

## CHAIRMAN'S STATEMENT 主席報告書

Dear shareholders, investors, clients and colleagues,

As this is my seventh report as the Chairman of the board (“Board”) of directors (“Directors”) of Shoucheng Holdings Limited (the “Company”), I present it in a highly concise manner. The main reason is that the macroeconomic context is complex and arcane, our corporate strategy formulated several years ago at the mesoscopic level has been subject to continuous refinement and steadfast implementation, therefore it is dispensed with repeating the elaboration. In terms of operations, I am delighted to share with you that the corporate operations remain in an optimal phase, marked by soaring business growth. Since the fourth quarter of the previous year, my team and I have been working around the clock, aiming to avail ourselves of all effective time slots to create greater value for all of you.

Although there are certain regrets in the overall operations performance, the core business profit remains sound. The Group recorded revenue of HK\$883 million and the profit attributable to owners of the Company of HK\$404 million in 2023. There has been a significant decline in the Company's profit compared to 2022, The decline in recorded profits is primarily ascribed to significant downturn in the trading prices of several domestic strategic investments in C-REITs. On 8 February, 2024, by the China Securities Regulatory Commission released the Application of Regulatory Rules – Accounting No. 4\* (監管規則適用指引—會計類第4號). If adjusted in accordance with the Application of Regulatory Rules – Accounting No. 4, the profit attributable to the owners of the Company should be HK\$732 million in 2023, remain constant as compared to 2022 under the same calibre. If excluding the market fluctuations of the public offering REITs in PRC and the dividend income contributed by Shougang Fushan Resources Group Limited, the core business profit recorded a 20% increment as compared to 2022 under the same calibre. In light of this, following deliberation by the Board, it has been decided to distribute all profits of 2023 to shareholders, continuing to return investors who have shown trust and long-term support by holding the Company's shares. Moreover, with endorsement from the Company's management, all senior executives will not receive annual bonuses this year and the Company's entire bonus amount will be distributed to middle and junior level employees.

尊敬的各位股東、投資人、客戶及員工：

今年的報告是我的第七份主席報告，將以極簡的方式向大家匯報，主要原因是宏觀方面複雜難懂，中觀層面的企業戰略層面幾年前業已制定，並持續優化，始終堅持，不需要再重複報告。具體經營上，也要欣喜地告訴大家，公司經營處在最好的時期，業務發展迅速，從去年4季度至今，我與團隊夜以繼日、極度繁忙，所以決定將有效的時間全部用於為大家創造更多的價值上。

首先，經營結果雖有遺憾，但主業利潤良好。2023年，全年報表收入8.83億港元，歸母淨利潤4.04億港元。相較2022年有相當幅度的下降，報表利潤下降的主要原因在於境內戰略投資的幾支REITs市場交易價格大幅回撤所導致。2024年2月8日，中國證監會發佈了《監管規則適用指引-會計類第4號》。如果按此進行調整的話，2023年歸母淨利潤應為7.32億港元，與2022年同口径持平。若剔除市場波動和首鋼資源股息收入貢獻的影響，主業利潤與2022年同口径比較，實現了20%以上的增長。為此，經公司董事會審議決定，一方面將2023年度的全部利潤向股東進行分配，繼續回饋廣大給予公司信任支持並長期持有公司股票的投資人。另一方面經公司管理層認可，全體高管今年不領取年度獎金，把公司獎金額度全部面向中基層員工進行分配發放。

Furthermore, the robust asset structure of the Company serves as a testament to years of perseverance and efforts. By the end of 2023, the Company's bank balances and cash and time deposits at banks stood at HK\$4.01 billion, accounting for approximately 30% of the total assets. We settled offshore liabilities of HK\$448 million in 2023, curtailing the outstanding debts offshore to HK\$106 million at a notably low interest rate of 2.21%. These remarkably inexpensive liabilities are scheduled to be cleared on its due date. The parking asset quasi-REITs successfully launched domestically facilitated the inflow of capital, and through relentless endeavor, the total borrowings and bond payable of the Company was decreased from HK\$1.05 billion to HK\$793 million, amounting to a decrease of 24%. The current ratio of interest-bearing debt significantly lowered to a mere 5.9% stands in contrast to 7.7% in 2022, representing a cutdown by 1.8%. Within the past year, the Company was rewarded with the AAA ratings from the leading rating agencies, namely, China Chengxin International Credit Rating Co., Ltd. (CCXI) and China Lianhe Credit Rating Co., Ltd. Thanks to the support of our strategic shareholders, the Company has set up two funds each of RMB10 billion this year: the first is an urban development fund, focusing on revitalizing existing infrastructure assets and integrating sectoral resources, thereby perfecting the Company's REITs-based ecosystem featuring "fund-raising, investment, management and exit"; the other RMB10 billion fund, primarily financed by the government, which means stemming from taxpayers, targeting at frontier technology sectors. We will manage the fund with the utmost diligence to invest in key players along with the industrial chain as if we were safeguarding our very lives, to realize both social and economic benefits.

