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SUBSCRIPTION OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Financial Adviser to the Company

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On 27 July 2020 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of HK\$300,000,000.

Based on the initial Conversion Price of HK\$1.93 and assuming full conversion of the Convertible Bonds at the initial Conversion Price, the Convertible Bonds will be convertible into 155,440,414 Conversion Shares, representing approximately 2.24% of the total number of issued Shares of 6,925,576,780 Shares as at the date of this announcement, and approximately 2.20% of the enlarged total number of issued Shares of 7,081,017,194 Shares immediately after full conversion of the Convertible Bonds, assuming no other change in the issued share capital of the Company other than the Conversion Shares after the date of this announcement.

Completion of the Subscription Agreement is subject to fulfilment of the conditions thereunder. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

On 27 July 2020 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of HK\$300,000,000.

SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarised below:

Date: 27 July 2020 (after trading hours)

Parties: the Company, as issuer; and
the Subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

Principal Amount: Pursuant to the Subscription Agreement, the Subscriber conditionally agreed to subscribe for Convertible Bonds in the aggregate principal amount of HK\$300,000,000.

Conditions Precedent: Completion of the Subscription Agreement shall be subject to and conditional upon:

- (1) the Listing Committee having granted the approval for the listing of and the permission to deal in all the Conversion Shares, and such approval remains valid and effective;
- (2) no law having been enacted, adopted or issued by any government authority, and no order or judgment of any court or governmental, statutory or regulatory body having been issued or made prior to completion of the Subscription Agreement (and no legal or regulatory requirements remaining to be satisfied), in each case which has the effect of making unlawful or otherwise prohibiting the Subscription or any transactions contemplated by the Subscription Agreement or the related transaction documents;
- (3) with respect to the obligations of the Subscriber to effect completion of the Subscription Agreement only, the listing of the Shares not having been revoked and the Shares continuing to be listed on the Stock Exchange before completion of the Subscription Agreement (save for any temporary suspension or halt in trading pending the release of an announcement in connection with the Subscription Agreement or any temporary suspension or halt in trading for not more than three consecutive business days after the date of the Subscription Agreement), the Stock Exchange or the Securities and Futures Commission not having expressed that it will raise any objection against the listing status of the Shares or require the trading of Shares to be suspended due to the transactions contemplated under the Subscription Agreement and the related transaction documents or any reasons in connection with the transactions contemplated under the Subscription Agreement and the related transaction documents;
- (4) with respect to the obligations of the Subscriber to effect the completion of the Subscription Agreement only, there not having occurred any material adverse change since the date of the Subscription Agreement;
- (5) with respect to the obligations of the Subscriber to effect completion of the Subscription Agreement only, there not having occurred any breach of, or any event rendering untrue or inaccurate, any representation, warranty and undertaking under the Subscription Agreement in any material respect as of the date of completion (except

where the relevant representation, warranty or undertaking is stated to be expressed as of a different date); and

- (6) with respect to the obligations of the Company to effect completion of the Subscription Agreement only, there not having occurred any breach of, or any event rendering untrue or inaccurate, any representation, warranty and undertaking provided by the Subscriber in the Subscription Agreement in any material respect as of the date of completion.

Under the Subscription Agreement, the Subscriber may waive (in whole or in part, whether conditionally or unconditionally) conditions precedent set out in paragraphs (3), (4) and (5) by notice in writing to the Company, and the Company may waive (in whole or in part, whether conditionally or unconditionally) the condition precedent set out in paragraph (6) above by notice in writing to the Subscriber.

If the conditions precedent set out in paragraphs (1) to (6) above have not been fulfilled (or, as the case may be, waived) by the date falling one month after the date of the Subscription Agreement (or such later date as the Company and the Subscriber may agree in writing from time to time), either the Company or the Subscriber may (by written notice to the other party) terminate the Subscription Agreement whereupon the Subscription Agreement shall lapse immediately and be of no further effect save for the rights, remedies and liabilities of the parties which have accrued before termination.

