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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 announcement of the Company dated 24 March 2026 in relation to updates on the actions taken by the Company in resolving the Disclaimer of Opinion (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meaning as defined in the Annual Report and the Announcement.

During the period from 24 March 2026, being the date of the Announcement, and up to the date of this announcement, the following steps and measures have been implemented by the Group to improve its financial position:

1. The Company’s offshore debt restructuring scheme became effective on 21 July 2025, reducing the overall debt size and debt pressure of the Group, thereby improving its overall financial condition. Since the offshore debt restructuring scheme became effective, the Company has been performing its obligations under the new terms, and the mandatory convertible bonds held by the creditors have been gradually and smoothly converted into new shares of the Company (the “**Shares**”). As at the date of this announcement, approximately US\$4.6 billion in aggregate principal amount of the mandatory convertible bonds have been converted into the Shares, representing approximately 91% of the total mandatory convertible bonds issued on the restructuring effective date.
2. In addition to the offshore debt restructuring scheme, the Group has been actively negotiating with other onshore lenders and creditors on the extension or restructuring of loans, including:
 - (i) On 15 May 2026, the Company and Shanghai Shimao Co., Ltd. (“**Shanghai Shimao**”), a subsidiary of the Company, entered into debt settlement agreements with the creditors pursuant to which the Company agreed to settle the debts owed by the Group to the creditors through the issue of an aggregate of 71,540,479 Shares to the creditors. Such debts included the aggregate principal amount of RMB379 million of medium-term notes issued by Shanghai Shimao and held by the creditors, as well as the aggregate accrued interest of approximately RMB41 million. On 3 June 2026, such Shares were duly issued by the Company to settle the aforesaid debts.

- (ii) Since the beginning of 2026, the Group has successfully extended the onshore loans in a principal amount of approximately RMB7.8 billion, with the longest extension reaching 2038.

The coming into effect of the offshore debt restructuring scheme and the progressive completion of conversions of mandatory convertible bonds have released positive signals to the Group's onshore lenders and creditors, and it is expected that the extension or restructuring agreements for the existing onshore loans can be gradually implemented.

3. The Group has implemented a targeted incentive scheme to collect and revitalize various receivables. The Group has also actively responded to various supportive policies of the national and local governments, revitalized resources through all kinds of acquisition and reserve policies, in order to improve cash flow. Those resources mainly include funds in government-regulated accounts, land prepayments and various types of deposits. The revitalized funds are used to settle or offset project construction costs, taxes payables and other expenses in accordance with the existing financing agreements of the Group.
4. The Group has continued to deepen the streamlining and optimization of its organizational structure, proactively reducing management layers and further shortening the decision-making chain, thereby enhancing operational efficiency and management effectiveness. At the same time, related expenses have recorded a continuous decline. For the five months ended 31 May 2026, the Group's administrative expenses decreased by approximately 4% compared to the same period in 2025.
5. The Group remains committed to accelerating the sale of its existing property inventory and ensuring timely delivery. The Group has formulated reasonable sales prices and supply plans according to the actual situation of the local market of each project, aimed at achieving the sales volume and cash collection targets. The Group's aggregated contracted sales for the five months ended 31 May 2026 amounted to approximately RMB6.951 billion. As at the date of this announcement, the Group has delivered approximately 3,000 housing units as planned in 2026. The pressure on delivery tasks has been substantially alleviated, providing a solid foundation for the Group's operational stability and sustainable business condition.

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, 26 June 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; two Non-executive Directors, namely, Ms. Hui Mei Mei, Carol and Mr. Shao Liang; and three Independent Non-executive Directors, namely, Mr. Lyu Hong Bing, Mr. Lam Ching Kam and Mr. Fung Tze Wa.