

2023 Interim Results

Shoucheng Holdings Limited (0697.HK)

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Business Highlights

Revenue

345 HKD million

Operating profit

419 HKD million

Profit for the period

346 HKD million

Total assets

13.7 HKD billion

Continue the high dividend policy to give back to shareholders

- The Company plans to pay dividends of 80% of its net profit attributable to the owner of the Company in each of the five financial years from 2023 to 2027, of which HK\$243 million has been declared in 2023 Interim

Firmly optimistic about the prospects of the public REIT market in Mainland China

- The Company assisted in the first batch of expansion REIT projects, and participated in the expansion of CICC-GLP REIT and other projects through its managed funds and related entities, with an investment amount of nearly 300 million RMB

Major breakthroughs in asset securitization

- In the first half of 2023, The Company successfully issued the first parking ABS in the mainland market with a priority scale of RMB210 million, solving the problem of heavy asset capital sinking through asset securitization and accelerating the rapid realization of value realization of the company's on-balance sheet assets

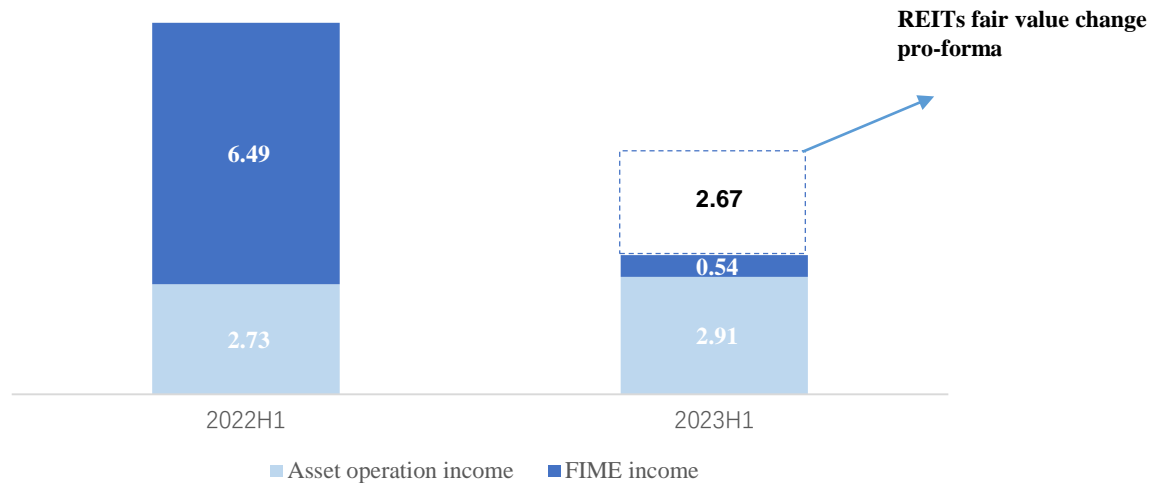
The bond market has opened up channels

- In August 2023 The Company obtained the AAA subject rating results from two leading rating agencies in China, and the outlook is stable. This is a high recognition of the company's entity credit by the company's top rating agency after obtaining the AAA debt rating and successfully issuing parking REITs

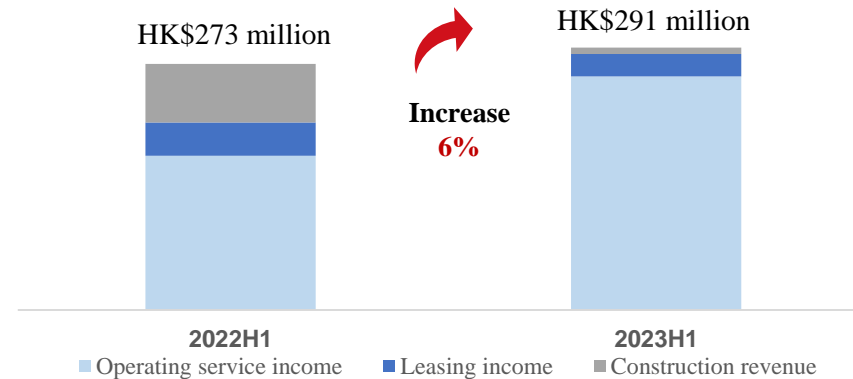
Business Overview

- ◆ In the first half of 2023, The Company recorded revenue of HK\$345 million, down 63% from the same period last year, of which asset operating income was HK\$291 million, up 6% from the same period last year, and FIME(which refers to fundraising, investment, management and exit)income was HK\$54 million, down 92% from the same period last year
- ◆ The decline in FIME income in the current period led to a weaker-than-expected revenue situation. The decline in FIME income was mainly due to the readjustment in the market price of public REITs in China in the first half of 2023, and the unrealized loss of the REITs held by the company was about HK\$267 million. Excluding the impact of changes in fair value, asset facility income and total income are HK\$320 million and HK\$612 million respectively

