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

Reference is made to the announcement of Shoucheng Holdings Limited (the "**Company**") dated 27 January 2021 in relation to the placing of existing shares and top-up subscription of new shares under the general mandate (the "**Announcement**"). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that the completion of the Placing and the Subscription took place on 29 January 2021 and 3 February 2021, respectively, in accordance with the terms and conditions of the Placing Agreement and the Subscription Letter.

On 29 January 2021, an aggregate of 210,000,000 Placing Shares were successfully placed by the Placing Agents to not less than six Placees at the Placing Price of HK\$2.03 per Placing Share pursuant to the terms and conditions of the Placing Agreement. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Placees and their ultimate beneficial owners are third parties independent of the Company and its connected persons. None of the Placees has become a substantial Shareholder (as defined under the Listing Rules) of the Company immediately after the completion of the Placing.

As all conditions of the Subscription as set out in the Subscription Letter had been fulfilled, the Company allotted and issued 210,000,000 Subscription Shares to the Placing Shareholder at the Subscription Price on 3 February 2021.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before the completion of the Placing and the Subscription; (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 are as follows:

Name of Shareholder	Immediately before the completion of the Placing and the Subscription		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
Placees	-	-	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

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 amounted to 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
(1) Management and operation of car parking assets	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.	Approximately 30% to 40%
(2) Urban redevelopment business and management of private funds that	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	Approximately 30% to 40%

are oriented towards urban redevelopment

and the continuing establishment of private funds towards the urban redevelopment.

Urban redevelopment REIT's 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 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%

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 3 February 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.