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)

UNAUDITED OPERATING STATISTICS FOR THE ELEVEN MONTHS ENDED 30 NOVEMBER 2023 AND PROGRESS ON OFFSHORE DEBT RESTRUCTURING

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

UNAUDITED OPERATING STATISTICS FOR THE ELEVEN MONTHS ENDED 30 NOVEMBER 2023

The board of directors (the "**Board**") of the Company hereby announces certain unaudited operating statistics of the Group for the eleven months ended 30 November 2023 as follows:

- The Group's aggregated contracted sales for the eleven months ended 30 November 2023 amounted to approximately RMB40.01 billion and the Group's aggregated contracted sold area amounted to 2,745,651 sq.m.. The average selling price for the eleven months ended 30 November 2023 was RMB14,573 per sq.m..

- In November 2023, the Group's contracted sales amounted to approximately RMB2.43 billion and the Group's contracted sold area amounted to 197,865 sq.m.. The average selling price for November 2023 was RMB12,284 per sq.m..

PROGRESS ON OFFSHORE DEBT RESTRUCTURING

Restructuring Progress

The Company along with its financial and legal advisors have in the past several months been actively pushing forward the proposed restructuring of the offshore indebtedness of the Group, including US dollar-denominated senior notes issued by the Company and certain unsecured offshore credit facilities in an aggregate principal amount of approximately US$11.7 billion (the "**Existing Debt**"). The Company continues to maintain constructive dialogue with various groups of creditors with a view to stabilizing the situation of the Company, easing its current liquidity challenges and implementing a restructuring plan that treats all its creditors fairly and protects the interests of all its stakeholders.

Potential Implementation Framework

Management of the Company is fully committed to the offshore restructuring. The Company intends to implement an offshore debt restructuring by way of a scheme of arrangement in Hong Kong and/or such other equivalent process in any jurisdiction in which it may be necessary to effect such a process in order to implement the terms of the proposed restructuring plan.

The Company has proposed to an ad hoc group of offshore noteholders and a group of the Company's offshore bank lenders that in aggregate hold a significant portion of the Group's offshore indebtedness a preliminary restructuring framework, with an aim to create meaningful runway for the Group to improve its operating performance and deleverage by approximately US$6 - 7 billion in order to enhance the Group's financial strength and business operations. The preliminary restructuring framework comprises key elements set forth below:

i) exchanging a portion of Existing Debt into new debt instruments secured by a collateral package that consists of the Group's key offshore assets, with maturities up to nine years from the restructuring effective date;

ii) exchanging a portion of Existing Debt into a capped amount of new senior secured debt with similar collateral package ranking in priority to other new debt instruments, at a discount to principal amount of the Existing Debt. The new senior secured debt would be repaid ahead of other new debt instruments;

iii) exchanging a portion of Existing Debt into equity-linked instruments of the Company that upon relevant approval and full conversion will be converted into a significant percentage of the common shares of the Company; and

iv) offering consent fee to creditors who provide their support to the restructuring proposal before certain deadlines.

As at the date of this announcement, no definitive agreement on the terms of the offshore restructuring has been entered into between the Company and the group of creditors.

Capital Structure Overview

As at 30 June 2023, the Group had (i) offshore interest-bearing debt of approximately US$14 billion (unaudited), (ii) onshore interest-bearing debt of approximately US$25 billion (unaudited), (iii) amounts due to related parties of approximately US$3 billion, and (iv) total equity of approximately US$9 billion, which includes approximately US$6 billion attributable to non-controlling interests. Among the said offshore debt, approximately US$7 billion was US dollar-denominated senior notes, approximately US$3 billion was syndicated loans, approximately US$2 billion was bilateral loans and approximately US$2 billion was secured project loans. The interest-bearing debt balances as of 31 October 2023 are not materially different from the figures as at 30 June 2023. There is a significant number of onshore debt claims that benefit from guarantees provided by offshore entities within the Group.

Projected Cash Flow & Key Balance Sheet Figures

i) Due to the current market condition, the overall liquidity of the Group remains constrained. As of 31 October 2023, the cash balance of the Group was approximately RMB22 billion in aggregate (unaudited), including (a) cash held by the Company of approximately RMB1 billion (unaudited); (b) cash held by listed subsidiaries and their respective subsidiaries of approximately RMB4 billion (unaudited) and (c) restricted cash under pre-sale and other supervision arrangement of approximately RMB17 billion (unaudited), most of which was held in monitoring accounts at the project level.

ii) Based on various assumptions that include (i) the Group is able to maintain normal operations and the market environment of the Chinese real estate sector gradually improves, (ii) delivery of the Group's existing projects and all saleable resources will be realized, (iii) refinancing onshore indebtedness as and when they fall due, (iv) implementation of appropriate measures to strictly control the overall costs in accordance with the Group's plan, and (v) no other unforeseeable factors have been considered, including but not limited to, additional expenses to be incurred for any material litigation and claims against the Group, the net proceeds generated between 2023 to 2033 from (a) existing development projects developed by the Group and its joint ventures and associates (calculated as cash proceeds, less construction costs, tax, selling, general and administrative expenses and other expenses), (b) operating income from hotels operation and other commercial properties operation is estimated to be between approximately RMB4 billion and RMB40 billion per year. While market conditions and project development progress could impact net proceeds generated by development projects each year, a significant portion of net proceeds from existing development projects are expected to be generated by the mid-term of above period. The total cumulative unlevered operating cashflow generated by the Group between 2023 to 2033 is estimated to be between approximately RMB200 billion and RMB250 billion, of which total cumulative net operating cashflow from hotels and other commercial properties operation is estimated to be between approximately RMB6 billion and RMB10 billion. Further, in terms of net development value as of 31 December 2022, the top 20 largest projects and top 20 cities accounted for approximately 50% and 70%, respectively.

iii) The accumulated levered cash flow of the Group's key offshore assets (including from the Company's stake in the property management business) between 2023 and 2033 is estimated to be approximately between US$1.5 billion and US$2 billion which reflects a variety of assumptions on realizable value and may or may not be achievable. Offshore assets could serve as resources available to the Group for service of offshore debts post-restructuring, while repayment of the bulk of offshore debts post-restructuring requires cashflows generated from onshore operations and available to upstream to offshore entities of the Group.

iv) As at 30 June 2023, the unaudited book value of the Group's property and equipment amounted to approximately RMB17 billion, and investment properties, which represents mainly the Group's self-developed commercial properties, amounted to approximately RMB66 billion.

The financial information above is unaudited and has been compiled by the management of the Company based on information currently available to it, and is for indicative purposes only. Such financial information has not been reviewed by the auditors or the audit committee of the Company and as a result is subject to change and/or adjustment. As such, the above data is provided for investors' reference only. Shareholders and investors are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company. When in doubt, investors are advised to seek professional advice from professional or financial advisers.

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

Hong Kong, 7 December 2023

As at the date of this announcement, the Board of the Company comprises four Executive Directors, namely, Mr. Hui Wing Mau (Chairman), Mr. Hui Sai Tan, Jason (Vice Chairman and President), Ms. Tang Fei 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.