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If you have sold or transferred all your shares in **Shimao Group Holdings Limited**, you should at once hand this circular and the enclosed election form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



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)

**SCRIP DIVIDEND SCHEME
IN RELATION TO THE INTERIM DIVIDEND
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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SUMMARY TIMETABLE

Set out below is a summary of the events in relation to the Scrip Dividend Scheme:

Event	Date
Last day of dealings in the Shares on a cum-dividend basis	Tuesday, 21 September 2021
Commencement of dealings in the Shares on an ex-entitlement basis	Thursday, 23 September 2021
Fix the market value of a Scrip Share (five consecutive trading day average)	Tuesday, 21 September 2021 to Tuesday, 28 September 2021 (both days inclusive)
Latest time for lodging transfers of the Shares	4:30 p.m. on Friday, 24 September 2021
Closure of the Register of Members for the purpose of determining the Shareholders' respective entitlements to the Interim Dividend	Monday, 27 September 2021 and Tuesday, 28 September 2021
Record Date	Tuesday, 28 September 2021
Latest time and date for return of the Election Form	4:30 p.m. on Tuesday, 26 October 2021
Expected despatch of Interim Dividend warrants or share certificates for Scrip Shares to the Eligible Shareholders	Friday, 5 November 2021
Expected commencement of dealings in the Scrip Shares on the Stock Exchange	9:00 a.m. on Monday, 8 November 2021

Note:

References to time and dates in this circular are to Hong Kong time and dates.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	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
“Director(s)”	the director(s) of the Company
“Eligible Shareholders”	Shareholders whose names appeared on the register of members of the Company at the close of business at 4:30 p.m. on the Record Date
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Interim Dividend”	the interim dividend of HK\$0.70 per Share for the six months ended 30 June 2021 with a scrip alternative payable on or about 5 November 2021 to the Shareholders whose names appeared on the register of members of the Company on the Record Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Macau”	the Macau Special Administrative Region of the PRC
“Overseas Shareholders”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business at 4:30 p.m. on the Record Date and whose address(es) as shown on such register is(are) outside Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
“Record Date”	28 September 2021, being the date for determining the Shareholders’ entitlement to the Interim Dividend
“Scrip Dividend Scheme”	the scheme proposed by the Directors on 30 August 2021 in relation to the Interim Dividend which offer the eligible Shareholders an alternative to elect to receive such dividend wholly or in part by the allotment of new Shares credited as fully paid in lieu of cash
“Scrip Shares”	new Shares to be issued under the Scrip Dividend Scheme
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

Should there be any discrepancy between English and Chinese versions of this circular, the English version shall prevail.

LETTER FROM THE BOARD



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)

Executive Directors

Mr. Hui Wing Mau (*Chairman*)
Mr. Hui Sai Tan, Jason (*Vice Chairman and President*)
Ms. Tang Fei
Mr. Lu Yi

Non-executive Director

Mr. Ye Mingjie

Independent Non-executive Directors

Ms. Kan Lai Kuen, Alice
Mr. Lyu Hong Bing
Mr. Lam Ching Kam

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:

38th Floor, Tower One
Lippo Centre
89 Queensway
Hong Kong

11 October 2021

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME
IN RELATION TO THE INTERIM DIVIDEND
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

INTRODUCTION

On 30 August 2021, the Board resolved to declare and pay an interim dividend of HK\$0.70 per Share to the Eligible Shareholders whose names appear on the register of members of the Company on 28 September 2021, with an option to receive the Interim Dividend wholly or partly in the form of new and fully paid Scrip Shares in lieu of cash.

The purposes of this circular are (a) to provide information relating to the Scrip Dividend Scheme, and (b) to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Eligible Shareholders in relation thereto.

LETTER FROM THE BOARD

THE SCRIP DIVIDEND SCHEME

Pursuant to the Scrip Dividend Scheme, the Eligible Shareholders may elect to receive the Interim Dividend in one of the following ways:

- (i) wholly in cash at HK\$0.70 for each Share held on the Record Date; or
- (ii) wholly by way of an allotment of such number of Scrip Shares credited as fully paid and having an aggregate market value (calculated as described below) equal to the total amount of the Interim Dividend, save for any adjustment for fractions; or
- (iii) partly in cash and partly in the form of Scrip Shares.

The Scrip Shares to be issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the existing issued Shares except that they will not be entitled to the Interim Dividend. The Scrip Shares, when allotted, are not renounceable. No new class of Shares will be issued under the Scrip Dividend Scheme.