We remain unwaveringly positive in China assets, and our strong asset structure and ample funds empower us to leverage capital strengths in the long run in response to market adjustments, and to forge ahead with investments. In 2024, we plan to acquire more parking and charging/swapping infrastructure, indemnificatory housing, and community commercial assets, as well as to expand our investments in sectors such as technological innovation, robotics, new materials, and electric vehicles.

其次，公司資產結構持續保持健康水準，這是多年堅忍和努力的結果。2023年度公司貨幣資金為40.14億港元，約佔總資產比例為30%。年內我們償還了4.48億港元的境外債務，尚餘的1.06億港元，因利率僅為2.21%，特別便宜，我們計畫到期進行償還。我們在境內成功發行了停車類REITs，回流了更多資金，通過不斷地努力，我們將公司有息負債從10.47億港元，下降到7.93億港元，降幅24%；公司有息負債率僅為5.9%，較2022年之7.7%下降1.8個百分點。年內，公司獲得了中誠信國際和聯合資信兩家頭部評級機構給予的主體AAA評級。在公司戰略股東的支持下，年內公司還設立了兩支百億基金：一支城市發展基金，聚焦推進存量基礎設施資產盤活、促進行業資源整合，這讓公司以REITs為基石的「募、投、管、退」生態系統佈局更加完善；另一支百億基金將聚焦前沿科技產業，該基金主要來自政府資金，對於老百姓的錢，我們將以守護自己生命的態度來管理，佈局產業鏈鏈主企業，實現社會效益與經濟效益的雙豐收。

我們堅定看好中國資產，優良的資產結構和豐沛的基金讓我們有條件在市場調整期發揮長期資本的優勢，投資上更加進取。2024年，我們將加大在停車與充換電設施、保障房與社區商業資產領域的收購，加大在科技創新、機器人、新材料、新能源汽車等領域的投資。

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Last but not least, we delivered an ongoing evolution of the organizational structure, while our team is brimming with vitality. The most notable change of this year refers to the establishment of a management and service system for strategic customers, which has strengthened our business development model at the regional level. In the transition from a *Hunting Mode* to a mixture of *Hunting and Farming Mode*, a company-wide, grid-based business development model that joins the Regional and Strategic Customer Managers with Product Managers in rapidly accessing logistic support from the platform of functional department has been structured, thanks to which "soldiers" (employees) no longer work in silos, instead, the whole Group would be mobilized to make concerted efforts. The combination of endeavors from various units has delivered significantly enhanced upshots, embodied as elevated business metrics and accelerated growth rates.

We are committed to providing employees with opportunities for growth and achievement within the Company. This year, we have reformed our job grading system to promote those who have demonstrated excellence, loyalty and responsibility, thereby charting the course for junior colleagues to advance their careers. The optimized performance management and allocation models allowed competent colleagues with concrete contributions to receive higher rewards over a longer period of time. Further input in the growth and cultivation of talents highlighted by the targeted training programs for middle management and senior leadership, the nurturing of management trainees, and the normalization of routine business training, fostered a culture of continuous learning within the organization. On the heel of a special project initiated to manage and support outsourced personnel will follow more policies in support of their selection, appointment, and development. Efforts in optimizing our organizational management aim to share the dividends of the Company's growth with our diligent employees, further increasing the income of junior staff and ensuring that every member of the Shoucheng family is fully motivated with a commitment to making strides together with the Company.

Looking into the future, we remain unswervingly optimistic about the resilience and prospects of the Chinese economy. Continuous iterative innovation will keep the Company in its prime condition. Looking forward to 2024, we are fully aware that only by investing our courage and creativity in innovative endeavors to create "ten times better" can we unleash our potential, sustain rapid development, and create greater value.

最後，組織模式持續進化，員工隊伍充滿活力。年內最重要的變化是建立了戰略客戶的管理服務體系，做實了區域公司的業務發展模式。我們正逐步實現由「打獵」模式向「打獵」與「耕田」相結合轉變，形成了「區域、戰略客戶經理+產品經理+大中台快速支持」的公司級網格式拓展模型，實現了由單兵作戰向集團聯動作戰的轉變。以組合拳出擊的形式實際效果顯著，業務數據持續向好，增長速度越來越快。

我們持續努力讓員工在公司平台上能成長、有收穫。年內我們完成了公司職級體系的改革，提拔了表現優異、忠誠擔當的同事，年輕同事的成長路徑也更加清晰；我們優化了績效管理和分配模型，讓能幹的、有實際業績的同事能夠在更長的時間獲得更多收益；我們在人才成長與培訓上繼續加大投入，中高管專項培訓、管培生培訓、日常業務培訓常態化進行，組織始終保持學習狀態；我們開始啟動外包人員的管理和支持專項工作，在外包人員選拔、任用和成長上將會出台更多政策。我們在組織管理上的種種努力，目的就是讓奮鬥者可以分享公司成長的紅利，也將進一步提升基層員工的收入，讓每一個首程人都充滿鬥志與公司共進退。

面向未來，我們堅定看好中國經濟的發展韌性與前景空間，我們將通過持續迭代創新，讓公司保持在最佳狀態。展望2024，唯有將勇氣、創造力投入到「十倍好」創新奮鬥之中，才能激發我們的潛能，保持高速的發展，創造更大的價值。