世茂服務
SHIMAO SERVICE

SHIMAO SERVICES HOLDINGS LIMITED
世茂服務控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 873)

CONTINUING CONNECTED TRANSACTIONS

Financial Advisor

東英 ORIENTAL PATRON

SUMMARY

Reference is made to the 2022 CCT Announcements of the Company with respect to the 2022 CCT Agreements entered into between the Company and Shimao Group Holdings. The 2022 CCT Agreements are about to expire on 31 December 2025. In light of the continuous business cooperations with Shimao Group Holdings, on 5 November 2025, the Company entered into the 2025 CCT Agreements with Shimao Group Holdings.

LISTING RULES IMPLICATION

As Shimao Group Holdings is the controlling shareholder of the Company which indirectly holds approximately 54.95% of the issued share capital of the Company as at the date of this announcement, Shimao Group Holdings and its associates are connected persons of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the 2025 CCT Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios under the Listing Rules in respect of the annual caps of each of the 2025 Leasing Master Agreement and the 2025 Carpark Sales Agency Services Master Agreement exceed 0.1% but are less than 5%, the entering into the 2025 Leasing Master Agreement and the 2025 Carpark Sales Agency Services Master Agreement respectively are subject to the reporting, announcement and annual review requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As all applicable percentage ratios under the Listing Rules in respect of the annual caps of the transactions contemplated under (1) 2025 Sales Office Operation Master Agreement; (2) 2025 IoT Services Master Agreement; (3) 2025 Engineering Services Master Agreement; (4) 2025 Property Management Services Master Agreement; and (5) 2025 Value-added Services to Non-property Owners Master Agreement, on an aggregate basis, exceed 0.1% but are less than 5%, the entering into (1) 2025 Sales Office Operation Master Agreement; (2) 2025 IoT Services Master Agreement; (3) 2025 Engineering Services Master Agreement; (4) 2025 Property Management Services Master Agreement; and (5) 2025 Value-added Services to Non-property Owners Master Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the 2022 CCT Announcements with respect to the 2022 CCT Agreements entered into between the Company and Shimao Group Holdings. The 2022 CCT Agreements are about to expire on 31 December 2025. In light of the continuous business cooperations with Shimao Group Holdings, on 5 November 2025, the Company entered into the 2025 CCT Agreements with Shimao Group Holdings. The principal terms of the respective 2025 CCT Agreements are set out below.

I. 2025 LEASING MASTER AGREEMENT

Date

5 November 2025

Parties

(1) Shimao Group Holdings (as lessor); and

(2) the Company (as lessee)

Term

From the Effective Date to 31 December 2028

Subject matters

Pursuant to the 2025 Leasing Master Agreement, the Group will lease several residential or non-residential properties from Shimao Group Holdings from time to time. The purpose of the leases of the Group is to (1) partly use as offices; and (2) develop other community value-added services.

Pricing basis

The rental charges to be charged by Shimao Group Holdings shall be negotiated on an arm's length basis with no less favourable terms to the Company and make reference to the prevailing market prices of similar specifications, size and nature in the proximity of the premises to be leased at the time of entering into the individual agreements to determine a fair and reasonable price in the relevant market. Such comparable information shall be obtained from the latest public transaction records. The rental charges shall be charged on a semi-annual basis unless otherwise agreed. The rental charges will be monitored regularly under the Group's internal control procedures.

In view of the above pricing basis, the Directors (including the Independent Non-executive Directors) consider that the pricing basis under the 2025 Leasing Master Agreement are on normal commercial terms, fair and reasonable and no less favourable to the Company than those obtained from independent third parties for similar transactions.

Historical transaction amount

The historical rental charges payable by the Group under the 2022 Leasing Master Agreement for each of the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025 are set out below.

	For the year ended 31 December		**For the nine months ended 30 September**
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million* (unaudited)
Historical rental charges	14	6.4	3.4

The historical transaction amounts arising from the 2022 Leasing Master Agreement remained within the annual caps for each of the years ended 31 December 2023 and 2024, and the transaction amount is not anticipated to exceed the annual cap for the year ending 31 December 2025.

Annual caps and basis of determination

The annual caps under the 2022 Leasing Master Agreement for each of the years ended 31 December 2023, 2024 and 2025 are set out below.

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million*
Annual caps under the 2022 Leasing Master Agreement	65	70	79

The annual caps for the total rental charges under the 2025 Leasing Master Agreement for each of the years ending 31 December 2026, 2027 and 2028 are RMB12 million respectively.

The above annual caps are determined with reference to:

(1) the estimated number of premises to be leased by the Group and available from Shimao Group Holdings during the term of the 2025 Leasing Master Agreement,

(2) the pricing basis pursuant to the 2025 Leasing Master Agreement which takes into account the prevailing market condition of comparable premises, and

(3) the estimated change in price of the rental charges during the term of the 2025 Leasing Master Agreement.

In making the above estimations, the Group has taken into account the previous transactions and figures in the published information of the Group of the 2022 Leasing Master Agreement.

II. 2025 CARPARK SALES AGENCY SERVICES MASTER AGREEMENT

Date

5 November 2025

Parties

(1) Shimao Group Holdings; and

(2) the Company

Term

From the Effective Date to 31 December 2028

Subject matters

Pursuant to the 2025 Carpark Sales Agency Services Master Agreement, the Group will provide Shimao Group Holdings with carpark space sales agency services, including but not limited to providing marketing, promotion and sales services for carpark spaces developed by Shimao Group Holdings, arrangement of documentations with the buyers of the carpark spaces.

