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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 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**

**AND**

**DESPATCH OF SCHEME DOCUMENT AND LETTER TO OPTION HOLDERS**

**Financial adviser to Perfect Zone International Limited**



**博大資本國際有限公司**

**Partners Capital International Limited**

The Board wishes to announce that the Scheme Document, together with the proxy forms in respect of the Court Meeting and the SGM, will be despatched to the Shareholders and the Option Holders on Monday, 4 June 2007. The Letter to Option Holders and the Option-holder Form of Acceptance will also be despatched to Option Holders on the same day. The notices of the Court Meeting and the SGM to be held on Wednesday, 27 June 2007 are set out in the Scheme Document and will be published in Hong Kong Standard and Hong Kong Economic Times on Monday, 4 June 2007.

The Scheme Document contains, among other things, further details of the Proposals, the Extension, the expected timetable, the Explanatory Statement, further information regarding the Company, the recommendations of the Independent Board Committee with respect to the Proposals and the Extension, the letter from Kingsway to the Independent Board Committee and the notices of the Court Meeting and the SGM. The Proposal Independent Shareholders, Option Holders and Extension Independent Shareholders are urged to read and consider carefully the recommendation of the Independent Board Committee and the factors, reasons and recommendation in relation to the Proposals and the Extension set out in the letter from Kingsway.

For the purposes of determining the entitlements of the Proposal Independent Shareholders to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the SGM, the registers of members of the Company in Hong Kong and Bermuda will be closed from Friday, 22 June 2007 to Wednesday, 27 June 2007 (both days inclusive). During such period no transfer of Shares will be effected.

Shareholders, Option Holders and/or potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer is subject to the fulfillment or waiver (as applicable) of the conditions as set out in the section headed “Conditions of the Proposals” in the Explanatory Statement contained in the Scheme Document, and thus the Proposal, the Scheme and the Option Offer may or may not become effective. Subject to all conditions of the Scheme being fulfilled or waived, as applicable, the Scheme is expected to become effective in the evening on Thursday, 26 July 2007 (Hong Kong time). The Proposal will lapse if these conditions are not fulfilled or waived on or before 30 September 2007 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Supreme Court may direct). The Option Offer is subject to and conditional upon the Scheme becoming effective but does not otherwise form part of the Scheme. **Shareholders, Option Holders and/or potential investors should therefore exercise caution when dealing in the Shares.**

Reference is made to the joint announcements of Shimao International Holdings Limited (the “Company”) and Perfect Zone International Limited (the “Offeror”) dated 19 April 2007 and 9 May 2007 in relation to the Proposal, the Option Offer and the Extension 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 scheme document dated 4 June 2007 jointly issued by the Company and the Offeror to the Shareholders and the Option Holders (the “Scheme Document”).

## **DESPATCH OF THE SCHEME DOCUMENT AND LETTER TO OPTION HOLDERS**

The Board wishes to announce that the Scheme Document, together with the proxy forms in respect of the Court Meeting and the SGM, will be despatched to the Shareholders and the Option Holders on Monday, 4 June 2007. The Letter to Option Holders and the Option-holder Form of Acceptance will also be despatched to Option Holders on the same day. The notices of the Court Meeting and the SGM to be held on Wednesday, 27 June 2007 are set out in the Scheme Document and will be published in Hong Kong Standard and Hong Kong Economic Times on Monday, 4 June 2007.

The Scheme Document contains, among other things, further details of the Proposals, the Extension, the expected timetable, the Explanatory Statement, further information regarding the Company, the recommendations of the Independent Board Committee with respect to the Proposals and the Extension, the letter from Kingsway to the Independent Board Committee and the notices of the Court Meeting and the SGM. The Proposal Independent Shareholders, Option Holders and Extension Independent Shareholders are urged to read and consider carefully the recommendation of the Independent Board Committee and the factors, reasons and recommendation in relation to the Proposals and the Extension set out in the letter from Kingsway.

### **INDEPENDENT BOARD COMMITTEE**

The Board comprises seven Directors, three of whom are executives Directors, one of whom is non-executive Director and three of whom are independent non-executive Directors. The Independent Board Committee was formed, comprising Mr. Lee Chack Fan, Mr. Liu Hing Hung and Mr. Zhu Wenhui, who are all independent non-executive Directors and have no interest in the Proposals and the Extension, to advise the Proposal Independent Shareholders in connection with the Proposals and to advise the Extension Independent Shareholders in connection with the Extension. As Mr. Hui, the non-executive Director, is a director of the Offeror, he has not been appointed as member of the Independent Board Committee. Kingsway has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Proposals and the Extension.

