

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)

**FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED
31 MARCH 2023**

This announcement is made on a voluntary basis by Shoucheng Holdings Limited (the “**Company**”) for the purpose of further increasing the level of corporate governance and enhancing its transparency.

HIGHLIGHTS OF QUARTERLY RESULTS

For the three months ended 31 March 2023:

- ◆ The Group recorded revenue of approximately HK\$322 million, representing an increase of 10.0% from the same period of last year.
- ◆ The Group recorded gross profit of approximately HK\$202 million, representing an increase of 17.7% from the same period of last year.
- ◆ The Group recorded operating profit of approximately HK\$181 million, representing an increase of 14.5% from the same period of last year.
- ◆ The basic earnings per share for the period was HK1.52 cents, representing an increase of HK0.03 cents from the same period of last year.
- ◆ The diluted earnings per share for the period was HK1.52 cents, representing an increase of HK0.03 cents from the same period of last year.

SUMMARISED INFORMATION

The board of directors (the “**Board**”) of the Company is pleased to announce the summarised information in relation to the unaudited condensed consolidated quarterly results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2023.

KEY FINANCIAL INFORMATION

| As extracted from the unaudited condensed consolidated statement of comprehensive income | Three months ended 31 March | | Variance |
|--|-----------------------------|-------------------------|----------|
| | 2023 | 2022 | |
| | HK\$'000 (Unaudited) | HK\$'000 (Unaudited) | |
| Revenue | 322,379 | 293,186 | 10.0% |
| As attributed by the Group's | | | |
| (i) Revenue from FIME* | 179,677 | 172,966 | 3.9% |
| (ii) Revenue from asset operating | 142,702 | 120,220 | 18.7% |
| Gross profit | 201,569 | 171,325 | 17.7% |
| Operating profit | 181,359 | 158,446 | 14.5% |
| Profit attributable to owners of the Company | 110,422 | 108,386 | 1.9% |

*FIME is defined as fundraising, investment, management and exit.

| As extracted from the unaudited condensed consolidated statement of financial position for 2023 | 31 March | 31 December | Variance |
|---|-------------------------|-----------------------|----------|
| | 2023 | 2022 | |
| | HK\$'000 (Unaudited) | HK\$'000 (Audited) | |
| Total assets | 14,382,396 | 13,656,191 | 5.3% |
| Net assets | 10,642,555 | 10,024,059 | 6.2% |
| Bank balances and cash and time deposits with maturity over three months | 3,959,828 | 3,724,339 | 6.3% |
| Wealth management products and fixed income financial assets | 711,730 | 752,186 | (5.4%) |
| Asset – Liability ratio Δ | 26.0% | 26.6% | -0.6% |
| Debt equity ratio Δ | 10.3% | 10.5% | -0.2% |

Δ The definitions of Asset - Liability ratio and Debt equity ratio are set out in page 3 to page 4 of this announcement.

The unaudited financial results of the Group for the three months ended 31 March 2023 have been prepared in accordance with the same accounting policies which had been adopted in the audited financial statements of the Group for the year ended 31 December 2022.

Non-HKFRSs Measures

The total liabilities divided by total assets is defined as the Asset – Liability ratio (the “**Asset – Liability ratio**”) of the Group.

The total borrowings divided by capital and reserves attributable to owners of the Company is defined as the debt equity ratio (the “**Debt equity ratio**”) of the Group.

The Asset – Liability ratio and Debt equity ratio used as additional financial measures to supplement the Group’s summarised information in relation to the condensed consolidated quarterly results which are presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The Group believes that the Asset – Liability ratio and Debt equity ratio provide meaningful supplemental information regarding the Group’s performance and the core operating results, enhance the overall understanding of the Group’s past performance and future prospects and allow for greater visibility with respect to key metrics used by the Group’s management in its financial and operational decision-making. It would help the investors of the Company and others understand and evaluate the Group’s consolidated results of operations in the same manner as management and in comparing the Group’s financial results across different accounting periods.

Asset – Liability ratio

The Asset – Liability ratio is presented because it is used by management to evaluate the Group’s debt level.

In the first quarter of 2023, the Asset – Liability ratio of the Group is 26.0%, representing a decrease of absolute value of 0.6% as compared to 31 December 2022.

The following table shows the Group’s total liabilities and total assets for the periods presented:

| | 31 March 2023 HK\$’Million (Unaudited) | 31 December 2022 HK\$’Million (Audited) |
|--------------------------------|---|--|
| Total liabilities | 3,740 | 3,632 |
| Total assets | 14,382 | 13,656 |
| Asset – Liability ratio | 26.0% | 26.6% |

Debt equity ratio

The Debt equity ratio is presented because it is used by management to evaluate how the Group utilised its borrowings for financing the business and operations for growth.

In the first quarter of 2023, the Debt equity ratio of the Group is 10.3%, representing a decrease of absolute value of 0.2% as compared to 31 December 2022.

The following table shows the Group's total borrowings and capital and reserves attributable to owners of the Company for the periods presented:

| | 31 March 2023 <i>HK\$'Million</i> (Unaudited) | 31 December 2022 <i>HK\$'Million</i> (Audited) |
|---|---|---|
| Total borrowings | 1,081 | 1,047 |
| Capital and reserves attributable to owners of the Company | 10,489 | 9,928 |
| Debt equity ratio | 10.3% | 10.5% |

BUSINESS OVERVIEW

In the first quarter of 2023, the Group continues to uphold the mission of being the leading infrastructure assets service provider who continuously enhances the operational efficiency as well as becomes the pioneer of real estate investment trusts (“**REITs**”) in China, which uses REITs comprehensively to serve customers in depth. The value of FIME and asset operation was further released, sustainable and high quality growth in revenue scale and profitability was achieved.

