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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)

UPDATES IN RELATION TO THE DISCLAIMER OF OPINION SET OUT IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

References are made to the annual report of Shimao Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2025 published on 28 April 2026 (the "**Annual Report**") which contained the Disclaimer of Opinion and the announcements of the Company dated 26 June 2026 and 29 September 2026, respectively in relation to updates on the actions taken by the Company in resolving the Disclaimer of Opinion (the "**Announcement(s)**"). Unless otherwise specified, capitalized terms used herein shall have the same meaning as defined in the Annual Report and the Announcements.

During the period from 26 June 2026 and up to the date of this announcement, updates on the actions taken by the Company in resolving the Disclaimer of Opinion are as follows:

1. Details of the Group's outstanding borrowings, the specific methods adopted by the Group to reduce borrowings and their implementation:

The Annual Report disclosed that, as at 31 December 2025, the Group's audited total outstanding borrowings amounted to approximately RMB182.266 billion, of which borrowings included in non-current liabilities amounted to approximately RMB63.705 billion and borrowings included in current liabilities amounted to approximately RMB118.561 billion. When preparing the forecast at the beginning of 2026, the Group assumed that (i) an onshore public market debt restructuring plan involving approximately RMB25.2 billion would be formally launched in 2026; and (ii) debts exceeding RMB30.0 billion would be successfully deferred or resolved through extensions, asset-for-debt settlements and other means.

As at 29 September 2026, the implementation of the measures contemplated in the forecast of the Group was as follows:

(a) Onshore public market debt restructuring: In the first half of 2026, the Group successfully completed the restructuring of the first tranche of medium-term notes of approximately RMB379 million. The restructuring of the remaining onshore public market debt with a principal amount of approximately RMB24.8 billion is still in progress, and a formal restructuring plan has not yet been finalised. There has been a timing delay in the progress of the onshore public market debt restructuring. The Group originally planned to formally launch the onshore public market debt restructuring in the second half of 2026, and

management's latest expectation is that such a restructuring plan will be launched in 2027 or later. The main reasons for the delay include changes in the overall onshore economic environment and the real estate market, which have led to fluctuations in investor expectations, and the fact that the Group requires more time to assess its available assets and raise funds. The Group is consolidating and integrating available restructuring resources with a view to formulating a more comprehensive and market-acceptable restructuring plan. In the meantime, the extension and resolution of the Group's other onshore non-public debts are progressing normally. The delay in the onshore public market debt restructuring plan has not had a material adverse impact on the Group's overall debt situation.

(b) Onshore borrowings other than onshore public market borrowings: For onshore loans, the Group has adopted a strategy of "extending where possible and offsetting where possible", reducing or deferring borrowings through asset-for-debt settlements, cash repayments and extensions. From January 2026 to 29 September 2026, the principal amount of onshore loans extended was approximately RMB8.997 billion, with the longest extension up to 2037. In addition, the Group resolved borrowings principal of approximately RMB3.9 billion through cash repayments, asset-for-debt settlements and other means. At the beginning of 2026, the Group forecast that debts exceeding RMB30.0 billion would be successfully deferred or resolved for the full year 2026 through extensions, asset-for-debt settlements and other means. Pro-rated on a straight-line calendar-time basis, the forecast deferred or resolved debt from the beginning of 2026 to 29 September 2026 was approximately RMB22.5 billion. The actual debt resolved through extensions, cash repayments and asset-for-debt settlements amounted to approximately RMB12.9 billion. The shortfall was approximately RMB9.6 billion. The reasons for the difference were mainly: (i) the onshore market has been continuously changing, and the relevant debt extensions and asset-for-debt settlements require a longer time for negotiation; and (ii) although formal written agreements for certain extensions or restructurings have not yet been reached, the Group has maintained close communication with most institutions and continued to manage actual cash payments, as a result of which the Group's cash outflows arising from repayments of borrowings for January to September 2026 decreased by approximately RMB4.49 billion compared with expectations. The Group is also negotiating with the relevant financial institutions in respect of certain borrowings totalling approximately RMB580 million, with a view to completing the relevant extension or restructuring arrangements by the end of 2026.

