

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**首程控股有限公司**  
**SHOUCHENG HOLDINGS LIMITED**  
*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 697)

## **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE SERVICES AGREEMENT**

### **THE SERVICES AGREEMENT**

The Board is pleased to announce that on 6 December 2022, Feisi Real Estate, an indirect wholly-owned subsidiary of the Company, entered into the Services Agreement with Shoushi Changtai, pursuant to which, Feisi Real Estate has agreed to provide the Services to Shoushi Changtai for a term commencing from 6 December 2022 and expiring on 31 December 2024.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Shougang Group is interested in approximately 24.98% of the issued Shares and hence, a substantial Shareholder and a connected person of the Company. Shougang Fund, a wholly-owned subsidiary of Shougang Group, is interested in approximately 12.62% of the issued Shares, and hence a substantial Shareholder and a connected person of the Company. Shougang Fund holds approximately 48.86% equity interest in Shoushi Changtai, and hence Shoushi Changtai is an associate of Shougang Fund and a connected person of the Company.

Accordingly, the entering into of the Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the proposed annual caps of the Service Fee are more than 0.1% but are all less than 5%, the provision of the Services under the Services Agreement is subject to reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **THE SERVICES AGREEMENT**

The Board is pleased to announce that on 6 December 2022, Feisi Real Estate, an indirect wholly-owned subsidiary of the Company, entered into the Services Agreement with Shoushi Changtai, pursuant to which, Feisi Real Estate has agreed to provide the Services to Shoushi Changtai for a term commencing from 6 December 2022 and expiring on 31 December 2024.

The principal terms of the Services Agreement are set out below:

- Date** : 6 December 2022
- Parties** : (i) Feisi Real Estate; and  
(ii) Shoushi Changtai

### **Provision of Services**

Feisi Real Estate shall provide certain tenants referral and other consulting services (the “**Services**”) in accordance with the terms and conditions of the Services Agreement to Shoushi Changtai in respect of the leasing units (the “**Target Units**”) of the project property of Chang’an Mills (located in Shougang Park, Shijingshan District of Beijing, the PRC) operated by Shoushi Changtai. Feisi Real Estate shall identify potential tenants through Feisi Real Estate’s own resources, negotiate with Shoushi Changtai and the potential tenants, introducing potential tenants to Shoushi Changtai and providing relevant consulting services to facilitate the execution of tenancy agreements between Shoushi Changtai and the tenants. Detailed scope of the Services including the followings:

- (a) assisting Shoushi Changtai to negotiate with the referred clients on the Target Units and facilitate the leasing;
- (b) leading and accompanying the referred clients to conduct site visits and introducing the Target Units, environment and situation under the assistance of Shoushi Changtai;
- (c) assisting Shoushi Changtai in resolving questions and disputes of the referred clients; and
- (d) assisting Shoushi Changtai in signing the tenancy agreements with the referred clients.

### **Term**

The Services Agreement is for a term commencing on 6 December 2022 and expiring on 31 December 2024 (both days inclusive).

### **Termination**

If either party breaches the terms of the Services Agreement and fails to rectify its breach within 15 days after receiving the non-breaching party’s written notice of the breach, the non-breaching party may immediately notify the defaulting party in writing to terminate the Services Agreement. The Services Agreement shall terminate immediately upon delivery of the termination notice to the defaulting party.

### **Service Fee and Pricing Basis**

The fee for the provision of the Services under the Services Agreement shall be calculated at 1.5 times of the effective monthly rent of the leased property (inclusive of VAT) (the “**Service Fee**”). The effective monthly rent refers to the average monthly rent during the entire lease term, and the specific amount is calculated according to the following formula: total gross rent divided by the total number of months of the lease term. Under this formula, “total gross rent” means

the total rent receivable under the lease throughout the lease term before payment or deduction of VAT and surcharges or other taxes, including but not limited to all fixed rents and commission rents (if any), but excluding (i) all electricity, water, heating and other utility bills, (ii) property management fees, and (iii) payments agreed for cleaning, air conditioning or other services.

After the referred client signed the tenancy agreement with Shoushi Changtai, and the referred client has paid all the rental deposit and advance payment, and formally entered the site for decoration, it is deemed that Feisi Real Estate has completed the Services and met the payment condition of the Services.

Shoushi Changtai shall pay the Service Fee to Feisi Real Estate by depositing into its designated account within 10 working days after receiving and confirming the service confirmation form provided by Feisi Real Estate.

The basis of the Service Fee was determined after arm’s length negotiations between Feisi Real Estate and Shoushi Changtai taking into consideration factors including market competition and demand, and the corresponding terms are no less favourable to Feisi Real Estate than those available to independent third parties and connected parties of Shoushi Changtai and having considered Feisi Real Estate’s resource capacity and the long-term cooperation between both parties.

