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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)

DEBT CAPITALISATION

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

On 15 May 2026, the Company and Shanghai Shimao entered into two 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 new Shares to the Creditors at the Issue Price of HK\$6.00 per Capitalisation Share.

The Capitalisation Shares represent approximately 0.734% of the existing issued share capital of the Company and approximately 0.729% of the Company's issued share capital as enlarged by the issue of the Capitalisation Shares.

The issue of the Capitalisation Shares is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Capitalisation Shares.

As the Debt Capitalisation and the issue of the Capitalisation Shares is subject to the satisfaction of the conditions to the Agreements, the Debt Capitalisation and the issue of the Capitalisation Shares may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

On 15 May 2026, the Company and Shanghai Shimao entered into two debt settlement agreements with the Creditors in relation to the Debt Capitalisation. The salient terms of the Debt Capitalisation are summarised below:

Debt Capitalisation

The First Debt Settlement Agreement

Parties: The First Creditor
 The Second Creditor
 Shanghai Shimao
 The Company

Subject matter: The First Creditor and the Second Creditor through their fully subscribed trust scheme held the 21 Shanghai Shimao MTN002 issued by Shanghai Shimao in the principal amount of RMB190,000,000. The 21 Shanghai Shimao MTN002 has matured and remains outstanding as at the date of this announcement.

Settlement: The parties agreed to settle the outstanding principal amount of RMB190,000,000 under the 21 Shanghai Shimao MTN002 through the issue of an aggregate 35,864,620 Capitalisation Shares to the First Creditor (as to 25,741,542 Capitalisation Shares) and the Second Creditor (as to 10,123,078 Capitalisation Shares) or their respective nominees at the Issue Price of HK\$6.00 per Capitalisation Share.

The parties agreed that upon completion of the issue of Capitalisation Shares under the First Debt Settlement Agreement, the debts owed by the Group to the First Creditor and the Second Creditor under the 21 Shanghai Shimao MTN002, including accrued interest of RMB20,431,324.66, shall be fully discharged and released.

The Second Debt Settlement Agreement

Parties: The Third Creditor
 Shanghai Shimao
 The Company

Subject matter: The Third Creditor through its fully subscribed trust scheme held the 21 Shanghai Shimao MTN002 issued by Shanghai Shimao in the principal amount of RMB189,000,000. The 21 Shanghai Shimao MTN002 has matured and remains outstanding as at the date of this announcement.

Settlement: The parties agreed to settle the outstanding principal amount of RMB189,000,000 under the 21 Shanghai Shimao MTN002 through the issue of an aggregate 35,675,859 Capitalisation Shares to the Third Creditor or its nominee at the Issue Price of HK\$6.00 per Capitalisation Share.

The parties agreed that upon completion of the issue of Capitalisation Shares under the Second Debt Settlement Agreement, the debts owed by the Group to the Third Creditor under the 21 Shanghai Shimao MTN002, including accrued interest of RMB20,323,791.37, shall be fully discharged and released.

Capitalisation Shares

Based on the agreed exchange rate of RMB0.88295 to HK\$1.00 on 31 March 2026, an aggregate of 71,540,479 new Shares will be issued under the Debt Capitalisation. The Capitalisation Shares represent approximately 0.734% of the issued share capital of the Company as of the date of this announcement and approximately 0.729% of the issued share capital of the Company as enlarged by the issue of the Capitalisation Shares.

Issue Price

The Issue Price of HK\$6.00 per Capitalisation Share was arrived at after arm's length negotiations between the Creditors and the Company with reference to the issue price of new Shares of the Company under the Company's holistic restructuring of its offshore debt as sanctioned by the High Court on 13 March 2025.