Pricing basis

Commissions

The commissions to be charged by the Group will be the sum of (1) a portion ("**Fixed Portion**") over the Pre-agreed Base Price (defined below) of the respective carpark spaces; and (2) a portion ("**Premium Portion**") over the difference between the actual selling price and the Pre-agreed Base Price of the respective carpark spaces (if any). The percentages in arriving at the Fixed Portion and the Premium Portion shall be negotiated on an arm's length basis with no less favourable terms to the Company and to be determined by (1) the prevailing market price in providing such sales agency services (taking into account the conditions and location of the carparks and the anticipated operational costs); and (2) the prices charged by the Group for providing similar services to the other independent third parties. The pre-agreed base price ("**Pre-agreed Base Price**") is the minimum acceptable price that Shimao Group Holdings is willing to sell a particular carpark space, which makes reference to the historical transaction price of carpark spaces in the proximity area. The commissions shall be settled monthly unless otherwise agreed in the individual agreements. The commissions for the individual agreements will be monitored regularly under the Group's internal control procedures.

In view of (1) the above pricing basis for the commissions and the deposits; (2) the market practices putting down deposits for the exclusive sales rights in the PRC as seen from the market peers; and (3) the deposits would help the Group to carry out the carpark space sales agency services where the Group will receive the commission for the successful sales of carpark space, the Directors (including the Independent Non-executive Directors) consider that the pricing basis for the commissions and the arrangement of the deposits under the 2025 Carpark Sales Agency Services Master Agreement are on normal commercial terms, fair and reasonable and no less favourable to the Company than those offered to independent third parties for similar transactions.

Deposits for the exclusive sales rights

Shimao Group Holdings will grant exclusive sales rights to the Group for the sales of certain carpark spaces. The Group shall pay deposits under the individual agreements for the exclusive rights to sell the respective carpark spaces. The deposits shall be agreed by the Group and Shimao Group Holdings and shall not exceed 35% of the Pre-agreed Base Price of the relevant carpark spaces and not exceed the percentage for obtaining the similar exclusive sales rights from the other independent third parties. The determining factors include the value of the carpark spaces, term of sales period and scarcity and demand of the carpark spaces in the proximity area. The deposits are non-interest bearing and shall be refundable in the following manner:

1. During the term of the individual agreement,

   (a) in the case the Group receives the monies on behalf of Shimao Group Holdings, the Group shall retain the amount of the deposit paid and transfer the remaining amount (net of the deposit) to Shimao Group Holdings; or

   (b) in the case Shimao Group Holdings receives the monies, Shimao Group Holdings shall refund the relevant deposits to the Group in batch on a monthly basis.

2. At the expiration of the individual agreement, if there are any unsold carpark spaces, Shimao Group Holdings shall refund the deposits relating to the unsold carpark spaces to the Group within 30 days from the expiration of the individual agreements.

The amount of deposits to be paid and returned will be monitored regularly under the Group's internal control procedures.

Historical transaction amount

The historical commissions earned by the Group and the historical amount of deposits paid by the Group under the 2022 Carpark Sales Agency Services Master Agreement for each of the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025 are set out below.

	For the year ended 31 December		**For the nine months ended 30 September**
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million* (unaudited)
Historical commissions earned	34	21.8	19.5
Historical deposits paid	295	191	223.3

The historical transaction amounts of both commissions earned and deposits paid under the 2022 Carpark Sales Agency Services Master Agreement remained within the respective annual caps for each of the years ended 31 December 2023 and 2024, and the transaction amounts are not anticipated to exceed the respective annual caps for the year ending 31 December 2025.

Annual caps and basis of determination

Annual caps for commissions

The annual caps for commissions under the 2022 Carpark Sales Agency Services Master Agreement for each of the years ended 31 December 2023, 2024 and 2025 are set out below.

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million*
Annual caps for commissions under the 2022 Carpark Sales Agency Services Master Agreement	236	258	264

The annual caps for commissions under the 2025 Carpark Sales Agency Services Master Agreement for each of the years ending 31 December 2026, 2027 and 2028 are set out below.

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB million	*RMB million*	*RMB million*
Annual caps for commissions under the 2025 Carpark Sales Agency Services Master Agreement	24	27	30

The above annual caps are determined with reference to:

(1) the estimated number of carpark spaces of Shimao Group Holdings to be developed during the term of the 2025 Carpark Sales Agency Services Master Agreement;

(2) the estimated percentage of those carpark spaces that would engage the Group to provide sales agency services;

(3) the estimated fee to be charged for the commission considering the factors in determining the pricing basis; and

(4) the other estimated costs to be incurred to render services under the 2025 Carpark Sales Agency Services Master Agreement.

The annual caps for commissions are based on a more conservative sales forecast during the contract term. This forecast takes into consideration the previous transactions and figures in the published information of the Group and the prevailing slower pace of the PRC property market.

Annual caps for deposits

The annual caps for deposits under the 2022 Carpark Sales Agency Services Master Agreement for each of the years ended 31 December 2023, 2024 and 2025 are set out below.

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million*
Annual caps for deposits under the 2022 Carpark Sales Agency Services Master Agreement	300	268	245

The annual caps for deposits under the 2025 Carpark Sales Agency Services Master Agreement for each of the years ending 31 December 2026, 2027 and 2028 are RMB73 million respectively.

The above annual caps are determined with reference to:

(1) the estimated number of carpark spaces of Shimao Group Holdings to be developed during the term of the 2025 Carpark Sales Agency Services Master Agreement;

(2) the estimated percentage of those carpark spaces that grant the Group exclusive sales rights; and

(3) maximum percentage (i.e. 35%) of deposits out of the market value of the relevant carpark spaces that Shimao Group Holdings would grant exclusive sales rights to the Group.

