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PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

Sole Global Coordinator



Joint Bookrunners



THE PLACING AGREEMENT

On 27 January 2021 (before trading hours), the Company, the Placing Shareholder and the Placing Agents entered into the Placing Agreement, pursuant to which the Placing Shareholder has agreed to appoint the Placing Agents, and each of the Placing Agents has agreed to act as agent for the Placing Shareholder, to use its best efforts, to procure Placées to place the Placing Shares at the Placing Price on the terms and subject to the conditions of the Placing Agreement.

On the same day, the Company and the Placing Shareholder entered into the Subscription Letter, pursuant to which the Placing Shareholder has agreed to subscribe for, and the Company has agreed to issue to the Placing

Shareholder, the Subscription Shares (being equivalent to the number of Placing Shares sold by the Placing Shareholder pursuant to the Placing but less the number of defaulted Placing Shares if any).

The maximum number of the Subscription Shares represents: (i) approximately 2.97% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 2.88% of the enlarged total number of Shares in issue upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares is not subject to the approval by the Shareholders. The Subscription Shares will be allotted and issued under the General Mandate, subject to the limit of up to 1,385,115,356 new Shares (representing 20% of the number of issued Shares of the Company on the date when the General Mandate was granted). As at the date of this announcement, 155,440,414 Shares have been issued under the General Mandate and the total number of new Shares that can be allotted and issued under the General Mandate is therefore 1,229,674,942 Shares. The General Mandate is sufficient for the allotment and issue of the Subscription Shares.

APPLICATION TO LISTING THE SUBSCRIPTION SHARES

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Subscription Shares on the Stock Exchange.

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

THE PLACING AGREEMENT

On 27 January 2021 (before trading hours), the Company, the Placing Shareholder and the Placing Agents entered into the Placing Agreement. The principal terms of the Placing Agreement are summarised below:

Date

27 January 2021 (before trading hours)

Parties

- (1) the Company;
- (2) the Placing Shareholder; and
- (3) the Placing Agents

Placing Shareholder

The Placing Shareholder holds 918,315,849 Shares, including the Placing Shares, representing approximately 12.97% of the total number of Shares in issue as at the date of this announcement.

Placing Agents

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agents and its respective ultimate beneficial owner(s) is: (i) independent of, and not connected with,

the Placing Shareholder, the Company and their respective associates and connected persons; and (ii) independent of, and not acting in concert with, the Placing Shareholder, their respective associates and persons acting in concert with the Placing Shareholder.

Details of the Placing and the Subscription are set out below.

THE PLACING

Placing Shares

The Placing Shareholder has agreed to appoint the Placing Agents, and each of the Placing Agents has agreed severally (and not jointly nor jointly and severally) to act as agent for the Placing Shareholder, to use its best efforts, to procure Placees to purchase the Placing Shares at the Placing Price on the terms and subject to the conditions of the Placing Agreement.

The total number of the Placing Shares, being 210,000,000 Shares, represents:

- (1) approximately 2.97% of the total number of Shares in issue as at the date of this announcement; and
- (2) approximately 2.88% of the enlarged total number of Shares in issue upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

Placees

It is expected that the Placing Agents will place the Placing Shares to not less than six Placees, all of whom/which are independent professional, institutional and/or other individual investors. Immediately after the Placing Completion, it is expected that none of the Placees will become a substantial shareholder of the Company.

The Placing Agents will determine matters in relation to the Placing (other than the Placing Price which shall be subject to the confirmation of the Company), provided that the Placing Agents will:

- (1) comply with the requirements of the Listing Rules and the Placing Agreement; and
- (2) use reasonable efforts to procure that the Placees are institutional or other professional investors who are (and whose ultimate beneficial owners are): (i) independent of and not acting in concert with the Placing Shareholder (or any person acting in concert with it); and (ii) independent of and not connected with, the Placing Shareholder, the Company, the Directors, substantial shareholders (as defined in the Listing Rules), supervisors and chief executive of each member within the Group and their respective associates.

