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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)

PROPOSED ADOPTION OF SHARE INCENTIVE PLAN

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Reference is made to the voluntary announcement of the Company dated 29 July 2021 in relation to the proposed adoption of the Plan.

The Board is pleased to announce that the Company has received approval of the Plan from Beijing SASAC and the Board has resolved to propose the adoption of the Plan for approval by the Shareholders at the GM pursuant to the requirement under Notice of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance of the People's Republic of China on Issuing the Trial Measures for Implementing the Equity Incentive System by the State-Controlled Listed Companies (Overseas) (Guo Zi Fa Fen Pei [2006] No. 8) and other applicable laws and regulations. The Plan does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary plan of the Company.

A summary of the principal terms of the Plan is set out below. Further details of the terms of the Plan will be set out in a circular to be despatched to the Shareholders in due course.

Purposes

The purposes of the Plan are to align the interests of employees, Company and the Shareholders for the Company's long-term development, to attract, motivate and retain talents, to establish and improve the long-term incentive mechanism of the Company, with a view to achieving the objectives of further enhancing Shareholders' value.

Eligible Participants

The Selected Employees under the Plan are limited to Directors and senior management of the Company, core management, technical and business personnel of the Company and its branches and subsidiaries, but excluding non-executive Directors or other personnel subject to restrictions of applicable regulations.

Duration

Subject to any early termination in accordance with the Plan, the Plan shall be valid and effective for a term of six (6) years from the date on which the Board resolved to make the Initial Grant of Awards under the Plan (“**Effective Period**”).

Plan Limit

The total number of Shares which may be awarded upon the exercise of Awards granted under the Plan shall be no more than 173,139,000 Shares, representing approximately 2.37% of the total number of issued Shares as at the date of this announcement (“**Plan Limit**”).

The maximum number of Shares awarded and to be awarded upon the exercise of Awards (including exercised or unexercised) granted to any individual Selected Employee under the Plan shall be no more than 1% of the total number of issued Shares.

Management

Subject to Shareholders’ approval at the GM to consider the Plan, the Board shall be the executive management body of the Plan, and the Remuneration Committee shall be responsible for the drafting, amendment and implementation of the Plan, and to act on the relevant matters of the Plan subject to the approval of the Shareholders.

Source of Shares

Pursuant to the Plan, Shares shall be acquired in the secondary market by the trustee of a trust established by the Company utilizing the Company’s internal resources provided to the trustee to satisfy the transfer of Shares to the Selected Employee(s) upon the exercise of Awards granted under the Plan.

The trustee shall hold such Shares on trust pursuant to the trust deed to be entered or entered into with the Company until the Shares are vested in the Selected Employees in accordance with the Plan. The trustee shall not exercise any voting rights in respect of any Shares held under the trust (including but not limited to the Shares in respect of an Award, any bonus Shares and scrip Shares derived therefrom).

For the avoidance of doubt, the operation of the Plan does not involve the issue of new Shares by the Company.

Grant of Award

Each Grant Date shall be determined by the Board after the Plan has been approved by the Beijing SASAC and the Shareholders at the GM, and must be a Trading Day.

No grant of any Award shall be made to any Selected Employee in any circumstances which are prohibited under the Listing Rules.

Initial Grant

Awards to purchase up to 138,511,200 Shares (representing approximately 1.90% of the total number of issued Shares as at the date of this announcement) shall be granted to not more than 50 Selected Employees on the first Grant Date (the “**Initial Grant**”).

Subject to the final determination of the Board and compliance with the Listing Rules and all applicable laws and regulations, the preliminary allocation of the Awards in respect of the Initial Grant under the Plan are as follows:

Selected Employees	Number of Shares underlying the Awards granted	Percentage to the Plan Limit	Percentage to the total number of issued Shares as at the date of this announcement
Connected Selected Employees:			
Mr. Zhao Tianyang (<i>executive Director and Chairman of the Board</i>)	7,000,000	4.04%	0.10%
Mr. Xu Liang (<i>executive Director</i>)	5,000,000	2.89%	0.07%
Mr. Li Wei (<i>executive Director and President of the Board</i>)	9,000,000	5.20%	0.12%
Ms. Zhang Meng (<i>executive Director</i>)	7,000,000	4.04%	0.10%
Other Selected Employees:			
Not more than 46 Selected Employees	110,511,200	63.83%	1.52%
Total	138,511,200	80%	1.90%

Note: all percentages in the above table are approximations.

