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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)

**SUPPLEMENTAL ANNOUNCEMENT
VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
IN RELATION TO
THE REVISED PROPOSED RESTRUCTURING**

AMENDED AND RESTATED SALE AND PURCHASE AGREEMENT

Reference is made to the Announcement dated 15 January 2021 in relation to, among other things, the entering into of the Sale and Purchase Agreement between the Vendor and King Rich in respect of the Proposed Restructuring. Capitalized terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The Board wishes to announce that the Vendor and King Rich entered into a supplemental agreement on 18 February 2021 to amend and restate the Sale and Purchase Agreement. Key amendments in the Amended and Restated Sale and Purchase Agreement include:

- the Sale Shares is amended to mean (instead of the entire issued share capital of each of the Subject Companies) one (1) ordinary share in the issued share capital of Excel Bond, representing the entire issued share capital of Excel Bond. As at Completion, Excel Bond will indirectly hold 600,000,000 Shougang Resources Shares, representing approximately 11.88% of all issued shares of Shougang Resources;
- the consideration for the Revised Sale Share is HK\$1,440,000,000, which reflects an indirect transfer of 600,000,000 Shougang Resources Shares at a consideration of HK\$2.40 per Shougang Resources Share, being the same price per Shougang Resources Share as disclosed in the Announcement; and
- Conditions (iii) and (iv) as set out in the section headed "Conditions" in the Announcement are removed and a new Condition, being the transfer of 50,954,000 Shougang Resources Shares (representing approximately 1.01% of all issued shares of

Shougang Resources) from Ultimate Capital to Fair Gain (with each of Ultimate Capital and Fair Gain being a wholly-owned subsidiary of the Vendor) having been completed and which is non-waivable, is added.

As Excel Bond will cease to be a subsidiary of the Company following Completion, the Company will only have indirect aggregate interest in approximately 17.10% of all issued shares of Shougang Resources upon completion of its disposal of the Revised Sale Share pursuant to the terms and conditions of the Amended and Restated Sale and Purchase Agreement.

IMPLICATIONS UNDER THE TAKEOVERS CODE

As at the date of this announcement, Shougang Holding and King Rich have received a confirmation from the Executive that no obligation will arise on the parts of Shougang Holding and King Rich under Rule 26.1 of the Takeovers Code to make a mandatory offer for the Shougang Resources Shares as a result of the Revised Proposed Restructuring.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the Amended and Restated Sale and Purchase Agreement and the transactions contemplated thereunder exceeds 75%, the Revised Proposed Restructuring remains as a very substantial disposal of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Revised Proposed Restructuring therefore remains subject to reporting, announcement and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules and the resolution(s) approving the Amended and Restated Sale and Purchase Agreement and the Revised Proposed Restructuring contemplated thereunder will be voted on by the Independent Shareholders by poll at the GM.

GENERAL

As disclosed in the Announcement, the GM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Amended and Restated Sale and Purchase Agreement and the transactions contemplated thereunder. A circular is expected to be despatched to the Shareholders on or before 26 April 2021.

As completion of the Revised Proposed Restructuring is subject to the satisfaction of the Conditions, the Revised Proposed Restructuring may or may not materialize. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is supplemental to and should be read in conjunction with the Announcement. Save as specified herein, the above supplemental information does not affect other information and contents set out in the Announcement.

INTRODUCTION

Reference is made to the announcement of Shoucheng Holdings Limited (the "**Company**") dated 15 January 2021 (the "**Announcement**") in relation to, among other things, the entering into of the Sale and Purchase Agreement between the Vendor and King Rich in respect of the Proposed Restructuring. Capitalized terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

AMENDED AND RESTATED SALE AND PURCHASE AGREEMENT

The Board wishes to announce that the Vendor and King Rich entered into a supplemental agreement on 18 February 2021 to amend and restate the Sale and Purchase Agreement (the "**Amended and Restated Sale and Purchase Agreement**").