Placing Price

The Placing Price represents:

- (1) a discount of approximately 9.78% to the closing price of HK\$2.25 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (2) a discount of approximately 10.96% to the average closing price of HK\$2.28 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Placing Price of HK\$2.03 per Placing Share was determined after arm's length negotiations between the Company, the Placing Shareholder and the Placing Agents with reference to the prevailing market price of the Shares on the Stock Exchange and the general market conditions. The Directors consider that the Placing Price

and the terms and conditions of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Rights and Ranking of the Placing Shares

The Placing Shares will be sold free and clear of all liens, charges and encumbrances and together with all rights attaching to them as at the date of the Placing Agreement, including the right to receive all dividends and other distributions declared, made or paid after the date of the Placing Agreement on the terms of the Placing Agreement.

The Placing Shares will, when fully paid, rank *pari passu* in all respects with, all of the other Shares of the same class in issue or to be issued by the Company on or prior to the date of Placing Completion.

Placing Period

Subject to the terms and conditions of the Placing Agreement, the Placing Agents will offer, as agent of the Placing Shareholder, the Placing Shares at the Placing Price (together with the applicable fees in relation thereto) during the Placing Period.

Conditions of the Placing

The obligation on the Placing Agents to proceed with the Placing Completion is conditional on the following conditions:

- (1) the Subscription Letter having been entered into by the Placing Shareholder and the Company; and
- (2) the Placing Agents not having terminated the Placing Agreement.

If any of the conditions set out above are not fulfilled, or not waived by the Placing Agents by the Placing Completion Date, the Placing Agreement and the respective obligations of the Placing Agents, the Placing Shareholder and the Company thereunder will cease and terminate.

Completion of the Placing

The Placing Completion shall take place on the Placing Completion Date.

Lock-Up Undertakings

Pursuant to the Placing Agreement, the Placing Shareholder has undertaken to the Placing Agents that for a period commencing on the date of the Placing Agreement until the expiry of 90 days after the Placing Completion Date, it will not and will procure that none of its Affiliates will (without the prior written approval of the Placing Agents or save as otherwise permitted in the Placing Agreement): (i) offer, lend, pledge, charge, issue, sell, mortgage, assign or grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any of the share capital or other securities of the Company or any interest therein (including any securities that are convertible into or exchangeable for, or that represent the right to receive any such capital or securities or any interest therein); (ii) contract to do any aforesaid transaction; (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such share capital or securities or any interest therein; (iv) enter into any transaction with the same economic effect as any aforesaid transactions; or (v) agree, or contract to, or announce that the Company will or may enter into any aforesaid transaction. For the avoidance of doubt, the above undertaking does not restrict the Placing Shareholder or its Affiliates from purchasing any Shares.

Pursuant to the Placing Agreement, the Company has undertaken to the Placing Agents that for a period commencing on the date of the Placing Agreement until the expiry of 90 days after the Placing Completion Date, except for the Subscription Shares and save (i) pursuant to the exercise of conversion, exchange or subscription rights under the warrants, options, rights or securities of the Company which are in issue or outstanding as at the date of the Placing Agreement; (ii) pursuant to any agreements or arrangements which are in existing as at the date of the Placing Agreement and which have been disclosed by way of a formal announcement uploaded on the official website of the Stock Exchange; (iii) for any securities or rights issued or granted to shareholders of the Company by way of bonus or under any scrip dividend or similar arrangement providing for the allotment of securities in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; and (iv) for any option or share issued or granted or to be issued or granted to eligible participants in accordance with any share option scheme or share award scheme of the Group, the Company will not and will procure that no member of the Group will (without the prior written approval of the Placing Agents) (i) issue any Shares or issue or grant any options, warrants, rights or securities convertible into or exchangeable for Shares or carrying rights to subscribe for Shares or interest in Shares, or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transaction described in (i) above or announce any intention to enter into or effect any transaction described in (i) or (ii) above, in each case at a price per Share which is less than the Placing Price.

THE SUBSCRIPTION

On 27 January 2021 (before trading hours), the Company and the Placing Shareholder entered into the Subscription Letter, the principal terms of which are summarised below:

Subscription Shares

Under the Subscription Letter, the Placing Shareholder has agreed to subscribe for, and the Company has agreed to issue to the Placing Shareholder, the Subscription Shares (being equivalent to the number of Placing Shares sold by the Placing Shareholder pursuant to the Placing but less the number of defaulted Placing Shares if any).

The maximum number of the Subscription Shares represents:

- (1) approximately 2.97% of the total number of Shares in issue as at the date of this announcement; and
- (2) approximately 2.88% of the enlarged total number of Shares in issue upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the date of completion of the Subscription other than the issue by the Company of the Subscription Shares).

