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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)

PROFIT WARNING

This announcement is made by Shoucheng Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) informs the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the most recent unaudited consolidated management accounts of the Group, the Group is expected to record a loss attributable to owners of the Company of not more than approximately HK\$1.5 billion for the six months ended 30 June 2021 (the “**2021 Interim Period**”) whereas a profit attributable to owners of the Company of approximately HK\$0.441 billion was recorded for the six months ended 30 June 2020. The expected loss attributable to owners of the Company is mainly due to the proposed impairment assessment of the Company’s holding of shares in Shougang Fushan Resources Group Limited (“**Shougang Resources**”) (“**Shougang Resources Shares**”) (amongst which include the approximately 11.88% of the Shougang Resources Shares to be disposed of subject to completion (the “**Disposal Shares**”) and the remaining approximately 17.10% of the Shougang Resources Shares (the “**Remaining Shares**”) as at the date of this announcement having taken into account the recent market performance of Shougang Resources and the Company’s future plans. The total amount of impairment provision is expected to be approximately HK\$1.9 billion as at 2021 Interim Period, of which approximately HK\$0.8 billion represents the impairment for the Disposal Shares and approximately HK\$1.1 billion represents the impairment for the Remaining Shares. As the Company’s assessment remains in progress, the specific provision amount remains to be finalized. In this connection, the Board emphasizes that the impairment provision represents an accounting related adjustment and is a non-operating item and therefore shall not have any impact on the cash flows of the Group. In summary, the Group continues to maintain a healthy and stable net cash balance on an ongoing basis.

In 2021, the Group’s two principal businesses, parking and infrastructure and real estate fund management, continue to maintain a positive development trajectory. The Group has made steady and orderly progress in business expansion and the revenue scale has been maintained at a state of rapid growth, with an increase of more than 100% compared to the same period last year. Substantial progress in infrastructure REITs sector has also created ample room for the

development of the Group's principal businesses. The disposal of the Disposal Shares (the "**Disposal**") represents a key element of the strategic restructuring of the Group's principal businesses since 2018 in order to realize the Group's overall focus on the new principal businesses. Although the Disposal will have a negative impact on the Group's performance in 2021, such negative impact represents only book loss. The cash proceeds receivable from the Disposal shall also serve to optimize the Group's asset structure and promote further expansion and development of the principal businesses, which is in line with the long-term interests of the Company and the Shareholders.

The Company is still in the process of finalizing the interim results of the Group for the 2021 Interim Period. Information contained in this announcement is prepared based on the Board's preliminary assessment of the interim unaudited consolidated management accounts of the Group, and such information has not been reviewed by the Company's auditor or audit committee of the Company and remains subject to finalization and adjustments, if any. As such, the actual interim results of the Group for the 2021 Interim Period may differ from the information disclosed in this announcement. Further announcement will be made by the Company if there is any significant change in the expected financial results of the Group as disclosed in this announcement.

Shareholders and potential investors are advised to read carefully the interim results announcement of the Company, which is expected to be published by the Company on 30 August 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 6 August 2021

As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman), Mr. Xu Liang, Mr. Li Wei (President) and Ms. Zhang Meng as Executive Directors; Mr. Liu Jingwei, Mr. Ho Gilbert Chi Hang, Mr. Li Hao and Dr. Zhao Xianming 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.