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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the consolidated profit attributable to shareholders of the Company for the year ended 31 December 2008 may decrease as compared with that for the year ended 31 December 2007.

The information contained in this announcement is only based on the information currently available and is not based on any figures or information audited by the Company's auditors.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Shimao Property Holdings Limited (the "Company", together with its subsidiaries shall be referred to as the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors (the "Board") of the Company wishes to inform the shareholders of the Company and potential investors that, based on the information currently available, the consolidated profit attributable to shareholders of the Company for the year ended 31 December 2008 may decrease as compared with that for the year ended 31 December 2007, primarily attributable to the following reasons:

- (i) for the year ended 31 December 2008 there was no new significant investment property completed, and we are also likely to record a small loss on fair value changes on existing investment properties due to the downturn of the PRC property market in 2008. The loss on fair value change in the Group's investment properties is a non-cash flow item and will not have direct impact on the cash flow of the Group;
- (ii) there were no gain on partial disposal of subsidiaries nor negative goodwill arising from acquisition of subsidiaries in 2008; and

(iii) a delay in obtaining the certification of completion of a small number of property development projects of the Group which were originally scheduled to be obtained by 31 December 2008. The certification of completion of such property development projects will be obtained in 2009.

Despite the above, the income derived from the core business of the Group comprising property development remains stable for the year ended 31 December 2008. Gross profit margin for the year ended 31 December 2008 remained comparable with that of 2007. Furthermore, the overall financial position and operations of the Group remains sound and healthy. The Group's unaudited contracted sales for the first quarter of 2009 amounted to RMB4,550 million, representing a significant year-on-year growth of more than 346%.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2008, the information contained in this announcement is only based on the information currently available to the management of the Company and is not based on any figures or information confirmed or audited by the Company's auditors. Further details of the Group's annual results will be disclosed as and when the annual results of the Group for the year ended 31 December 2008 are announced.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 6 April 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.