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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
ESTABLISHMENT OF PARTNERSHIP AND
SUBSCRIPTION OF INTEREST IN THE PARTNERSHIP

ESTABLISHMENT OF PARTNERSHIP

The Board is pleased to announce that on 17 December 2021, Shouyuan Xinneng as the General Partner and Executive Partner, and Shouyuan Investment as a Limited Partner, entered into the Partnership Agreement with Shougang Fund, National Manufacturing Transformation Fund, Tianjin Chuangji, Shougang Co. Ltd. and Shouxin Wantai, each as a Limited Partner, for the establishment of the Partnership in the form of limited partnership.

The total capital commitment of the Partnership shall be RMB1.616 billion, of which the aggregate capital commitment of Shouyuan Xinneng and Shouyuan Investment amounts to RMB213.5 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shougang Group is interested in approximately 34.91% of the issued Shares and hence, a substantial Shareholder and a connected person of the Company. Shougang Fund, a wholly-owned subsidiary of Shougang Group, is interested in approximately 12.60% of the issued Shares, and hence a substantial Shareholder and a connected person of the Company. Shougang Co. Ltd. is a non-wholly-owned subsidiary of Shougang Group, and hence an associate of Shougang Group and a connected person of the Company.

As at the date of this announcement, Tianjin Chuangji is a wholly-owned subsidiary of NWS Holdings which is interested in approximately 11.46% of the issued Shares and a substantial Shareholder, and hence Tianjin Chuangji is an associate of NWS Holdings and a connected person of the Company.

Accordingly, the entering into of the Partnership Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under

Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Company's capital commitment under the Partnership Agreement are more than 0.1% but all are less than 5%, the entering into of the Partnership Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 17 December 2021, Shouyuan Xinneng as the General Partner and Executive Partner, and Shouyuan Investment as a Limited Partner, entered into a Partnership Agreement with Shougang Fund, National Manufacturing Transformation Fund, Tianjin Chuangji, Shougang Co. Ltd. and Shouxin Wantai, each as a Limited Partner, for the establishment of the Partnership in the form of limited partnership.

THE PARTNERSHIP AGREEMENT

Purpose and investment scope of the Partnership

The purpose of the Partnership is to engage in investments and investment-related activities with a view to realising capital appreciation of the Partnership and achieving a satisfactory return for the Partners pursuant to the terms of the Partnership Agreement. The Partnership will focus on investing in the leading enterprises with a focus in enterprises with a cutting edge in new metal materials industry and relating fields.

Term of the Partnership

The Partnership has a term of seven (7) years commencing on the Initial Closing Date (the "**Operation Period**"). The first four (4) years of the Operation Period shall be the investment period (the "**Investment Period**") and the subsequent three (3) years shall be the exit period (the "**Exit Period**"). Upon obtaining unanimous consent of all Partners, the Operation Period may be extended by no more than one (1) year (the "**Extended Period**").

Capital Commitment

The total capital commitment of the Partnership is RMB1.616 billion, which shall be contributed by the Partners in cash as follows:

	Capital Commitment <i>RMB'000</i>	Percentage interest in the Partnership <i>(approximate)</i>
General Partner		
Shouyuan Xinneng	16,160	1.00%
Limited Partners		
Shougang Fund	500,000	30.94%

National Manufacturing Transformation Fund	400,000	24.75%
Shouyuan Investment	197,340	12.21%
Tianjin Chuangji	300,000	18.56%
Shougang Co. Ltd.	200,000	12.38%
Shouxin Wantai	2,500	0.15%
Total	1,616,000	100%

The capital commitment shall be made by each Partner in three (3) instalments. Each Partner shall, upon receiving a drawdown notice from the Executive Partner, contribute the amount of unpaid capital commitment set out in the drawdown notice.

The General Partner shall use its best endeavour to procure the Partnership to reach a targeted scale of RMB2 billion within one (1) year after the Initial Closing Date.

The amount of capital commitment of each Partner was arrived at after arm's length negotiations among the Partners, having taken into account the expected capital requirements of the Partnership and the enterprise or project to be invested. It is contemplated that the capital commitment payable by Shouyuan Xinneng and Shouyuan Investment will be funded by internal resources of the Group.

Management of the Partnership

The Executive Partner shall establish the Investment Decision Committee. The Investment Decision Committee shall have three (3) committee members whom shall be nominated and designated by the Manager.