A table setting out the key amendments in the Amended and Restated Sale and Purchase Agreement (together with a comparison against the original terms in the Sale and Purchase Agreement) is set forth below:

Subject Matter	Original terms in the Sale and Purchase Agreement as disclosed in the Announcement	Key amendments in the Amended and Restated Sale and Purchase Agreement
<i>Sale Shares</i>	<ul style="list-style-type: none"> the Sale Shares were referred to as, collectively, the one (1) ordinary share in the issued share capital of Excel Bond; the one (1) ordinary share in the issued share capital of Fine Power; and the one (1) ordinary share in the issued share capital of Fair Gain, representing the entire issued share capital of each of Excel Bond, Fine Power and Fair Gain, which in aggregate held approximately 28.98% of all issued shares of Shougang Resources; 	<ul style="list-style-type: none"> the Sale Shares is amended to mean (instead of the entire issued share capital of each of the Subject Companies) one (1) ordinary share in the issued share capital of Excel Bond (the "Revised Sale Share"), representing the entire issued share capital of Excel Bond. As at Completion, Excel Bond will indirectly hold 600,000,000 Shougang Resources Shares, representing approximately 11.88% of all issued shares of Shougang Resources;
<i>Consideration</i>	<ul style="list-style-type: none"> the consideration for the Sale Shares was HK\$3,513,509,976, which reflected an indirect transfer of 1,463,962,490 Shougang Resources Shares at a consideration of HK\$2.40 per Shougang Resources Share; and 	<ul style="list-style-type: none"> the consideration for the Revised Sale Share is HK\$1,440,000,000, which reflects an indirect transfer of 600,000,000 Shougang Resources Shares at a consideration of HK\$2.40 per Shougang Resources Share, being the same price per

		Shougang Resources Share as disclosed in the Announcement; and
<i>Conditions</i>	<ul style="list-style-type: none"> • Completion of the Proposed Restructuring was subject to and conditional upon the fulfillment (or waiver thereof, if applicable) of, among others, the following Conditions: <ul style="list-style-type: none"> (iii) a waiver from the Purchaser's and/or Shougang Holding's obligation to make a mandatory general offer for Shougang Resources Shares not already owned or agreed to be acquired by King Rich and its parties acting in concert (as defined in the Takeovers Code) under Rule 26.1 of the Takeovers Code as a result of the transactions contemplated under the Sale and Purchase Agreement having been obtained; (iv) where necessary, a ruling from the Executive that the Proposed Restructuring does not constitute a special deal referred to under Rule 25 of the Takeovers Code or a consent from the Executive (in the event that the Proposed Restructuring is considered as a special deal) having been obtained or Rule 25 of the Takeovers Code ceases to apply to the transaction contemplated under the Sale and Purchase Agreement. 	<ul style="list-style-type: none"> • Conditions (iii) and (iv) as set out in the section headed "Conditions" in the Announcement are removed and a new Condition, being the transfer of 50,954,000 Shougang Resources Shares (representing approximately 1.01% of all issued shares of Shougang Resources) from Ultimate Capital Limited ("Ultimate Capital") to Fair Gain (with each of Ultimate Capital and Fair Gain being a wholly-owned subsidiary of the Vendor) (the "Internal Transfer") having been completed and which is non-waivable, is added.

As a result of the abovementioned amendments, the following disclosure in the Announcement is hereby updated and supplemented.

