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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 TERMINATION OF THE PARTNERSHIP

Reference is made to the announcements of the Company dated 22 December 2025 and 5 February 2026 in relation to the formation of the Partnership regarding the investment and operation of a sewage treatment project (the “**Project**”) in Xingcheng City, Huludao, Liaoning Province, the PRC (the “**Announcements**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

TERMINATION OF THE PARTNERSHIP

The Company wishes to inform the Shareholders and investors of the Company of certain updates regarding the Project.

Due to the information relating to the underground pipelines involved in the construction work had not been fully obtained during the early stages of the Project, as well as the groundwater level was higher than that in previous years, the site exploration work of the Project could not be completed as originally planned. Hence, the relevant capital contribution period has been extended from 31 March 2026 to 31 December 2026, so as to allow time for supplementing exploration data, improving the conditions for the Project implementation and advancing subsequent work, while continuing to monitor the Project’s exploration, planning coordination, and implementation and execution. However, due to recent adjustments to the urban environmental protection planning in Xingcheng City, there have been further changes to the planning layout and construction schedule for the regional wastewater treatment facilities, as well as to the conditions for implementing this Project. As a result, the operations of the wastewater treatment plant originally planned for the cooperation are no longer aligned with the local government’s current planning layout.

Given the foundation for the implementation of the Project has undergone substantive changes, continuing to move forward with the Project may entail risks such as an extended implementation timeline, uncertainty regarding expected returns, and long-term tie-up of funds. Furthermore, the previous extension of the capital contribution period has failed to resolve the incompatibility between the Project and the latest planning requirements.

Based on the Group's principles of prudent management and risk control, and after considering the aforementioned factors, as well as a comprehensive assessment of the Project's planning conditions, implementation progress, return on investment, and capital efficiency, the Partnership Agreement entered into between Shanghai Shimao Tianjing (as limited partner), an indirect wholly-owned subsidiary of the Company, and Huludao Yongsheng (as general partner), an independent third party, has been terminated in writing by mutual consent, with effect from 23 October 2026 (the "**Termination**").

The Termination will be conducted in an orderly manner agreed upon the parties and in accordance with the applicable PRC laws, pursuant to which Huludao Yongsheng shall be responsible to execute the dissolution, liquidation affairs and deregistration of the Partnership (Liaoning Qisheng Project Management Consultancy Partnership (Limited Partnership)* (遼寧省琪晟項目管理諮詢合夥企業 (有限合夥)), and all costs, expenses, losses and liabilities incurred by the Partnership from its date of establishment until the completion of its de-registration shall be borne by Huludao Yongsheng. Following the Termination and the clearing of external debts and expenses, Shanghai Shimao Tianjing shall be distributed in priority to fully return its paid-in capital contribution and capital employment income, in the amount of RMB280,170,000 and RMB3,570,000, respectively (the "**Refund**").

The Refund is determined based on the full amount of the capital contributed by Shanghai Shimao Tianjing, together with the People's Bank of China's benchmark interest rate for one-year time deposits of 1.50% and the actual number of days the funds are held. The proceeds of the Refund are intended to be used as general working capital of the Group.

The Board expects that the Termination 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 Termination 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 Termination constitutes a termination of the transaction 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.*