(c) Offshore debt restructuring and conversion of Mandatory Convertible Bonds (the "**MCBs**") into new shares: Following the effectiveness of the offshore restructuring plan, the Company has performed its obligations under the new terms, and the creditors' MCBs have been gradually converted into new shares. As at the date of this announcement, the MCBs with an aggregate principal amount of approximately US$5 billion have been fully converted into new shares of the Company.

(d) Apart from (i) the onshore public market borrowings involving approximately RMB25.2 billion; and (ii) the borrowings with an amount exceeding RMB30.0 billion intended to be deferred or resolved through extensions, asset-for-debt settlements and other means in 2026, in respect of the remaining borrowings included in current liabilities, the Group has been maintaining communication with various financial institutions and intends to defer or resolve such borrowings through extensions, asset-for-debt settlements and other means, and intends to gradually reach formal agreements in 2027 and subsequent years.

As at 29 September 2026, the Group's unaudited total outstanding borrowings amounted to approximately RMB176.138 billion, with repayment terms set out as follows:

	29 September 2026 RMB million *(Unaudited)*	31 December 2025 RMB million *(Audited)*
Borrowings included in non-current liabilities	63,085	63,705
Borrowings included in current liabilities	113,053	118,561
Total	**176,138**	**182,266**

(e) For the borrowings included in non-current liabilities of approximately RMB63.085 billion as at 29 September 2026, the Group intends to adopt the following plans:

(i) For offshore borrowings following the effectiveness of the offshore restructuring plan, to settle them in accordance with the maturity dates set out in the post-restructuring terms, or other phased approaches as and when appropriate;

(ii) To maintain communication with financial institutions and, where necessary, seek long-term loan extensions, renewals, adjustments to repayment schedules or refinancing; and

(iii) To supplement sources of repayment by combining asset-for-debt settlements and project-level financing.

(f) For the borrowings included in current liabilities of approximately RMB113.053 billion as at 29 September 2026, the Group intends to adopt the following plans:

(i) Management's latest expectation is that the onshore public market debt restructuring will be launched in 2027 or later;

(ii) To continue to maintain close communication with financial institutions and intend to defer or resolve such borrowings through extensions, asset-for-debt settlements and other means; and

(iii) To gradually deal with such borrowings through a combination of operating cash flow and sales proceeds, asset disposals, new and alternative financing, litigation settlements and other means.

Note:

The above has not yet included the amortised cost of the outstanding principal of the offshore restructuring debt instruments that became immediately due and payable as a result of an event of default referred to in the Company's announcement dated 26 October 2026, which amounted to approximately RMB28.3 billion.

*Reference is made to the Company's announcements dated 27 August 2026, 8 September 2026, 26 October 2026 and 11 November 2026, in relation to the winding-up petition filed by 國通信託有限責任公司 (Guotong Trust Co., Ltd.) on 27 August 2026 (the "**Petition**") and the update of the Petition.*

*As stated in the Company's announcement dated 26 October 2026, an event of default occurred and the outstanding principal of, premium, if any, and accrued and unpaid interest on the Short Term Notes, the Short Term Loan, the Series A Long Term Notes, the Series B Long Term Notes, the Series C Long Term Notes, the Long Term Loan and the Long Term Notes B of the Company (collectively, the "**Affected Debt Instruments**") then outstanding have automatically become immediately due and payable. The event of default and the resulting acceleration of the Affected Debt Instruments may have a material adverse impact on the financial position of the Company.*

At the hearing before the High Court on 11 November 2026, , the High Court ordered the hearing of the Petition to be adjourned to 23 December 2026.

2. Deviation from the expected cash flow projections for the next 12 months from 31 December 2025:

During the period from the beginning of 2026 to 29 September 2026, the Group's actual cash flow had the following explainable deviations from the expected cash flow forecast for the 12 months from 31 December 2025 prepared at the beginning of 2026:

(a) Sales proceeds were below expectations: The Group's sales performance deviated from expectations, mainly because the overall onshore real estate market is still in the process of bottoming out and recovering. In the first half of 2026, the national sales value of newly-built commercial properties decreased by 13.6% year-on-year. As a privately-owned property developer, the Group is more significantly affected by market fluctuations, and stabilisation signals transmit more slowly, with recovery still requiring time. The Group's accumulated contracted sales for January to September 2026 amounted to RMB10.503 billion, representing a decrease of approximately 45% compared to the same period in 2025. The average monthly contracted sales for July to September 2026 was approximately RMB765 million, which was lower than the average monthly level in the first half of the year, indicating that the Group's sales were on an accelerating downward trend, deviating from the Group's target of accelerating sales. At the beginning of 2026, the Group projected that its sales proceeds and other income inflows for the full year 2026 would be approximately RMB21.61 billion. Pro-rated on a straight-line calendar-time basis, the projected sales proceeds and other income inflows from the beginning of 2026 to 29 September 2026 were approximately RMB16.21 billion, while the actual sales proceeds and other income inflows during that period were approximately RMB9.42 billion. The Group's accumulated contracted sales were below expectations. Coupled with the continuous tightening of the onshore sales proceeds supervision regime, the Group's accumulated sales proceeds for January to September 2026 decreased by approximately RMB6.79 billion, or a deviation of approximately 42%, compared with the cash flow forecast prepared at the beginning of 2026 on a straight-line time basis. Under these circumstances, the Company remains committed to delivering quality products, stands ready to welcome the stabilisation and recovery of the market, and strives for a gradual sales recovery; and

(b) Stringent control over various expenditures: At the beginning of 2026, the Group projected a net cash outflow from operating activities of approximately RMB11.72 billion for the full year 2026. Pro-rated on a straight-line calendar-time basis, the projected net cash outflow from operating activities from the beginning of 2026 to 29 September 2026 was approximately RMB8.79 billion, while the actual net cash inflow from operating activities during that period was approximately RMB6.23 billion. Through reasonable payment planning, the Group controlled construction payments as a proportion of sales proceeds. The Group continued to deepen the streamlining and optimisation of its organisational structure, proactively reducing management layers and further shortening decision-making chains, thereby enhancing operational efficiency and management effectiveness and saving administrative expenses. The above measures reduced the Group's operating cash outflows

for January to September 2026 by approximately RMB2.56 billion compared with expectations. In addition, as explained in note 1(b) above, the Group's cash outflows arising from repayments of borrowings for January to September 2026 decreased by approximately RMB4.49 billion compared with expectations.

In summary, the deviations in the cash flow forecast were mainly due to sales proceeds falling short of expectations as a result of the external market environment. The Group has effectively controlled cash outflows through stringent control over various expenditures, debt extensions and other means to balance the shortfall in cash inflows. As at 29 September 2026, the actual cash balance was approximately RMB450 million lower than the forecast, representing a relatively insignificant deviation. If the monthly sales market does not improve in the remainder of the year and debt resolution progress falls short of expectations, there is downside risk to the full-year sales proceeds and year-end cash balance forecasts. The Audit Committee has required management to timely assess whether the full-year cash flow forecast needs to be revised, and will include cash flow management and debt restructuring progress as key audit matters for heightened attention in the 2026 annual audit.

3. Updates on the plans and measures the Company expected to take as set out in the Annual Report are as follows:

In addition to the foregoing measures, the Group will also actively improve its cash flow and debt situation from the following aspects:

(a) The Group will actively seek other alternative financing and borrowings to fund the settlement of its existing financial obligations and future operating and capital expenditures. At the beginning of 2026, the Group forecast that new borrowings for the full year 2026 would amount to RMB500 million. From January to September 2026, the actual new borrowings obtained amounted to approximately RMB110 million. The difference was mainly due to the stringent financing environment for onshore real estate enterprises, with only certain projects obtaining new financing for project construction and delivery.

(b) References are made to the Company's announcements dated 24 June 2026 and 21 October 2026 regarding the sale of the Group's hotel in Hong Kong. The receivers notified the Company that on 20 October 2026, two inter-conditional sale and purchase agreements were entered into for the sale of the hotels and the total consideration was HK$2,700,000,000 (subject to adjustment), and completion is expected to take place by the end of 2026. The net proceeds from the sale will be used by the receivers to partially repay the outstanding debts under the relevant syndicated loan agreement. Save as above, as at the date of this announcement, the Group had no other material asset disposal matters. The Group will continue to actively seek opportunities to dispose of assets and supplement cash inflows.

