

2018 Annual Results



首長國際企業有限公司

SHOUGANG CONCORD INTERNATIONAL ENTERPRISES COMPANY LIMITED

(Stock Code: 697)



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Chapter 1

Shougang International: Company Overview



1.1 Shougang International: Company Overview



Business transformation completed in 2017

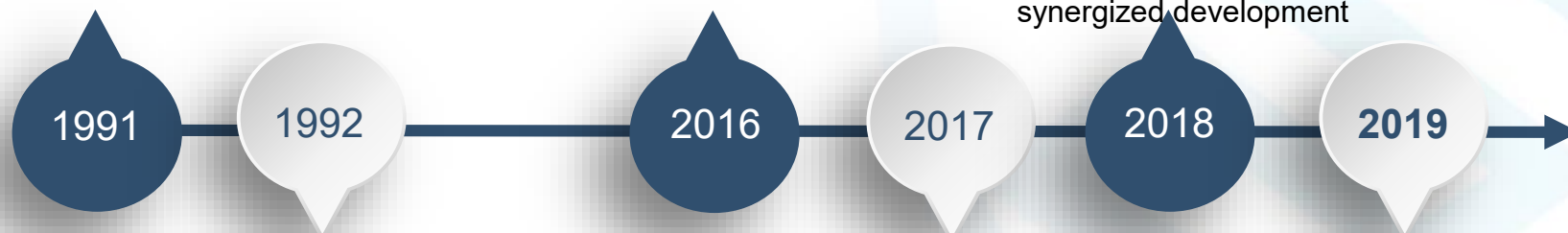
Established the strategic transformation goal of “Building a flagship listed company of urban comprehensive service of Shougang Group”

- ✓ Shougang Int'l is the **flagship listed company in Hong Kong** of Shougang Group, and is also one of the first Red Chips listed in Hong Kong
- ✓ Since the implementation of the transformation strategy, the business layout has been clearly visible and the company is poised to take off
 - Business of operation and management of car parking assets and urban renewal business are both developing rapidly. **New business scale continues to expand.**
 - Proactively reduced old business scale and the business is being discontinued gradually

Shougang Concord International Enterprises Company Limited was listed on the main board of the Hong Kong Stock Exchange

Beginning of Business Restructuring: Disposal of Qinhuangdao business, including steel manufacturing, mineral mining and processing businesses

Persisted in the transformation strategy of developing core businesses, reducing old business volume and stripping off related assets, introducing strategic shareholders, and planning for synergized development



Shougang Group Co., Ltd. (“Shougang Group”) and Cheung Kong (Holdings) Ltd. successfully acquired Shougang International in 1992

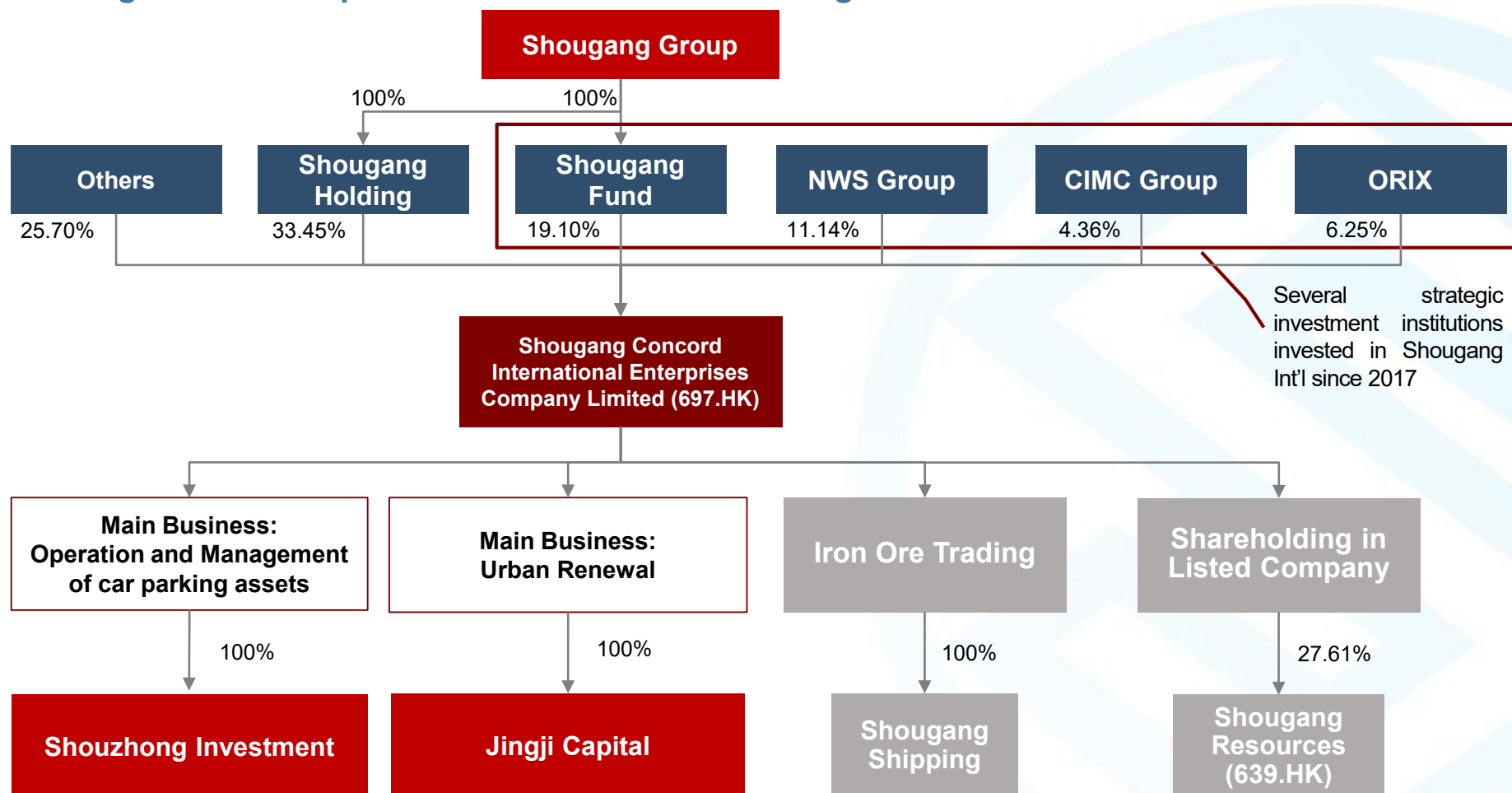
Completion of business transformation, acquisition of business of private fund management services and the business of operation and management of car parking assets in the PRC