As at the date of this announcement, none of the conditions set out above have been satisfied or waived.

Completion:

Completion of the Subscription Agreement will take place on the third business day after the last condition precedent is satisfied or waived (other than any condition precedent which is expressed to be fulfilled on or as at the date of completion, but subject to the fulfilment or waiver of such condition precedent), or such other date as the parties may agree in writing. The Company shall issue the Convertible Bonds to the Subscriber at completion of the Subscription Agreement.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are summarised below:

| | |
|-------------------|--|
| Issuer: | The Company |
| Principal Amount: | HK\$300,000,000 |
| Maturity Date: | The date falling on the third anniversary of the issue date of the Convertible Bonds |
| Interest: | The Convertible Bonds bear interest from the issue date at 1% per annum on the outstanding principal amount of the Convertible Bonds, payable annually in arrears. |

If the Company fails to pay any amount payable by it under the Convertible Bonds on its due date (including for the avoidance of doubt, the maturity date or the date on which the Convertible Bonds become due and payable prior to the maturity date by reason of occurrence of events of default, as

applicable), then default interest shall accrue on the overdue amount from the due date up to (and including) the date of actual receipt of the overdue amount by the Bondholder at the simple rate of 0.5% for the interest period of one month, payable monthly in arrears.

Conversion Price: The initial Conversion Price shall be HK\$1.93 per Conversion Share (subject to adjustments).

The Conversion Price of HK\$1.93 represents:

- (1) a premium of 4.89% to the closing price of HK\$1.84 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (2) a premium of approximately 7.82% to the average closing price per Share of approximately HK\$1.79 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Subscription Agreement; and
- (3) a premium of approximately 10.92% to the average closing price per Share of approximately HK\$1.74 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Subscription Agreement.

The Conversion Price was arrived at based on arm's length negotiations between the parties with reference to the historical price trend and trading volume of the Shares, the existing capital market conditions, the funding needs and financial and trading prospects of the Group's car parking assets operation and management and private fund management businesses, taking into account (i) the development prospects that the Subscriber will bring to the Group; and (ii) the interest rate of the Convertible Bonds.

The Directors consider that the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Adjustment Events: The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events, including consolidation, subdivision and reclassification of Share, capitalisation of profits and reserves, and rights issue.

Conversion Shares: Based on the initial Conversion Price and assuming full conversion of the Convertible Bonds at the initial Conversion Price, the Convertible Bonds will be convertible into 155,440,414 Conversion Shares, representing:

- (1) approximately 2.24% of the total number of issued Shares of 6,925,576,780 Shares as at the date of this announcement; and
- (2) approximately 2.20% of the enlarged total number of issued Shares of 7,081,017,194 Shares immediately after full conversion of the Convertible Bonds, assuming no other change in the issued share capital of the Company other than the Conversion Shares after the date of this announcement.

The Conversion Shares will be allotted and issued under the General Mandate.

