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SHIMAO GROUP HOLDINGS LIMITED  
世茂集團控股有限公司

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

**(Stock code: 813)**

**(1) PROFIT WARNING**  
**(2) CHANGE OF AUDITORS**

This announcement is made by Shimao Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rules 13.09(2)(a) and 13.51(4) of the Listing Rules.

**(1) PROFIT WARNING**

The board of directors (the “**Board**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary unaudited consolidated management accounts of the Group for the year ended 31 December 2021, the Group is expected to record an approximately 62% decrease in the profit attributable to the Shareholders and an approximately 57% decrease in the profit from core business attributable to the Shareholders<sup>1</sup> for the year ended 31 December 2021 as compared to the corresponding period of the previous year. The decrease was primarily attributable to the combined effect of the decrease in sales revenue and decline in gross profit margin recorded by the Group for the year, the increase in the amount of provision for the impairment on inventories and the allowance for the expected credit losses on receivables made by the Group as a result of the challenging conditions in the real estate industry during the second half of last year, the increased sales and marketing expenses as a result of the intense market competition, and the recognition of a loss on the disposal of the shareholdings in a project.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2021. The information contained in this announcement is only based on a preliminary review by the Company’s management on the financial information currently available to it and is not based on any figures or information that has been audited or reviewed by the auditors or the audit committee of the Board. The Shareholders and potential investors are advised to read the unaudited annual results announcement of the Company for the year ended 31 December 2021 carefully which is expected to be published on 31 March 2022.

**Holders of the Company’s securities and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **(2) CHANGE OF AUDITORS**

### **(a) RESIGNATION OF AUDITOR**

The Board announces that at the suggestion of the Company, PricewaterhouseCoopers (“PwC”) has resigned as auditor of the Company with effect from 24 March 2022.

PwC stated in its resignation letter that (1) it had requested information in connection with certain trust loan arrangements involving joint ventures and associated companies of the Group, (2) the Company had conducted a review on such arrangements; and (3) due to the restrictions as a result of COVID-19, the Company was not able to complete the review and provide all the information requested by PwC as of 24 March 2022. As such, PwC was not in a position to determine the additional audit work or commit a definite timeline for completion of the audit.

As the Company could not agree with PwC on the timetable and possible additional fee for completion of the audit, the Board believes that it is in the best interest of the Company and the Shareholders to engage another external auditor and complete the audit as soon as practicable. The Board resolved to suggest to PwC its resignation as the Company’s auditor.

Save as disclosed above, the Board is not aware of any matter in connection with PwC’s resignation that needs to be brought to the attention of the stakeholders of the Company.

The Board would like to express its gratitude to PwC for its professional and quality services rendered to the Company in the past years.

### **(b) APPOINTMENT OF AUDITOR**

The Board further announces that it has resolved, having regard to the recommendation from the audit committee of the Board, to appoint Zhonghui Anda CPA Limited (the “**Zhonghui Anda**”) as the new auditor of the Company to fill the casual vacancy following the resignation of PwC and to hold office until the conclusion of the next annual general meeting of the Company.

The Board would like to extend its warm welcome to Zhonghui Anda on its appointment as the auditor of the Company.

### **(c) PUBLICATION OF 2021 UNAUDITED ANNUAL RESULTS**

As stated in the announcement of the Company dated 21 March 2022, to ensure that there will not be disruption in the trading of the shares of the Company, the Company will publish the unaudited annual results of the Group for the year ended 31 December 2021 on 31 March 2022. As at the date of this announcement, the Company remains committed to the publication of the 2021 unaudited annual results of the Group on 31 March 2022.

On behalf of the Board  
**Shimao Group Holdings Limited**  
**Hui Sai Tan, Jason**  
*Vice Chairman and President*

Hong Kong, 25 March 2022

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

Note 1: Profit from core business attributable to shareholders (a non-GAAP financial measure) refers to the profit after tax attributable to shareholders excluding major non-recurring or non-cash items, i.e. the net of tax impact of fair value gains and losses on investment properties, share of results of associated companies and joint ventures, foreign exchange gains and losses arising from borrowings, provision for impairment of financial assets and depreciation and amortization.