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首程控股有限公司
SHOUCHENG HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 697)

**FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED
31 MARCH 2024**

This announcement is made on a voluntary basis by Shoucheng Holdings Limited (the “**Company**”) for the purpose of further increasing the level of corporate governance and enhancing its transparency.

HIGHLIGHTS OF QUARTERLY RESULTS

For the three months ended 31 March 2024:

- ◆ The Group recorded revenue of approximately HK\$351 million, representing an increase of 9.0% as compared to the revenue of HK\$322 million from the same period last year.
- ◆ The Group recorded profit attributable to owners of the Company of approximately HK\$118 million, representing an increase of 7.0% as compared to the profit attributable to owners of the Company of HK\$110 million from the same period last year.
- ◆ The basic and diluted earnings per share for the period was HK1.65 cents as compared to the basic and diluted earnings per share of HK1.52 cents from the same period last year.

SUMMARISED INFORMATION

The board of directors (the “**Board**”) of the Company is pleased to announce the summarised information in relation to the unaudited condensed consolidated quarterly results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2024.

KEY FINANCIAL INFORMATION

As extracted from the unaudited condensed consolidated statement of comprehensive income	Three months ended 31 March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	351,375	322,379
As attributed by the Group's		
(i) Revenue from FIME*	148,424	179,677
(ii) Revenue from asset operation	202,951	142,702
Gross profit	201,771	201,569
Operating profit	194,056	181,359
Profit attributable to owners of the Company	118,132	110,422
<i>*FIME is defined as fundraising, investment, management and exit.</i>		
As extracted from the unaudited condensed consolidated statement of financial position for 31 March 2024	31 March 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Total assets	13,830,785	13,522,517
of which:		
Bank balances and cash	2,112,498	2,262,573
Time deposits with maturity over three months, wealth management products and other securities	2,003,295	1,982,022
Net assets attributable to owners of the Company	9,754,820	9,923,352
Asset – Liability ratio Δ	28.6%	25.7%
Debt – Equity ratio Δ	10.1%	8.0%

Δ The definitions of Asset - Liability ratio and Debt – Equity ratio are set out on pages 4 of this announcement.

The unaudited financial results of the Group for the three months ended 31 March 2024 have been prepared in accordance with the same accounting policies which had been adopted in the audited financial statements of the Group for the year ended 31 December 2023.

Non-HKFRSs Measures

The total liabilities divided by total assets is defined as the Asset – Liability ratio (the “**Asset – Liability ratio**”) of the Group. The Asset – Liability ratio is presented because it is used by management to evaluate the Group’s debt and risk level. The calculation of Asset – Liability ratio is set out in page 4 of this announcement.

The total borrowings divided by capital and reserves attributable to owners of the Company is defined as the Debt– Equity ratio (the “**Debt – Equity ratio**”) of the Group. The Debt – Equity ratio is presented because it is used by management to evaluate how the Group utilised its borrowings for financing the business and operations for growth. The calculation of The Debt – Equity ratio is set out in page 4 of this announcement.

The Asset – Liability ratio and Debt – Equity ratio used as additional financial measures to supplement the Group’s summarised information in relation to the unaudited condensed consolidated quarterly results which are presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The Group believes that the Asset – Liability ratio and Debt – Equity ratio provide meaningful supplemental information regarding the Group’s performance and the core operating results, enhances the overall understanding of the Group’s past performance and future prospects and allows for greater visibility with respect to key metrics used by the Group’s management in its financial and operational decision-making. It would help the investors of the Company and others understand and evaluate the Group’s consolidated results of operations in the same manner as management and in comparing the Group’s financial results across different accounting periods.

Asset – Liability ratio

In the first quarter of 2024, the Asset – Liability ratio of the Group is 28.6%, representing an increase of absolute value of 2.9% as compared to 31 December 2023.

The following table shows the Group’s total liabilities and total assets for the periods presented:

	31 March 2024 <i>HK\$'Million</i> (Unaudited)	31 December 2023 <i>HK\$'Million</i> (Audited)
Total liabilities	3,962	3,482
Total assets	13,831	13,523
Asset – Liability ratio	28.6%	25.7%

Debt – Equity ratio

In the first quarter of 2024, the Debt – Equity ratio of the Group is 10.1%, representing an increase of absolute value of 2.1% as compared to 31 December 2023.