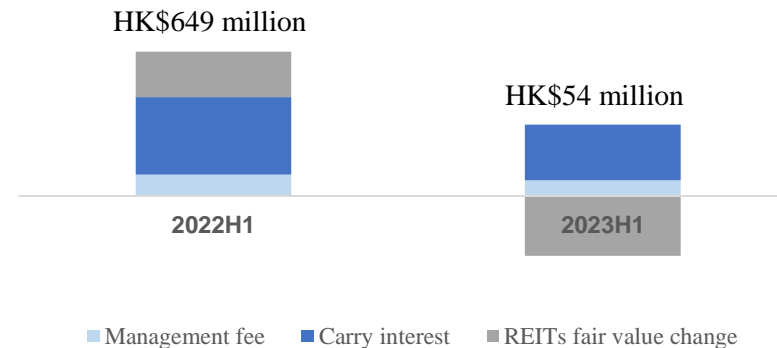
Revenue breakdown



Asset operating income

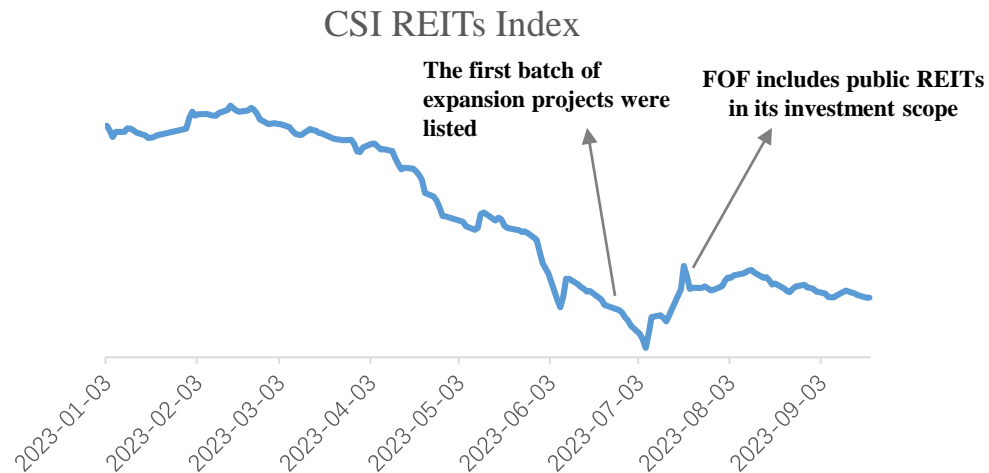


FIME income



Firmly optimistic about the prospects of the public REIT market in Mainland China

- ◆ Since the REIT market bottomed out at the end of June, regulators and market investors have continued to release positive signals, and the market has gradually recovered, with the CSI REIT Index recovering 11% at one point. First, in early July, leading Public Fund Management announced that its public FOF products will include public REITs in the investment scope, which will bring incremental funds to the public REIT market; Second, with the release of the second quarterly report of recently listed REITs, the operating fundamentals of the underlying assets have shown a continuous improvement trend, and the operating performance has gradually improved
- ◆ In the first half of the year, The Company participated in the investment of two first batch expansion projects, with an investment amount of 286 million yuan, and at the same time, the proportion of investment in CICC-GLP REIT increased by 11.05% through the bulk and secondary markets, which is the first time that a third-party institutional investor has actively announced an increase in its holdings after holding more than 10%. As the largest industrial investor in China's public REIT market, The Company adheres to its identity as an industrial investor, pays attention to strategic investment, precision investment and long-term value investment, and is a good leader in C-REITs to help the development of the infrastructure REIT market



The development of FIME has been further deepened

- ◆ With the successful issuance case in the bond market and the high recognition of the credit of the entity by the top rating agency in China, the company's layout of the whole chain of infrastructure asset management business has been strongly supported and guaranteed in terms of capital scale and cost. In the future, the company will continue to improve its asset financing capabilities in multiple asset financing platforms such as credit bonds, securitization, private equity funds, and public REIT markets, further play a two-wheel driving effect with asset operation business, and completely open up the ecological closed loop of infrastructure asset management

The underlying assets are 4 self-owned property projects, which reflect the full recognition of the company's operating ability in the parking field by the capital market, and mark that the company has realized the industrial closure of its own asset securitization

- Priority scale: **210 million yuan**
- Debt rating: **AAA**
- Coupon rate: **3.8%**
- Period: **3+3+3+3+3+3+3 years**



Breakthrough
in bond
market

The two domestic top rating agencies gave the AAA main rating of the Company, with a stable outlook

- Promising business model
- First-mover advantage in REITs
- Stable capital structure
- Strong solvency

The first parking ABS in China

AAA subject rating results

Dividend planning

- ◆ With the final dividend of HK\$400 million for 2022 Final paid on 3 August 2023, the first five-year dividend plan of the Company was officially completed, bringing the cumulative dividend payment over the past five years to **HK\$3.7 billion**
- ◆ According to the Company's dividend plan from 2023 to 2027, 80% of the net profit attributable to the owner of the Company will be used as a dividend each year, the company is currently liquid and the overall financial position remains sound, and the dividend of HK\$243 million will be paid to all eligible shareholders in the mid-2023 period, reflecting the Company's determination to unswervingly create value for shareholders

Annual dividend payout size (HK\$100 million)