(c) The Group has been actively seeking solutions to its pending litigation. Since the beginning of 2026, the Group has reached negotiated settlements with creditors in respect of litigation involving amounts of approximately RMB2.175 billion.

4. Detailed works performed by the Audit Committee are as follows:

(a) Discussions between the Audit Committee and management and progress monitoring

During the period from January 2026 to present, the Audit Committee continuously monitored the implementation progress of the Group's various plans through regular meetings and ad hoc thematic meetings. The Audit Committee reviewed the 2026 cash flow forecast (forecast prepared at the beginning of 2026) and the actual cash flow data as at 29 September 2026 provided by management. The Audit Committee focused on the following

key indicators: (i) the achievement of sales proceeds; (ii) the Group's progress in reducing borrowings; and (iii) changes in cash balance.

The Audit Committee has required management to explain the reasons for each deviation on an item-by-item basis, and has conducted a comparative analysis between the forecast data and the actual data. The Audit Committee confirms that management has provided corresponding explanations for each deviation.

(b) Assessment of significant deviations and their causes

After assessment, the Audit Committee is of the opinion that, the Group's overall cash flow position shows certain deviations from the beginning-of-year forecast, but the Group has achieved effective control through various means, resulting in no material difference in the final cash balance compared to the forecast. This is mainly reflected in the following aspects:

(i) **Sales proceeds:** Actual sales proceeds fell short of expectations. The Audit Committee assessed that the main reason was that the PRC property market in 2026 had still not effectively recovered, and as a privately-owned property developer, the Group was more significantly affected by market fluctuations, with accumulated contracted sales for January to September 2026 decreasing by approximately 45% year-on-year, resulting in sales proceeds below forecast. The Audit Committee considers that this deviation primarily stems from the persistent downturn in the external market environment, which is an objective factor;

(ii) **Progress in reducing borrowings:** The Audit Committee assessed that the Group had reduced a portion of borrowings in the first half of 2026. Although the Group has not yet formally launched its onshore public market debt restructuring, the Company successfully completed the restructuring of Shanghai Shimao's medium-term notes, with an accumulated principal amount of approximately RMB379 million, in June this year, paving the way for the onshore public market debt restructuring.

In addition, as the onshore financing environment remains stringent for the real estate industry, the Company was unable to secure new sources of financing in the first half of the year. The Audit Committee considers that this deviation is partly attributable to the timing arrangement of debt restructuring, with some work concentrated in the second half of the year, and partly attributable to objective constraints in the financing environment; and

(iii) **Cash balance:** The Audit Committee noted that the Group achieved effective control over construction payments, selling and administrative expenses, tax payments and interest payments, with actual expenditures all below forecast values, partially offsetting the negative impact of lower-than-expected sales proceeds. The Audit Committee assessed that the actual cash balance had a relatively small deviation from the forecast.

(c) Follow-up actions taken or to be taken by the Audit Committee

In response to the above material deviations, the Audit Committee has taken and will take the following follow-up actions:

(i) In addition to the regular meetings, the Audit Committee will hold quarterly meetings specifically dedicated to reviewing the Company's going concern status;

(ii) Require management to provide regular updates to the Audit Committee on the progress of the onshore public market debt restructuring;

(iii) Require management to assess whether the full-year cash flow forecast needs to be revised if the sales market remains depressed; and

(iv) Include cash flow management and debt restructuring progress as key audit matters requiring heightened attention in the 2026 annual audit plan.

The information contained in this announcement is based solely on a preliminary assessment of the unaudited consolidated management accounts and relevant estimates made available to the Board as at 29 September 2026 and which have not been audited or reviewed by the Company's auditors.

The Company will publish announcements for the updates in respect of the Disclaimer of Opinion as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 13 November 2026

As at the date of this announcement, the Board comprises two Executive Directors, namely, Mr. Hui Sai Tan, Jason (Chairman and President) and Mr. Zhao Jun; one Non-executive Director, namely, Ms. Hui Mei Mei, Carol; and three Independent Non-executive Directors, namely, Mr. Lyu Hong Bing, Mr. Lam Ching Kam and Mr. Fung Tze Wa.