The Independent Board Committee has considered the terms of the Proposals and the Extension and taken into account the opinion and advice of Kingsway and, in particular, the factors and reasons considered by it in arriving at its advice as set out in its letter to the Independent Board Committee. The Proposal Independent Shareholders, Option Holders and Extension Independent Shareholders are urged to read and consider carefully the recommendation of the Independent Board Committee and the factor, reasons and recommendation in relation to the Proposals and the Extension set out in the letter from Kingsway.

## **THE COURT MEETING AND THE SGM**

The Court Meeting and the SGM will be held on Wednesday, 27 June 2007 at 10:00 a.m. (Hong Kong time) and 10:30 a.m. (Hong Kong time) respectively at Units 4307–12, 43/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

In accordance with the direction of the Supreme Court, the Court Meeting has been convened for the purpose of considering and, if thought fit, passing the appropriate resolution to approve the Scheme (with or without modifications). The Offeror and all parties acting in concert with it will be required to abstain from voting on the Scheme at the Court Meeting. To the extent that any of the 20,420,000 Options held by Ms. Hui Mei Mei, Carol, Mr. Tung Chi Shing and Mr. Chan Loo Shya are exercised and converted into Shares, such Shares will form part of the Scheme Shares but Ms. Hui Mei Mei, Carol, Mr. Tung Chi Shing and Mr. Chan Loo Shya will abstain from voting at the Court Meeting.

The SGM will be held immediately following the Court Meeting for the purpose of considering and, if thought fit, passing (i) a special resolution to approve the implementation of the Scheme by the Shareholders and (ii) an ordinary resolution to approve the Extension by the Extension Independent Shareholders by way of poll. All Shareholders will be entitled to attend and vote on such special resolution in relation to the Scheme at the SGM.

Dynamic Keen and its associates (as defined under the Listing Rules) including, but not limited to, the Offeror will be required to abstain from voting on the Extension at the SGM.

The notices of the Court Meeting and the SGM to be held on Wednesday, 27 June 2007 are set out in the Scheme Document and will be published in Hong Kong Standard and Hong Kong Economic Times on Monday, 4 June 2007. Further announcements will be made giving details of the results of the meetings.

## **CLOSURE OF REGISTERS OF MEMBERS**

For the purpose of determining (i) the Proposal Independent Shareholders who are entitled to attend and vote at the Court Meeting and (ii) the Shareholders who are entitled to attend and vote at the SGM, the register of the members of the Company will be closed from Friday, 22 June 2007 to Wednesday, 27 June 2007 (both dates inclusive). During such period no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting or the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Thursday, 21 June 2007.

## CONDITIONS OF THE PROPOSALS

Shareholders, Option Holders and/or potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer is subject to the fulfillment or waiver (as applicable) of the conditions as set out in the section headed “Conditions of the Proposals” in the Explanatory Statement contained in the Scheme Document, and thus the Proposal, the Scheme and the Option Offer may or may not become effective. Subject to all conditions of the Scheme being fulfilled or waived, as applicable, the Scheme is expected to become effective in the evening on Thursday, 26 July 2007 (Hong Kong time). The Proposal will lapse if these conditions are not fulfilled or waived on or before 30 September 2007 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Supreme Court may direct). The Option Offer is subject to and conditional upon the Scheme becoming effective but does not otherwise form part of the Scheme.

## EXPECTED TIMETABLE

The following timetable takes into account the Supreme Court procedures for the Scheme. The expected timetable is indicative only and is subject to change.

*Hong Kong time*

Commencement date of the Option Offer . . . . . Monday, 4 June 2007

Latest date for exercising Options to qualify  
for attending and voting at the Court Meeting  
and the SGM and for entitlements under  
the Scheme (i.e. the Option Exercise Date) . . . . . Wednesday, 20 June 2007

Latest time for lodging transfers of the Shares  
to qualify for attending and voting at  
the Court Meeting and the SGM . . . . . 4:00 p.m. on Thursday, 21 June 2007

Closure of the register of members of  
the Company for determination of entitlements of  
the Proposal Independent Shareholders to attend  
and vote at the Court Meeting and the Shareholders  
to attend and vote at the SGM . . . . . From Friday, 22 June 2007 to  
Wednesday, 27 June 2007 (both dates inclusive)

Latest time for lodging forms of proxy in respect of:  
the Court Meeting (*Note 1*) . . . . . 10:00 a.m. on Monday, 25 June 2007

the SGM (*Note 1*) . . . . . 10:30 a.m. on Monday, 25 June 2007

Suspension of dealings in the Shares . . . . . 9:30 a.m. on Wednesday, 27 June 2007