Entering in Rapid Business Development Period in 2019

1.2 Shareholding Structure and Business Composition of Shougang Int'l



The company has more diversified strategic shareholders and a business carrier with new strategies after completion of business restructuring



As at Dec 31, 2018

1.3 Strategic Investors of Shougang Int'l



Shareholders with strong backgrounds give support to the listed company in terms of capital and resources

Shougang Group

Import of Resources

The steel giant with a history of nearly 100 years began industrial transformation in recent years, provided resources to Shougang Int'l for development of Shougang Park

CIMC Group

Cross Industry Cooperation

One of the earliest container manufacturer in China and the earliest Sino-foreign JVs. Its business of automatic multistory parking system will synergize with the car parking business of Shougang int'l

NWS Group

Business Synergy

Being the flagship of infrastructure and servicing businesses of New World Development Co., Ltd., NWS Group's businesses cover Hong Kong, mainland China and Macau

ORIX

Financial Services

Headquartered in Tokyo, it is one of the largest integrated financial services groups in the world. It has branches in 36 countries and regions, covering numerous financial and industrial fields.

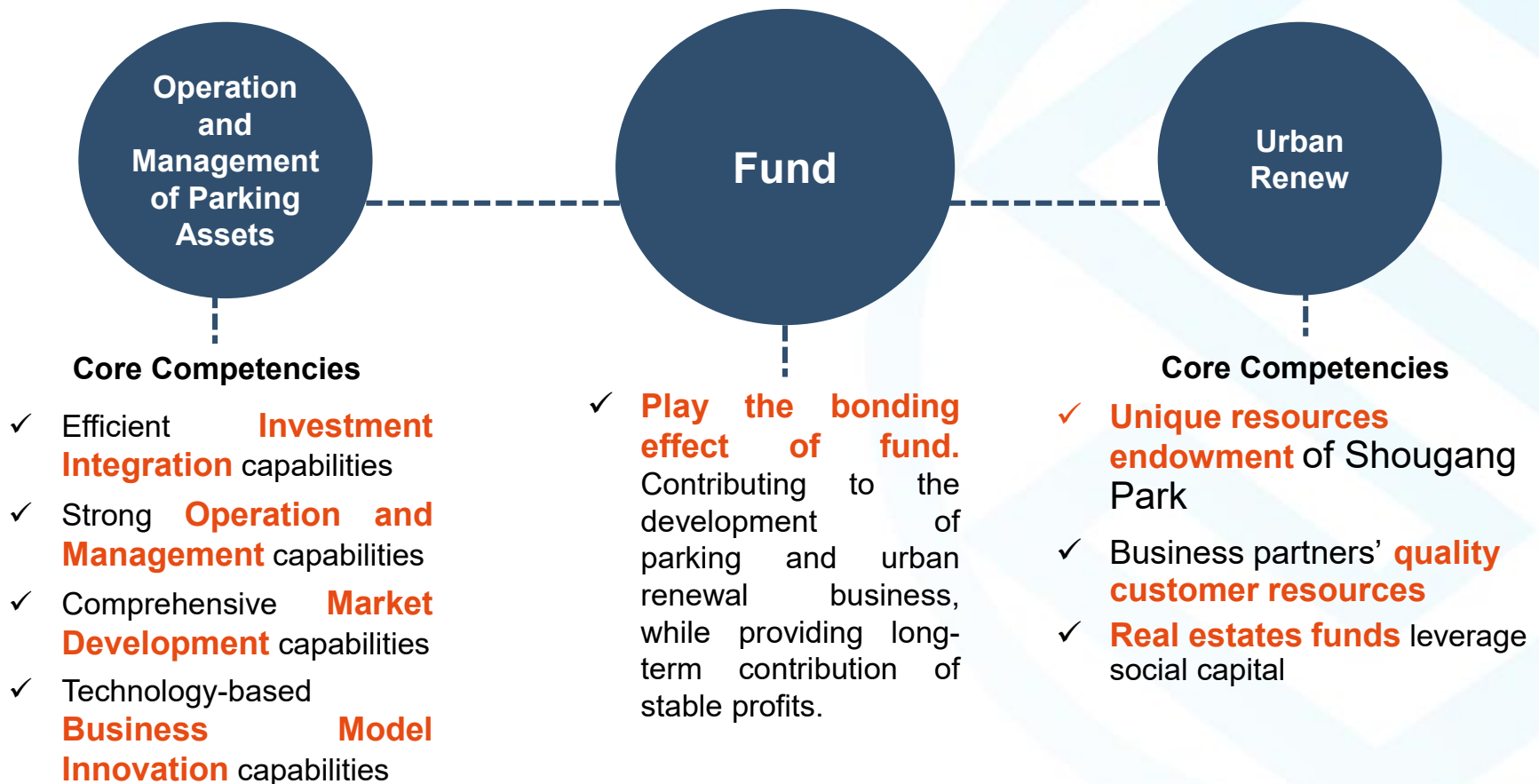


Fund is a carrier to facilitate development of the two core businesses