The Issue Price represents:

- (i) a premium of approximately 3,770.97% to the closing price of HK\$0.1550 per Share as quoted on the Stock Exchange on the date of the Agreements; and
- (ii) a premium of approximately 3,659.40% to the average closing price of HK\$0.1596 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

Given that the Issue Price was set with reference to the issue price of the Shares under the restructuring of the Company's offshore debts, is at a premium to the market price of the Shares and is value accretive for existing Shareholders, the Directors consider that the Issue Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Capitalisation Shares have a nominal value of approximately HK\$7,154,047.90 and a market value of approximately HK\$11,088,774.25, based on the closing price of the Shares of HK\$0.155 per Share on 15 May 2026, the date of the Agreements. After deducting expenses relating to the Debt Capitalisation, the net price per Capitalisation Share is estimated to be approximately HK\$6.00.

Condition

The issue of the Capitalisation Shares is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Capitalisation Shares.

If the condition to the Debt Capitalisation is not fulfilled before 15 June 2026, the Agreements and all rights and obligations thereunder will cease and terminate.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares.

General Mandate to Issue Shares

The Capitalisation Shares will be issued and allotted under the general mandate granted to the Directors by an ordinary resolution of the Shareholders passed at the annual general meeting of the Company held on 12 June 2025 where the Directors were granted the general authority to issue up to 759,566,377 Shares, representing 20% of the issued share capital of the Company on the date of the annual general meeting. As at the date of this announcement, no Shares have been issued under such mandate. Accordingly, the allotment and issue of the Capitalisation Shares is not subject to further approval by the Shareholders.

Upon completion of the issue of the Capitalisation Shares, the Company will have remaining unused general mandate to issue 688,025,898 Shares.

Ranking of the Capitalisation Shares

The Capitalisation Shares, when issued, will rank pari passu in all respects with the Shares in issue on the date of the issue of the Capitalisation Shares, including the right to any dividends or distribution declared on or after the date of such issue. The Capitalisation Shares are freely transferrable and are not subject to any lock-up on subsequent transfer.

Completion of the Debt Capitalisation

Subject to the Stock Exchange granting approval for the listing of and dealing in the Capitalisation Shares, completion of the Debt Capitalisation will take place on the fifth Business Day after the date of the granting of the listing approval.

EFFECT ON THE SHAREHOLDING OF THE COMPANY FOLLOWING COMPLETION OF THE DEBT CAPITALISATION

Assuming there is no change to the issued share capital of the Company between the date of the Agreements and completion, the effect on the shareholding structure of the Company as a result of the Debt Capitalisation will be as follows:

	As at the date of this announcement		Upon completion of the issue of the Capitalisation Shares	
	No. of Shares	%	No. of Shares	%
Controlling Shareholder	2,941,252,584	30.19	2,941,252,584	29.97
First Creditor	-	-	25,741,542	0.26
Second Creditor	-	-	10,123,078	0.10
Third Creditor	-	-	35,675,859	0.36
Other Shareholders	6,802,237,740	69.81	6,802,237,740	69.30
Total	9,743,490,324	100.00	9,815,030,803	100.00

Note: All percentages stated in this table are approximations and percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals in the above table may not be an arithmetic aggregation of the figures preceding them.

Upon completion of the Debt Capitalisation, none of the Creditors will become a substantial shareholder and a connected person of the Company.

CAPITAL-RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities during the twelve-month period immediately preceding the date of this announcement.

REASONS FOR THE DEBT CAPITALISATION

The principal amount and interests owed by the Group to the Creditors under the 21 Shanghai Shimao MTN002 is approximately RMB419.76 million. The Debt Capitalisation will enable the Group to repay part of its indebtedness while reducing the Group's gearing level, thereby improving its financial position. The Directors thus consider that the Debt Capitalisation is in the interest of the Company and its Shareholders as a whole.

As the Capitalisation Shares will be issued to settle the outstanding debts owed to the Creditors, no cash proceeds will be generated through the issue.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in the Cayman Islands with limited liability. 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.

Shanghai Shimao

Shanghai Shimao is a joint stock limited liability company incorporated in the PRC. It is a subsidiary of the Company and is principally engaged in the development and operation of commercial properties.