The annual caps for deposits are based on the Group's forecast of a lower volume of exclusive carpark sales rights to be granted by Shimao Group Holdings. This forecast takes into consideration the previous transactions and figures in the published information of the Group, Shimao Group Holdings' recently effected offshore debt restructuring scheme, and the prevailing slower pace of the PRC property market.

III. 2025 SALES OFFICE OPERATION MASTER AGREEMENT

Date

5 November 2025

Parties

(1) Shimao Group Holdings; and

(2) the Company

Term

From the Effective Date to 31 December 2028

Subject matters

Pursuant to the 2025 Sales Office Operation Master Agreement, Shimao Group Holdings will engage the Group to operate the sales office and the display units, the responsibilities of the Group include, but not limited to, human resources management, formulating various management policies and procedures, cleaning and security of the sales office, and other services relating to the running of the sales office.

Pricing basis

The fees to be charged by the Group shall be negotiated on an arm's length basis with no less favourable terms to the Company and to be determined by (1) the number of staff to be deployed in the running of the sales offices; (2) the wages for the staff running the sales office equivalent to those charged in the projects offering to independent third parties by the Group; (3) the nature of services to be included on a case-by-case basis; (4) other estimated costs incurred in the running of the sales offices; (5) the estimated fees to be charged for the corresponding projects; and (6) the prices charged by the Group for providing similar services to the other independent third parties. The fees shall be charged on a monthly basis unless otherwise agreed and the credit terms generally granted to Shimao Group Holdings are 60 days from the issuance of an invoice unless otherwise agreed or extended. The fees for the individual agreements will be monitored regularly under the Group's internal control procedures.

In view of the above pricing basis, the Directors (including the Independent Non-executive Directors) consider that the pricing basis under the 2025 Sales Office Operation Master Agreement are on normal commercial terms, fair and reasonable and no less favourable to the Company than those offered to independent third parties for similar transactions.

Historical transaction amount

The historical service fees charged by the Group under the 2022 Sales Office Operation Master Agreement for each of the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025 are set out below.

	For the year ended 31 December		For the nine months ended 30 September
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million* (unaudited)
Historical service fees	74	94.7	76.3

The historical transaction amounts under the 2022 Sales Office Operation Master Agreement remained within the annual caps for each of the years ended 31 December 2023 and 2024, and the transaction amount is not anticipated to exceed the annual cap for the year ending 31 December 2025.

Annual caps and basis of determination

The annual caps under the 2022 Sales Office Operation Master Agreement for each of the years ended 31 December 2023, 2024 and 2025 are set out below.

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million*
Annual caps under the 2022 Sales Office Operation Master Agreement	146	128	115

The annual caps under the 2025 Sales Office Operation Master Agreement for each of the years ending 31 December 2026, 2027 and 2028 are set out below.

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB million	*RMB million*	*RMB million*
Annual caps under the 2025 Sales Office Operation Master Agreement	24	11	10

The above annual caps are determined with reference to:

(1) the estimated number of property development projects of Shimao Group Holdings during the term of the 2025 Sales Office Operation Master Agreement which would require a sales office;

(2) the estimated number and scale of the sales offices to be deployed by Shimao Group Holdings that would engage the Group to provide services;

(3) the estimated nature of services to be provided to Shimao Group Holdings on different occasions; and

(4) the estimated costs in running sales offices.

The annual caps are based on the Group's forecast of a reduced number and scale of sales offices that Shimao Group Holdings will require the Group to operate. This forecast takes into consideration the previous transactions and figures in the published information of the Group and the reduced number of expected contracts given Shimao Group Holdings' prudent approach regarding new project launches amid the current sluggishness in the PRC property market.

IV. 2025 IOT SERVICES MASTER AGREEMENT

Date

5 November 2025

Parties

(1) Shimao Group Holdings; and

(2) the Company

Term

From the Effective Date to 31 December 2028

Subject matters

Pursuant to the 2025 IoT Services Master Agreement, Shimao Group Holdings will engage the Group to provide services relating to the construction, development and system composition of IoT systems to the property development projects that Shimao Group Holdings involves in, including but not limited to, design, develop, implement, operate and sales of related IoT products and components. The IoT systems and components are for the enhancement of living experience for the dwelling in the respective properties.

Pricing basis

The fees to be charged by the Group shall be negotiated on an arm's length basis with no less favourable terms to the Company and to be determined by (1) the project scope, nature and difficulties; (2) the estimated costs of materials; (3) the estimated number of staff to be involved in each project; (4) other estimated costs to be incurred; and (5) the prices charged by the Group for providing similar services to the other independent third parties. The fees shall be charged on instalment basis according to individual agreements and the credit terms generally granted to Shimao Group Holdings are 60 days from the issuance of an invoice unless otherwise agreed or extended. The fees for the individual agreements will be monitored regularly under the Group's internal control procedures.

In view of the above pricing basis, the Directors (including the Independent Non-executive Directors) consider that the pricing basis under the 2025 IoT Services Master Agreement are on normal commercial terms, fair and reasonable and no less favourable to the Company than those offered to independent third parties for similar transactions.

Historical transaction amount

The historical service fees charged by the Group under the 2022 IoT Services Master Agreement for each of the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025 are set out below.

	For the year ended 31 December		For the nine months ended 30 September
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million* (unaudited)
Historical service fees	108	15.6	1.8

The historical transaction amounts under the 2022 IoT Services Master Agreement remained within the annual caps for each of the years ended 31 December 2023 and 2024, and the transaction amount is not anticipated to exceed the annual cap for the year ending 31 December 2025.