As at the date of this announcement, the identity of other Selected Employees, the number and terms of their respective Award under the Initial Grant, and the Grant Date of the Initial Grant have yet to be finalized. The Company will comply with applicable requirement of the Listing Rules for the grant of Awards and make further announcement (where applicable) pursuant to such requirement under the

Listing Rules in connection with the grant of Award under the Plan.

The proposed grant of Award to each of the Connected Selected Employees under the Initial Grant has been approved by the Remuneration Committee and the Board (including but not limited to the independent non-executive Directors), save that none of Mr. Zhao Tianyang, Mr. Xu Liang, Mr. Li Wei and Ms. Zhang Meng was involved in deciding the grant of the Award to himself/herself.

Reserved Grant

Awards to purchase up to 34,627,800 Shares (representing approximately 0.47% of the total number of issued Shares as at the date of this announcement) may be granted to not more than 20 Selected Employees in respect of the Reserved Grant.

Vesting of the Shares

The Share Options under an Award shall only be exercised on a Trading Day (unless prohibited by the relevant Listing Rules) after twenty-four (24) months from the relevant Grant Date.

In respect of each grant, upon satisfaction of the exercise conditions as provided under the Plan, the Share Options under an Award shall become exercisable in three exercise periods in the proportion of 33%, 33% and 34% respectively.

Once the Share Options are exercised, the relevant Shares underlying the Award will be transferred by the trustee to the Selected Employees upon verification by the Remuneration Committee.

Grant and Exercise Conditions

The grant and exercise of any Award by a grantee shall be subject to the satisfaction of the exercise conditions as specified in the Plan, including, among others, the Company's performance and the individual grantee's performance of each year during the grant and exercise periods.

For the purposes of the Initial Grant, in order to achieve the performance indicators for exercise of the Share Options, the Company shall, among others, after excluding the financial impact of Shougang Fushan Resources Group Limited on the financial statements of the Company, maintain an average annual growth rate of revenue of about 48% and an average annual growth rate of the number of parking spaces being managed of about 45% from the year of devising the grant conditions to the relevant exercise periods; and the research and development expense shall not be less than 3% of the revenue during the exercise periods. The Board will also consider other indicators such as return on equity of the Company when determining the exercise conditions.

Exercise Price

The exercise price of a Share Option under an Award shall not be lower than any nominal value of

the Shares and shall not be lower than the higher of the following:

- (1) the closing price of the Shares on the relevant Grant Date; and
- (2) the average closing price of the Shares on the five (5) Trading Days prior to the relevant Grant Date.

Transfer restrictions

Shares obtained pursuant to the Plan by a Selected Employee who is a Director or senior management of the Company shall be transferrable only in compliance with the Listing Rules, the articles of association of the Company and other applicable laws and regulations.

Not less than 20% of Shares obtained pursuant to the Plan by a Selected Employee who is a Director or senior management of the Company under the term administration mechanism shall be subject to lock up until the passing of the term appraisal of such person.

Lapse of the Awards

Upon the expiration of the Effective Period, Share Options not yet exercised by and/or Shares not yet vested to the Selected Employee shall lapse automatically. All unexercised Share Options shall be cancelled by the Company, and the relevant Shares underlying the Award will be disposed of by the trustee in the secondary market for the benefit of the Company.

In the event that any of the following event occurs to the Company, the Plan shall be terminated immediately and all Awards which have been granted to the Selected Employees under the Plan but not yet exercised shall cease to be exercisable and shall be cancelled by the Company:

- (i) the failure to engage an auditor's firm to conduct an audit in accordance with the regulated procedures and requirements;
- (ii) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the annual financial report or internal control evaluation report of the Company;
- (iii) significant objection raised by state-owned assets supervision and administration authorities, supervisory committee and the audit department with respect to the business performance of the Company or the annual financial report of the Company;
- (iv) occurrence of major violations leading to penalties from securities regulatory agencies and other relevant government departments;
- (v) prohibition from implementation of a share incentive plan by laws and regulations; and
- (vi) any other circumstances as determined by the SFC.