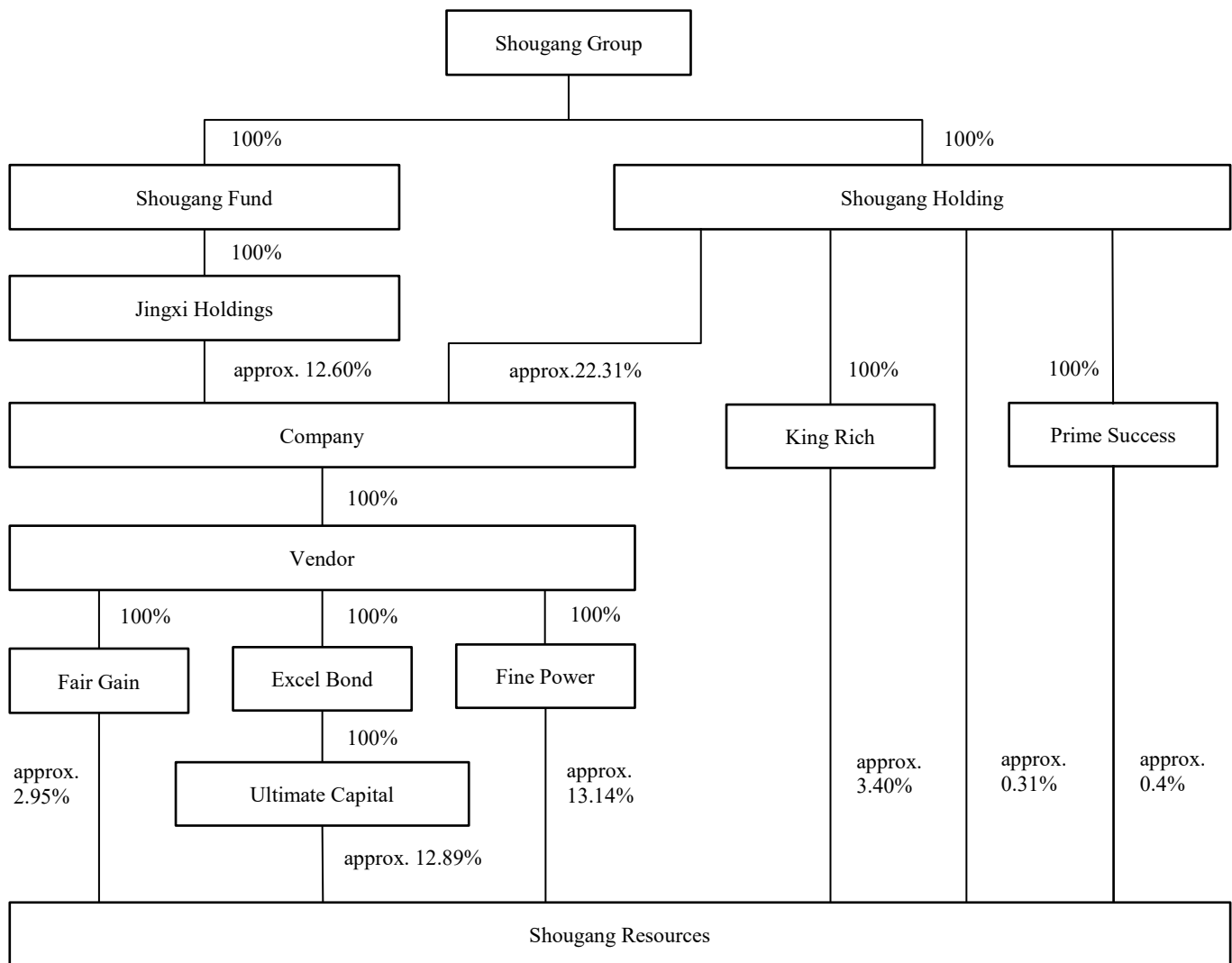
SHAREHOLDING STRUCTURES BEFORE AND AFTER COMPLETION OF THE REVISED PROPOSED RESTRUCTURING

As at the date of this announcement, the Company indirectly holds approximately 28.98% in aggregate of all issued shares of Shougang Resources, out of which 12.89% of all issued shares of Shougang Resources is held by Excel Bond indirectly. Upon completion of the Internal Transfer, Excel Bond will indirectly hold approximately 11.88% of all issued shares of Shougang Resources.

As Excel Bond will cease to be a subsidiary of the Company following Completion, the Company will only have indirect aggregate interest in approximately 17.10% of all issued shares of Shougang Resources upon completion of its disposal of the Revised Sale Share pursuant to the terms and conditions of the Amended and Restated Sale and Purchase Agreement (the “**Revised Proposed Restructuring**”).

The simplified shareholding structures of the Company, Excel Bond and Shougang Resources (i) as at the date of this announcement; (ii) immediately after completion of the Internal Transfer and before completion of the Revised Proposed Restructuring; and (iii) immediately after completion of the Revised Proposed Restructuring are set out below:

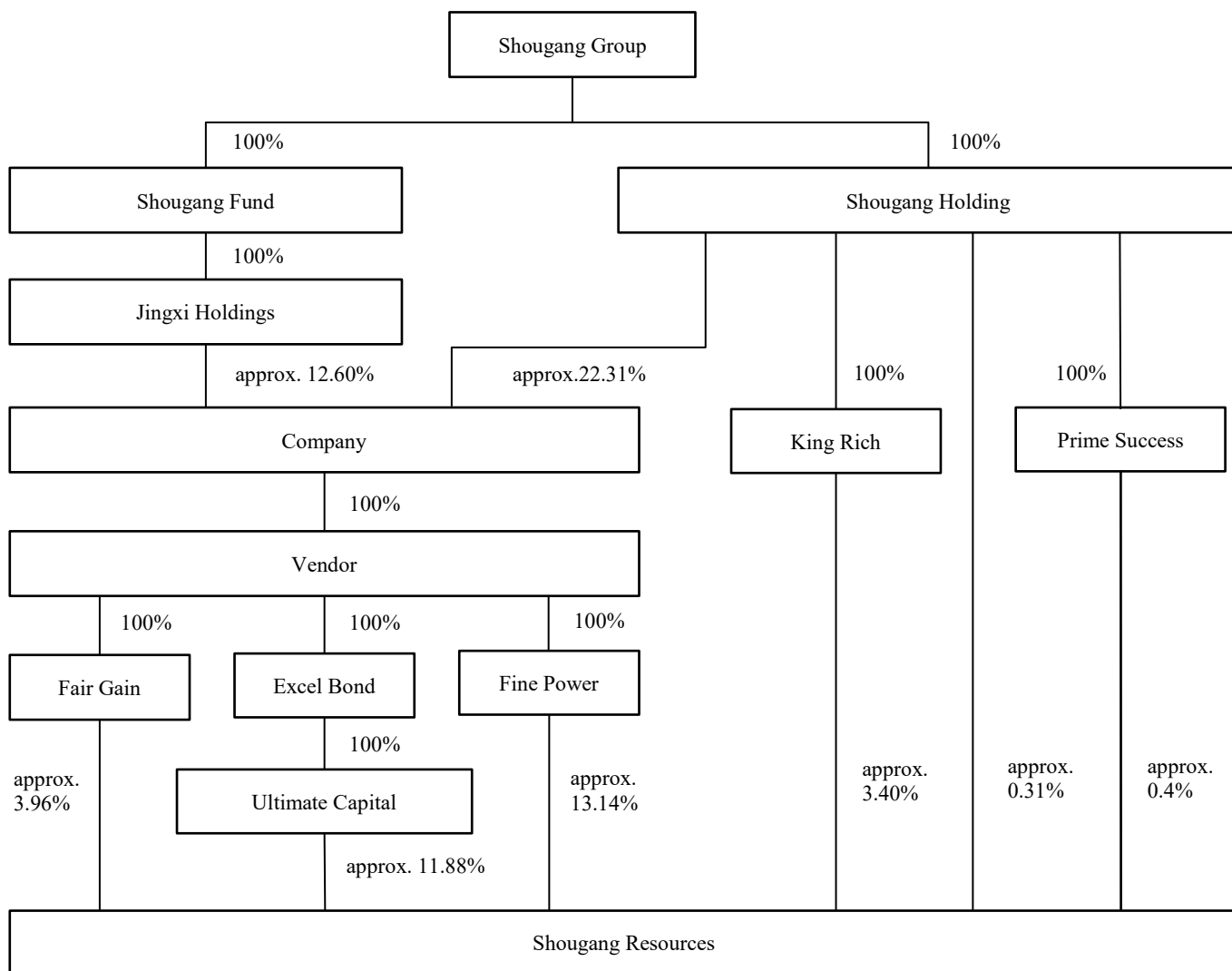
(i) As at the date of this announcement and prior to completion of the Internal Transfer



Note:

As at the date of this announcement, the Company is held as to 34.91% by Shougang Group through its associated companies, of which 22.31% shareholdings in the Company is directly and indirectly held by Shougang Holding through a number of its subsidiaries.