Annual caps and basis of determination

The annual caps under the 2022 IoT Services Master Agreement for each of the years ended 31 December 2023, 2024 and 2025 are set out below.

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million*
Annual caps under the 2022 IoT Services Master Agreement	156	142	128

The annual caps under the 2025 IoT Services Master Agreement for each of the years ending 31 December 2026, 2027 and 2028 are set out below.

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB million	*RMB million*	*RMB million*
Annual caps under the 2025 IoT Services Master Agreement	20	28	32

The above annual caps are determined with reference to:

(1) the estimated number of property development projects of Shimao Group Holdings requiring IoT implementation;

(2) the estimated scope, nature and difficulties in the projects to be engaged by the Company;

(3) the estimated fees to be charged for the corresponding projects; and

(4) other estimated costs to be incurred to render services under the 2025 IoT Services Master Agreement.

The annual caps are based on the Group's forecast of a reduced number of new property development projects by Shimao Group Holdings that will require IoT systems implementation. This forecast takes into consideration the previous transactions and figures in the published information of the Group and Shimao Group Holdings' prudent approach to new project launches amid the current sluggishness in the PRC property market.

V. 2025 ENGINEERING SERVICES MASTER AGREEMENT

Date

5 November 2025

Parties

(1) Shimao Group Holdings; and

(2) the Company

Term

From the Effective Date to 31 December 2028

Subject matters

Pursuant to the 2025 Engineering Services Master Agreement, the Group will provide several engineering services for the property development projects that Shimao Group Holdings involves in as detailed below:

1. Home decoration

The Group will supply furniture, home appliances, renovation and decoration materials to Shimao Group Holdings' property development projects, and will provide installation, logistics, maintenance, and other post-sales services to the extent the Group covers and as stipulated in the individual agreements.

2. Elevator supply, installation and maintenance

The Group will supply elevators to Shimao Group Holdings' property development projects, and will provide installation, maintenance, and other related services as stipulated in the individual agreements.

Pricing basis

The fees to be charged by the Group shall be negotiated on an arm's length basis with no less favourable terms to the Company and to be determined by (1) the costs of supplying the relevant items; (2) the costs in relation to the installation and adjustment of the relevant items; (3) the costs of providing maintenance services; (4) other estimated costs to be incurred; and (5) the prices charged by the Group for providing similar services to the other independent third parties. In regard of home decoration services, the fees shall be paid by Shimao Group Holdings to the Group upon completion unless otherwise agreed. In regard of elevator supply, Shimao Group Holdings shall pay 95% of the transaction amount to the Group upon delivery and shall pay the remaining 5% upon the end of the warranty period unless otherwise agreed. The fees for the individual agreements will be monitored regularly under the Group's internal control procedures.

In view of the above pricing basis, the Directors (including the Independent Non-executive Directors) consider that the pricing basis under the 2025 Engineering Services Master Agreement are on normal commercial terms, fair and reasonable and no less favourable to the Company than those offered to independent third parties for similar transactions.

Historical transaction amount

The historical service fees charged by the Group under the 2022 Engineering Services Master Agreement for each of the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025 are set out below.

	For the year ended 31 December		For the nine months ended 30 September
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million* (unaudited)
Historical service fees	83	74.5	55.7

The historical transaction amounts under the 2022 Engineering Services Master Agreement remained within the annual caps for each of the years ended 31 December 2023 and 2024, and the transaction amount is not anticipated to exceed the annual cap for the year ending 31 December 2025.

Annual caps and basis of determination

The annual caps under the 2022 Engineering Services Master Agreement for each of the years ended 31 December 2023, 2024 and 2025 are set out below.

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million*
Annual caps under the 2022 Engineering Services Master Agreement	89	90	90

The annual caps under the 2025 Engineering Services Master Agreement for each of the years ending 31 December 2026, 2027 and 2028 are set out below.

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB million	*RMB million*	*RMB million*
Annual caps under the 2025 Engineering Services Master Agreement	4	3	5

The above annual caps are determined with reference to:

(1) the estimated number of property development projects of Shimao Group Holdings during the term of the 2025 Engineering Services Master Agreement;

(2) the estimated percentage of those projects that would engage the Group to supply elevators;

(3) the estimated percentage of those projects that will engage the Group to provide home decoration and renovation services;

(4) the estimated fees to be charged for the corresponding projects about the supply of elevators or other items during the term of the 2025 Engineering Services Master Agreement; and

(5) other estimated costs to be incurred to render services under the 2025 Engineering Services Master Agreement.

The annual caps are based on the Group's forecast of a reduction in the scope of engineering services required by Shimao Group Holdings during the term of the 2025 Engineering Services Master Agreement. The Group anticipates a reduction in high-value new elevator installations and home decoration projects, with future services expected to consist primarily of lower-value, recurring maintenance work. This forecast takes into account the previous transactions and figures in the published information of the Group and adjusted to account for Shimao Group Holdings' prudent business approach and the current sluggishness in the PRC property market.

VI. 2025 PROPERTY MANAGEMENT SERVICES MASTER AGREEMENT

Date

5 November 2025

Parties

(1) Shimao Group Holdings; and

(2) The Company

Term

From the Effective Date to 31 December 2028

Subject matters

Pursuant to the 2025 Property Management Services Master Agreement, the Group will provide Shimao Group Holdings with property management services for the properties (including car parking spaces) owned or used by Shimao Group Holdings.

