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

**CONNECTED TRANSACTION  
IN RELATION TO  
RENEWAL OF PROJECT OPERATION AND MAINTENANCE  
ENTRUSTMENT CONTRACT**

**RENEWAL OF PROJECT OPERATION AND MAINTENANCE ENTRUSTMENT  
CONTRACT**

Reference is made to the announcement of the Company dated 27 May 2021 in relation to, among other things, the Project Operation and Maintenance Entrustment Contract entered into between Shouzhong Parking, a subsidiary of the Company, and Shougang Automation IT.

The Project Operation and Maintenance Entrustment Contract will expire on 31 May 2022. Pursuant to the Contract, if Shougang Automation IT has attained excellent results from the performance evaluation thrice during the term of the Contract, priority to renew the Contract will be granted by Shouzhong Parking to Shougang Automation IT. As the performance of Shougang Automation IT during the Contract term satisfied the Renewal Requirement and therefore, Shouzhong Parking entered into the Project Operation and Maintenance Entrustment Renewal Contract with Shougang Automation IT for a term of twelve months commencing from 1 June 2022 to 31 May 2023.

**IMPLICATIONS UNDER THE LISTING RULES**

As at the date hereof, Shougang Group indirectly holds approximately 34.95% of the issued Shares and is a substantial shareholder of the Company. Shougang Automation IT is held as to 49% by Shougang Group and is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Therefore, the entering into of the Project Operation and Maintenance Entrustment Renewal Contract between Shouzhong Parking and Shougang Automation IT and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that one or more of the applicable percentage ratios are more than 0.1% but all are less than 5%, the connected transaction is subject to

announcement and reporting requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **RENEWAL OF PROJECT OPERATION AND MAINTENANCE ENTRUSTMENT CONTRACT**

Reference is made to the announcement of the Company dated 27 May 2021 in relation to, among other things, the Project Operation and Maintenance Entrustment Contract entered into between Shouzhong Parking, a subsidiary of the Company, and Shougang Automation IT.

The Project Operation and Maintenance Entrustment Contract will expire on 31 May 2022. Pursuant to the Contract, if Shougang Automation IT has attained excellent results from the performance evaluation thrice during the term of the Contract (the “**Renewal Requirement**”), priority to renew the Contract will be granted by Shouzhong Parking to Shougang Automation IT. As the performance of Shougang Automation IT during the Contract term satisfied the Renewal Requirement and therefore, Shouzhong Parking entered into the Project Operation and Maintenance Entrustment Renewal Contract with Shougang Automation IT for a term of twelve months commencing from 1 June 2022 to 31 May 2023.

The principal terms of the Project Operation and Maintenance Entrustment Renewal Contract are set out below:

<b>Date</b>	31 May 2022
<b>Parties</b>	Shouzhong Parking; and Shougang Automation IT.
<b>Scope of service</b>	Shouzhong Parking shall entrust the provision of the Operation and Maintenance Services under the Project to Shougang Automation IT to ensure the normal operation of the parking building. Shougang Automation IT shall be responsible for the implementation of the overall daily management of the Project under the supervision, inspection, assessment and guidance of specified personnel assigned by Shouzhong Parking pursuant to the terms of the Renewal Contract.
<b>Renewal Contract sum</b>	Shouzhong Parking shall pay a total contract sum of RMB2,838,736.63 to Shougang Automation IT for the provision of the Operation and Maintenance Services under the Renewal Contract.  The total contract sum under the Renewal Contract, being the same total contract sum under the Contract, was determined by both parties through arm's length negotiation with reference to (i) the same scope and term of service under the Contract; and (ii) the same basis for the total contract sum with that of the Contract, including labor expenditure, clothing expenses, input of maintenance equipment and materials, office expenses, training expenses, taxes, management fee, etc..

**Term of service** The term of service is 12 months commencing from 1 June 2022 to 31 May 2023 (the “**Renewal Contract Term**”).

In addition, the period from 1 June 2022 to 31 August 2022 will be the performance evaluation period of Shougang Automation IT; in the case where Shougang Automation IT has failed the relevant performance evaluation, Shouzhong Parking has the right to terminate the Renewal Contract.

**Payment terms** Shouzhong Parking shall pay the Renewal Contract sum to Shougang Automation IT on a monthly basis. Each monthly payment shall be paid within one month after the end of each month during the Renewal Contract Term; while the payment for the last month of the Renewal Contract Term shall be paid within one month after Shougang Automation IT has completed the handover work with the new supplier. The Renewal Contract sum will be funded by Shouzhong Parking’s internal resources.

## **REASONS FOR AND BENEFITS OF THE RENEWAL CONTRACT**

Based on the deep understanding of the on-site conditions and various electromechanical systems of the parking building in Beijing Daxing International Airport, Shougang Automation IT has provided high-quality engineering operation and maintenance services for the Company during the term of the Contract, with its outstanding capabilities in intelligent building operation and maintenance, building intelligent weak current system integration and communication infrastructure construction, etc..

Since 2021, having focused on the development of “smart parks”, “smart buildings”, “static transportation” and other industries in the field of smart city, Shougang Automation IT has formed core capabilities such as smart equipment and smart services and has successfully completed important tasks such as projects construction and equipment operation and maintenance of the China International Fair Trade in Service, the Winter Olympics and Paralympic Games. It has the technical strength to provide more high-quality services for the operation and maintenance of the parking building project in Beijing Daxing International Airport. At the same time, Shougang Automation IT adheres to high-quality operation and lean management, which has formed effective synergy with the “investment + operation” two-wheel drive model of the Company.