Subscription Price

The Subscription Price is equivalent to the Placing Price but less the commissions, fees and expenses incurred by the Placing Shareholder in connection with the Placing.

The Subscription Price was determined after arm's length negotiations between the Company, the Placing Shareholder and the Placing Agents with reference to the prevailing market price of the Shares on the Stock Exchange and the general market conditions. The Directors consider that the Subscription Price and the terms and conditions of the Subscription Letter are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Rights and Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue at the date of allotment, including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

Conditions of the Subscription

The Subscription is subject to the following conditions:

- (1) the Placing Completion; and
- (2) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares.

None of the above conditions can be waived. If any of the above conditions are not fulfilled on or before 10 February 2021 or such later date as may be agreed, the Subscription Letter and the rights and obligations thereunder will cease and terminate.

Completion of the Subscription

Completion of the Subscription shall take place at a time to be agreed between the Company and the Placing Shareholder and in any event no later than 10 February 2021.

Under Rule 14A.92(4) of the Listing Rules, the Subscription must be completed no later than a date falling fourteen (14) days after the date of the Placing Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders (being Shareholders other than the Placing Shareholder, their respective ultimate beneficial owners and their respective associates).

In the event that completion of the Subscription does not take place on or before 10 February 2021, the Company undertakes to use its best endeavours at its own cost to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as the Placing Shareholder may reasonably require, to effect the Subscription (including, without limitation, to comply with the applicable requirements under Chapter 14A of the Listing Rules).

General Mandate to Issue the Subscription Shares

The issue of the Subscription Shares is not subject to the approval by the Shareholders. The Subscription Shares will be allotted and issued under the General Mandate, subject to the limit of up to 1,385,115,356 new Shares (representing 20% of the number of issued Shares of the Company on the date when the General Mandate was granted). As at the date of this announcement, 155,440,414 Shares have been issued under the General Mandate and the total number of new Shares that can be allotted and issued under the General Mandate is therefore 1,229,674,942 Shares. The General Mandate is sufficient for the allotment and issue of the Subscription Shares.

Application for Listing of the Subscription Shares

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Subscription Shares on the Stock Exchange.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 7,081,017,194 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 the Placing Completion but before the completion of the Subscription; and (iii) immediately after the completion of the Placing and the Subscription, assuming that the maximum number of the Placing Shares, being 210,000,000 Shares, are placed under the Placing Agreement and that no other change in the number of issued Shares of the Company other than the issue of Subscription Shares:

Name of Shareholder	As at the date of this announcement		Immediately after the Placing Completion but before the completion of the Subscription		Immediately after the completion of the Placing and the Subscription	
	Number of Shares	Approximate % shareholding	Number of Shares	Approximate % shareholding	Number of Shares	Approximate % shareholding
Shougang Group Concert Group:						
- Placing Shareholder	918,315,849	12.97	708,315,849	10.00	918,315,849	12.60
- Wide Success Holdings Limited	821,349,784	11.60	821,349,784	11.60	821,349,784	11.27
- China Gate Investments Limited	551,565,954	7.79	551,565,954	7.79	551,565,954	7.56
- Grand Invest International Limited	153,668,152	2.17	153,668,152	2.17	153,668,152	2.11
- Shougang Holding (Hong Kong) Limited	90,786,898	1.28	90,786,898	1.28	90,786,898	1.24
- Prime Success Investments Limited	9,714,800	0.14	9,714,800	0.14	9,714,800	0.13
- Lyre Terrace Management Limited	46,000	0.00	46,000	0.00	46,000	0.00
Subtotal of Shougang Group Concert Group	2,545,447,437	35.95	2,335,447,437	32.98	2,545,447,437	34.91
Substantial shareholders:						
ORIX Corporation and its subsidiaries	1,044,081,679	14.74	1,044,081,679	14.74	1,044,081,679	14.32
NWS Holdings Limited and its subsidiaries	835,485,105	11.80	835,485,105	11.80	835,485,105	11.46
Directors:						
Liu Jingwei	1,825,200	0.03	1,825,200	0.03	1,825,200	0.03

