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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)

**CONNECTED TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE**

PROVISION OF FINANCIAL ASSISTANCE

On 30 December 2020, Jingji Capital, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement as lender with Jingxinda as borrower, pursuant to which Jingji Capital has agreed to provide a credit loan in the principal amount of RMB18,900,000 to Jingxinda in accordance with the terms of the Loan Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As at the date hereof, each of Shougang Group and Shougang Fund, a wholly-owned subsidiary of the Shougang Group, indirectly holds approximately 35.95% and 12.97% of the issued Shares respectively and hence, is a connected person of the Company. Jingxinda is an associate of Shougang Fund and hence, is a connected person of the Company. Therefore, the provision of the Loan constitutes a connected transaction for 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 entering into of the Loan Agreement is subject to announcement and reporting requirements but is exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

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PRINCIPAL TERMS OF THE LOAN AGREEMENT

Date 30 December 2020

Parties	(1) Jingji Capital, as lender; and (2) Jingxinda, as borrower.
Principal amount of the Loan	RMB18,900,000.
Interest rate	6.88% per annum.
Drawdown of the Loan	Jingji Capital shall pay the full sum of RMB18,900,000 to the designated bank account of Jingxinda within five business days after the date of the Loan Agreement.
Term of the Loan	Up to four months from the date of depositing the Loan into the designated bank account of Jingxinda by Jingji Capital (the “ Drawdown Date ”) and may be shortened or extended by mutual agreement, provided that the term shall not exceed eight months from the Drawdown Date.
Repayment	The principal amount of the Loan and its accrued interest shall be repaid in one lump sum in full before the maturity date of the Loan.
Purpose	Jingxinda shall use the Loan for the payment of its projects’ construction expenditures and its daily operating expenses, failing which, Jingji Capital shall have the right to declare that the Loan be immediately due.
Liability for breach of Loan Agreement	If Jingji Capital fails to provide the Loan or Jingxinda fails to repay the principal amount of the Loan together with accrued interests thereon in accordance with the Loan Agreement, it shall constitute a breach of the Loan Agreement. In such event, the defaulting party shall pay the other party a daily penalty fee of 0.1% of the unpaid or outstanding amount under the Loan Agreement.

The terms of the Loan Agreement (including but not limited to the interest rate) were arrived at after arm’s length negotiations between Jingji Capital and Jingxinda with reference to the interest rate of the Group’s previous loan agreement as announced on 23 June 2020.

The Group will finance the Loan under the Loan Agreement with its internal resources.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

As the fund manager of Shoujing Xiangying, Jingji Capital has been promoting partial transfer of equity interests in Shoujing Xiangying held by its equity holders to introduce new strategic investors, who are experienced in operation and equipped with strong industrial resources, for the purposes of optimizing the investment structure of Shoujing Xiangying and further improving the development quality of the target lands it invested in.

To this end, Jingji Capital has been in negotiation with a number of potential investors. To ensure the assessment results and relevant transaction prices are objective and fair, Shoujing Xiangying shall not accept any capital injection from any other investors during the transitional period before the conclusion of the said transaction with the potential acquirer. Therefore, in order to meet the ordinary working capital requirement of Jingxinda, the wholly-owned project company of Shoujing Xiangying, during the corresponding period, it was decided that Jingji Capital shall provide a loan of RMB18,900,000 to Jingxinda in accordance with normal business terms and interest rate after arm's length negotiations between Jingji Capital and Jingxinda.

As the fund manager of Shoujing Xiangying, Jingji Capital is obliged to ensure the normal operation of Shoujing Xiangying, and also to proactively promote the optimization of Shoujing Xiangying's capital contribution structures. If Shoujing Xiangying succeeds in the introduction of this strategic investor, it will symbolize that the continuous improvements of the Group's capabilities in fundraising and operating management in the urban renewal sector are gaining attention from and are being recognized by more market-oriented social investors. It will surely lay a solid foundation for the Company to continue to implement its vision of "committed to becoming an outstanding representative of the city's comprehensive service sector among Hong Kong listed companies".

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.

Jingji Capital, a limited liability company established in the PRC, is principally engaged in provision of private fund management services in the PRC and is an indirect wholly-owned subsidiary of the Company.

Jingxinda, a wholly-owned subsidiary of Shoujing Xiangying, is a project company established in the PRC with limited liability and is principally engaged in the development, construction and subsequent operation management of a specific plot of land in the southeast area of 新首鋼高端產業綜合服務區 (New Shougang High-end Industry Comprehensive Service Park*, "New Shougang Park").

