

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

CONNECTED TRANSACTION ENTERING INTO CONSTRUCTION CONTRACT

CONSTRUCTION CONTRACT

On 4 August 2020, Shouzhong Investment, an indirect wholly-owned subsidiary of the Company, entered into the Construction Contract with Shoujia Steel under the Project Tender. Pursuant to the Construction Contract, Shouzhong Investment agreed to engage Shoujia Steel as the general contractor to carry out the construction works for the Project at the bid-winning price of RMB11,495,461.10.

IMPLICATIONS UNDER THE LISTING RULES

As at the date hereof, Shougang Group indirectly holds approximately 36.75% of the issued Shares and is a substantial shareholder of the Company. Shoujia Steel is a non-wholly-owned subsidiary of Shougang Group and is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Therefore, the entering into of the Construction Contract between Shouzhong Investment and Shoujia Steel and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that one or more of the applicable percentage ratios are more than 0.1% but all are less than 5%, the connected transaction is subject to announcement and reporting requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONSTRUCTION CONTRACT

On 4 August 2020, Shouzhong Investment, an indirect wholly-owned subsidiary of the Company, entered into the Construction Contract with Shoujia Steel under the Project Tender. Pursuant to the Construction Contract, Shouzhong Investment agreed to engage Shoujia Steel as the general contractor to carry out the construction works for the Project at the bid-winning price of RMB11,495,461.10.

The principal terms of the Construction Contract are set out below:

Date	4 August 2020
Parties	Shouzhong Investment; and Shoujia Steel.
Scope of construction	Shoujia Steel shall be responsible for the construction works of the Project located at the CETC as specified in the drawing plan of the Project Tender, which includes the following construction works: site leveling, civil engineering, steel structure engineering, electrical and mechanical installation, ground marking and transportation facilities.
Contract sum	Shouzhong Investment shall pay a total sum of RMB11,495,461.10, being the bid-winning price, to Shoujia Steel for the construction works under the Construction Contract. The total contract sum was arrived at by a public tendering process under the Project Tender, under which Shoujia Steel was selected by an assessment committee, which consisted of four external experts and one internal expert (mid-level engineer of project cost), as the tender winner having considered various factors, including but not limited to (i) credentials, response to business conditions, and project management abilities of all the tenderers; and (ii) fee quotations.
Construction period and completion	The construction period is 115 calendar days commencing from the issue of work commencement notice by Shouzhong Investment.
Payment terms	Shouzhong Investment shall pay the contract sum to Shoujia Steel in phases in accordance with the specific progress of the construction works as set out in the Construction Contract. The contract sum will be funded by Shouzhong Investment's internal resources.

REASONS FOR AND BENEFITS OF THE CONSTRUCTION CONTRACT

As the number of motor vehicles in mainland China continues to increase, China has become the country with the largest number of motor vehicles in the world, and the pressure of traffic in cities is gradually shifting from dynamic to static. "Parking difficulty" becomes one of the public problems of urban development, which seriously affects the quality of the cities and the living of citizens. Mitigating the "shortcomings" of parking spaces through urban reforms and making use of idle land to build parking facilities has become an important means.

As a leading parking asset management company in the industry, the Group has a complete one-stop and whole-chain parking solution for investment, design, construction and operation. In response to the scarcity and limited utilization of land resources in the central urban areas of first-tier cities and new first-tier cities, the Group takes urban node parking complexes as one

of the important product categories, making full use of public land or urban surrounding land, such as urban roads, squares, parks and green space, and school playgrounds, to develop vertical parking spaces by upward building and downward digging so as to improve the efficiency and value in the use of land, thereby supplementing the parking gap. Simultaneously, the Group will actively take advantage of the compound utilization of the parking complexes, to transform the parking lot from a single parking space to a more diversified new urban space, to create urban nodes and multifunctional flow entrances, and to provide parking services and convenient services to citizens while evolving more income-generating industry modes.