The following table shows the Group’s total borrowings and bond payable and capital and reserves attributable to owners of the Company for the periods presented:

	31 March 2024 <i>HK\$'Million</i> (Unaudited)	31 December 2023 <i>HK\$'Million</i> (Audited)
Total borrowings and bond payable	989	793
of which		
Borrowings	808	609
Bond payable	181	184
Capital and reserves attributable to owners of the Company	9,755	9,923
Debt – Equity ratio	10.1%	8.0%

BUSINESS OVERVIEW

For the three months ended 31 March 2024, the Group recorded revenue of approximately HK\$351 million, representing an increase of 9.0% from the same period last year. That includes the revenue from asset operation which amounted to approximately HK\$203 million, representing an increase of 42.2% from the same period last year, as well as the revenue from FIME which amounted to approximately HK\$148 million, representing a decrease of 17.4% from the same period last year. The profit attributable to the owners of the Company for the current period amounted to approximately HK\$118 million, representing an increase of 7.0% from the same period last year.

STEADY GROWTH IN ASSETS MANAGEMENT SCALE AND STRENGTHENING OPERATIONAL EFFICIENCY

The Group continues to deploy high-turnover parking resources intensively in core cities. At the beginning of 2024, the Group has completed the operation handover efficiently and successfully entered into the Beijing Fengtai Railway Station carpark project *(北京豐台鐵路站停車場項目) in the Beijing-Tianjin-Hebei Region and the Guangzhou Baiyun International Airport parking operating rights project *(廣州白雲國際機場停車場經營權項目) in the Greater Bay Area Region. Guangzhou Baiyun International Airport handled approximately 20 million passengers in the first quarter of 2024, representing an increase of 43% as compared to the same period last year. Leveraging the strong growth in airport travel demand, the Group continues to provide comfortable parking experience for passengers by relying on its professional, digital and standardized asset operation capabilities.

The strategic customer management service system established by the Group is gradually bringing positive impacts to the Group. The Group carried out overall service cooperation with strategic customers in the Southeast Region starting from the first quarter of 2024. In April 2024, the Group has completed the signing of two large shopping mall parking spaces projects in Hangzhou; the Group will continue to deploy multiple large shopping mall parking spaces in key cities such as Shanghai, Nanjing and Suzhou in the second quarter of 2024.

**For identification purpose only*

ASSET MANAGEMENT OF INDUSTRIAL PARK

The industrial contract signing rate and commercial vitality of the Chang'an Mills*(六工匯) project in Beijing of the Beijing-Tianjin-Hebei Region operated by the Group was further enhanced, attracting Chinese high-tech enterprises, listed enterprises, state-owned enterprises and foreign enterprises to settle in. The overall occupancy rate of the Chang'an Mills has exceeded 95% in the first quarter of 2024. The Chang'an Mills not only won the title of "Low Carbon Innovation" characteristic industrial park" but also won the title of "Beijing Characteristic Consumer Street". Additionally, the second phase of the Li Auto Headquarters project*(理想汽車總部二期項目), the first customized service project led by the Group in planning and design in the Beijing Shunyi district of Beijing-Tianjin-Hebei Region, has been fully operational. The development progress of the Rongshi Square*(融石廣場), Shoucheng Times Center*(首程時代中心), Shougang Winter Olympics Plaza*(首鋼冬奧廣場) in Beijing of the Beijing-Tianjin-Hebei Region and other projects under the management of the Group are progressing steadily, and investment reserves are being laid out in advance.

USING REITs AS THE CORNERSTONE TO CREATE AN ECOLOGICAL CLOSED LOOP OF "FIME"

In the first quarter of 2024, the Group continued to use REITs as the cornerstone to comprehensively promote the ecological closed-loop development strategy of "FIME". The Group has actively optimized and expanded the operation and project reserve of urban development funds, especially in key areas such as affordable housing and community commercial infrastructure, aiming to strengthen quality and efficiency through efficient allocation and operation of assets, promoting the continuous appreciation of the Group's assets and enhance the overall return on investment.