| | |
|---------------------------|---|
| Conversion Period: | The period commencing from the issue date of the Convertible Bonds and expiring on the close of business on the earlier of: (i) the maturity date of the Convertible Bonds (both days inclusive); or (ii) if the Convertible Bonds shall have been called for redemption prior to the maturity date, the close of business on the date (both days inclusive) which falls one business day prior to the date fixed for redemption thereof, provided that a Bondholder shall not be able to exercise its conversion right with respect to such conversion where solely as a result of, and to the extent that, the issue of Conversion Shares to the Bondholder upon such particular conversion, (x) the Company would cease to satisfy the public float requirement under the Listing Rules, or (y) a general offer obligation under the Hong Kong Code on Takeovers and Mergers in respect of the Shares would arise. |
| Mandatory Conversion: | <p>During the conversion period, the Bondholders shall convert the Convertible Bonds upon occurrence of the following events:</p> <ol style="list-style-type: none"> (1) during the period of any 20 consecutive trading days, the closing prices of the Shares as quoted on the Stock Exchange is no less than 115% of the prevailing Conversion Price for at least ten trading days, and the average daily trading volume of the Shares during the corresponding period are no less than 10,000,000 Shares; or (2) during the period of any 20 consecutive trading days, the closing prices of the Shares as quoted on the Stock Exchange is no less than 125% of the prevailing Conversion Price for at least ten trading days, and the average daily trading volume of the Shares during the corresponding period are no less than 10,000,000 Shares during the conversion period. <p>In case of event (1), the Convertible Bonds of the aggregate outstanding principal amount of at least 50% shall be converted, and in case of event (2), all outstanding Convertible Bonds shall be converted.</p> |
| Transfer Restrictions: | <p>The Convertible Bonds shall not be transferred unless the transferee is an Affiliate of the Bondholder and is not or will not in the foreseeable future be engaged in any competing business with the Company.</p> <p>The Conversion Shares shall not be transferred within six months from the issuance date of such Conversion Shares.</p> <p>No transfer of the Convertible Bonds and Conversion Shares shall be made to a specific list of restricted transferees of the Company or any of its Affiliate at any time, provided that nothing shall be interpreted against sale or transfer of the Conversion Shares by the Bondholder (or its designated person, as applicable) through CCASS without knowledge of buyer entities.</p> |
| Redemption upon Maturity: | Unless previously redeemed, converted and cancelled, the Company shall redeem the Convertible Bonds at an aggregate price of (i) 103% of the outstanding principal amount of the Convertible Bonds, and (ii) all accrued and unpaid interest thereon from the issue date of the Convertible Bonds up to (and including) the maturity date and unpaid default interests (if any) accrued. |
| Events of Default: | If an event of default occurs, the Company shall, as soon as reasonably practicable and to the extent legally permissible, notify the Bondholder. |

The Bondholder will have the right to require the Company to pay for the default interest from the date of occurrence of such event of default up to (and including) (i) the expiry of six months thereafter, or (ii) the date when such event of default has been fully remedied by the Company to the reasonable satisfaction of the Bondholder, or (iii) the date when the Bondholder require the Company to redeem all the Convertible Bonds then outstanding held by it (whichever is earlier). Upon occurrence of an early redemption triggering event, the Bondholder will have the right to require the Company to redeem all the Convertible Bonds then outstanding held by it at the amount equivalent to the sum of (i) the outstanding principal amount of the Convertible Bonds, and (ii) all accrued and unpaid interest from the issue date up to (and including) the maturity date and unpaid default interests (if any).

Ranking: Conversion Shares issued upon exercise of conversion rights attached to the Convertible Bonds shall rank *pari passu* with, and carry the same rights in all aspects (including the rights to dividends) as, the other Shares then in issue.

Listing: The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 6,925,576,780 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after full conversion of the Convertible Bonds, assuming that the Conversion Price is HK\$1.93 and no other change in the issued share capital of the Company other than the Conversion Shares:

| Name of Shareholder | As at the date of this announcement | | Immediately after exercise of the conversion rights under the Convertible Bonds | |
|--|--|-------------------------------|---|-------------------------------|
| | Number of Shares | Approximate % shareholding | Number of Shares | Approximate % shareholding |
| Shougang Group and its subsidiaries | 2,545,447,437 | 36.75 | 2,545,447,437 | 35.95 |
| ORIX Corporation and its subsidiary | 1,044,081,679 | 15.08 | 1,044,081,679 | 14.74 |
| NWS Holdings Limited and its subsidiaries | 835,485,105 | 12.06 | 835,485,105 | 11.80 |
| Soteria Financial Investment Company Limited | 543,092,891 | 7.84 | 543,092,891 | 7.67 |
| The Subscriber | - | - | 155,440,414 | 2.20 |
| Zhao Tianyang (Note) | 2,210,000 | 0.03 | 2,210,000 | 0.03 |
| Liu Jingwei (Note) | 1,925,200 | 0.03 | 1,925,200 | 0.03 |
| Liang Hengyi (Note) | 1,176,000 | 0.02 | 1,176,000 | 0.02 |
| Li Wei (Note) | 1,020,000 | 0.01 | 1,020,000 | 0.01 |
| Zhang Meng (Note) | 264,000 | 0.00 | 264,000 | 0.00 |

