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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)

UPDATE ON DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE COMPANY

Reference is made to the announcement of the Company dated 31 October 2024 in relation to the formation of the Joint Venture Company (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Subsequent to the Announcement, 蘇州茂有充新能源科技有限公司 (Suzhou Maoyou Charge New Energy Technology Co. Ltd.*) (the “**Joint Venture Company**”) was incorporated under the laws of the PRC on 7 November 2024 pursuant to the Investment Agreement, with a registered capital of RMB400,000,000, of which Chengdu Shimao Tiancheng and the Joint Venture Partner subscribed for RMB196,000,000 and RMB204,000,000, representing 49% and 51% of the registered capital of the Joint Venture Company, respectively.

CAPITAL REDUCTION IN JOINT VENTURE COMPANY

On 23 October 2026, Chengdu Shimao Tiancheng, an indirect wholly-owned subsidiary of the Company, the Joint Venture Partner and the Joint Venture Company entered into a supplemental agreement to the Investment Agreement (the “**Supplemental Agreement**”), pursuant to which the parties agreed to reduce the registered capital of the Joint Venture Company from RMB400,000,000 to RMB200,000,000, and each of Chengdu Shimao Tiancheng and the Joint Venture Partner shall reduce its respective subscribed capital contribution to the Joint Venture Company, on a pro rata basis, in accordance with its original shareholding (the “**Capital Reduction**”).

REGISTERED CAPITAL REDUCTION

Set out below are the registered capital and shareholding structure of the Joint Venture Company immediately before and after the completion of the Capital Reduction:

Shareholder(s)	Immediately before the completion of the Capital Reduction		Immediately after the completion of the Capital Reduction	
	<i>Subscribed capital contribution (RMB)</i>	<i>Shareholding percentage</i>	<i>Subscribed capital contribution (RMB)</i>	<i>Shareholding percentage</i>
Chengdu Shimao Tiancheng	196,000,000	49%	98,000,000	49%
Joint Venture Partner	204,000,000	51%	102,000,000	51%
Total	<u>400,000,000</u>	<u>100%</u>	<u>200,000,000</u>	<u>100%</u>

To the best of the Directors' knowledge, information and belief after making reasonable enquiries, the Joint Venture Partner and its ultimate beneficial owners are not connected persons of the Company. Please refer to the Announcement for the information on the ultimate beneficial owners of the Joint Venture Partner.

The Capital Reduction is subject to the completion of the applicable statutory procedures and registration with the relevant industrial and commerce authority in the PRC. Save as disclosed above, all the material terms and conditions of the Investment Agreement shall remain unchanged and in full force and effect.

Chengdu Shimao Tiancheng has fully paid-in its subscribed capital contribution, and the surplus unused capital contribution of RMB98,000,000 attributable to Chengdu Shimao Tiancheng shall be returned in cash by bank remittance to its designated bank account within 10 business days by the Joint Venture Company after the Supplemental Agreement has become effective and the registration of the Capital Reduction has been completed. Such proceeds are intended to be used as general working capital of the Group.

REASONS FOR AND EFFECT OF THE CAPITAL REDUCTION

As disclosed in the Announcement, the Joint Venture Company is principally engaged in the construction, installation, operation and investment of electric vehicles charging stations and related businesses for EVs in the PRC. Given that the competition in the new energy vehicle charging industry has continued to intensify since the Group's investment in the Joint Venture Company, and the industry's overall profitability and market performance have fallen short of initial expectations at the time of investment, after carefully evaluating the Joint Venture Company's operations and industry trends, the Group believes that moderately reducing its investment in the Joint Venture Company at this stage will help the Group to optimize resource allocation and improve capital efficiency, gradually refine its market strategy and optimize its business model, thereby laying a more solid foundation for the sustainable development of its business.

Following the Capital Reduction, the Group will continue to retain its investment in the Joint Venture Company and participate in its business development. Once the industry environment and business model have gradually matured and the market prospects becomes clearer, the Group will prudently evaluate further capital investment arrangements based on actual circumstances, with the aim of generating better long-term returns for shareholders.

Save for the pro rata reduction in its subscribed capital, the Capital Reduction will not change the equity structure of the Joint Venture Company. The Joint Venture Company will continue to be accounted for as a joint venture of the Group under the equity method after the Capital Reduction, and its results will not be consolidated in the financial statements of the Company. Upon actual receipt of the capital reduction refund, the Group's cash and cash equivalents are expected to increase by RMB98,000,000, and the carrying amount of the investment in the Joint Venture Company will be reduced accordingly.

The Board expects that the Capital Reduction will not have any material adverse effect on the financial position and business operations of the Group. The Directors (including the independent non-executive Directors) are of the view that the Capital Reduction is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Capital Reduction constitutes a material variation of the terms of the Investment Agreement previously announced by the Company under Chapter 14 of the Listing Rules and is therefore required to be disclosed under Rule 14.36 of the Listing Rules.

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

Hong Kong, 23 October 2026

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. Jiang Lifeng (President); and three Independent Non-executive Directors, namely, Ms. Zhou Xinyi, Mr. Hui Wai Man, Lawrence and Mr. Lau Chi Kin, Dave.

**For identification purpose only.*