BASIS OF ALLOTMENT OF THE SCRIP SHARES

The number of the Scrip Shares to be allotted pursuant to the Scrip Dividend Scheme is calculated by reference to the market value of HK\$13.948 per Share, which is the average of the closing prices per Share (the “Average Closing Price”) as quoted on the Stock Exchange for the five consecutive trading days commencing from 21 September 2021 to 28 September 2021. The number of the Scrip Shares which an Eligible Shareholder will be entitled to receive in respect of the number of existing Shares registered under his/her name as at the Record Date will be calculated as follows:

$$\begin{array}{rcccl} \text{Number of the} & & \text{Number of existing} & & \text{HK\$0.70} \\ \text{Scrip Shares} & & \text{Shares held on the} & & \text{(Interim Dividend per Share)} \\ \text{to be received} & = & \text{Record Date} & \times & \\ \text{(rounded down to the} & & \text{for which election for} & & \text{HK\$13.948} \\ \text{nearest whole number)} & & \text{Scrip Shares is made} & & \text{(Average Closing Price)} \end{array}$$

The register of members of the Company was closed on Monday, 27 September 2021 and Tuesday, 28 September 2021 for the purpose of determining Eligible Shareholders who are entitled to receive the Interim Dividend.

The last day and time on which transfers were accepted for registration for participation in the Scrip Dividend Scheme was Friday, 24 September 2021 at 4:30 p.m. The number of the Scrip Shares to be issued to each Eligible Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the Scrip Shares under options (ii) and (iii) above will be disregarded and the benefit thereof will accrue to the Company.

The Scrip Shares issued to the Eligible Shareholders pursuant to an election to receive all or part of their Interim Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 500 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of the Scrip Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

LETTER FROM THE BOARD

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Eligible Shareholders the opportunity to increase their investment in the Company at the market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also benefit the Company to the extent that such cash which would otherwise have been paid to Eligible Shareholders who elect to receive the Scrip Shares will be retained for use as working capital by the Company.

The Shares are listed on the Stock Exchange. No Shares of the Company are listed or dealt in on any other stock exchange nor is listing or permission to deal in on any other stock exchange being or proposed to be sought.

EFFECT OF THE SCRIP DIVIDEND SCHEME

As at the close of business on the Record Date, the number of issued Shares of the Company was 3,533,697,464 Shares and the Company has no warrants, options or other securities convertible into the Shares. Accordingly, only the 3,533,697,464 Shares in issue as at the Record Date are entitled to participate in the Scrip Dividend Scheme. If no elections for the Scrip Dividend Shares are received, the total cash dividend payable by the Company will be HK\$2,473,588,224.80. If all Eligible Shareholders elect to receive their entitlement to the Interim Dividend in Scrip Shares, not more than 177,343,577 Scrip Shares will be issued under the Scrip Dividend Scheme, representing approximately 5.019% of the existing issued share capital of the Company and approximately 4.779% of the issued share capital of the Company as enlarged by the issue of Scrip Shares.

Shareholders should note that the receipt of the Scrip Shares may give rise to discloseable requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Shareholders who are in any doubt as to whether these provisions may affect them as a result of their election of receiving the Interim Dividend in the form of the Scrip Shares are recommended to seek their own professional advice. Shareholders who are in any doubt about their tax position are also recommended to seek their own professional advice.

CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme.

If this condition is not satisfied, the Scrip Dividend Scheme described in this circular will not become effective and the election forms will be void. The Interim Dividend will then be paid wholly in cash.

ELECTION FORM

An election form (the “**Election Form**”) in relation to the Scrip Dividend Scheme is enclosed with this circular for use by the Eligible Shareholders who wish to receive the Interim Dividend wholly or partly in the form of the Scrip Shares.

If you elect to receive the Interim Dividend wholly in cash, you do not need to take any action. Therefore, please do not return the Election Form.

LETTER FROM THE BOARD

If you elect to receive the Interim Dividend wholly in the form of the Scrip Shares, or partly in cash and partly in the form of the Scrip Shares, you should complete and return the Election Form in accordance with the instructions printed thereon. In particular, please enter in Box C of the Election Form with the number of Shares registered in your name on the Record Date for which you wish the Interim Dividend to be paid to you in the form of the Scrip Shares. **If you do not specify the number of Shares for which you wish to receive the Interim Dividend in the form of the Scrip Shares or if your specified number is greater than your registered holding on the Record Date, in your signed and returned Election Form, you will be deemed to have elected to receive the Scrip Shares only in respect of ALL the Shares registered in your name on the Record Date, and you will receive the Interim Dividend in the Scrip Shares only.**

The Election Form should be completed in accordance with the instructions printed thereon and returned to Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited (the "**Company's Branch Share Registrar**") at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 26 October 2021.