Amendment and Termination

The Plan shall terminate on the earlier of the expiry of the Effective Period or such other date as determined by the Shareholders at a general meeting in accordance with the regulatory requirements of the Stock Exchange and the terms of the Plan.

Any alteration, amendment or waiver to the Plan shall be approved by the Shareholders at a general meeting, provided that no such alteration shall operate to accelerate the vesting or reduce the exercise price.

LISTING RULES IMPLICATIONS

The Plan does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules and is a discretionary Plan of the Company. Accordingly, no Shareholders' approval is required for the adoption or implementation of the Plan pursuant to the Listing Rules.

Each of the Connected Selected Employees is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the grant of Award to each of the Connected Selected Employees constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, no new Shares will be allotted and issued upon exercise and vesting of such Award granted to the Connected Selected Employees. Any Award granted to the Connected Selected Employees will be pursuant to their respective service contract with the Company and which form part of their respective remuneration package under his/her service contract. As such, the grant of Award to each of the Connected Selected Employees is exempt from the reporting, announcement and independent Shareholders' approval requirements pursuant to Rules 14A.73(6) and Rule 14A.95 of the Listing Rules.

APPROVAL FROM BEIJING SASAC AND THE SHAREHOLDERS

Pursuant to the requirement under Notice of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance of the People's Republic of China on Issuing the Trial Measures for Implementing the Equity Incentive System by the State-Controlled Listed Companies (Overseas) (Guo Zi Fa Fen Pei [2006] No. 8) and other applicable laws and regulations, the Company has obtained approval by Beijing SASAC of the Company's implementation of the equity incentive plan, and the Board will convene the GM for the purposes of, among other things, seeking the approval from the Shareholders for the adoption of the Plan.

A circular containing details of the resolution(s), together with the notice of the GM, will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in a timely manner.

As at the date of this announcement, each of Mr. Zhao Tianyang, Mr. Li Wei and Ms. Zhang Meng is interested in approximately 0.0096%, 0.0140% and 0.0036% of the Shares in issue respectively. Given that each of them is a proposed grantee under the Initial Grant, Mr. Zhao Tianyang, Mr. Li Wei

and Ms. Zhang Meng shall abstain from voting at the GM in respect of the resolution(s) to approve the Plan. Since the Company has yet to finalise the identity of other Selected Employees, the number and terms of their respective Award under the Initial Grant as at the date of this announcement, if any of the other Selected Employees under the Initial Grant is a Connected Selected Employee, he/she shall abstain from voting at the GM in respect of the resolution(s) to approve the Plan and the Company will make further announcement (where applicable) pursuant to the applicable requirement under the Listing Rules in connection with the grant of Award under the Plan.

As at the date of this announcement, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the relevant resolution(s) to approve the Plan.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below shall have the following meanings:

“Award(s)”	the award of Share Option(s) granted to a Selected Employee pursuant to the Plan;
“Beijing SASAC”	the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality;
“Board”	the board of Directors of the Company;
“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 Selected Employee”	a Selected Employee who is a connected person of the Company;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Effective Period”	has the meaning ascribed to it under the section headed “Proposed Adoption of the Share Incentive Plan – Duration” of this announcement;
“Employee”	an employee of the Company or any branch or subsidiary of the Company;

“GM”	a general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Plan and the transactions contemplated thereunder;
“Grant Date”	a date on which Award(s) are granted to the Selected Employee(s) pursuant to the Plan;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Initial Grant”	has the meaning ascribed to it under the section headed “Grant of Award – Initial Grant” of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Plan Limit”	has the meaning ascribed to it under the section headed “Proposed Adoption of the Share Incentive Plan – Plan Limit” of this announcement;
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan);
“Remuneration Committee”	the remuneration committee of the Board;
“Reserved Grant”	any proposed grant of the Awards subsequent to the Initial Grant under the Plan;
“Selected Employee(s)”	Employee(s) selected by the Board for participation in the Plan;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Share Incentive Plan” or “Plan”	the share incentive plan of the Company as described in this announcement;
“Share(s)”	ordinary share(s) of the Company;
“Share Option(s)”	the right to purchase Share(s) at the agreed exercise price within the exercise period, subject to fulfillment of the relevant exercise conditions, pursuant to the Plan;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Trading Day” a day on which trading of Shares is conducted on the Stock Exchange; and

“%” per cent.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 12 October 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.