With the positive changes in the market environment, on 8 February 2024, the China Securities Regulatory Commission issued the "Guidelines on the Application of Regulatory Rules-Accounting No. 4"*(監管規則適用指引—會計類第4號) to further clarify the equity attributes of REITs. On 12 April 2024, the State Council issued the "Several Opinions on Strengthening Supervision, Preventing Risks and Promoting High-Quality Development of Capital Markets"*(關於加強監管防範風險推動資本市場高品質發展的若干意見) and proposed to include eligible REITs from the Mainland China and Hong Kong into the Shanghai – Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. These favorable policies have garnered more investor attention and capital inflows to the REITs projects that were under consultation by the Group on the issuance and expansion, such as AVIC Yishang Warehousing and Logistics REIT*(中航易商倉儲物流 REIT) and Beijing Energy Photovoltaic REIT*(京能光伏 REIT). As at the date of this announcement, the issuance and expansion of the above-mentioned projects have been successfully submitted to the Shanghai Stock Exchange for acceptance.

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BEIJING ROBOT INDUSTRY DEVELOPMENT INVESTMENT FUND (LIMITED PARTNERSHIP)* (北京機器人產業發展投資基金(有限合夥) (THE “BEIJING ROBOT FUND” (北京機器人基金)) WITH A TARGET SCALE OF RMB10 BILLION TAKES THE LEAD AND COVERS MULTIPLE ROBOTICS SEGMENTS

The Beijing Robot Fund*(北京機器人基金), in which the Group is an executive partner with a target scale of RMB10 billion takes the lead and has completed a number of investments in the first quarter of 2024. These investments, cover multiple robotics segments such as embodied artificial intelligence, brain-computer interfaces, bionic robots, and medical robots. Looking ahead, the Group will leverage its industry resource advantages to identify high-quality enterprises, growing together with the enterprises and empower them in the long term to create a new engine of quality productivity in Beijing. The Group believes that the more social contributions we make, the greater the long-term profits. Additionally, another fund with a target scale of RMB10 billion that was established by the Group in 2023, Sunshine Shoucheng Urban Development Infrastructure Assets Investment Fund*(陽光首程城市發展基金), has identified several reserve projects.

WORKING WITH STRATEGIC CUSTOMERS AND LOCAL GOVERNMENTS TO REVITALIZE INFRASTRUCTURE ASSETS

Thanks to the customers’ recognition of the Group’s asset operation and financing capabilities, the Group relied on its company-wide and grid-based business development model of “regional and strategic customer managers + product managers + rapid support from powerful functional departments” in the first quarter of 2024 to establish in-depth cooperative relationships with large state-owned enterprises, local governments and their platform companies. In the future, the Group will focus on areas such as infrastructure asset revitalization, REITs fund investment and operation, park collaboration, and in-depth cooperation in parking business to achieve win-win results and share mutual benefit with partners, and further expand pragmatic cooperation in the fields of investment and financing of war-prepared industries, smart travel, and urban ecological operations that the country vigorously promotes.

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CAUTION STATEMENT

Although the Company is now issuing quarterly information, potential investors should be aware that due to fluctuations in market conditions, exchange rates of Renminbi against other currencies and changes in the operating environment from time to time, certain income and expenses may vary substantially from quarter to quarter. Hence, comparisons between different periods within a single financial year, or between different periods in different financial years, are not necessarily meaningful and cannot be relied upon as indicators of the Group's performance. Also, quarterly results should not be used to estimate or extrapolate to project the Group's full-year performance.

In addition, the Board wishes to remind the shareholders of the Company and potential investors that the above selected financial data is extracted from the Company's internal records and management accounts and has not been reviewed or audited by its independent auditor. The Company's shareholders and potential investors are cautioned not to unduly rely on such data. In the meantime, the Company's shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our shareholders and potential investors for their trust and support to the Group. The Group focuses on core infrastructure assets in China, with a mission to integrate FIME (which is defined as fundraising, investment, management and exit), enhance efficiency, and build new infrastructure. The Group provides customers with leading infrastructure asset management services and continues to contribute to the upgrade and operational efficiency improvement of existing infrastructure assets in China. The Group is committed to be a leading provider of continuous improvement of infrastructure assets and services in China.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 13 May 2024

As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman) and Mr. Xu Liang as Executive Directors; Mr. Wu Lishun, Mr. Li Hao (Vice Chairman), Mr. Peng Jihai, Mr. Ho Gilbert Chi Hang and Mr. Liu Jingwei as Non-executive Directors; Dr. Wang Xin, Mr. Choi Fan Keung Vic, Mr. Deng Yougao, Ms. Zhang Quanling and Ms. Zhuge Wenjing as Independent Non-executive Directors.