

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Neither this announcement nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful.

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

This announcement is not, and does not form any part of, an offer or invitation for the sale of securities in the United States. The securities have not been and will not be registered under the Securities Act, and may not be offered, sold or otherwise transferred within the “United States” absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Company and will contain detailed information about the Company and management, as well as financial statements. The Company does not intend to register any part of the offering in the United States.



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)

**COMPLETION OF PLACING OF EXISTING SHARES AND
TOP-UP SUBSCRIPTION OF NEW SHARES
AND
COMPLETION OF ISSUE OF CONVERTIBLE BONDS
BY A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**

Reference is made to (i) the announcement issued by the Company dated 20 October 2021 in relation to, amongst others, the Placing and the Subscription (the “**Placing and Subscription Announcement**”) and (ii) the announcement issued by the Company dated 20 October 2021 in relation to the Bonds Issue (together with the Placing and Subscription Announcement, the “**Announcements**”). Unless the context otherwise requires, capitalized terms used herein shall have the same respective meanings as those defined in the Announcements.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that the completion of the Placing took place on 22 October 2021. A total of 115,000,000 Placing Shares were successfully placed by the Placing Agent to not less than six placees at the Placing Price of HK\$15.18 per Placing Share pursuant to the terms and conditions of the Placing and Subscription Agreement. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the placees and their respective ultimate beneficial owners are independent of the Directors, the chief executive or substantial shareholders of the Company. None of the Placees and their ultimate beneficial owners has become a substantial shareholder (as defined under the Listing Rules) of the Company upon taking up the Placing Shares.

As all conditions of the Subscription had been fulfilled, the completion of the Subscription took place on 2 November 2021, and the Company allotted and issued a total of 115,000,000 Subscription Shares (equivalent to the number of the Placing Shares actually sold by the Vendor under the Placing) to the Vendor at the Subscription Price of HK\$15.18 per Subscription Share in accordance with the terms and conditions of the Placing and Subscription Agreement. The Subscription Shares represent approximately 4.64% of the enlarged total number of Shares in issue upon completion of the Placing and Subscription (without taking into account any Shares which may be issued as a result of the conversion of any of the Bonds).

The net proceeds from the Placing and Subscription, after deduction of fees and expenses, amounted to approximately HK\$1,735 million.

COMPLETION OF THE BONDS ISSUE

The Board is pleased to announce that all conditions of the Bonds Subscription Agreement have been fulfilled. Completion of the Bonds Subscription Agreement took place on 2 November 2021 and the Bonds in the principal amount of HK\$3,110 million have been issued to the Bondholders.

The net proceeds from the Bonds Issue, after deduction of fees and expenses, amounted to approximately HK\$3,085 million. Approval in-principle has been received from the SGX for the listing and quotation of the Bonds on the SGX. The SGX assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Bonds on, the SGX are not to be taken as an indication of the merits of the Bonds Issue, the Issuer, the Company, any subsidiary or associated company of the Issuer or the Company, the Bonds or the Conversion Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before the completion of the Placing and the Subscription; (ii) immediately upon completion of the Placing but before completion of the Subscription; (iii) immediately upon completion of the Placing and the Subscription (but before completion of the Bonds Issue); and (iv) immediately upon completion of the Placing and the Subscription, and assuming the Bonds are fully converted to Shares at the initial Conversion Price of HK\$18.22 per Share, are set out below:

| | Before completion of Placing and completion of Subscription | | Upon completion of Placing but before completion of Subscription | | Upon completion of Placing and Subscription (but before completion of the Bonds Issue) | | Assuming the Bonds are fully converted to Shares (subject to adjustment) at the initial Conversion Price of HK\$18.22 per Share | |
|--|---|----------------|--|----------------|--|---------------|---|---------------|
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Mr. Hui (Note 1) | 1,600,142,501 | 67.69 | 1,485,142,501 | 62.82 | 1,600,142,501 | 64.55 | 1,600,142,501 | 60.39 |
| Other Shareholders | 763,830,499 | 32.31 | 763,830,499 | 32.31 | 763,830,499 | 30.81 | 763,830,499 | 28.83 |
| Placees | - | - | 115,000,000 | 4.86 | 115,000,000 | 4.64 | 115,000,000 | 4.34 |
| Bondholders | - | - | - | - | - | - | 170,691,547 | 6.44 |
| Total number of issued shares (Note 3) | <u>2,363,973,000</u> | <u>100.00%</u> | <u>2,363,973,000</u> | <u>100.00%</u> | <u>2,478,973,000</u> | <u>100.00</u> | <u>2,649,664,547</u> | <u>100.00</u> |

Notes:

- These interests comprise (i) 10,856,342 Shares held directly by Shiyang Finance Limited, a company which is directly wholly-owned by Mr. Hui; (ii) 31,934,159 Shares held directly by Gemfair Investments Limited, a company which is directly wholly-owned by Mr. Hui; (iii) 1,550,486,179 Shares held by the Vendor (which is directly wholly-owned by Shimao Holdings); and (iv) 6,865,821 Shares held by the Vendor as the trustee under the share award scheme adopted by Shimao Holdings on 3 May 2021.
- The percentage figures included in the shareholding structure have been subject to rounding adjustment.
- The Company repurchased 500,000 Shares (the “Repurchased Shares”) on 16 September 2021 but such Repurchased Shares have not yet been cancelled. The Repurchased Shares will be cancelled in due course and the issued share capital will be adjusted accordingly.

USE OF PROCEEDS

The Board would like to provide further details as to the Company’s intended use of proceeds from the Subscription and Bonds Issue as set out below:

| | Percentage allocation of net proceeds | Approximate HK\$ million | Expected timeline of utilization |
|---|---------------------------------------|--------------------------|---|
| Potential mergers and acquisitions | 80% | 3,856 | From December 2021 to end of first quarter 2022 |
| Business expansion | 10% | 482 | Year 2022 |
| General working capital and general corporate uses | 10% | 482 | Year 2022 and onwards |
| Total net proceeds from the Subscription and the Bonds Issue | <u>100%</u> | <u>4,820</u> | |

In light of the current wave of acquisitions in the property management service industry, the Company has identified certain significant merger and acquisition opportunities, prospectively for the fourth quarter of 2021. These opportunities may speed up the Company's usage of the unutilized proceeds from the Global Offering, under the category of business expansion through acquiring, investing in or cooperating with other property management companies as set out in the Prospectus.

It is expected that there will not be any material change to the application of the unutilized proceeds from the Company's Global Offering (including in terms of utilization and allocation of proceeds towards the categories stated in the Prospectus) as a result of the Subscription and Bonds Issue.

DEFINITIONS

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

| | |
|--------------------------------------|---|
| “Bonds Subscription Agreement” | the agreement dated 19 October 2021 entered into among the Issuer, the Company and the Lead Manager in relation to the Bonds Issue; |
| “Company” | Shimao Services Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 873); |
| “Global Offering” | has the meaning ascribed to it in the Prospectus; |
| “Placing and Subscription Agreement” | the placing and subscription agreement entered into among the Company, Shimao Holdings, the Placing Agent and the Vendor dated 19 October 2021 in relation to the Placing and the Subscription; and |
| “Prospectus” | the prospectus of the Company dated 20 October 2020 in connection with Company's Hong Kong Public Offering (as defined therein). |

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

Hong Kong, 2 November 2021

As at the date of this announcement, the Board of the Company comprises four Executive Directors, namely Mr. Hui Sai Tan, Jason (Chairman), Mr. Ye Mingjie (President), Mr. Cao Shiyang and Mr. Cai Wenwei; two Non-executive Directors, namely, Ms. Tang Fei and Mr. Sun Yan; and three Independent Non-executive Directors, namely, Ms. Kan Lai Kuen, Alice, Mr. Gu Yunchang and Ms. Zhou Xinyi.