Pricing basis

The fees to be charged by the Group shall be negotiated on an arm's length basis with no less favourable terms to the Company and to be determined by (1) the prevailing market price which takes into account the conditions, scale and proximity of the property, the scope of services and the anticipated operational costs; and (2) the prices charged by the Group for providing similar services to the other independent third parties. The fees will generally be charged on a monthly basis and the credit terms generally granted to Shimao Group Holdings are 60 days from the issuance of an invoice unless otherwise agreed or extended. The fees for the individual agreements will be monitored regularly under the Group's internal control procedures.

In view of the above pricing basis, the Directors (including the Independent Non-executive Directors) consider that the pricing basis under the 2025 Property Management Services Master Agreement are on normal commercial terms, fair and reasonable and no less favourable to the Company than those offered to independent third parties for similar transactions.

Historical transaction amount

The historical service fees charged by the Group under the 2022 Property Management Services Master Agreement for each of the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025 are set out below.

	For the year ended 31 December		**For the nine months ended 30 September**
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million* (unaudited)
Historical service fees	39	34.7	39.9

The historical transaction amounts under the 2022 Property Management Services Master Agreement remained within the annual caps for each of the years ended 31 December 2023 and 2024, and the transaction amount is not anticipated to exceed the annual cap for the year ending 31 December 2025.

Annual caps and basis of determination

The annual caps under the 2022 Property Management Services Master Agreement for each of the years ended 31 December 2023, 2024 and 2025 are set out below.

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million*
Annual caps under the 2022 Property Management Services Master Agreement	151	173	169

The annual caps under the 2025 Property Management Services Master Agreement for each of the years ending 31 December 2026, 2027 and 2028 are set out below.

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB million	*RMB million*	*RMB million*
Annual caps under the 2025 Property Management Services Master Agreement	17	25	21

The above annual caps are determined with reference to:

(1) the estimated number of property development projects of Shimao Group Holdings to be delivered during the term of the 2025 Property Management Services Master Agreement;

(2) the estimated percentage of those projects that would engage the Group to provide property management services;

(3) the estimated fee to be charged in respect of the property management services for the residential and other properties owned by Shimao Group; and

(4) other estimated costs to be incurred to render services under the 2025 Property Management Services Master Agreement.

The annual caps are based on the Group's forecast of a reduction in the portfolio of properties owned by Shimao Group Holdings that will require the Group's management services. This forecast takes into consideration the previous transactions and figures in the published information of the Group, coupled with Shimao Group Holdings' prudent strategy of accelerating the sale and delivery of of its existing inventory of properties amid the current sluggishness in the PRC property market.

VII. 2025 VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS MASTER AGREEMENT

Date

5 November 2025

Parties

(1) Shimao Group Holdings; and

(2) the Company

Term

From the Effective Date to 31 December 2028

Subject matters

Pursuant to the 2025 Value-added Services to Non-property Owners Master Agreement, the Group will provide Shimao Group Holdings with, in connection with the property development projects that Shimao Group Holdings involves in, the following non-property owners value-added services:

(1) design and consultation services from property management perspective for the property development projects of Shimao Group Holdings;

(2) management over the repair and maintenance during the warranty period to the buyer of the residential properties and other properties on behalf of Shimao Group Holdings after they were sold; and

(3) preparation of property development projects prior to delivery, including but not limited to defect inspection of home and public facilities, cleaning of private streets and roads, greening, and procurements of relevant supplies, such that the property development projects are of certain standard as stipulated in the sales brochure, which will be referenced by the individual agreements, to deliver to the property owners.

Pricing basis

The fees to be charged by the Group shall be negotiated on an arm's length basis with no less favourable terms to the Company and to be determined by (1) the circumstance, scale, complexity and the requirement of human resources in each of the relevant projects; (2) the estimated costs involving in the projects; and (3) the prices charged by the Group for providing similar services to the other independent third parties. The fees will generally be charged on a monthly basis and the credit terms generally granted to Shimao Group Holdings are 60 days from the issuance of an invoice unless otherwise agreed or extended. The fees for individual agreements will be monitored regularly under the Group's internal control procedures.

In view of the above pricing basis, the Directors (including the Independent Non-executive Directors) consider that the pricing basis under the 2025 Value-added Services to Non-property Owners Master Agreement are on normal commercial terms, fair and reasonable and no less favourable to the Company than those offered to independent third parties for similar transactions.

Historical transaction amount

The historical service fees charged by the Group under the 2022 Value-added Services to Non-property Owners Master Agreement for each of the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025 are set out below.

	For the year ended 31 December		**For the nine months ended 30 September**
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million* (unaudited)
Historical service fees	65	19.2	3.6

The historical transaction amounts under the 2022 Value-added Services to Non-property Owners Master Agreement remained within the annual caps for each of the years ended 31 December 2023 and 2024, and the transaction amount is not anticipated to exceed the annual cap for the year ending 31 December 2025.

Annual caps and basis of determination

The annual caps under the 2022 Value-added Services to Non-property Owners Master Agreement for each of the years ended 31 December 2023, 2024 and 2025 are set out below.

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million*
Annual caps under the 2022 Value-added Services to Non-property Owners Master Agreement	160	94	81

The annual caps under the 2025 Value-added Services to Non-property Owners Master Agreement for each of the years ending 31 December 2026, 2027 and 2028 are set out below.

	For the year ending 31 December		
	2026	**2027**	**2028**
	RMB million	*RMB million*	*RMB million*
Annual caps under the 2025 Value-added Services to Non-property Owners Master Agreement	8	6	5

The above annual caps are determined with reference to:

(1) the estimated number of property development projects of Shimao Group Holdings to be delivered during the term of the 2025 Value-added Services to Non-property Owners Master Agreement;

(2) the estimated percentage of those projects that would engage the Group to provide the said services;

(3) the estimated fee to be charged in respect of the non-property owner value-added services to Shimao Group Holdings; and

(4) other estimated costs to be incurred to render services under the 2025 Value-added Services to Non-property Owners Master Agreement.

