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## **SHIMAO PROPERTY HOLDINGS LIMITED**

### **世茂房地產控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 813)

#### **UPDATE ON MAJOR AND CONNECTED TRANSACTION TRANSFER OF ASSETS AND SUBSCRIPTION OF NEW A SHARES**

Reference is made to the circular (the “Circular”) of Shimao Property Holdings Limited (the “Company”) dated 15 November 2007 to the Shareholders, the announcement of the Company dated 3 December 2008 regarding the completion of relevant SAIC registration in relation to the transfer of shareholding interests in nine Target Companies from Peak Gain to Shanghai Shimao and the announcement of the Company dated 4 March 2009 regarding the establishment of a wholly-owned subsidiary by Shanghai Shimao to acquire the Target Asset and the related mortgage loan. Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

#### **Closing procedures**

The Company is pleased to announce that all closing procedures as set out in the Share Subscription and Asset Transfer Agreement have been completed.

#### **(1) Transfer of shareholding interests in nine Target Companies has been completed**

Reference is made to the announcement of the Company dated 3 December 2008, the relevant SAIC registration in relation to the transfer of shareholding interests in the following nine Target Companies from Peak Gain to Shanghai Shimao have been completed, namely (1) 常熟世茂新發展置業有限公司 (Changshu Shimao New Development Property Co., Ltd.); (2) 昆山世茂房地產開發有限公司 (Kunshan Shimao Real Estate Development Co., Ltd.); (3) 徐州世茂置業有限公司 (Xuzhou Shimao Property Co., Ltd.); (4) 蘇州世茂投資發展有限公司 (Suzhou Shimao Investment and Development Co., Ltd.); (5) 嘉興世茂新世紀置業有限公司 (Jiaxing Shimao New Century Property Co., Ltd.); (6) 蕪湖世茂新發展置業有限公司 (Wuhu Shimao New Development Property Co., Ltd.); (7) 瀋陽世茂新世紀房地產開發有限公司 (Shenyang Shimao New Century Real Estate Development Co., Ltd.); (8) 上海世茂新體驗置業有限公司 (Shanghai Shimao Wonderland Property Co., Ltd.) and (9) 常州世茂新城房地產開發有限公司 (Changzhou Shimao New City Real Estate Development Co., Ltd.).

**(2) Transfer of the Target Asset has been completed**

The Target Asset (Beijing Shimao Tower) has been transferred to Beijing Shimao Enterprises Co. Ltd. (北京世茂置業有限公司) (“Beijing Shimao Enterprises”), a wholly-owned subsidiary of Shanghai Shimao, and Beijing Shimao Enterprises has obtained the building ownership certificate in respect of the Target Asset and the relevant state-owned land use certificate. The relevant procedures and registration in relation to the transfer of the Target Asset has been completed on 8 May 2009.

**(3) Capital Injection by the Company to Shimao Enterprises has been completed**

The capital injection by the Company of RMB749,992,000 in Shimao Enterprises was completed on 4 May 2009. Following the Capital Injection, Shimao Enterprises has become an approximately 50.9% owned subsidiary of the Company. Shimao Enterprises has applied the proceeds from the Capital Injection towards subscribing for 62,240,000 New A Shares.

**(4) Examination of Registered Capital Increase has been completed**

The examination of registered capital increase in connection with the New A Shares Placings have been completed and a report has been issued on 8 May 2009 by Shanghai Certified Public Accountants (the “Report”). The Report confirms that Shanghai Shimao has received new registered capital in the aggregate amount of RMB692,240,000 (representing 692,240,000 New A Shares with par value of RMB1.00 each), consisting of RMB558,000,000 from Peak Gain in form of shareholding interests, RMB72,000,000 from Beijing Shimao in form of tangible assets, and RMB62,240,000 from Shimao Enterprises in cash.

**(5) New A Shares Placings has been completed**

The relevant registration in relation to the New A Shares Placings at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited have been completed, details are as follows:

Subscriber	Number of New A Shares Issued	Share Registration Date	Subscription Price RMB	Subscription Amount RMB
<i>Consideration in form of New A Shares in respect of the Asset Transfer</i>				
Peak Gain	558,000,000	13 May 2009	New A Share Subscription Price	6,723,900,000
Beijing Shimao	72,000,000	13 May 2009	New A Share Subscription Price	867,600,000
<i>Shimao Enterprises New A Share Subscription</i>				
Shimao Enterprises	62,240,000	13 May 2009	New A Share Subscription Price	749,992,000
Total:	<u>692,240,000</u>			<u>8,341,492,000</u>

Following the New A Shares Placings, the Company indirectly holds:

- (a) approximately 47.67% of the enlarged issued shares of Shanghai Shimao through its 100% interests in Peak Gain;
- (b) approximately 6.15% of the enlarged issued shares of Shanghai Shimao through its 100% interests in Beijing Shimao; and
- (c) approximately 10.38% of the enlarged issued shares of Shanghai Shimao through its approximately 50.9% interests in Shimao Enterprises.

Accordingly, the Company indirectly holds a total of approximately 64.21% of the enlarged issued shares of Shanghai Shimao.

The Board has been informed that Shanghai Shimao will publish an announcement on the website of the Shanghai Stock Exchange and Shanghai Securities Post (上海證券報) on 18 May 2009 to provide its shareholders with information of the closing procedures described above.

### **Completion of the Proposed Transaction**

Completion of the Proposed Transaction will take place as and when Shanghai Shimao has completed the relevant SAIC registration in respect of the New A Shares Placings. Announcement will be made when Shanghai Shimao has obtained the relevant SAIC registration certificate.

On behalf of the Board  
**Shimao Property Holdings Limited**  
**Hui Wing Mau**  
*Chairman*

Hong Kong, 18 May 2009

*As at the date of this announcement, the executive directors are Mr. Hui Wing Mau (Chairman), Mr. Hui Sai Tan, Jason (Vice Chairman), Ms. Yao Li, Mr. Ip Wai Shing, Mr. Tang Ping Fai and Mr. Tung Chi Shing and the independent non-executive directors are Ms. Kan Lai Kuen, Alice, Mr. Lu Hong Bing, Mr. Gu Yunchang and Mr. Lam Ching Kam.*