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世茂集團

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)

QUARTERLY UPDATE

This announcement is made by Shimao Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

RECENT DEVELOPMENT OF THE GROUP

Financial information

As at the date of this announcement, the auditor of the Company, Zhonghui Anda CPA Limited (the “**Auditor**”), is in the process of auditing the results of the Group for the year ended 31 December 2021. As a result of the delay in the publication of the 2021 annual results and the despatch of the 2021 annual report, the publication of the 2022 interim results and the despatch of the 2022 interim report was also delayed. The board of directors (the “**Board**”) and the management of the Company will continue to work closely with the Auditor to publish the 2021 annual results and annual report, the 2022 interim results and interim report, as soon as practicable. The Company will publish further announcement(s) as and when appropriate to inform its shareholders and potential investors of the progress of the publication of the aforesaid financial information.

Independent investigation and internal control review

Reference is made to the announcement of the Company dated 19 July 2022 in relation to the resumption guidance of the Stock Exchange.

The Company has appointed RSM Corporate Advisory (Hong Kong) Limited to conduct an independent investigation into the issues raised by the previous auditor of the Company, PricewaterhouseCoopers, in its resignation letter.

The Company has also appointed Zhonghui Anda Risk Services Limited to conduct an independent internal control review on the Group's internal control system.

The Company will announce the findings of the independent investigation and the internal control review as soon as practicable.

Business operation

For the period from June to August 2022, the Group's aggregated contracted sales amounted to approximately RMB22.52 billion and aggregated contracted sold area amounted to 1,401,545 sq.m., details of which are set out in the announcements of the Company dated 8 July, 12 August and 16 September 2022. The Group will continue to focus on completion and delivery of its property projects and the improvement of sales performance to ensure the stable and sustainable operation of the Group's business.

Progress on the restructuring

Reference is made to the announcement of the Company dated 3 July 2022. The Company is actively pushing forward the offshore debt restructuring work with its financial and legal advisors and continues to engage in constructive dialogues with various groups of creditors, including but not limited to, the holders of the US\$ denominated senior notes issued by the Company and various offshore bank lenders and their respective advisors, with a view to stabilize the situation, ease the current liquidity issue and seek to implement a potential restructuring that strives to treat its creditors fairly and protect the interests of its stakeholders.

In addition, the Group is working closely and communicating regularly with the creditors and their advisors on conducting an orderly and necessary due diligence of the Group's core business, discuss potentially practicable restructuring proposal options for the offshore debts. Given the size and complexity of the Group, the due diligence process remains ongoing.

Further, as part of an effort to preserve the value of the Hong Kong Kowloon Tai Wo Ping project, the Group has successfully entered into a facility agreement with United Overseas Bank Limited (as arranger) in early September 2022 for loan facilities of HK\$10,300,000,000 to replace the original project loan facilities. The refinancing arrangement is to facilitate the ongoing construction of the project which may form part of asset package(s) as supplemental credit enhancement for the restructured debts as appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, the trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 1 April 2022. Trading in the shares of the Company will remain suspended until further notice.

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

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

Hong Kong, 3 October 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 (Executive President) and Mr. Xie Kun; one Non-executive Director, namely, Mr. Ye Mingjie; and three Independent Non-executive Directors, namely, Mr. Lyu Hong Bing, Mr. Lam Ching Kam and Mr. Fung Tze Wa.