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PERFECT ZONE INTERNATIONAL LIMITED

(Incorporated in the British Virgin Islands with limited liability)

SHIMAO INTERNATIONAL HOLDINGS LIMITED

世茂國際控股有限公司
(Incorporated in the Bermuda with limited liability)
(Stock code: 649)

**JOINT ANNOUNCEMENT
PROPOSED PRIVATISATION OF
SHIMAO INTERNATIONAL HOLDINGS LIMITED
BY PERFECT ZONE INTERNATIONAL LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
AND
CONDITIONAL OFFER TO PAY THE OPTION CANCELLATION PRICE
TO EACH OPTION HOLDER FOR CANCELLING THE SHARE OPTIONS
AND
WITHDRAWAL OF LISTING
AND
CONNECTED TRANSACTION IN RELATION TO
THE EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE NOTE
DELAY IN THE DESPATCH OF THE SCHEME DOCUMENT**

As additional time is required to gather the information to be included in the Scheme Document and to schedule the hearing date of originating summons in Supreme Court of Bermuda, the despatch of the Scheme Document will be postponed to on or before 4 June 2007.

An application has been made to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission for an extension of time for the despatch of the Scheme Document. The Company has also applied to the Stock Exchange for a waiver from the strict compliance with Rule 14A.49 of the Listing Rules by extending the deadline for the despatch of the Scheme Document to 4 June 2007.

Reference is made to the joint announcement of Shimao International Holdings Limited (the “Company”) and Perfect Zone International Limited (the “Offeror”) dated 19 April 2007 in relation to the Proposal, the Option Offer and the Extension (the “Joint Announcement”) and the announcement of the Company dated 27 April 2007. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

DELAY IN THE DESPATCH OF THE SCHEME DOCUMENT

The Company and the Offeror intend to issue to the Shareholders and the Option Holders a scheme document (the “Scheme Document”) containing, inter alia, further details of the Proposal, the Scheme, the Option Offer, the Extension, the expected timetable, an explanatory memorandum as required under the Companies Act, further information regarding the Company, the recommendation of the Independent Board Committee with respect to the Proposal, the Scheme, the Option Offer and the

Extension, a letter of advice from Kingsway Capital Limited, the independent financial adviser to the Independent Board Committee, a notice of the Court Meeting and a notice of the SGM, together with proxies in relation thereto, within 21 days from the date of the Joint Announcement, being not later than 10 May 2007.

As additional time is required to gather the information to be included in the Scheme Document and to schedule the hearing date of originating summons in Supreme Court of Bermuda, it is not possible for the Offeror and the Company to finalise and despatch the Scheme Document within the 21-day period. An application has been made to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission for an extension of time for the despatch of the Scheme Document. It is anticipated that the Scheme Document will be despatched to the Shareholders and the Option Holders on or before 4 June 2007.

Pursuant to Rule 14A.49 of the Listing Rules, the Company is required to despatch the Scheme Document to the Shareholders within 21 days after the publication of the Joint Announcement, being not later than 11 May 2007. The Company has also applied to the Stock Exchange for a waiver from the strict compliance with Rule 14A.49 of the Listing Rules by extending the deadline for the despatch of the Scheme Document to 4 June 2007.

By Order of the Board
Perfect Zone International Limited
Hui Wing Mau
Director

By order of the board of
Shimao International Holdings Limited
Hui Mei Mei, Carol
Deputy Chairman

Hong Kong, 9 May 2007

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*) Zhu Wenhui
Chan Loo Shya (*Executive Director*)

Independent Non-executive Directors:

Lee Chack Fan

Liu Hing Hung

The directors of the Offeror jointly and severally accepts full responsibility for the accuracy of the information in relation to the Offeror contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement in relation to the Offeror have been arrived at after due and careful consideration and there are no other facts not contained in this announcement in relation to the Offeror, the omission of which would make any statement in this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those of or in relation to the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than that in relation to the Offeror), the omission of which would make any statements in this announcement misleading.

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