The annual caps are based on the Group's forecast of a reduced number of property development projects by Shimao Group Holdings that will require pre-delivery and warranty period management services. This forecast considered the previous transactions and figures in the published information of the Group, which are then adjusted downwards to account for Shimao Group Holdings' prudent approach to its project delivery schedule amid the current sluggishness in the PRC property market.

EFFECTIVE DATE

The effective date ("**Effective Date**") for each of the 2025 CCT Agreements will be 1 January 2026, as the agreements are not subject to any conditions precedent.

INTERNAL CONTROL POLICIES

To enable the Group to review and assess whether the individual transactions will be conducted on normal commercial terms and on terms no less favourable to the Group than those available from independent third parties, the Group has adopted the following measures:

(1) the business department and the finance department of the Group will closely monitor the transactions under the 2025 CCT Agreements to ensure that the transactions are being conducted under their respective terms;

(2) the implementation of specific contracts shall be subject to the appropriate approval of the general manager of the business department, the finance department and the management of the Group to ensure that the contracts are in line with the pricing policy and principal terms of the 2025 CCT Agreements;

(3) the business department and the finance department of the Group will conduct regular reviews to keep abreast of the market development for the purpose of considering if the price charged for a specific transaction is fair and reasonable and no less favourable to the Group than those available from independent third parties;

(4) the finance department of the Group will regularly review the settlements of receivables and the payment of payables to ensure that the payments and collections are properly carried out in accordance with the agreed contract terms;

(5) the auditors of the Company would conduct annual review on the continuing connected transactions of the Group to ensure that the transactions are conducted on the principal terms of the 2025 CCT Agreements; and

(6) the Independent Non-executive Directors will conduct annual review regarding the transactions contemplated under the 2025 CCT Agreements to ensure that such transactions are conducted on normal commercial terms and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

As at 30 September 2025, the unaudited gross trade receivables of the Group due from Shimao Group Holdings amounted to approximately RMB754.54 million. An ageing analysis of these receivables is as follows:

	As at 30 September 2025 *(RMB'000)* (unaudited)
Current (not past due)	59,253
Past due within 1 year	142,508
Past due over 1 year but within 5 years	531,043
Past due over 5 years	21,731
Total	**754,535**

The Board acknowledges the receivables due from Shimao Group Holdings that are past due as set out above, which arose from services provided in the ordinary and usual course of the Group's business. This situation is viewed in the context of Shimao Group Holdings' ongoing offshore debt restructuring scheme which became effective on 21 July 2025. This complex restructuring process requires Shimao Group Holdings to manage its repayments to all creditors in an orderly manner according to a structured plan, which has resulted in extended cash repatriation times for certain amounts due to the Group.

While the continuation of business is considered beneficial to the Company's ordinary operations, the Group has adopted stringent measures to safeguard the interests of the Company and its Shareholders as a whole. For instance, before entering into an individual transaction, the Group has obtained evidence ensuring the recoverability of the receivables. The Group will continue such practice for the transactions contemplated under the 2025 CCT Agreements, and take all necessary measures to recover outstanding receivables arising from the transactions contemplated under the 2025 CCT Agreements if necessary.

In light of the above, and as the offshore debt restructuring scheme of Shimao Group Holdings became effective on 21 July 2025, the Group continues to adopt additional internal control measures as a conservative stance to carefully monitor the credit risks that may arise from the transactions with Shimao Group Holdings:

(1) the finance department of the Group reconciles the receivable balances with Shimao Group Holdings on a regular basis;

(2) the management of the Group follows up with Shimao Group Holdings if there were any delayed unreceived refunding of the deposits; and

(3) a credit extension to Shimao Group Holdings will only be granted on a case-by-case basis when sufficient evidence is available to satisfy the Group that the receivables are recoverable during the extended credit period to be granted with valid reasons in support of the length of the period seeking for credit extension.

INFORMATION ABOUT THE PARTIES

The Company

The Company is an investment holding company and the Group is principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners and city services.

Shimao Group Holdings

Shimao Group Holdings is an investment holding company. Shimao Group Holdings and its subsidiaries are principally engaged in the development and investment of residential and commercial properties, property management, commercial properties operation and hotel operation in the PRC. As Shimao Group Holdings is the controlling shareholder of the Company which indirectly holds approximately 54.95% of the issued share capital of the Company as at the date of this announcement, Shimao Group Holdings and its associates are connected persons of the Company under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

Reference is made to the 2022 CCT Announcements in relation to the 2022 CCT Agreements entered into between the Company and Shimao Group Holdings on 6 December 2022 and as supplemented on 6 March 2023, which are due to expire on 31 December 2025.

Following the successful achievement of effecting the offshore debt restructuring of Shimao Group Holdings, the restructuring has bolstered Shimao Group Holdings' financial position, liquidity and operational resilience. The Company has reassessed its strategic partnership with Shimao Group Holdings and entered into the 2025 CCT Agreements to renew and extend the terms to 31 December 2028.

In determining the annual caps, the Company has taken into account the previous transactions and figures in the published information of the Group, the latest business strategies of Shimao Group Holdings, including its adoption of a more prudent operational approach which involves optimising its property development pace and placing a greater emphasis on the refined management of its existing asset portfolio. This strategic shift is expected to recalibrate the demand for certain services provided by the Group, particularly those related to new project development such as sales office operation, engineering, and certain pre-delivery value-added services. Consequently, the annual caps for the relevant agreements have been determined based on a more conservative and realistic projection of the transaction volumes anticipated during the term of the 2025 CCT Agreements, aligning with the Group's own strategy of expanding its business with independent third parties.