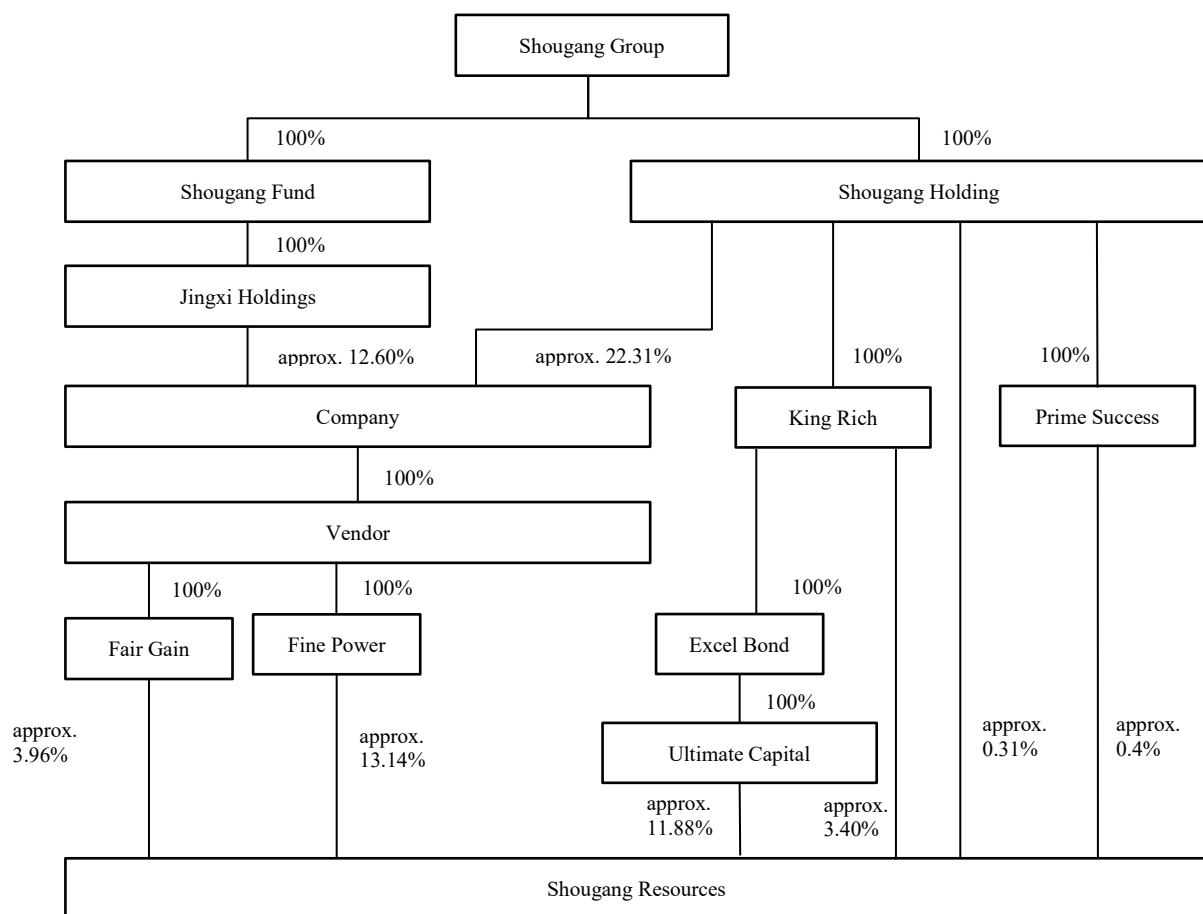
(ii) Immediately after completion of the Internal Transfer and before completion of the Revised Proposed Restructuring



Note:

As at the date of this announcement, the Company is held as to 34.91% by Shougang Group through its associated companies, of which 22.31% shareholdings in the Company is directly and indirectly held by Shougang Holding through a number of its subsidiaries.

(iii) Immediately after completion of the Revised Proposed Restructuring



Note:

As at the date of this announcement, the Company is held as to 34.91% by Shougang Group through its associated companies, of which 22.31% shareholdings in the Company is directly and indirectly held by Shougang Holding through a number of its subsidiaries.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE AMENDED AND RESTATED SALE AND PURCHASE AGREEMENT

As disclosed in the Announcement, King Rich and Shougang Holding have applied to the Executive for a waiver to dispense with the obligation to make a mandatory general offer for Shougang Resources Shares not already owned or agreed to be acquired by them pursuant to Rule 26.1 of the Takeovers Code in respect of the proposed indirect transfer of approximately 28.98% of all issued shares of Shougang Resources ("**Waiver**"). Subsequent to the publication of the Announcement, the Company has been informed that King Rich and Shougang Holding did not successfully obtain a Waiver from the Executive. In other words, Condition (iii) as set out in the section headed "Conditions" in the Announcement will not be fulfilled prior to the Long Stop Date.