| Name of Shareholder | As at the date of this announcement | | Immediately after exercise of the conversion rights under the Convertible Bonds | |
|--|--|-------------------------------|---|-------------------------------|
| | Number of Shares | Approximate % shareholding | Number of Shares | Approximate % shareholding |
| Wang Xin (<i>Note</i>) (together with his spouse) | 240,000 | 0.00 | 240,000 | 0.00 |
| Other Shareholders | <u>1,950,634,468</u> | <u>28.18</u> | <u>1,950,634,468</u> | <u>27.55</u> |
| Total | <u><u>6,925,576,780</u></u> | <u><u>100.00</u></u> | <u><u>7,081,017,194</u></u> | <u><u>100.00</u></u> |

Note: Zhao Tianyang, Liu Jingwei, Liang Hengyi, Li Wei, Zhang Meng and Wang Xin are Directors.

INFORMATION ON THE SUBSCRIBER

The Subscriber is an investment holding company incorporated in British Virgin Islands with limited liability. It is a wholly-controlled subsidiary of Greater Bay Area Homeland Development Fund, which was jointly established by international large-scale industrial institutions, financial institutions and new economic enterprises.

The Greater Bay Area Homeland Development Fund is controlled by GBAHD GP as general partner and under discretionary management by GBAD Fund Management. It covers a range of activities, including venture capital, private equity investments and listed company investments and M&A investments. The objective of Greater Bay Area Homeland Development Fund is to grasp the historical opportunities of the development of Guangdong-Hong Kong- Macau Greater Bay Area, and the construction of an international innovation and technology hub, which focuses on technological innovation, industrial upgrading, quality of life, smart city and all other related industries.

Both GBAHD GP and GBAD Fund Management are wholly-owned by GBAHIL, a company incorporated in Hong Kong with limited liability that was jointly owned by a number of international large-scale industrial institutions, financial institutions and new economic enterprises, each of which holds less than 15% shareholding in GBAHIL.

INFORMATION ON THE GROUP

The Group mainly focuses on the management and operations of car parking assets and management of private funds that are oriented towards urban redevelopment.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group always adheres to the goal of becoming the best company in the operation and management of parking assets in the PRC and maintains a positive attitude towards the speed of its business expansion. In the past two years, the Group's business has covered Beijing and its surrounding areas, the Yangtze River Delta, the southwest region and the Greater Bay Area.

With the Greater Bay Area being one of the most economically developed regions in China, the Company has always placed emphasis in developing the markets in the region. The Group officially ventured into the Greater Bay Area parking lot market last year.

The Greater Bay Area Homeland Development Fund is a limited partnership fund whose investments cover technological innovation, industrial upgrade, quality of life, smart city and all other related industries. The Company develops its car parking business through technological innovation and upgrade of the traditional car parking industry, bringing convenience to the transportation, the city and People's life. The Company believes that the Greater Bay Area Homeland Development Fund's strategic investments into the Company can, on the one hand, demonstrates the Greater Bay Area Homeland Development Fund's confidence and optimism on the

businesses of the Company in the management and operations of car parking assets and the car parking market in China, and its willingness to grow with the Company; and on the other hand, serves to consolidate the Company's core foundation when navigating its business development in the Greater Bay Area. The Greater Bay Area Homeland Development Fund will use its resources to facilitate the Company's business development in the Greater Bay Area. With the objective to offer well-furnished, convenient and high-technology parking lots to the people of the Greater Bay Area, the Company intends to proactively utilize the synergistic resources and investment proceeds from the Greater Bay Area Homeland Development Fund to focus on exploring acquisition opportunities on parking lot assets within the Greater Bay Area (including, among others, those in Hong Kong) and to continually upgrade the Company's existing intelligent digital operational system to gradually increase its coverage across all the parking lots in the Greater Bay Area operated currently and in the future by the Group, making transportation more convenient and intelligent in the Greater Bay Area.