2025 Leasing Master Agreement

The Group leases properties from Shimao Group Holdings for offices and development of other community value-added services. This allows the Group to extend its business to community value-added services, for example, clubhouse and convenience store, for the residents in the communities where it provide property management services to the project developed by Shimao Group Holdings.

2025 Carpark Sales Agency Services Master Agreement

The Group provides carpark space sales agency services to Shimao Group Holdings since before its listing on the Stock Exchange. The 2025 Carpark Sales Agency Services Master Agreement allow the Group to secure its role continuing to provide carpark space sales agency services for Shimao Group Holdings. The payment of the non-interest-bearing and refundable deposits is a common market practice in the PRC between property owners and property management companies to secure the exclusive sales rights as the sales agent of the carpark spaces. This practice is in line with the other sales agency services that the Group provide to other independent third-party developers.

2025 Sales Office Operation Master Agreement, 2025 IoT Services Master Agreement, 2025 Engineering Services Master Agreement, 2025 Value-added Services to Non-property Owners Master Agreement

These agreements position the Group as a one-stop partner for Shimao Group Holdings' property lifecycle, from pre-sales (e.g. sales office management) to smart tech integration (e.g. IoT systems for enhanced living experiences) and post-construction handover (e.g. defect inspections and warranty management). This creates cost synergies and allows the Group to early involve in projects, facilitating seamless transitions to long-term property management.

2025 Property Management Services Master Agreement

The Group has been providing property management services to Shimao Group Holdings before the separate listing of the Company in 2020. Securing the 2025 Property Management Services Master Agreement reinforces brand synergy, boosting buyer confidence and operational efficiency.

As the Group anticipates minimal to zero transactions in the scope of the 2022 Information Technology Services Master Agreement and the 2022 Procurement and Supply Master Agreement in the near future, these contracts will not be renewed by the Group upon its maturity. The annual caps and historical transaction amounts of these two contracts are shown below for reference.

	For the year ended 31 December		**For the nine months ended 30 September**
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million* (unaudited)
Historical transaction amounts			
2022 Information Technology Services Master Agreement	–	–	–
2022 Procurement and Supply Master Agreement	0.6	0.07	0.3

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB million	*RMB million*	*RMB million*
Annual caps			
2022 Information Technology Services Master Agreement	33	22	22
2022 Procurement and Supply Master Agreement	32	33	28

For the 2025 CCT Agreements, the Directors (including the Independent Non-executive Directors) consider that the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group, the terms and annual caps contained in the 2025 CCT Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As Shimao Group Holdings is the controlling shareholder of the Company which indirectly holds approximately 54.95% of the issued share capital of the Company as at the date of this announcement, Shimao Group Holdings and its associates are connected persons of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the 2025 CCT Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios under the Listing Rules in respect of the annual caps of each of the 2025 Leasing Master Agreement and the 2025 Carpark Sales Agency Services Master Agreement respectively exceed 0.1% but are less than 5%, the entering into the 2025 Leasing Master Agreement and the 2025 Carpark Sales Agency Services Master Agreement respectively are subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As all applicable percentage ratios under the Listing Rules in respect of the annual caps of the transactions contemplated under (1) 2025 Sales Office Operation Master Agreement; (2) 2025 IoT Services Master Agreement; (3) 2025 Engineering Services Master Agreement; (4) 2025 Property Management Services Master Agreement; and (5) 2025 Value-added Services to Non-property Owners Master Agreement, on an aggregate basis, exceed 0.1% but are less than 5%, the entering into (1) 2025 Sales Office Operation Master Agreement; (2) 2025 IoT Services Master Agreement; (3) 2025 Engineering Services Master Agreement; (4) 2025 Property Management Services Master Agreement; and (5) 2025 Value-added Services to Non-property Owners Master Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

Mr. Hui Sai Tan, Jason and Mr. Shao Liang are directors of Shimao Group Holdings and are considered to have material interests in the 2025 CCT Agreements. Each of Mr. Hui Sai Tan, Jason and Mr. Shao Liang has abstained from voting on the Board resolutions approving the 2025 CCT Agreements. Save as disclosed, no Directors have a material interest in the 2025 CCT Agreements.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"2022 Carpark Sales Agency Services Master Agreement"	the master carpark sales agency services agreement dated 6 December 2022 entered into between the Company and the Shimao Group Holdings in relation to the provision of the carpark sales agency services by the Group to the Shimao Group;

