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世茂集團

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)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
SHIMAO SERVICES HOLDINGS LIMITED
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**BASIS OF ASSURED ENTITLEMENT OF
QUALIFYING SHAREHOLDERS
IN THE PREFERENTIAL OFFERING**

The Board announces that it has determined the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering, if and when made. The basis of the Assured Entitlement is one Reserved Share for every integral multiple of 61 Shares held by Qualifying Shareholders on the Record Date, being Monday, 19 October 2020.

As the size and structure of the Global Offering have not yet been finalized, the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change to the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering, a further announcement will be made by the Company.

The Proposed Spin-off is subject to, among other things, the approval of the Listing Committee, the final decisions of the Board and of the board of directors of Shimao Services, market conditions and other considerations. The Proposed Spin-off may or may not materialise. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

References are made to the announcements of the Company dated 29 June 2020 and 6 October 2020 (the “**Announcements**”) in relation to the Proposed Spin-off. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

BASIS OF THE ASSURED ENTITLEMENT OF QUALIFYING SHAREHOLDERS IN THE PREFERENTIAL OFFERING

In order to enable the Shareholders to participate in the Global Offering on a preferential basis, subject to the Stock Exchange granting approval for the listing of, and permission to deal in, the Shimao Services Shares on the main board of the Stock Exchange and such approval not having been withdrawn and the Global Offering becoming unconditional, Qualifying Shareholders are being invited to apply for an aggregate of 58,823,000 Shimao Services Shares (the “**Reserved Shares**”) in the Preferential Offering. The Reserved Shares represent approximately 11.1% and 10.0% of the number of Shimao Services Shares being offered initially under the International Offering and the Global Offering (assuming that the over-allotment option of the Global Offering is not exercised), respectively. The Reserved Shares are being offered out of the number of Shimao Services Shares being offered under the international tranche of the Global Offering and are not subject to reallocation.

The basis of the Assured Entitlement is one Reserved Share for every integral multiple of 61 Shares held by Qualifying Shareholders as at 4:30 p.m. on the Record Date, being Monday, 19 October 2020.

Qualifying Shareholders should note that their Assured Entitlement to the Reserved Shares may not represent a full board lot of 1,000 Shimao Services Shares. The Reserved Shares allocated to Qualifying Shareholders will be rounded down to the closest whole number if required. No odd lot matching services will be provided and dealings in odd lots of the Reserved Shares may be at a price below the prevailing market price for full board lots.

The Assured Entitlement of Qualifying Shareholders to the Reserved Shares are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying Shareholders may apply for a number of the Reserved Shares which is greater than, equal to or less than their Assured Entitlement or may apply only for excess Reserved Shares under the Preferential Offering.

A valid application for a number of the Reserved Shares which is less than or equal to a Qualifying Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions of the Preferential Offering.

Where a Qualifying Shareholder applies for a number of the Reserved Shares which is greater than the Qualifying Shareholder's Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied in full (subject to the terms and conditions as mentioned above), but the excess portion of such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by other Qualifying Shareholders as their Assured Entitlement under the Preferential Offering. Details of how such excess portion will be satisfied will be further described in the prospectus to be published by Shimao Services in relation to the Global Offering (the "**Prospectus**").

Qualifying Shareholders who hold less than 61 Shares on the Record Date and therefore will not have an Assured Entitlement to the Reserved Shares will still be entitled to participate in the Preferential Offering by applying for excess Reserved Shares. Such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by other Qualifying Shareholders as their Assured Entitlement under the Preferential Offering.

If the Preferential Offering proceeds, details of the Preferential Offering, including the terms and conditions for applications (including excess applications) for the Reserved Shares under the Preferential Offering, will be set out in the Prospectus and the accompanying blue application form.

Beneficial owners of Shares who hold the Shares through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect should note that pursuant to Article 23 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland-Hong Kong Stock Markets Connect Program (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》), China Securities Depository and Clearing Corporation Limited does not provide services relating to the subscription of newly issued shares. Accordingly, even if the Preferential Offering proceeds, beneficial owners of Shares who hold the Shares through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect cannot participate in the Preferential Offering and will not be able to take up their respective Assured Entitlement to the Reserved Shares under the Preferential Offering through the trading mechanism of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

As the size and structure of the Global Offering have not yet been finalized, the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change to the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering, a further announcement will be made by the Company.

Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.

GENERAL

In connection with the Global Offering, the price of the Shimao Services Shares may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571 of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the Prospectus.

The Proposed Spin-off is subject to, among other things, approval of the Listing Committee, the final decisions of the Board and of the board of directors of Shimao Services, market conditions and other considerations. The Proposed Spin-off may or may not materialise. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off as and when appropriate.

On behalf of the Board
Shimao Group Holdings Limited
Hui Wing Mau
Chairman

Hong Kong, 9 October 2020

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Hui Wing Mau (Chairman), Mr. Hui Sai Tan, Jason (Vice Chairman and President), Ms. Tang Fei and Mr. Lu Yi; and three Independent Non-executive Directors, namely, Ms. Kan Lai Kuen, Alice, Mr. Lyu Hong Bing and Mr. Lam Ching Kam.