The Directors consider that the terms and conditions of the Subscription Agreement (including the Conversion Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds and net proceeds from the Subscription are estimated to be approximately HK\$300,000,000 and HK\$294,700,000, respectively.

The Company intends to use the net proceeds from the Subscription for financing the expansion of the Group's businesses in management and operation of car parking assets in Guangdong-Hong Kong-Macau Greater Bay Area and technology innovation of the Group.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save for the fund raising activities mentioned below, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

| Date of announcement | Fund raising activities | Net proceeds | Proposed use of the net proceeds |
|-----------------------------|---|---------------------------------|--|
| 14 February 2020 | Issue of 1,500,000,000 Shares to FTLife Insurance Company Limited | Approximately HK\$449.8 million | <p>(1) approximately HK\$269.9 million, or 60% of the net proceeds, will be used to invest in the Group's car parking business, part of which will be used for the Group's existing capital injection commitment, rental deposit and construction expenditure, and the remaining will be used for the development of new car parking assets, especially in transportation hubs, which the Group hopes will further expand its leading advantage in this segment;</p> <p>(2) approximately HK\$112.4 million, or 25% of the net proceeds, will be used to invest in the Group's fund management business; and</p> |

| Date of announcement | Fund raising activities | Net proceeds | Proposed use of the net proceeds |
|----------------------|---|-----------------------------------|--|
| 17 January 2020 | <ul style="list-style-type: none"> • Issue of 93,333,333 Shares to Shougang Holding (Hong Kong) Limited • Issue of convertible bonds in the aggregate principal amount of HK\$1,231,685,000 to Mountain Tai Peak I Investment Limited (a wholly-owned subsidiary of ORIX Asia Capital Limited), Matrix Partners V, L.P. and Matrix Partners V-A, L.P. | Approximately HK\$1,256.3 million | <p>(3) approximately HK\$67.5 million, or 15% of the net proceeds, will be used as general working capital and to seize business opportunities.</p> <p>(1) approximately HK\$753.8 million, or 60% of the net proceeds, will be used to invest in the Group's car parking business, part of which will be used for the Group's existing capital injection commitment, rental deposit and construction expenditure, and the remaining will be used for the development of new car parking assets, especially in transportation hubs, which the Group hopes will further expand its leading advantage in this segment;</p> <p>(2) approximately HK\$314.1 million, or 25% of the net proceeds, will be used to invest in the Group's fund management business; and</p> <p>(3) approximately HK\$188.4 million, or 15% of the net proceeds, will be used as general working capital and to seize business opportunities</p> |
| 29 November 2019 | Issue of 1,500,000,000 Shares to JD Fountain Technology (Hong Kong) Limited | Approximately HK\$449.8 million | <p>(1) approximately 60% will be used to invest in the Group's car parking business, part of which will be used for the Group's existing capital injection commitment, rental deposit and construction expenditure, and the remaining will be used for the development of new car parking assets, especially in transportation hubs, which the Group hopes will</p> |

| Date of announcement | Fund raising activities | Net proceeds | Proposed use of the net proceeds |
|----------------------|-------------------------|--------------|---|
| | | | further expand its leading advantage in this segment; |
| | | | (2) approximately 25% will be used to invest in the Group's fund management business; and |
| | | | (3) the remaining 15% will be used as general working capital and to seize business opportunities |

As at the date of this announcement, the Company has not utilised any of the proceeds from the abovementioned fund raising activities and intends to apply such proceeds (i) to invest in the Group's car parking business in the aggregate amount of approximately HK\$1,294 million, part of which will be used for the Group's existing capital injection commitment, rental deposit and construction expenditure, and the remaining will be used for the development of new car parking assets; (ii) to invest in the Group's fund management business in the aggregate amount of approximately HK\$539 million; and (iii) to be used as general working capital in the aggregate amount of approximately HK\$323 million.