“Industries + Funds”: Dual-wheel drive business development model

Leading company in the PRC

In management and operations of car parking assets and urban renewal





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Chapter 2

2018 Annual Results Highlights





- ✓ Profit attributable to shareholders
HK\$353 million
+516.4%
- ✓ Gross profit margin increased from 0.2% to **9.6%**
- ✓ Earnings per share was
1.75 HK cents
+212.5%

Key Performance



Business Transformation

- ✓ **The Car Parking Business**
Obtained **22,128** new parking lots in 2018, increased by **307%** YoY. As at 31 December 2018, there were **30,813** parking lots obtained in total
- ✓ **Urban Renewal-oriented Fund Management Business**
The size of Fund under management was HK\$30 billion, **increased by HK\$11 billion** in 2018



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Chapter 3

Financial Overview





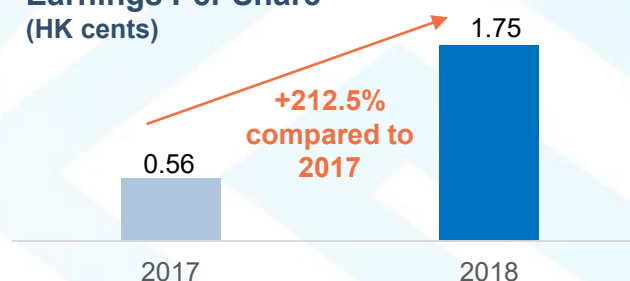
Profit Attributable to Shareholders and Earnings Per Share Rose Rapidly

Financial Review (HK\$ Million)	For the year ended 31 December		Change
	2018	2017	
Revenue	1,676	3,816	-56.1%
Gross Profit Margin	9.6%	0.2%	+9.4%
Profit Attributable to Shareholders	353	57	+516.4%
Earnings Per Share (HK cents)	1.75	0.56	+212.5%
Total Assets	9,430	8,186	+15.2%
Cash and Bank Balances	3,034	1,490	+103.7%
Debt Asset Ratio	4.61%	11.52%	-6.91%