**Annual caps of the Service Fee and basis of determination**

The following table sets out the proposed annual caps of the Service Fee payable to Feisi Real Estate by Shoushi Changtai under the Services Agreement:

	<b>For the year ending 31 December 2022 (RMB)</b>	<b>For the year ending 31 December 2023 (RMB)</b>	<b>For the year ending 31 December 2024 (RMB)</b>
Proposed annual caps	6,500,000	18,000,000	6,000,000

There have been no previous transactions in relation to the Services contemplated under the Services Agreement between the Group (including Feisi Real Estate) and Shoushi Changtai. The proposed annual caps of the Service Fee were determined by Feisi Real Estate and Shoushi Changtai after arm’s length negotiations with reference to (i) the leasing plan, including all the leasable area, scale and location, of Chang’an Mills; and (ii) the leasing and sales conditions of Chang’an Mills’ surrounding properties; and (iii) Chang’an Mills’ tentative leasing timetable and the service capability of Feisi Real Estate in different stages.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE SERVICES AGREEMENT**

As a fund manager, Shoucheng Rongshi (Beijing) Fund Management Co., Ltd. (“**Shoucheng Rongshi**”, a wholly-owned subsidiary of the Company) has established and managed a number of funds invested in the real estate field of Shougang Park. Chang’an Mills project is one of these managed funds and is also the first large-scale commercial office complex project managed by the Group. As a wholly-owned subsidiary of Shoucheng Rongshi, Feisi Real Estate, based on the core resources of Shougang Park, provides services and empowerment for Shoushi

Changtai. It is able to assist in the introduction of high-end industries and commercial customers that meet the development positioning of the park, build industrial office center of leading enterprises in various fields in western Beijing and the first and flagship stores of high-quality commercial brands in western Beijing, and create an industrial focus effect and sculpt the brand image of the project, in order to further enhance the asset value of the project and provide better returns to investors and the Group.

## INFORMATION OF THE GROUP AND THE PARTIES

The Group is principally engaged in infrastructure asset management.

Feisi Real Estate is a company incorporated under the laws of the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in real estate consulting services, business management consulting and technology business incubation.

Shoushi Changtai is a limited liability company established in the PRC and is principally engaged in rental of non-residential real estate, business management consulting, market research, conference services, exhibition activities and property management etc. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Shoushi Changtai is owned as to approximately (i) 48.86% by Shougang Group, a state-owned enterprise established under the laws of the PRC with limited liability and ultimately owned by 北京市人民政府國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government\*), which is principally engaged in the steel industry; (ii) 27.70% by 泰康人壽保險有限責任公司 (Taikang Life Insurance Co., Ltd.\*), which is wholly-owned by 泰康保險集團股份有限公司 (Taikang Insurance Group Co., Ltd.\*, "Taikang Insurance Group"), a company principally engaging in insurance and management of investment holding companies. Taikang Insurance Group is held by 20 corporate shareholders, including various limited partnerships, public and private companies; (iii) 11.08% by 北京煜盈資產管理有限公司 (Beijing Yuying Asset Management Co., Ltd.\*), principally engaging in investment, and the ultimate beneficial owners of which are 趙玫 (Zhao Mei\*) (as to 90% interest) and 田彥 (Tian Yan\*) (as to 10% interest); (iv) 9.81% by the Company; (v) 1.55% by 北京獅澤投資諮詢有限公司 (Beijing Shize Investment and Consulting Limited\*), the ultimate beneficial owner of which is Tishman Speyer Properties, LP, a limited partnership established in the USA, principally engaged in real estate investment; and (vi) 1% by 成都武侯資本投資管理集團有限公司 (Chengdu Wuhou Capital Investment Management Group Co., Ltd.\*), a state-owned company in the PRC engaging in investment and ultimately owned by 成都市武侯區國有資產監督管理和金融工作局 (Chengdu Wuhou District State-owned Assets Supervision and Administration and Financial Work Bureau\*).

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Shougang Group is interested in approximately 24.98% of the issued Shares and hence, a substantial Shareholder and a connected person of the Company. Shougang Fund, a wholly-owned subsidiary of Shougang Group, is interested in approximately 12.62% of the issued Shares, and hence a substantial Shareholder and a connected person of the Company. Shougang Fund holds approximately 48.86% equity interest in Shoushi Changtai, and hence Shoushi Changtai is an associate of Shougang Fund and a connected person of the Company.

Accordingly, the entering into of the Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the proposed annual caps of the Service Fee are more than 0.1% but are all less than 5%, the provision of the Services under the Services Agreement is subject to reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Zhao Tianyang and Mr. Xu Liang, by virtue of their connection with Shougang Group, and Ms. Zhang Meng, by virtue of her connection with Shoushi Changtai, have abstained from voting on the Board resolutions proposed to approve the Services Agreement and the transactions contemplated thereunder. Save as disclosed, none of the Directors has any material interest in the Services Agreement and the transactions contemplated thereunder.

The Directors (including the independent non-executive Directors but excluding the Directors who have abstained from voting on the relevant Board resolutions) consider that the terms of the Services Agreement (including the provision of the Services and the proposed annual caps) are fair and reasonable and that the entering into of the Services Agreement is on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors;
“Company”	Shoucheng Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 697);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Feisi Real Estate”	北京非思房地產諮詢有限公司 (Beijing Feisi Real Estate Consulting Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“PRC”	the People’s Republic of China and for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Services Agreement”	the services agreement dated 6 December 2022 entered into between Feisi Real Estate and Shoushi Changtai in respect of the provision of the Services;
“Service Fee”	The service fee that Shoushi Changtai shall pay Feisi Real Estate for the provision of the Services;
“Shareholder(s)”	holder(s) of the Share(s);
“Share(s)”	the ordinary share(s) of the Company;
“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 incorporated under the laws of the PRC with limited liability;
“Shoushi Changtai”	北京首獅昌泰運營管理有限公司 (Beijing Shoushi Changtai Operation Management Co., Ltd.*), a limited liability company established in the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial Shareholder”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

By order of the Board  
**Shoucheng Holdings Limited**  
**Zhao Tianyang**  
*Chairman*

Hong Kong, 6 December 2022

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