Li Wei	1,020,000	0.01	1,020,000	0.01	1,020,000	0.01
Liang Hengyi	598,000	0.01	598,000	0.01	598,000	0.01
Zhang Meng	264,000	0.00	264,000	0.00	264,000	0.00
Wang Xin (together with his spouse)	240,000	0.00	240,000	0.00	240,000	0.00
Places	-	-	210,000,000	2.97	210,000,000	2.88
Other Shareholders	2,652,055,773	37.46	2,652,055,773	37.46	2,652,055,773	36.38
Total	7,081,017,194	100.00	7,081,017,194	100.00	7,291,017,194	100.00

INFORMATION ON THE PLACING SHAREHOLDER

The Placing Shareholder is a company incorporated in Hong Kong with limited liability which is principally engaged in investment and asset management. It is a wholly-owned subsidiary of Shougang Fund and an indirect wholly-owned subsidiary of Shougang Group. Shougang Group is a state-owned enterprise established in the PRC and a controlling shareholder of the Company.

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 PLACING AND THE SUBSCRIPTION

The Group has been focusing on the management and operations of car parking assets business, and management of private funds that are oriented towards urban redevelopment business since the strategic transformation. The Directors consider that the Placing and the Subscription will enable the Group to promote the rapid development of its principal businesses, to continuously increase its market shares and to provide better investment returns to the Shareholders.

The gap between the supply and demand of car parking spaces in central cities is getting larger. Whilst there are many management problems in the parking industry, such as high vacancy rate of car parking spaces, insufficient utilization efficiency of car parking spaces and low quality of car parking services. The contradiction has stimulated the reform of the parking industry. There is a broad market and room for improvement in China's parking market. In 2020, the Group has established four core business networks spanning across Beijing-Tianjin-Hebei, Yangtze River Delta, Southwest Region and Greater Bay Area in the PRC, and formed mature static transportation solutions at a city level. Furthermore, many parking buildings with intelligent parking equipment have been put into operation gradually. As more and more new intelligent three-dimensional parking buildings will be required in the first-tier cities, the Group will continue seizing the development opportunities in the parking industry, increase the investment in construction of sky parking buildings, and support the supply side reform of static traffic.

Currently, China's economy is in the development stage of a large number of stock property renovation, and there is huge demand for property renovation in central cities. The Group actively participates in the development of high-quality properties through New Shougang High-end Industry Park by way of real estate

fund mode. As at 30 June 2020, the management scale of urban redevelopment funds has reached RMB43.4 billion. The Group will continue seizing the opportunities of urban redevelopment in central cities and obtaining more high-quality urban redevelopment projects.

The Company believes that China's infrastructure REITs, being in crucial development stage, will have a broad development prospect with the support and guidance of national policies. The Group has unique advantages in setting up REITs that are oriented towards infrastructure real estate as it owns high-quality underlying infrastructure assets and has accumulated extensive experiences in the field of fund management. The Group will seize the rare development opportunities of China's infrastructure REITs, focusing on infrastructure REITs products, and continuously expanding the management scale of funds and assets of the Group.

The Directors consider that the terms and conditions of the Placing Agreement and Subscription Letter 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 (after deducting all costs and expenses incurred by the Placing Shareholder and to be reimbursed by the Company, and other expenses incurred by the Company) from the Placing and the Subscription are estimated to be approximately HK\$426 million and HK\$419 million, respectively. The net price to the Company for each Subscription Share is approximately HK\$2.00 per Subscription Share.

The Company intends to use the net proceeds from the Placing and the Subscription for existing business expansion, strategic investment opportunities, as applicable, and general working capital, as follows:

Proposed Use of Net Proceeds	Tentative allocation in proportion to total expected net cash proceeds arising from the Placing and the Subscription
<p>(1) Management and operation of car parking assets</p> <p>The Group expects to apply part of the net cash proceeds towards payment for parking lot renovation expenses, operating system research and development expenses, rental payments and construction cost for new parking buildings. A portion of the net cash proceeds is also expected to be applied towards investment expenditure on the establishment of parking asset investment funds to allow the Group to continue seizing industry opportunities and leveraging on the Group's leading advantage in this field.</p>	<p>Approximately 30% to 40%</p>
<p>(2) Urban redevelopment business and management of private funds that are oriented towards urban redevelopment</p> <p>The Group expects to utilize part of its net cash proceeds towards its urban redevelopment business, part of which is intended to be applied on the development plan of the Shougang Park and the continuing establishment of private funds towards the urban redevelopment.</p> <p>Urban redevelopment REITs funds are strategic investment products which have been derived from the integration of the Group's principal businesses. It is expected that investments in the aforesaid funds can effectively enhance the</p>	<p>Approximately 30% to 40%</p>

Group's fund management scale and scale of asset under management.