The Investment Decision Committee shall have the power to resolve on the following matters:

- (i) whether the investment conditions of the proposed investment projects fulfill the requirements of the Partnership and to make final decision on whether to invest in the proposed investment projects;
- (ii) the transfer and disposal of investment assets of the Partnership (including the exit from investment projects);
- (iii) matters in relation to related party transactions that require to be tabled at Partners' meeting pursuant to the Partnership Agreement; and
- (iv) any other matters related to the asset investments of the Partnership (but shall not include any temporary investment).

The quorum of the meetings of the Investment Decision Committee shall be three (3) and each committee member shall have one (1) vote. Matters in relation to (i), (ii) and (iv) above shall be resolved by at least two (2) committee members, matters in relation to (iii) above shall be determined by the unanimous consent of all committee members.

Management Fees

The management fee payable by each Partner (other than the Executive Partner) to the Manager shall be as follows:

- (i) during the Investment Period, each Limited Partner shall pay an annual management fee in the amount equal to 2% of its paid-in capital contribution; and
- (ii) during the Exit Period (excluding the Extended Period and the liquidation period), each Limited Partner shall pay an annual management fee in the amount equal to 1% of the investment cost of the Partnership's then investment projects in proportion to the paid-in capital contribution of such Limited Partner.

No management fee is payable during the Extended Period and the liquidation period.

Distribution Policy

Cash available for distribution shall be distributed to the Partners firstly up to their respective paid-in capital contributions; then to the Partners at a prescribed annualized rate of return, with the remainder among the Limited Partners and the General Partner in accordance with the terms under the Partnership Agreement.

Transfer of interests in the Partnership

Unless otherwise with the prior written consent of Partners holding at least two-thirds (2/3) of the interests in the Partnership, no Limited Partner (except Shouyuan Investment and the Shougang Limited Partners) shall directly or indirectly transfer or dispose all or part of its interests in the Partnership (the "**Selling Interests**") to its non-affiliates in any way.

If any of Shouyuan Investment, the Shougang Limited Partners or the General Partner intends to directly or indirectly transfer or dispose of the Selling Interests to its non-affiliates in any way, such Partner shall obtain prior written consent of all other Partners.

In the event of the occurrence of transfer of the Selling Interests by any of the Limited Partners (including Shouyuan Investment and the Shougang Limited Partners), upon consent of Partners holding at least two-thirds (2/3) of the interests in the Partnership or all Partners (as the case may be), the other Partners shall have pre-emptive rights over the Selling Interests in proportion to their paid-in capital contributions. For the avoidance of doubt, no Partners shall have pre-emptive rights over the Selling Interests of the General Partner.

Notwithstanding the foregoing, no consent from other Partners is needed if the transferee is an affiliate of the transferring Partner, and all other Partners agreed to relinquish their pre-emptive rights over the relevant Selling Interests.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PARTNERSHIP AGREEMENT

Economic transformation often brings along huge opportunities for a country's development. Technology sector is expected to become an important drive for the current economic cycle. The proposal of the carbon neutralization goal will further promote the development of the fields of new energy and new materials. The proposal will also actively promote the transition to low-carbon industrial chain, and create a favorable environment for the development of technological innovation investments.

The Group focuses on the fields of parking business as well as investments in infrastructure and real estate funds. As the upstream of the industrial chain, new materials are the basis for travel technology and smart city ecological chain, of which, the carbon-neutral development of the travel technology industry also depends on the development and application of new materials. The Partnership will mainly focus on high-quality enterprises in the field of new materials. In the context of low-carbon travel technology, the rapid iteration of new material has directly driven the development of the related travel fields such as electric vehicles, new energy, energy reservation and smart cars. The Group has focused on the fields of display materials, automobile industry and smart production in its previous equity investments, providing a rich application landscape for the investment in the field of new materials and the development of diversified services for the parking business. The Company has also trained an equity investment team with rich experience and outstanding performance which focuses on new materials and smart production as the main investment direction. The team has previously invested in high-quality investment projects including the Li Auto Inc and Bayi Space. In addition, the Manager, Shouyuan Xinneng, is the key party of the Group's investment business which focuses on the fields of new materials and is gradually developing into a professional equity investment fund manager.

The establishment of the Partnership is a response to the allocation of equity investment in the inflection point of the economic cycle. The establishment of the Partnership focuses on key industries and is an important measure to explore investment opportunities. It is also a stable implementation of the Group's concept of "keep straight and be innovative, incubating with ecology." This shows the strong support from key Shareholders for the Group's transformation and the confidence in the Group's future development. Not only does this enlarge our Group's scale of fund management, increase the Group's accumulated fund management experience, it is also beneficial for the Group's introduction of each partners' strategic resources. This can better open-up and diversify the services of the parking business, and the synergistic development across two sectors, with a view to creating better investment returns for the Company and the Shareholders.