As set out in the section headed "*Reasons for and Benefits of the Proposed Restructuring*" in

the Announcement, the Company maintains a firm vision in implementing its transformation strategies, and has full confidence in the prospects of its current principal businesses. On the one hand, the Company will continue to direct its efforts to develop the Group's management and operations of car parking assets business as well as the urban renewal business, on the other hand, the Company will carefully consider and progress with the divestiture of its traditional businesses and assets.

On this basis, the Company considers that the disposal of part, even not all, of its indirect equity interests in Shougang Resources could further realize the implementation of its strategic transformation and shift of focus to the development of current principal businesses. With the current structure of the Revised Proposed Restructuring, the Company believes that the aforesaid goals can be realized while at the same time serving the purpose to replenish the financial resources of the Group, such that it can sustain its fast-growing businesses and necessary funding needs under an optimized asset structure, thereby maximizing returns to the Shareholders.

USE OF PROCEEDS AND FINANCIAL EFFECT OF THE REVISED PROPOSED RESTRUCTURING

It is expected that the Company will receive net cash proceeds of approximately HK\$1,438.00 million from the Revised Proposed Restructuring ("**Revised Net Proceeds**"). The Revised Net Proceeds from the Revised Proposed Restructuring shall continue to be applied as intended and as disclosed in the Announcement, and the Company considers that such allocation basis (presented in percentages in proportion to the total expected net cash proceeds) for the Revised Net Proceeds remains fair and reasonable for the following reasons:

- (1) the Company's plan to continue to further develop its existing principal businesses and seize suitable strategic investment opportunities remains the same;
- (2) as such, the Company's demand for working capital (which will increase alongside the expansion to its principal businesses) remains the same; and
- (3) while the expected net cash proceeds arising from the Revised Proposed Restructuring is reduced, the Company will endeavor to improve efficiency and maximize utilization of the cash proceeds, and where appropriate, consider other financing means.

Upon completion of the Revised Proposed Restructuring, the Company's interest in the Revised Sale Share will no longer be accounted for under the non-current assets of the Group's financial statement. On this basis, having considered the consideration under the Amended and Restated Sale and Purchase Agreement in the amount of HK\$1,440.00 million, it is estimated that the Company will realize an unaudited loss on the disposal of the Revised Sale Share of approximately HK\$655.74 million (before the reclassification of exchange reserve), which will be debited to the profit and loss, being the difference of the cash proceeds from the disposal of the Revised Sale Share of approximately HK\$1,440.00 million and the unaudited carrying value of the Revised Sale Share as at 31 December 2020. The actual loss on the Revised Proposed Restructuring, which will be calculated based on assessment as of the date of the Completion, may be different and is subject to determination.

IMPLICATIONS UNDER THE TAKEOVERS CODE

As at the date of this announcement, Shougang Holding and King Rich have received a confirmation from the Executive that no obligation will arise on the parts of Shougang Holding and King Rich under Rule 26.1 of the Takeovers Code to make a mandatory offer for the Shougang Resources Shares as a result of the Revised Proposed Restructuring.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the Amended and Restated Sale and Purchase Agreement and the transactions contemplated thereunder exceeds 75%, the Revised Proposed Restructuring remains as a very substantial disposal of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Revised Proposed Restructuring therefore remains subject to reporting, announcement and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules and the resolution(s) approving the Amended and Restated Sale and Purchase Agreement and the Revised Proposed Restructuring contemplated thereunder will be voted on by the Independent Shareholders by poll at the GM.

As disclosed in the Announcement, the Independent Board Committee has been formed, and the Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Revised Proposed Restructuring.

GENERAL

As disclosed in the Announcement, the GM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Amended and Restated Sale and Purchase Agreement and the transactions contemplated thereunder.

Shougang Group, King Rich and their respective associates, which together own and control approximately 34.91% of the issued Shares as at the date of this announcement, will be required to abstain from voting on the resolution to approve the Amended and Restated Sale and Purchase Agreement and the Revised Proposed Restructuring contemplated thereunder.

A circular is expected to be despatched to the Shareholders on or before 26 April 2021.

As completion of the Revised Proposed Restructuring is subject to the satisfaction of the Conditions, the Revised Proposed Restructuring may or may not materialize. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is supplemental to and should be read in conjunction with the Announcement. Save as specified herein, the above supplemental information does not affect other information and contents set out in the Announcement.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 18 February 2021

As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman), Mr. Xu Liang, Mr. Li Wei (President), Mr. Liang Hengyi 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.