GENERAL MANDATE

The issue of the Convertible Bonds and the Conversion Shares is not subject to Shareholders' approval. The Conversion Shares will be issued pursuant to the General Mandate, subject to the limit of up to 1,385,115,356 Shares (representing 20% of the issued share capital of the Company on the date on which the General Mandate was granted). As at the date of this announcement, the General Mandate has not been utilised. Assuming full conversion of the Convertible Bonds, the Conversion Shares will utilise a maximum of, based on the initial Conversion Price, approximately 155,440,414 Shares under the General Mandate.

APPLICATION FOR LISTING

No application will be made by the Company to the Listing Committee for listing of the Convertible Bonds. An application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

Completion of the Subscription Agreement is subject to fulfilment of the conditions thereunder. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

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|-------------|---|
| “Affiliate” | with respect to an individual, that individual's close relatives (being any spouse, child (including adopted child and step-child), parent or sibling of that individual), any person which is controlled by that individual and/or that individual's close relatives (acting singly or together) and any affiliate of such person; and with respect to any other person, any other person that (directly or indirectly) controls, is controlled by or is under common control with such person |
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| “Board” | the board of Directors; |
| “Bondholder(s)” | holder(s) of the Convertible Bonds; |
| “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; |
| “Conversion Price” | the conversion price of the Convertible Bonds, initially being HK\$1.93 per Conversion Share (subject to adjustments); |
| “Conversion Shares” | Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds; |
| “Convertible Bonds” | the 1% convertible bonds in the aggregate principal amount of HK\$300,000,000 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement; |
| “Director(s)” | the director(s) of the Company; |
| “GBAD Fund Management” | Greater Bay Area Development Fund Management Limited, a wholly-owned subsidiary of GBAHIL and a Type 1, 4 and 9 licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |
| “GBAHD GP” | Greater Bay Area Homeland Development Fund (GP) Limited, a wholly-owned subsidiary of GBAHIL; |
| “GBAHIL” | Greater Bay Area Homeland Investments Limited, a company incorporated in Hong Kong with limited liability; |
| “General Mandate” | the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 22 May 2020 to allot and issue up to 1,385,115,356 Shares, being 20% of the total number of Shares in issue as at the date of the annual general meeting; |
| “Greater Bay Area” | Guangdong-Hong Kong-Macao Greater Bay Area; |
| “Greater Bay Area Homeland Development Fund” | Greater Bay Area Homeland Development Fund LP (大灣區共同家園發展基金有限合夥), a limited partnership fund incorporated in the Cayman Islands on 23 May 2018; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Independent Third Party(ies)” | any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules; |

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|--------------------------|--|
| “Listing Committee” | the listing sub-committee of the board of directors of the Stock Exchange with responsibility for considering applications for listing and the granting of listing on the Main Board of the Stock Exchange; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan; |
| “Share(s)” | ordinary share(s) of the Company; |
| “Shareholder(s)” | holder(s) of the Share(s); |
| “Shougang Group” | 首鋼集團有限公司 (Shougang Group Co., Ltd.*), a state owned enterprise established in the PRC, and a controlling Shareholder of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Subscriber” | Poly Platinum Enterprises Limited, an investment holding company incorporated in British Virgin Islands with limited liability; |
| “Subscription” | the subscription of Convertible Bonds under the Subscription Agreement; |
| “Subscription Agreement” | the conditional subscription agreement dated 27 July 2020 entered into between the Company and the Subscriber in relation to the subscription of Convertible Bonds in the principal amount of HK\$300,000,000; |
| “%” | per cent. |

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 27 July 2020

As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman), Mr. Xu Liang, Mr. Li Wei (President), Mr. Liang Hengyi (Managing Director) and Ms. Zhang Meng as Executive Directors; Dr. Li Yinhui, Mr. Liu Jingwei, Mr. Ho Gilbert Chi Hang and Mr. Li Hao as Non-executive Directors; Dr. Wang Xin, Mr. Choi Fan Keung Vic, Mr. Deng Yougao, Ms. Zhang Quanling and Dr. Qiao Yongyuan as Independent Non-executive Directors.

* *For identification purpose only*