INFORMATION OF THE GROUP AND THE PARTIES TO THE PARTNERSHIP AGREEMENT

The Group mainly focuses on the parking business and infrastructure and real estate fund management business.

Each of Shouyuan Xinneng and Shouyuan Investment is a company incorporated under the laws of the PRC with limited liability and is a wholly-owned subsidiary of the

Company. Shouyuan Xinneng is principally engaged in investment management and asset management. Shouyuan Investment is an investment holding company.

Shougang Fund is a company incorporated under the laws of the PRC with limited liability and is a wholly-owned subsidiary of Shougang Group (a state-owned enterprise incorporated under the laws of the PRC with limited liability and is ultimately owned by 北京市人民政府國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government*)). It is principally engaged in investment, management and advisory of non-securities businesses.

Shougang Co. Ltd. is a company incorporated under the laws of the PRC with limited liability and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 959). It is held as to approximately 50.94% by Shougang Group. It is principally engaged in the iron and steel industry, including the smelting and calendaring of iron and steel, and the sale of metal materials.

National Manufacturing Transformation Fund is a state-owned enterprise incorporated under the laws of the PRC with limited liability and is owned as to approximately (i) 15.29% by the Ministry of Finance of the People's Republic of China (中華人民共和國財政部); (ii) 13.59% by Guokai Finance Co., Ltd. (國開金融有限責任公司); (iii) 10.19% by China National Tobacco Corporation (中國煙草總公司); (iv) 10.19% by China Insurance Investment Fund Phase II (Limited Partnership) (中國保險投資基金二期 (有限合夥)); (v) 6.79% by Zhejiang Manufacturing Transformation and upgrading Industry Investment Co., Ltd. (浙江製造業轉型升級產業投資有限公司); (vi) 6.79% by Beijing Yizhuang International Investment and Development Co., Ltd. (北京亦莊國際投資發展有限公司); (vii) 6.79% by Hubei Changjiang Industrial Investment Group Co., Ltd. (湖北省長江產業投資集團有限公司); (viii) 6.79% by China Pacific Life Insurance Co., Ltd. (中國太平洋人壽保險股份有限公司); (ix) 3.4% by Foshan Financial Investment Holdings Co., Ltd. (佛山市金融投資控股有限公司); (x) 3.4% by Jianxin Insurance Asset Management Co., Ltd. (建信保險資產管理有限公司); (xi) 3.4% by Hunan Caixin Financial Holding Group Co., Ltd. (湖南財信金融控股集團有限公司); (xii) 3.4% by Beijing Guoyi Hospital Co., Ltd. (北京國誼醫院有限公司); (xiii) 3.4% by Sichuan Chuangxing Advanced Manufacturing Investment Co., Ltd. (四川創興先進製造業投資有限公司); (xiv) 3.4% Chongqing Strategic Emerging Industries Equity Investment Fund Partnership (Limited Partnership) (重慶戰略性新興產業股權投資基金合夥企業 (有限合夥)); (xv) 1.36% by Taizhou State-owned Equity Investment Management Center (泰州市國有股權投資管理中心); (xvi) 0.68% by China First Automobile Co., Ltd. (中國第一汽車股份有限公司); (xvii) 0.34% by China Railway Corporation (中國中車股份有限公司); (xviii) 0.34% by Shanghai Electric (Group) Corporation (上海電氣 (集團) 總公司); (xix) 0.34% by Dongxu Group Co., Ltd. (東旭集團有限公司); and (xx) 0.14% by Zhengzhou Yutong Group Co., Ltd. (鄭州宇通集團有限公司). It is principally engaged in the investment in non-securities businesses, share investment, investment management, advisory and asset management.

Shouxin Wantai is a limited partnership established under the laws of the PRC and is

owned as to approximately 73.93% by Ye Qian (葉芊) and approximately 26.07% by Zhang Qian (張謙). It is principally engaged in economy consulting (not including investment consulting).

Tianjin Chuangji is a company incorporated under the laws of the PRC with limited liability and is wholly-owned by Stream Joy Limited (融新有限公司) which is in turn indirectly wholly-owned by NWS Holdings. The principal business scope of Tianjin Chuangji is highway construction development, consultation, highway project construction and development and operation management. NWS Group is principally engaged in (i) the development of, investment in and/or operation of roads, commercial aircraft leasing, construction and insurance; and (ii) the investment in and/or operation of logistics and facilities management projects.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, National Manufacturing Transformation Fund, Shouxin Wantai and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shougang Group is interested in approximately 34.91% of the issued share capital of the Company and hence, a substantial Shareholder and a connected person of the Company. Shougang Fund, a wholly-owned subsidiary of Shougang Group, is interested in approximately 12.60% of the issued share capital of the Company, and hence a substantial Shareholder and a connected person of the Company. Shougang Co. Ltd. is a non-wholly-owned subsidiary of Shougang Group, and hence an associate of Shougang Group and a connected person of the Company.

