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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)**

**DISCLOSEABLE TRANSACTION  
ACQUISITION OF EQUITY INTERESTS IN THE PROJECT COMPANY**

On 9 August 2023, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor under which the Vendor agreed to sell, and the Purchaser has agreed to purchase, 50% of the equity interests in the Project Company.

The Project Company is a property development company which is currently 50% owned by the Purchaser. Upon completion of the Acquisition, the Project Company will be wholly-owned by the Group.

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## THE ACQUISITION

On 9 August 2023, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor under which the Vendor agreed to sell, and the Purchaser has agreed to purchase, 50% of the equity interests in the Project Company. Details of the Acquisition are as follows:

### Date

9 August 2023

### Parties

- (i) the Purchaser; and
- (ii) the Vendor;

### Subject matter

50% of the equity interests in the Project Company.

### Consideration

The consideration for the Acquisition is RMB754,502,000, and was determined by way of agreement at the Jiangxi Assets and Equity Exchange (江西省產權交易所) by reference to the Group's assessment on the value of the 50% equity interests in the Project Company.

The consideration will be paid by the Purchaser within 5 business days from the Equity Transfer Agreement becoming effective. The consideration will be settled by the Company through internal resources.

## INFORMATION ABOUT THE PROJECT COMPANY

The Project Company is a limited liability company established in 2017. It is a joint venture company owned as to 50% by the Vendor and as to 50% by the Purchaser. The Project Company is principally responsible for the development of a property project in Pengbu, Hangzhou (杭州彭埠) (the “**Pengbu Project**”). The Pengbu Project has an aggregate site area of approximately 284,900 sq.m. for the development of 1,220 residential units. The Pengbu Project has been fully developed, sold and delivered by the Project Company.

The financial results of the Project Company for the two years ended 31 December 2022 are as follows:

	<b>For the year ended 31 December</b>	
	2021 (audited) <i>RMB'000</i>	2022 (unaudited) <i>RMB'000</i>
Net profit/(loss) before tax	282,196.5	(270,638.2)
Net profit/(loss) after tax	211,647.4	(270,638.2)

The unaudited net asset value of the Project Company as at 31 December 2022 was approximately RMB1,440 million. After completion of the Acquisition, the Project Company will be wholly-owned by the Purchaser and will become a wholly-owned subsidiary of the Company.

## **REASONS FOR THE ACQUISITION**

The Pengbu Project has been fully developed, sold and delivered by the Project Company. The undistributed profits, the related claims and debts between the Project Company and its shareholders will be properly dealt with through the Acquisition. The procedures involved in the liquidation of the Project Company after the completion of the entire Pengbu project can be gradually simplified through the Acquisition.

Given that the Acquisition was made based on an agreement process through the Jiangxi Assets and Equity Exchange, the Directors consider that the Acquisition was made on normal commercial terms and are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ABOUT THE PARTIES**

### **The Company**

The Group is principally engaged in the development and investment of residential and commercial properties, property management, commercial properties operation and hotel operation in the PRC.

### **The Purchaser**

The Purchaser is a limited liability company established in the PRC and is principally engaged in the business of property development.

### **The Vendor**

The Vendor is a state-owned enterprise principally engaged in the business of property development. To the best knowledge of the Directors, having made reasonable enquiry, the Vendor and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Acquisition”	the acquisition of 50% equity interests in the Project Company;
“Board”	the board of directors of the Company;
“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 (Stock Code: 813);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Equity Transfer Agreement”	the equity transfer agreement dated 9 August 2023 entered into between the Purchaser and the Vendor;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administration Region;
“Project Company”	杭州茂國悅盈置業有限公司 (Hangzhou Maoguo Yueying Real Estate Co., Ltd.*), a limited liability company established in the PRC;
“Purchaser”	上海睿萌企業管理有限公司 (Shanghai Ruimeng Enterprise Management Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholder(s) of the Company;
“sq.m.”	square meters;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	南昌天同地產有限公司 (Nanchang Tiantong Real Estate Co., Ltd.*); and
“%”	per cent.

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

Hong Kong, 9 August 2023

*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. Xie Kun; two Non-executive Directors, namely, Mr. Lu Yi and Mr. Ye Mingjie; and three Independent Non-executive Directors, namely, Mr. Lyu Hong Bing, Mr. Lam Ching Kam and Mr. Fung Tze Wa.*

\* For identification only.