- (3) General working capital As the scale of business and operations of the Group expands, the Company expects to utilize part of the net cash proceeds to replenish, and where appropriate supplement, the daily general working capital of the Group for the administration expenses of the management of the Group and business development expenses. Approximately 20% to 40%

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
28 July 2020	Issue of convertible bonds in the aggregate principal amount of HK\$300 million to Poly Platinum Enterprises Limited	Approximately HK\$294.7 million	(1) approximately HK\$294.7 million, or 100% of the net proceeds, will be used to 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.
14 February 2020	Issue of 1,500,000,000 Shares to FTLife Insurance Company Limited	Approximately HK\$449.8 million	(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;
- (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
- (3) approximately HK\$67.5 million, or 15% of the net proceeds, 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\$564.6 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\$112.4 million; and (iii) to be used as general working capital in the aggregate amount of approximately HK\$67.5 million.

Completion of the Placing and the Subscription is subject to fulfilment of the conditions thereunder. As the Placing and 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:

- “acting in concert” has the meaning ascribed to it under the Takeovers Code;
- “Affiliate” of a person means any other person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such person where the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise;
- “associate(s)” has the meaning ascribed to it under the Listing Rules;

“Board”	the board of Directors;
“BOCI”	BOCI Asia Limited, a registered institution under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO;
“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 person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“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;
“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;
“Huatai”	Huatai Financial Holdings (Hong Kong) Limited, a registered institution under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), and Type 9 (asset management) regulated activities under the SFO
“Last Trading Date”	26 January 2021, being the last trading day prior to the signing of the Placing Agreement;
“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;
“Placee(s)”	any professional, institutional and other individual investor(s) whom any Placing Agent has procured to purchase any of the Placing Shares pursuant to its obligations under the Placing Agreement;
“Placing”	the placing to the Placees procured by the Placing Agents of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement;
“Placing Agents”	Huatai and BOCI, each acting as a placing agent for the Placing under the Placing Agreement and a third party independent of and not connected with the Company and its connected persons;

“Placing Agreement”	the placing agreement dated 27 January 2021 entered into between the Company, the Placing Shareholder and the Placing Agents in respect of the Placing and the Subscription;
“Placing Completion”	the completion of the Placing;
“Placing Completion Date”	29 January 2021 or such other time and/or date as the Placing Agents and the Placing Shareholder may agree on which Placing Completion will take place;
“Placing Period”	the period from the execution of the Placing Agreement up to the Placing Completion Date, unless terminated earlier pursuant to the terms of the Placing Agreement;
“Placing Price”	HK\$2.03 per Placing Share, as determined in accordance with the terms of the Placing Agreement;
“Placing Shareholder”	Jingxi Holdings Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Shougang Fund and an indirect wholly-owned subsidiary of Shougang Group and also a substantial shareholder of the Company as at the date of this announcement;
“Placing Share(s)”	210,000,000 Shares beneficially owned by the Placing Shareholder and to be placed pursuant to the Placing Agreement;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for the time being in force;
“Share(s)”	ordinary share(s) of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“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 established in the PRC, and a controlling Shareholder of the Company;
“Shougang Group Concert Group”	Shougang Group and parties acting in concert with it;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of new Shares by the Placing Shareholder under the Subscription Letter;
“Subscription Letter”	the subscription letter dated 27 January 2021 entered into between the Company and the Placing Shareholder, pursuant to which and

	conditional upon Placing Completion and satisfaction of the other conditions set out in therein, the Placing Shareholder will subscribe for 210,000,000 new Shares on the terms set out in therein;
“Subscription Price”	the Placing Price less the costs and expenses incurred by the Company and the Placing Shareholder in connection with the Placing and the Subscription;
“Subscription Share(s)”	up to 210,000,000 new Shares to be issued to the Placing Shareholder (equivalent to the number of the Placing Shares actually sold by the Placing Shareholder under the Placing but less the number of defaulted Placing Shares if any) by the Company under the Subscription;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers for the time being in force;
“%”	per cent.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 27 January 2021

As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman), Mr. Xu Liang, Mr. Li Wei (President), Mr. Liang Hengyi 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*