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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)

**PROPOSED ISSUANCE OF U.S.\$180 MILLION 0.75%
CONVERTIBLE BONDS DUE 2026 UNDER GENERAL MANDATE**

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Sole Global Lead Arranger and Joint Bookrunner



PROPOSED ISSUANCE OF CONVERTIBLE BONDS

The Board is pleased to announce that on 30 June 2025 (after trading hours), the Company and the Managers entered into the Subscription Agreement in connection with the Proposed Issuance. Subject to the terms and conditions of the Subscription Agreement, the Managers have agreed to subscribe and pay for, or to procure

subscribers to subscribe and pay for, the Bonds to be issued by the Company in the aggregate principal amount of U.S.\$180 million.

The Company intends to use the net proceeds of the Bonds for investing in certain key assets and for general corporate purposes.

The Bonds may be converted into Conversion Shares pursuant to the Conditions. 865,786,764 Conversion Shares will be issued upon exercise of the conversion right attaching to the Bonds in full based on the initial Conversion Price of HK\$1.632 per Conversion Share. The 865,786,764 Conversion Shares represent approximately 11.89% of the total number of Shares in issue as at the date of this announcement, and approximately 10.62% of the enlarged total number of issued Shares upon allotment and issue of such Conversion Shares, assuming that there is no other change to the issued share capital of the Company.

APPLICATION FOR LISTING

The Company will apply to the Stock Exchange for the listing of, and permission to deal in the Bonds on the Stock Exchange. An application will also be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may fall to be issued upon exercise of the conversion right attaching to the Bonds.

GENERAL MANDATE

The Proposed Issuance and the issue of the Conversion Shares are not subject to Shareholders' approval. The Conversion Shares will be issued pursuant to the General Mandate.

Completion of the Proposed Issuance is subject to the satisfaction of the conditions precedent to the Subscription Agreement and may or may not materialise. In addition, the Subscription Agreement may be terminated in certain circumstances. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 30 June 2025 (after trading hours), the Company and the Managers entered into the Subscription Agreement in connection with the Proposed Issuance.

THE SUBSCRIPTION AGREEMENT

Date

30 June 2025

Parties

- a) the Company as the issuer; and
- b) Haitong International Securities Company Limited, Huatai Financial Holdings (Hong Kong) Limited, DBS Bank Ltd., Guotai Junan Securities (Hong Kong) Limited and The Hongkong and Shanghai Banking Corporation Limited as the Managers.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Managers and their respective ultimate beneficial owners are not connected with the Company or its connected persons.

Subscription

Subject to fulfilment of the conditions precedent set forth in the Subscription Agreement, some of which are set out under the section headed "Conditions to the Subscription Agreement" below, the Managers have agreed to

subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds to be issued by the Company in the aggregate principal amount of U.S.\$180 million.

The Bonds and the Conversion Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

Subscribers

The Managers have informed the Company that they intend to offer and sell the Bonds to no less than six independent placees (who will be independent individual, corporate and/or institutional investors). To the best of the Directors' knowledge, information and belief, each of the initial placees (and their respective ultimate beneficial owners) will be third parties independent of the Company and its connected persons.

Conditions to the Subscription Agreement

The obligations of the Managers to subscribe and pay for the Bonds are subject to the fulfilment or waiver of, among others, the following conditions on or prior to the Closing Date:

- a) **Due Diligence:** the Managers being satisfied with the results of the due diligence investigations with respect to the Company and its subsidiaries and the Offering Circular shall have been prepared in form and content satisfactory to the Managers;
- b) **Other Contracts:** the execution and delivery (on or before the Closing Date) of the Trust Deed and the Agency Agreement, each in a form satisfactory to the Managers, by the respective parties;
- c) **Auditors' Letters:** upon the Publication Date and on the Closing Date, there having been delivered to the Managers comfort letters, in form and substance satisfactory to the Managers, dated the Publication Date in the case of the first letter and dated the Closing Date in the case of the subsequent letter, and addressed to the Managers from certified public accountants to the Company;
- d) **Compliance:** at the Closing Date:
 - (i) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on such date;
 - (ii) the Company having performed all of its obligations under the Subscription Agreement, the Trust Deed and the Agency Agreement to which it is a party to be performed on or before such date; and
 - (iii) there having been delivered to the Managers a certificate confirming no material adverse change and no default in the form attached to the Subscription Agreement, dated as of such date, of a duly authorised officer of the Company to such effect;
- e) **Other consents:** there shall have been delivered to the Managers copies of all consents and approvals required in relation to the issue of the Bonds and the performance of the Company's obligations under the Trust Deed, the Agency Agreement and the Bonds (including the consents and approvals required from all lenders, if any);
- f) **Listing:** the Stock Exchange having agreed to list the Conversion Shares and the Stock Exchange having agreed, subject to any conditions satisfactory to the Managers, to list the Bonds (or, in each case, the Managers being satisfied that such listing will be granted);
- g) **Legal Opinions:** there having been delivered to the Managers opinions from various legal counsels, in form and substance satisfactory to the Managers, dated the Closing Date; and