"2022 CCT Agreements"	(1) 2022 Leasing Master Agreement; (2) 2022 Carpark Sales Agency Services Master Agreement; (3) 2022 Sales Office Operation Master Agreement; (4) 2022 IoT Services Master Agreement; (5) 2022 Engineering Services Master Agreement; (6) 2022 Property Management Services Master Agreement; (7) 2022 Value-added Services to Non-property Owners Master Agreement; (8) 2022 Information Technology Services Master Agreement; and (9) 2022 Procurement and Supply Master Agreement;
"2022 CCT Announcements"	the announcements of the Company dated 6 December 2022, 19 January 2023, 6 March 2023, and 28 March 2023 in relation to the 2022 CCT Agreements entered into between the Company and Shimao Group Holdings;
"2022 Engineering Services Master Agreement"	the master engineering services agreement dated 6 December 2022 entered into between the Company and Shimao Group Holdings in relation to the provision of the engineering services by the Group to the Shimao Group as altered by the corresponding supplemental agreement dated 6 March 2023 between the Company and Shimao Group Holdings;
"2022 Information Technology Services Master Agreement"	the master information technology services agreement dated 6 December 2022 entered into between the Company and Shimao Group Holdings in relation to the provision of information technology services by the Group to the Shimao Group as altered by the corresponding supplemental agreement dated 6 March 2023 between the Company and Shimao Group Holdings;
"2022 IoT Services Master Agreement"	the master IoT services agreement dated 6 December 2022 entered into between the Company and Shimao Group Holdings in relation to the provision of the IoT services by the Group to the Shimao Group as altered by the corresponding supplemental agreement dated 6 March 2023 between the Company and Shimao Group Holdings;
"2022 Leasing Master Agreement"	the master property leasing agreement dated 6 December 2022 entered into between the Company and Shimao Group Holdings in relation to the leasing of several residential and non-residential properties by the Group from the Shimao Group;
"2022 Procurement and Supply Master Agreement"	the master procurement and supply agreement dated 6 December 2022 entered into between the Company and Shimao Group Holdings in relation to the supply of merchandises by the Group to the Shimao Group as altered by the corresponding supplemental agreement dated 6 March 2023 between the Company and Shimao Group Holdings;

"2022 Property Management Services Master Agreement"	the master property management services agreement dated 6 December 2022 entered into between the Company and Shimao Group Holdings in relation to the provision of property management services by the Group to the Shimao Group as altered by the corresponding supplemental agreement dated 6 March 2023 between the Company and Shimao Group Holdings;
"2022 Sales Office Operation Master Agreement"	the master sales office operation services agreement dated 6 December 2022 entered into between the Company and Shimao Group Holdings in relation to the provision of operation services of the sales offices by the Group to the Shimao Group as altered by the corresponding supplemental agreement dated 6 March 2023 between the Company and Shimao Group Holdings;
"2022 Value-added Services to Non-property Owners Master Agreement"	the master value-added services to non-property owners agreement dated 6 December 2022 entered into between the Company and Shimao Group Holdings in relation to the provision of several non-property owners value-added services by the Group to the Shimao Group as altered by the corresponding supplemental agreement dated 6 March 2023 between the Company and Shimao Group Holdings;
"2025 Carpark Sales Agency Services Master Agreement"	the master carpark sales agency services agreement dated 5 November 2025 entered into between the Company and Shimao Group Holdings in relation to the provision of the carpark sales agency services by the Group to the Shimao Group;
"2025 CCT Agreements"	(1) 2025 Leasing Master Agreement; (2) 2025 Carpark Sales Agency Services Master Agreement; (3) 2025 Sales Office Operation Master Agreement; (4) 2025 IoT Services Master Agreement; (5) 2025 Engineering Services Master Agreement; (6) 2025 Property Management Services Master Agreement; and (7) 2025 Value-added Services to Non-property Owners Master Agreement;
"2025 Engineering Services Master Agreement"	the master engineering services agreement dated 5 November 2025 entered into between the Company and Shimao Group Holdings in relation to the provision of the engineering services by the Group to the Shimao Group;
"2025 IoT Services Master Agreement"	the master IoT services agreement dated 5 November 2025 entered into between the Company and Shimao Group Holdings in relation to the provision of the IoT services by the Group to the Shimao Group;

"2025 Leasing Master Agreement"	the master property leasing agreement dated 5 November 2025 entered into between the Company and Shimao Group Holdings in relation to the leasing of several residential and non-residential properties by the Group from the Shimao Group;
"2025 Property Management Services Master Agreement"	the master property management services agreement dated 5 November 2025 entered into between the Company and Shimao Group Holdings in relation to the provision of property management services by the Group to the Shimao Group;
"2025 Sales Office Operation Master Agreement"	the master sales office operation services agreement dated 5 November 2025 entered into between the Company and Shimao Group Holdings in relation to the provision of operation services of the sales offices by the Group to the Shimao Group;
"2025 Value-added Services to Non-property Owners Master Agreement"	the master value-added services to non-property owners agreement dated 5 November 2025 entered into between the Company and Shimao Group Holdings in relation to the provision of several non-property owner value-added services by the Group to the Shimao Group;
"associate(s)"	has the meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors of the Company;
"Company"	Shimao Services Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 873);
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"controlling shareholders"	has the meaning ascribed to it under the Listing Rules;
"Director(s)"	the director(s) of the Company;
"Effective Date"	has the meaning ascribed under the section headed "Effective Date";
"Group"	the Company and its subsidiaries;
"Independent Non-executive Directors"	the independent non-executive Directors of the Company, including Mr. Gu Yunchang, Ms. Zhou Xinyi, and Mr. Hui Wai Man, Lawrence;

"IoT"	internet of things;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	the People's Republic of China;
"RMB"	Renminbi, the lawful currency of the PRC;
"Shareholder(s)"	the shareholder(s) of the Company;
"Shimao Group"	Shimao Group Holdings and its subsidiaries;
"Shimao Group Holdings"	Shimao Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 813);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited; and
"%"	per cent.

On behalf of the Board
Shimao Services Holdings Limited
Hui Sai Tan, Jason
Chairman

Hong Kong, 5 November 2025

As at the date of this announcement, the Board of the Company comprises two Executive Directors, namely Mr. Hui Sai Tan, Jason (Chairman) and Mr. Shao Liang (President); and three Independent Non-executive Directors, namely, Mr. Gu Yunchang, Ms. Zhou Xinyi and Mr. Hui Wai Man, Lawrence.