the Subscription Agreement, without prejudice to the Subscription Agreement as well as to the applicable laws, the Existing OU Shareholders or the New OU Shareholders (as the case may be) shall be entitled to decide in their discretion: (a) whether to postpone the deadline of the submission of the Subscription Agreement for governmental authorities' approvals; (b) whether to proceed to completion so far as practicable; or (c) to terminate the Subscription Agreement.

Pursuant to the Joint Venture Agreement, if any of the conditions of the Joint Venture Agreement is not fulfilled or waived within four months after the date of the Joint Venture Agreement or such other date as shall be agreed between the parties to the Joint Venture Agreement, the Joint Venture Agreement shall have no further legal force and effect but without prejudice to the rights of any party in respect of any antecedent breaches thereof.

Pursuant to the Deed of Undertaking, if any of the conditions of the Deed of Undertaking is not fulfilled or waived by the Company within four months after the date of the Deed of Undertaking or such other date as shall be agreed by the Company, the Deed of Undertaking shall lapse automatically.

As additional time is required to fulfill certain conditions of the Subscription Agreement, the Joint Venture Agreement and the Deed of Undertaking (collectively, the "Three Agreements") regarding the obtaining of necessary consents and approvals from the relevant governmental and regulatory authorities, on 13 November 2006, (i) the Company, Top Ahead, the Existing OU Shareholders and Shanghai Jiangong entered into an extension letter (the "Extension Letter A"); (ii) the Company, Top Ahead, OU, Shanghai Shiye and Burla entered into an extension letter (the "Extension Letter B"); and (iii) the Company entered into an extension letter (the "Extension Letter C") to extend the latest date for the fulfillment or waiver of the conditions precedent of each of the Three Agreements from four months from the date of the Three Agreements (i.e. 14 August 2006) to 29 December 2006.

Save as the amendment as contained in the Extension Letter A, the Extension Letter B and the Extension Letter C, all the other terms of the Agreements shall remain unchanged.

By Order of the Board
Shimao International Holdings Limited
Hui Mei Mei, Carol
Deputy Chairman and Executive Director

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*)

Hong Kong, 13 November 2006

Independent Non-executive Directors:

Lee Chack Fan
Liu Hing Hung
Zhu Wenhui

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