Shoujia Steel is an excellent parking equipment supplier and an engineering construction contractor. It has extensive experience in the construction of multi-storey parking garages. Relying on the natural advantages of Shougang Group in steel production and steel structure processing, Shoujia Steel has brilliant performance in planning, design, cost and safety control. This transaction is a strong alliance between Shouzhong Investment and Shoujia Steel, which aims to build the Project into a benchmark project to provide convenient, comfortable and efficient parking services for the surrounding citizens.

INFORMATION ON THE GROUP AND THE PARTIES

The Group mainly focuses on the management and operations of car parking assets and the management of private funds that are oriented towards urban redevelopment.

Shouzhong Investment, an indirect wholly-owned subsidiary of the Company, is a company established in the PRC with limited liability and is principally engaged in the business of car parking facilities investment and operation in the PRC with a focus on public car parks with high traffic flow such as airports, railway stations and hospitals.

Shoujia Steel, a non-wholly-owned subsidiary of Shougang Group, is a company established in the PRC with limited liability and is principally engaged in general construction contracting, professional contracting, processing steel structure, installing and transforming mechanical parking equipment.

IMPLICATIONS UNDER THE LISTING RULES

As at the date hereof, Shougang Group indirectly holds approximately 36.75% of the issued Shares and is a substantial shareholder of the Company. Shoujia Steel is a non-wholly-owned subsidiary of Shougang Group and is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Therefore, the entering into of the Construction Contract between Shouzhong Investment and Shoujia Steel and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that one or more of the applicable percentage ratios are more than 0.1% but all are less than 5%, the connected transaction is subject to announcement and reporting requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Zhao Tianyang, Mr. Xu Liang and Mr. Liang Hengyi, by virtue of their connection with Shougang Group, have abstained from voting on the Board resolutions proposed to approve the Construction Contract and the transactions contemplated thereunder. Save as disclosed,

none of the Directors has any material interest in the Construction Contract and the transactions contemplated thereunder.

The Directors (including the independent non-executive Directors but excluding the Directors who have abstained from voting on the relevant Board resolutions) consider that the terms of the Construction Contract are fair and reasonable and that the entering into of the Construction Contract is on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors;
“CETC”	中國電子科技集團公司第十五研究所 (The 15 th Research Institute of China Electronics Technology Group Corporation*) in Haidian District, Beijing, the PRC;
“Company”	Shoucheng Holdings Limited (stock code: 697), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Construction Contract”	the contract dated 4 August 2020 entered into between Shouzhong Investment and Shoujia Steel in respect of the contracting of construction works for the Project;
“Director(s)”	the director(s) of the Company;
“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, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Project”	the construction of a new multi-storey parking garage project of the CETC;
“Project Tender”	the public tender for a construction contractor of the

	Project conducted by a tendering agent named 中化商務有限公司 (Sinochem Business Co., Ltd.*), a limited liability company established in the PRC and an independent third party of the Company and its connected persons;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of the Company;
“Shougang Group”	首鋼集團有限公司 (Shougang Group Co., Ltd.*), a state-owned enterprise established in the PRC and a substantial shareholder of the Company;
“Shoujia Steel”	北京首嘉鋼結構有限公司 (Beijing Shoujia Steel Structure Co., Ltd.*), a limited liability company established in the PRC and an indirect non-wholly-owned subsidiary of Shougang Group;
“Shouzhong Investment”	首中投資管理有限公司 (Shouzhong Investment Management Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 4 August 2020

As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman), Mr. Xu Liang, Mr. Li Wei (President), Mr. Liang Hengyi (Managing Director) and Ms. Zhang Meng as Executive Directors; Dr. Li Yin-hui, Mr. Liu Jingwei, Mr. Ho Gilbert Chi Hang and Mr. Li Hao as Non-executive Directors; Dr. Wang Xin, Mr. Choi Fan Keung Vic, Mr. Deng Yougao, Ms. Zhang Quanling and Dr. Qiao Yongyuan as Independent Non-executive Directors.

** For identification purposes only*