Shoujing Xiangying is a joint venture fund company established in the PRC with limited liability which is managed by Jingji Capital and held as to 70%, 28% and 2% by Transformation Fund Company, Yatai Senbo and Huakang respectively. It is principally engaged in the development, construction and subsequent operation management of a specific plot of land in the southeast area of New Shougang Park through its project company, Jingxinda.

Transformation Fund Company is a limited liability company established in the PRC which is owned as to 1.23%, 37.04% and 61.73% by Jingji Capital, Shougang Group and Shougang Fund respectively. It is principally engaged in investing in companies with high-quality real estate projects, promoting park development, construction and operation management through fund integration of industrial resources and park investment operation, and providing diversified value-added services. Jingji Capital is the fund manager of the Transformation Fund Company.

Yatai Senbo is a company established in the PRC with limited liability and is principally engaged in pulp and paper production business. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, Yatai Senbo is owned as to 90% by Asia Symbol Rizhao Pte. Ltd. (“**Asia Symbol**”), 9.3208% by 蘇州艾森紙業有限公司 (Suzhou Ascend Pulp & Paper Co., Ltd.*, “**Suzhou Ascend**”) and 0.6792% by 日照市水務輕工有限公司 (First Light Industry Company of Rizhao City*, “**First Light Industry**”). Asia Symbol is a limited liability company incorporated in Singapore principally engaged in investment holding and the ultimate beneficial owner of which is Asia Pacific Resources International Limited (“**Asia Pacific Resources**”), a company incorporated in Bermuda and principally engaged in operations of pulp and paper mill and plantations and investment in infrastructure of roads, ports and airport. Suzhou Ascend is a company established in the PRC with limited liability and the ultimate beneficial owners of which are Wang Jianmin, Yang Kaijian and Asia Pacific Resources. First Light Industry is wholly-owned by 日照市水務集團有限公司 (Rizhao Water Group*), which is a state-owned holding company with limited liability established in the PRC principally engaged in investment, construction and operation of the development and utilization of water resources in the urban planning area where it is located.

Huakang is a company established in the PRC with limited liability and is principally engaged in business management, hotel management, leasing of commercial buildings, motor vehicle public parking services, economic and trade consulting and property management, etc. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, Huakang is a wholly-owned subsidiary of 198Capital Holdings Pte. Ltd., which is a limited liability company incorporated in Singapore principally engaged in investment holding and the ultimate beneficial owner of which is Pacific Eagle Global Real Estate Fund Ltd, a company incorporated in the Cayman Islands.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, each of Huakang, Yatai Senbo and their ultimate beneficial owners are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

As at the date hereof, each of Shougang Group and Shougang Fund, a wholly-owned subsidiary of the Shougang Group, indirectly holds approximately 35.95% and 12.97% of the issued Shares respectively and hence, is a connected person of the Company. Jingxinda is an associate of Shougang Fund and hence, is a connected person of the Company. Therefore, the provision of the Loan constitutes a connected transaction for 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 entering into of the Loan Agreement 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 Loan Agreement and the transactions contemplated thereunder. Save as disclosed, none of the Directors has any material interest in the Loan Agreement 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 provision

of the Loan, although not in the ordinary and usual course of business of the Group, is on normal commercial terms and the terms of the Loan Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the 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;
“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;
“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;
“Huakang”	北京一九八華康商業管理有限公司 (Beijing 198 Huakang Commercial Management Co., Ltd.*);
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company;
“Jingji Capital”	京冀天成(北京)基金管理有限公司 (Jingji Tiancheng (Beijing) Fund Management Co., Ltd.*);
“Jingxinda”	北京璟鑫達房地產開發有限公司 (Beijing Jingxinda Real Estate Development Co., Ltd.*);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the credit loan to be provided by Jingji Capital to Jingxinda in the principal amount of RMB18,900,000 pursuant to the terms of the Loan Agreement;
“Loan Agreement”	the loan agreement dated 30 December 2020 entered into between Jingji Capital (as lender) and Jingxinda (as borrower) in relation to the provision of the Loan;

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Shougang Fund”	北京首鋼基金有限公司 (Beijing Shougang Fund Co., Ltd.*), a limited liability company established in the PRC and a wholly-owned subsidiary of Shougang Group, and a substantial shareholder 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;
“Shoujing Xiangying”	首璟祥鷹企業管理有限公司 (Shoujing Xiangying Enterprise Management Co., Ltd.*);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Transformation Fund Company”	北京首鋼產業轉型基金有限公司 (Beijing Shougang Industry Transformation Fund Co., Ltd.*);
“Yatai Senbo”	亞太森博(山東)漿紙有限公司(Asia Symbol (Shandong) Pulp and Paper Co., Ltd.*); and
“%”	per cent.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 30 December 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 Yinhui, 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*