The Court Meeting (*Note 2*) . . . . . 10:00 a.m. on Wednesday, 27 June 2007

The SGM (*Note 2*) . . . . . 10:30 a.m. on Wednesday, 27 June 2007  
or as soon thereafter as the Court Meeting  
shall have been concluded or adjourned

Publication of the results of the Court Meeting and the SGM on the Stock Exchange's website. . . . .	7:00 p.m. on Wednesday, 27 June 2007
Publication of the results of the Court Meeting and the SGM on the Company's website. . . . .	Thursday, 28 June 2007
Resumption of dealings in the Shares . . . . .	9:30 a.m. on Thursday, 28 June 2007
Supreme Court hearing of the petition to sanction the Scheme ( <i>Note 3</i> ) . . . . .	Friday, 13 July 2007 (Bermuda time)
Suspension of dealings in the Shares. . . . .	9:30 a.m. on Monday, 16 July 2007
Publication of the results of hearing of the petition to sanction the Scheme on the Company's website and the Stock Exchange's website . . . . .	Tuesday, 17 July 2007
Resumption of dealings in the Shares . . . . .	9:30 a.m. on Tuesday, 17 July 2007
Last day for dealings in the Shares . . . . .	Tuesday, 17 July 2007
Latest time for lodging transfers of the Shares to qualify for entitlements under the Scheme . . . . .	4:00 p.m. on Friday, 20 July 2007
Latest time for lodging the Option-holder Form of Acceptance by the Option Holders . . . . .	4:00 p.m. on Friday, 20 July 2007
Closure of the register of members of the Company for determination of payments to the Scheme Shareholders. . . . .	From Monday, 23 July 2007 to Thursday, 26 July 2007 (both dates inclusive)
Record Time. . . . .	5:00 p.m. on Monday, 23 July 2007
Registration of the Supreme Court order ( <i>Notes 3 and 4</i> ) . . . . .	Thursday, 26 July 2007 (Bermuda time)
Effective Date ( <i>Notes 3 and 4</i> ). . . . .	Thursday, 26 July 2007 (Bermuda time)
Lapse of the Options ( <i>Notes 3 and 5</i> ) . . . . .	Thursday, 26 July 2007 (Bermuda time)
Announcement on the Effective Date and withdrawal of listing of the Shares on the Company's website and the Stock Exchange's website . . . . .	Friday, 27 July 2007
Expected withdrawal of the listing of the Shares on the Stock Exchange becomes effective. . . . .	9:30 a.m. on Friday, 27 July 2007
Cheques for cash payment under the Scheme and the Option Offer to be despatched on or before . . . . .	Friday, 3 August 2007

***Shareholders should note that the above timetable is subject to change. Further announcement(s) will be made in the event that there is any such change.***

*Notes:*

1. Forms of proxy should be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and by the times and dates stated above. The forms of proxy in respect of the Court Meeting may be handed to the Chairman of the Court Meeting. Completion and return of a form of proxy for the Court Meeting or the SGM will not preclude a Shareholder from attending the relevant meetings and voting in person. In such event, the returned form of proxy will be deemed to have been revoked. In the case of any beneficial owner of Shares whose Shares are held upon trust by and registered in the name of a nominee, trustee, depository or any other authorized custodian or third party, or in the case of any beneficial owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, your attention is drawn to the paragraph headed "Shareholders who hold their Shares through trust or CCASS" in the "Explanatory Statement" set out in the Scheme Document.
2. The Court Meeting and the SGM will both be held at Units 4307-12, 43/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong at the time and dates specified above.
3. All references to times and dates above are references to Hong Kong times and dates, other than the reference to the expected date for the Supreme Court hearing of the petition to sanction the Scheme, the registration of the Supreme Court order, the Effective Date and the date of lapse of the Options, which are references to the relevant dates in Bermuda.
4. The Scheme will become effective when it is sanctioned (with or without modification) by the Supreme Court and an office copy of the Supreme Court order is delivered to the Registrar of Companies in Bermuda for registration and is registered. Registration is expected to take place in the morning on Thursday, 26 July 2007 (Bermuda time) (which will be the evening on Thursday, 26 July 2007 (Hong Kong time)). Proposal Independent Shareholders should note the conditions of the Scheme set out in the Scheme Document.
5. Upon the Scheme becoming effective, all Options will, to the extent not having been exercised, lapse and determine.

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, 1 June 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*)

Chan Loo Shya (*Executive Director*)

***Independent Non-executive Directors:***

Lee Chack Fan

Liu Hing Hung

Zhu Wenhui

*The directors of the Offeror jointly and severally accept 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 that 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.