As at the date of this announcement, Tianjin Chuangji is a wholly-owned subsidiary of NWS Holdings which is interested in approximately 11.46% of the issued share capital of the Company and a substantial Shareholder, and hence Tianjin Chuangji is an associate of NWS Holdings and a connected person of the Company.

Accordingly, the entering into of the Partnership Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Company's capital commitment under the Partnership Agreement are more than 0.1% but all are less than 5%, the entering into of the Partnership Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Zhao Tianyang and Mr. Xu Liang, by virtue of their connection with Shougang Group, and Mr. Ho Gilbert Chi Hang, by virtue of their connection with NWS Holdings, have abstained from voting on the Board resolutions proposed to approve the Partnership Agreement and the transactions contemplated thereunder. Save as disclosed, none of the Directors has any material interest in the Partnership 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 terms of the Partnership Agreement are fair and reasonable and that the entering into of the Partnership Agreement 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

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

“affiliate(s)”	in relation to an entity, it means any other entity controlling and controlled by or under common control with such entity, and the term “control” means directly or indirectly holding the majority of the shareholding, voting rights or management rights
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Shoucheng Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 697);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Executive Partner”	the executive partner of the Partnership, being Shouyuan Xinneng;
“General Partner”	the general partner of the Partnership, being Shouyuan Xinneng;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Initial Closing Date”	the date specified by a notice of payment on which the initial capital contribution shall be made by the Partners

	pursuant to the terms of the Partnership Agreement;
“Investment Decision Committee”	the investment decision committee of the Partnership;
“Limited Partner(s)”	the limited partner(s) of the Partnership from time to time;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Manager”	initially the Executive Partner, or any other private fund management institution designated by the Partnership which provides investment consultancy and investment management service to the Partnership pursuant to the Partnership Agreement;
“National Manufacturing Transformation Fund”	國家製造業轉型升級基金股份有限公司 (National Manufacturing Transformation and Upgrade Fund Co., Ltd.*), a state-owned enterprise incorporated under the laws of the PRC with limited liability;
“NWS Group”	NWS Holdings together with its subsidiaries;
“NWS Holdings	NWS Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the Stock Exchange (stock code: 00659);
“Partner(s)”	the General Partner, the Executive Partner and the Limited Partners;
“Partnership Agreement”	the partnership agreement entered into by and among Shouyuan Xinneng, as the General Partner, and Shougang Fund, Shougang Co. Ltd. and certain other investors named therein, each as a Limited Partner, for the establishment of the Partnership in the form of limited partnership;
“Partnership”	the limited partnership (proposed name: 北京首新金安股權投資合夥企業（有限合夥）(Beijing Shouxin Jin'an Equity Investment Partnership (L.P.)*), the limited partnership to be established in the PRC pursuant to the terms of the Partnership Agreement;
“PRC”	the People's Republic of China and for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of the Shares;
“Shares”	ordinary shares of the Company;
“Shougang Co. Ltd.”	Beijing Shougang Co., Ltd (北京首鋼股份有限公司), a company incorporated under the laws of the PRC with limited liability and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 959);
“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;
“Shougang Group”	首鋼集團有限公司 (Shougang Group Co., Ltd.*), a state-owned enterprise incorporated under the laws of the PRC with limited liability;
“Shougang Limited Partners”	Shougang Fund, Shougang Co. Ltd., other investment holding entities of Shougang Group or its affiliates;
“Shouxin Wantai”	北京首新萬泰管理諮詢中心（有限合夥） (Beijing Shouxin Wantai Management Consulting Center (L.P.)*), a limited partnership established under the laws of the PRC;
“Shouyuan Investment”	北京首源投資有限公司 (Beijing Shouyuan Investment Co., Ltd.*), a company incorporated under the laws of the PRC with limited liability;
“Shouyuan Xinneng”	北京首元新能投資管理有限公司 (Beijing Shouyuan Xinneng Investment Management Co., Ltd.*), a company incorporated under the laws of the PRC with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial Shareholder”	has the meaning ascribed to it under the Listing Rules;
“Tianjin Chuangji”	天津創吉實業發展有限公司 (Tianjin Chuangji Industry Development Company Limited*), a company incorporated under the laws of the PRC with limited liability;

“0%”

per cent.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 17 December 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.

** for identification purpose only*