The continued cooperation with Shougang Automation IT through the entering into of the Renewal Contract this time will help the Company steadily improve the operation efficiency and quality of the parking building project in Beijing Daxing International Airport, constantly refining and optimizing the management model of lean operation, synergistically promoting the Group’s focus on the investment management and technology services of parking and infrastructure real estate, and continuing to provide our customers with a good parking experience.

## **INFORMATION ON THE GROUP AND THE PARTIES**

The principal business of the Group is infrastructure asset management.

Shouzhong Parking, principally engaged in management of motor vehicle parking, is a company established in the PRC with limited liability. It is held as to approximately 99.18% by the Group and approximately 0.82% by Jingtai Anda.

Jingtai Anda is a limited liability company established in the PRC and is principally engaged in motor vehicle public parking lot services and property management, etc.. It is 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\*, "**Beijing SASAC**").

Shougang Automation IT is a company established in the PRC with limited liability and is principally engaged in four-level automation system and high-quality production maintenance and system integration technology. It is held as to 49% by Shougang Group, a state-owned enterprise established under the laws of the PRC with limited liability and ultimately owned by Beijing SASAC and principally engaged in the steel industry, and the remaining 51% by Independent Third Parties, being 25.0625% by Mr. Zhang Zongxian, 6.4375% by Mr. She Guoping, 5.8125% by Mr. Liu Yingfeng, 3.5% by Mr. Li Zhenxing, 3.125% by Mr. Jiang Peng, 3.125% by Mr. Hu Pijun, 2.25% by Mr. Liu Tao and 1.6875% by Mr. Li Teng.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Zhang Zongxian, Mr. She Guoping, Mr. Liu Yingfeng, Mr. Li Zhenxing, Mr. Jiang Peng, Mr. Hu Pijun, Mr. Liu Tao and Mr. Li Teng are Independent Third Parties.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date hereof, Shougang Group indirectly holds approximately 34.95% of the issued Shares and is a substantial shareholder of the Company. Shougang Automation IT is held as to 49% by Shougang Group and is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

Therefore, the entering into of the Project Operation and Maintenance Entrustment Renewal Contract between Shouzhong Parking and Shougang Automation IT and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that one or more of the applicable percentage ratios are more than 0.1% but all are less than 5%, the connected transaction is subject to announcement and reporting requirements but is exempt from 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, have abstained from voting on the Board resolutions proposed to approve the Renewal Contract and the transactions contemplated thereunder. Save as disclosed, none of the Directors has any material interest in the Renewal Contract 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 Renewal Contract are fair and reasonable and that the entering into of the Renewal Contract is on normal commercial terms and 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

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

“Board”	the board of Directors;
“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;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company;
“Jingtai Anda”	北京靜態交通安達停車管理有限公司 (Beijing Static Traffic Anda Parking Management Co., Ltd.*), a limited liability company established in the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Operation and Maintenance Services”	provision of operation and maintenance services to all electromechanical installation systems (except firefighting systems and elevators) in the Service Area, including the power supply and distribution system, building automation system, air conditioning system, monitoring system, broadcasting system, clock display system, access control system, large-screen visual display system, UPS management system, water supply and drainage heating system, intelligent parking management system, charging pile system, weak current communication system, and integrated wiring of the building;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Project”	the provision of Operation and Maintenance Services at the Service Area in Beijing Daxing International Airport;

“Project Operation and Maintenance Entrustment Contract” or “Contract”	the contract dated 27 May 2021 entered into between Shouzhong Parking and Shougang Automation IT in respect of the entrusting of the provision of the Operation and Maintenance Services under the Project for a term commencing from 1 June 2021 to 31 May 2022;
“Project Operation and Maintenance Entrustment Renewal Contract” or “Renewal Contract”	the contract dated 31 May 2022 entered into between Shouzhong Parking and Shougang Automation IT in respect of the entrusting of the provision of the Operation and Maintenance Services under the Project for a term commencing from 1 June 2022 to 31 May 2023;
“RMB”	Renminbi, the lawful currency of the PRC;
“Service Area”	the four floors of the parking building in Beijing Daxing International Airport, three of which are above ground and one of which is underground with a total construction area of 250,000 square meters; comprising a total of 4,228 parking spaces, and including the toll station of the entrance and exit of the parking building, the two internal corridors connecting the parking building and the toll station, and nearly 10,000 square meters of convenient service area and indoor and outdoor advertising;
“Share(s)”	ordinary share(s) of the Company;
“Shougang Group”	首鋼集團有限公司 (Shougang Group Co., Ltd.*), a state-owned enterprise established in the PRC and a substantial shareholder of the Company;
“Shougang Automation IT”	北京首鋼自動化信息技術有限公司 (Beijing Shougang Automation Information Technology Co., Ltd.*), a limited liability company established in the PRC, which is held as to 49% by Shougang Group and the remaining 51% by the Independent Third Parties;
“Shouzhong Parking”	北京首中停車管理有限公司 (Beijing Shouzhong Parking Management Co., Ltd.*), a limited liability company established in the PRC, which is held as to approximately 99.18% by the Company and approximately 0.82% by Jingtai Anda as at the date of the Renewal Contract;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules; and

“0%”

per cent.

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

Hong Kong, 31 May 2022

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