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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 in 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 the preliminary assessment of the Board of the most recent unaudited consolidated management accounts of the Group, the Group expects to record revenue of not less than HK\$330 million for the six months ended 30 June 2023 (the “**2023 Interim Period**”), representing a decrease of approximately 60% compared to the corresponding period in 2022. At the same time, the Group expects to record a profit attributable to owners of the Company of not less than HK\$280 million for the 2023 Interim Period, a decrease of approximately 50% compared to the corresponding period in 2022. The decline in the Group’s results was mainly attributable to the unrealized loss recorded by the public offering infrastructure real estate investment trust (“**REITs**”) in China measured at fair value through profit or loss under the Group’s FIME (which means fundraising, investment, management and exit) business, the unrealized loss is not cash in nature and shall not have any impact on the cash flows nor the normal business operation of the Group. The public offering REITs owned by the Group maintains accumulated profits since its initial investment. The Group maintains abundant cash balance and stable overall financial and business operation status.

In the first half of 2023, although the price of public offering REITs has decreased, the development of the public offering REITs market continued to advance. In the first half of 2023, four public offering REITs products completed initial public offering, and four public offering REITs products completed secondary offering. In early July 2023, several top fund management companies issued announcements stating that public offering REITs will be added to the investment scope of some of their funds of funds products (FOF Funds), bringing more investors and incremental funds to the public offering REITs market, since then the price of public offering REITs has gradually recovered. The Group is optimistic about the public offering REITs market as always and will continue to focus on the field of industry development fund and consultancy of public offering REITs publication, in order to form the business closed loop which takes public offering REITs as the core on the capability of FIME and create value for investors.

For the capability of asset operation, the Group relies on the establishment of standardised operation system, technological empowerment and value-added innovation to effectively enhance the operational efficiency of the underlying assets. The scale of income from various assets under

management has increased significantly for the 2023 Interim Period compared with the corresponding period in 2022, and laying a solid foundation for the subsequent asset securitization process. The Group attaches utmost importance to channel construction, with a good market reputation and abundant asset categories, the Group has developed strategic cooperative relations with leading brands in many fields, which has increased the scale of existing asset revenue and opened up space for the expansion of incremental at the same time. Especially in terms of commercial real estate, the Chang'an Mills project* (「六工匯」項目) in Beijing, a benchmark project of industrial park reconstruction built by the Group, has quickly become a new phenomenal city landmark in Beijing western area since its opening one year ago. The investment promotion team accurately portrays user portraits through community-based tenant operation, and continuously strengthens investment efficiency. A number of well-known enterprises covering the internet, culture and sports, finance and other fields have settled in. Thanks to the good service quality, the recent increase in the office rent of the Chang'an Mills project is conducive to further boosting the project revenue scale and profitability. In addition to the Chang'an Mills project, the development and construction progress of a number of commercial real estate projects of the Group is progressing steadily.

As a professional infrastructure asset service provider and efficiency enhancer, the Group has always adhered to a business model driven by the two core capabilities of asset operation and FIME. As mentioned above, although the decrease in Chinese public offering REITs market in the first half of the year had a certain adverse impact on the Group's FIME, it can also be seen that the ballast role of asset operation has become clearer. The Group is firmly optimistic about the long-term development prospects of Chinese infrastructure assets, and while continuously consolidating its own business foundation, it is looking forward to new development opportunities in Chinese infrastructure investment and financing field together with many investors.

Information contained in this announcement is a preliminary assessment by the Board based on the information currently available. The Group's results for the 2023 Interim Period have not been reviewed by the auditor of the Company nor by the audit committee of the Company, and are subject to approval by the Board at the board meeting to be held in late August 2023. Therefore, the actual results of the Group may be subject to further amendments and adjustments where necessary. Shareholders and potential investors are advised to exercise caution when using such data to evaluate the Group's financial conditions and results of operations. Shareholders and potential investors are advised to carefully read the results announcement of the Company for the 2023 Interim Period, which is expected to be published in late August 2023.

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, 28 July 2023

As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman) and Mr. Xu Liang as Executive Directors; Mr. Li Hao (Vice Chairman), Mr. Liu Jingwei, Mr. Ho Gilbert Chi Hang and Mr. Peng Jihai 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*