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SHIMAO 世茂房地產

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)

VOLUNTARY UPDATE ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) made by Shimao Property Holdings Limited (the “**Company**”) on 14 January 2018 in relation to the acquisition of land by way of acquisition of equity interest of Shanxi Kaicheng Industry Co., Ltd.* (陝西開城實業有限公司) (the “**Acquisition**”). The board of directors (the “**Board**”) of the Company makes this voluntary announcement to provide updates on the latest status of the Acquisition. Unless otherwise defined below, capitalised terms used herein shall have the same meanings as defined in the Announcement.

UPDATE ON THE ACQUISITION

Set out below are the updates on the Acquisition:

- (1) as disclosed in the Announcement, the Vendors shall transfer in aggregate 70% of the equity interest of the Target Company to the Purchaser (or, pursuant to the terms of the Agreement, its nominee) by the First Transfer Date. On 22 May 2017, Shanghai Zhenxiao Enterprises Management Co., Ltd.* (上海臻驍企業管理有限公司), the nominee of the Purchaser (being a joint venture company of the Company as at the date of this announcement, the “**Nominee**”) injected RMB50,000,000 to the Target Company as its registered capital and acquired 50% of the equity interest of the Target Company (as enlarged by the capital injection) by way of capital injection. On 9 February 2018, the Vendor B transferred 7.5% of the equity interest of the Target Company to the Nominee. As a result, as at the date of this announcement, the Nominee is interested in 57.5% of the total registered capital of the Target Company;
- (2) as at the date of this announcement, the rights to development and of operation over the Project Land have been transferred to the Nominee, the Nominee injected RMB50,000,000 to the Target Company as its registered capital (as set out in paragraph (1) above), and the Purchaser and the Nominee paid RMB1,000,000,000 and RMB614,800,000, respectively, as part of the Consideration in accordance with the terms of the Agreement;

- (3) as at the date of this announcement, terms (3) (including (3)(i) and (3)(ii)), (4) (save and except for 4(i)), (5) and (6) (including (6)(i) and (6)(ii)) as set out in the paragraph headed “Consideration, payment terms and transfer of equity interest” in the Announcement have not been fully completed due to disagreement on certain commercial terms of the Acquisition between the Vendors and the Purchaser, and no supplemental agreement has been executed; and
- (4) on 9 May 2018, the Nominee received a notice from the People’s Court of Weiyang District, Xi’an City (the “**Court**”) that the Vendor A has filed a civil suit to the Court and initiated a civil action (the “**Action**”) against the Target Company for cancellation of the Target Company’s shareholders’ resolutions approving the transfer of 7.5% of the equity interest of the Target Company to the Nominee by the Vendor B and the relevant change of directors of the Target Company. The Target Company and the Nominee have been named as the defendant and the third party to the Action, respectively. The Nominee is in the course of seeking legal advice in this regard.

Save as disclosed in this announcement, the Purchaser and the Vendors are in active negotiations with an intention to expedite the development of the Project Land and to resolving this matter, and there has not been any other material development in relation to the Agreement and the Acquisition. If there is any further update on the Agreement and its performance, the Company will issue an announcement in accordance with the Listing Rules as and when appropriate.

Shareholders and potential investors of the Company should 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, 18 May 2018

As at the date of this announcement, the Board comprises three Executive Directors, namely, Mr. Hui Wing Mau (Chairman), Mr. Hui Sai Tan, Jason (Vice Chairman) and Ms. Tang Fei; one Non-executive Director, namely, Mr. Liu Sai Fei; and three Independent Non-executive Directors, namely, Ms. Kan Lai Kuen, Alice, Mr. Lu Hong Bing and Mr. Lam Ching Kam.

* *For identification purpose only*