The First Creditor

The First Creditor is a limited liability company incorporated in the PRC and is principally engaged in the business of corporate management consultancy. It is held as to 51% by Sun Jihua and 49% by Lai Yuzhang.

The Second Creditor

The Second Creditor is a limited liability company incorporated in the PRC and is principally engaged in marketing planning business. It is held as to 40% by Hu Zhichao, 40% by Hu Xiaping, 10% by Liao Yulin and 10% by Liao Yurong.

The Third Creditor

The Third Creditor is a limited liability company incorporated in the PRC and is principally engaged in investment consultancy business. It is wholly owned by Zhang Qiusheng.

To the best knowledge of the Directors, after reasonable enquiry, the Creditors and their ultimate beneficial owners are not connected persons of the Company.

GENERAL

As the Debt Capitalisation and the issue of the Capitalisation Shares is subject to the satisfaction of the conditions to the Agreements, the Debt Capitalisation and the issue of the Capitalisation Shares may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“21 Shanghai Shimao MTN002”	5.5% medium term notes due 6 May 2024 issued by Shanghai Shimao on 30 April 2021;
“Agreements”	the First Debt Settlement Agreement and the Second Debt Settlement Agreement;
“Board”	the board of Directors;

“Business Day”	any day (excluding Saturday, Sunday, or a day when typhoon signal no. 8 or above is hoisted, or a black rainstorm warning signal is issued) on which banks are generally open for business in Hong Kong;
“Capitalisation Shares”	an aggregate of 71,540,479 new Shares to be issued pursuant to the Debt Capitalisation;
“Company”	Shimao Group Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 813);
“connected persons”	has the meaning ascribed thereto under the Listing Rules;
“Controlling Shareholder”	Mr. Hui Wing Mau and his associates, the controlling shareholder of the Company, holding approximately 30.19% of the issued share capital of the Company as at the date of this announcement;
“Creditors”	the First Creditor, the Second Creditor and the Third Creditor;
“Debt Capitalisation”	the capitalisation of the debts owed by the Group to the Creditors;
“Director(s)”	director(s) of the Company from time to time;
“First Creditor”	廈門苑笛企業管理有限公司 (Xiamen Yuandi Business Management Co., Ltd.*), a limited liability company incorporated in the PRC, and an independent third party to the Company;
“First Debt Settlement Agreement”	the debt settlement agreement dated 15 May 2026 between the Company, Shanghai Shimao, the First Creditor and the Second Creditor in relation to the settlement of the outstanding 21 Shanghai Shimao MTN002;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Price”	HK\$6.00, the issue price per Capitalisation Share;
“Last Trading Day”	14 May 2026, being the last full trading day on which the Shares were traded on the Stock Exchange prior to the date of the Agreements;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;

“RMB”	Renminbi, the lawful currency of the PRC;
“Second Creditor”	廈門市厚勁品牌策劃有限公司 (Xiamen City Houjin Brand Planning Co., Ltd.*), a limited liability company incorporated in the PRC, and an independent third party to the Company;
“Second Debt Settlement Agreement”	the debt settlement agreement dated 15 May 2026 between the Company, Shanghai Shimao and the Third Creditor in relation to the settlement of the outstanding 21 Shanghai Shimao MTN002;
“Shanghai Shimao”	Shanghai Shimao Co., Ltd., a subsidiary of the Company;
“Share(s)”	ordinary shares of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Third Creditor”	上海德驥投資管理有限公司 (Shanghai Deji Investment Management Co., Ltd.*), a limited liability company incorporated in the PRC, and an independent third party to the Company; and
“%”	per cent.

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

Hong Kong, 15 May 2026

As at the date of this announcement, the Board comprises three Executive Directors, namely, Mr. Hui Sai Tan, Jason (Chairman and President), Mr. Xie Kun 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.

** For identification purpose only.*