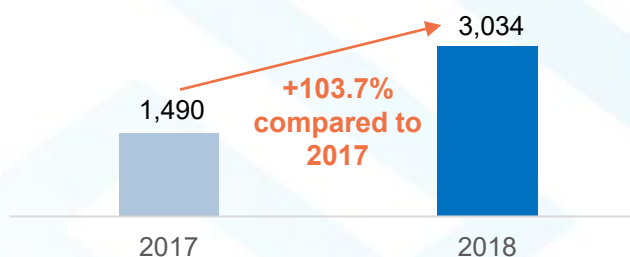
Gross Profit Margin



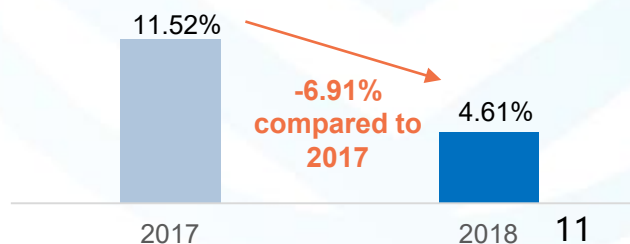
Earnings Per Share (HK cents)



Cash and Bank Balances



Debt Asset Ratio





Parking and fund management businesses generated revenue at first year after the completion of business transformation

Segment Profit (HK\$ Million)	For the year ended 31 December	
	2018	2017
1. Trading business	44	(20)
2. Car Parking Assets Operation and Management Business	(23)	-
3. Urban Renewal-oriented Fund Management Business	25	-
Sub-total	46	(20)
4. Share of results of associates		
Shougang Resources	278	273
Shougang Century	(3)	(24)
Sub-total	275	249
5. Others		
Net gains/(losses) related to commodity contracts	45	(122)
Corporate and others	(13)	(50)
Sub-total	32	(172)
Profit attributable to Shareholders of the Company	353	57



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Chapter 4

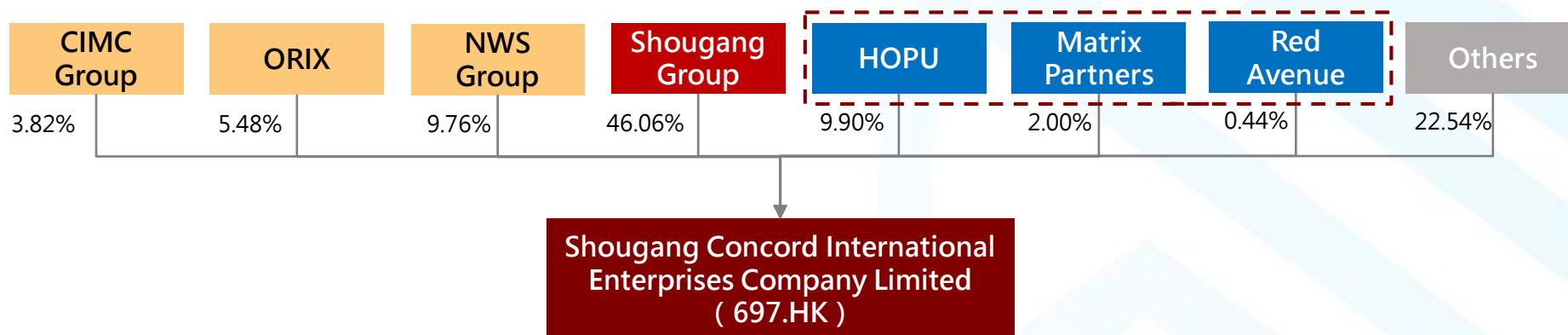
Subsequent event





Date	Item
19 Mar 2019	<ul style="list-style-type: none"> On 19 March 2019, the Company entered into the Subscription Agreements with Soteria Financial Investment Company Limited ("HOPU"), Red Avenue Investment Group Limited ("Red Avenue") and Matrix Partners China V Hong Kong Limited ("Matrix Partners"), pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 3,384,043,134 Subscription Shares at the Subscription Price of HK\$0.25 per Subscription Share. Upon the completion of the Subscription, HOPU, Red Avenue, and Matrix Partners will hold approximately 9.9%, 0.438% and 2% of the Company's equity interest.

Shareholding structure after the completion of Subscription :



- ◆ Hopu is a private equity investment company focusing on the Chinese market, with rich industry resources, investment and fund-raising experience. It has an important layout in the field of logistics and commercial real estate and it can produce synergistic effect with the company's parking and urban renewal business, and bring high-quality parking resources and urban renewal resources to the company
- ◆ Matrix Partners is a leading venture capital investment fund focusing on the TMT industry. Its investment in the New Economy filed has yielded fruitful results. It can cooperate with the company to improve operational efficiency and dig up the value of operational data to enhance customer experience



This presentation contains “Forward-looking statements” that are not historical in nature. These forward-looking statements, which include, without limitation, statements regarding Shougang Concord International Enterprises Co., Ltd.’s future results of operations, financial condition or business prospects, are based on the current beliefs, assumptions, estimates and projections of the directors and management of the Company about the business, the industry and the markets in which the Company operates in. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Actual results could differ materially from those expressed, implied or forecasted in these forward-looking statements for a variety of factors.



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Thank you !

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