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder's Interim Dividend being paid wholly in cash. No acknowledgement of receipt of the Election Form will be issued. No elections in respect of the Interim Dividend may, after the relevant Election Forms are signed and returned to the Company's Branch Share Registrar, be in any way withdrawn, revoked, superseded or altered.

If there is a tropical cyclone warning signal number 8 or above, or "extreme conditions" caused by super typhoon, or a "black" rainstorm warning (either one of the warnings is referred to as the "**Warning**") in force, the above deadline for submission of the Election Forms will be changed as follows:

- (1) If the Warning is in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 26 October 2021, the deadline for submission of the Election Form will be 5:00 p.m. on Tuesday, 26 October 2021.
- (2) If the Warning is in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Tuesday, 26 October 2021, the deadline for submission of the Election Form will be rescheduled to 4:30 p.m. on the next business day which does not have any Warning in force at any time between 9:00 a.m. and 4:30 p.m.

OVERSEAS SHAREHOLDERS

This circular and the Election Form will not be registered or filed under the securities laws or equivalent legislation of any jurisdiction. No shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to that shareholder without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities.

For the avoidance of doubt, the Scrip Shares are not being offered to the public and the Election Form is not transferable.

Based on the register of members of the Company as at the Record Date, there were two overseas Eligible Shareholders with registered address in Macau holding in aggregate 22,012 Shares. Save for these two shareholders, there were no other Eligible Shareholders whose registered address is outside of Hong Kong.

LETTER FROM THE BOARD

Based on the opinion of the Company's legal adviser on the laws of Macau, the Company is advised that there is no legal restriction under the laws or regulatory requirements of Macau with respect to the issuing of the Scrip Shares and sending this circular and the Election Form to the Eligible Shareholders with registered address located in Macau. Accordingly, no Eligible Shareholder will be excluded from the receipt of the Scrip Shares.

PRC SOUTHBOUND TRADING INVESTORS

As at the Record Date, 60,563,200 Shares of the Company, representing approximately 1.714% of the total issued Shares of the Company, were held by China Securities Depository and Clearing Corporation Limited (“ChinaClear”). Pursuant to the Frequently Asked Questions Series 29 issued by the Stock Exchange on 14 November 2014 and updated on 4 November 2016 and 13 July 2018 on the interpretation of the Listing Rules, investors from the PRC who hold shares of the Company through ChinaClear as nominee under Shanghai Connect and Shenzhen Connect (the “**PRC Southbound Trading Investors**”) can participate in the Scrip Dividend Scheme through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to elect to receive the Scrip Shares in respect of all or part of his/her holding of shares of the Company in accordance with the relevant laws and regulations. The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions with such intermediary in relation to the election to receive the Scrip Shares.

Shareholders are reminded that it is the responsibility of any Shareholder wishing to participate in the Scrip Dividend Scheme to satisfy himself as to full observance of the laws of the relevant territory, including obtaining any governmental or other consents which may be required, complying with any other necessary formality and paying any issue, transfer or other taxes due in respect of such jurisdiction. For the avoidance of doubt, the Scrip Shares are not being offered to the public and the forms of election are non-transferable.

Overseas Shareholders who are in doubt as to their position should consult their own professional advisers without delay.

LISTING AND DEALINGS

The Company will make an application for the listing of the Scrip Shares to the Stock Exchange.

It is expected that the relevant dividend warrants and/or share certificates of the Scrip Shares will be sent by ordinary post to the Eligible Shareholders on Friday, 5 November 2021 at the risk of the Eligible Shareholders. Dealing of the Scrip Shares on the Stock Exchange is expected to commence on Monday, 8 November 2021.

Subject to the granting of the listing of, and permission to deal in the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System (“CCASS”). All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealing in the Scrip Shares may be settled through CCASS and you should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such settlement arrangements will affect your rights and interests.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

GENERAL

Whether it is to your advantage to receive the Scrip Shares or cash shall depend on your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the responsibility of each Eligible Shareholder. Eligible Shareholders who are trustees are recommended to take professional advice as to whether the choice of receiving the Scrip Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument. All the Eligible Shareholders residing outside Hong Kong should consult their professional advisers as to whether they are permitted to receive the Interim Dividend in scrip form or whether any government or other consents are required or other formalities need to be observed. If you are in any doubt as to any aspect of this circular or as to the action should be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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