For the three months ended 31 March 2023, the Group recorded revenue of approximately HK\$322 million, representing an increase of 10.0% from the same period last year. That includes the revenue from FIME which amounted to approximately HK\$180 million, representing an increase of 3.9% over the same period last year; as well as the revenue from asset operation which amounted to approximately HK\$143 million, representing an increase of 18.7% from the same period last year. The profit attributable to the owners of the Company for the current period amounted to approximately HK\$110 million, representing an increase of 1.9% from the same period last year.

STEADY GROWTH IN ASSETS MANAGEMENT SCALE

In the first quarter of 2023, the Group enhanced the layout and integration of grid-based assets with long-term value, focused on four core regions, anchored potential assets, and actively expanded its asset management scale.

Thanks to the customers’ affirmation of the Group’s operation and service capabilities in the early-stage, the Group successfully signed the Beijing Shunyi District Smart Transport Phase Two Project*(北京市順義區智慧交通二期項目) and Gansu Province Baiyin City Urban Level Phase Two Project*(甘肅省白銀市城市級二期項目) in the first quarter of 2023. The Group has established in-depth cooperative relations with several district-level governments in Tianjin, among which, signed a strategic cooperation framework agreement with the Hedong District Government and established an industrial investment fund to focus on Tianjin’s industry and project investment, and actively explored the development opportunities of infrastructure asset securitisation in static transportation and urban renewal etc.; and signed another strategic cooperation framework agreement with the Management Committee of Tianjin Binhai High-tech Industrial Development to explore more extensive cooperation in the fields of project investment, industry introduction and operation management on the basis of implementation of the Group’s first Qualified Foreign Limited Partner fund (“**QFLP fund**”). At the same time, the Group officially launched the implementation of Tianjin Binhai New District city-level project *(天津濱海新區城市級項目).

In terms of commercial real estate projects, the Group has completed the acquisition of several real estate projects in Beijing, Chongqing etc., providing project reserves for the issuance of public offering REITs products with its own assets.

** For identification purpose only*

FIRST-MOVER ADVANTAGE OF INFRASTRUCTURE PUBLIC OFFERING REITS CONTINUES TO BE CONSOLIDATED

The Group is firmly optimistic about the prospects and returns of China's public offering REITs market. The Group made full coverage investments in the three public offering REITs products listed in China in the first quarter of 2023 through strategic placement, contributing stable and sustainable revenue to the Group. In the field of REITs consultation, relying on its in-depth understanding of infrastructure assets, the Group assisted the client in successfully issuing the first public offering REIT for photovoltaic power generation in China, and the corresponding target asset revitalization scale was about RMB 3 billion.

ASSET OPERATION EFFICIENCY FURTHER ENHANCED

With the overall relaxation of travel policies in the first quarter of 2023, the car flow and passenger flow gradually recovered in February 2023 as the epidemic started to ease, the Group's asset operation efficiency was also further enhanced.

Firstly, the operation of parking assets, especially the transportation hubs, ushered in a significant rebound. The Group's airport parking projects recorded an increase of revenue by 32% in the New Year's Day holiday compared with the same period last year. The Group's transportation hubs parking projects accumulatively served approximately 1 million vehicles during the Chinese New Year holidays.

Secondly, in terms of the operation of the industrial park, the new landmark of international consumption on West Chang'an Street in Beijing, the Shougang Park - Chang'an Mills project*(「首鋼園-六工匯」項目), has a total passenger flow of nearly 120,000 people in three days on New Year's Day holiday, which is the peak passenger flow since its opening, increased more than 400% compared with the week before the New Year's Day holiday. The operation of the above-mentioned various assets continues to improve. On the one hand, it has effectively increased the revenue scale of the Group, and on the other hand, it has accelerated the process of recovering the value of the underlying assets and issuing public offering REITs products by itself.

In the future, the Group will continue to serve different levels of local governments and large enterprises, enhance the bond with the original owners of infrastructure assets, and enhance asset performance and value through an operating system centered on lean services, technological innovation, and value-added reorganization. At the same time, the Group will actively explore methods such as issuing public offering REITs to help the original owners revitalize the underlying assets and create more long-term benefits.

* For identification purpose only

CAUTION STATEMENT

Although the Company is now issuing quarterly information, potential investors should be aware that due to fluctuations in market conditions, exchange rates of Renminbi against other currencies and changes in the operating environment from time to time, certain income and expenses may vary substantially from quarter to quarter. Hence, comparisons between different periods within a single financial year, or between different periods in different financial years, are not necessarily meaningful and cannot be relied upon as indicators of the Group's performance. Also, quarterly results should not be used to estimate or extrapolate to project the Group's full-year performance.

In addition, the Board wishes to remind the shareholders of the Company and potential investors that the above selected financial data is extracted from the Company's internal records and management accounts and has not been reviewed or audited by its independent auditor. The Company's shareholders and potential investors are cautioned not to unduly rely on such data. In the meantime, the Company's shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our shareholders and potential investors for their trust and support to the Group. The Group will continue to enrich and innovate its own business models to enhance the FIME (which is defined as fundraising, investment, management and exit) value and being one of the leading infrastructure assets service providers who continuously enhances the operational efficiency of infrastructure as well as becomes the pioneer of REITs in China.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 15 May 2023

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.