- h) **CSRC Filing:** the agreed and final or substantially complete drafts of the documents in relation to the CSRC Filings, in form and substance satisfactory to the Joint Global Coordinators, having been delivered to the Joint Global Coordinators.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent (other than the conditions set out in paragraphs (b) and (f) above).

As at the date of this announcement, none of the above conditions has been satisfied and/or (as the case may be) waived. It is the intention of the Company to satisfy or procure the satisfaction of the conditions precedent under the Subscription Agreement before the Closing Date.

Lock-up Undertaking of the Company

The Company has undertaken with the Managers that for a period from the date of the Subscription Agreement up to the date falling 60 calendar days after the Closing Date, except for (a) the Bonds and the Conversion Shares issued on conversion of the Bonds, and (b) any issue of Shares under the share incentive plan and the bonus award scheme as disclosed in the annual report of the Company dated 3 April 2025, neither the Company nor any person acting on its behalf will, without the prior written consent of the Managers:

- a) issue, offer, sell, pledge, contract to sell, pledge or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe for or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them;
- b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares;
- c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in a), b) or c) is to be settled by delivery of Shares or other securities, in cash or otherwise; or
- d) announce or otherwise make public an intention to do any of the foregoing.

Termination

The Managers may, by notice to the Company given at any time prior to payment of the net subscription monies for the Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

- a) if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform, or breach of, any of the Company's undertakings or agreements in the Subscription Agreement;
- b) if any of the conditions precedent specified in the Subscription Agreement has not been satisfied or waived by the Managers on or prior to the Closing Date;
- c) if in the opinion of the Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;

- d) if, in the opinion of the Managers, there shall have occurred any of the following events:
- (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the Nasdaq Stock Exchange, the London Stock Exchange plc, and/or the Stock Exchange and/or any other stock exchange on which the Company's securities are traded;
 - (ii) a suspension for a period of three consecutive trading days or a material limitation in trading in the Company's securities on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded;
 - (iii) a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong or the United Kingdom; or
 - (iv) a change or development involving a prospective change in taxation affecting the Company, the Bonds, and the Conversion Shares to be issued upon conversion of the Bonds or the transfer thereof; or
- e) if, in the opinion of the Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised below:

Issuer:	The Company
Principal amount of the Bonds:	U.S.\$180 million, convertible into fully paid ordinary shares in the issued and paid up capital of the Company
Issue price:	100% of the principal amount of the Bonds
Form and denomination of the Bonds:	The Bonds will be issued in registered form and in denominations of U.S.\$200,000 each and integral multiples of U.S.\$1,000 in excess thereof.
Status of the Bonds:	The Bonds will constitute direct, unconditional, unsubordinated and subject to the Conditions, unsecured obligations of the Company and shall at all times rank <i>pari passu</i> among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.
Maturity:	Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, the Company will redeem each Bond at its principal amount on the Maturity Date. The Company may not redeem the Bonds at its option prior to that date except as provided in the Conditions.
Interest:	The Bonds bear interest from and including 9 July 2025 at the rate of 0.75%, per annum on the outstanding principal amount of the Bonds. Interest is payable on 9 January 2026 and the Maturity Date.

Conversion right and period:

Subject to and upon compliance with the Conditions, the conversion right in respect of a Bond may be exercised, at the option of the holder thereof, at any time on or after 9 July 2025 up to (a) the close of business (being 3:00 p.m. (Hong Kong time)) on the date falling ten days prior to the Maturity Date (both days inclusive) (but, except as provided in the Conditions, in no event thereafter) or, (b) if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (being 3:00 p.m.) (Hong Kong time) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof, or (c) if notice requiring redemption has been given by the holder of such Bond pursuant to the Conditions then up to the close of business (being 3:00 p.m.) (Hong Kong time) on the business day prior to the giving of such notice.

The number of Shares to be issued on exercise of a conversion right shall be determined by dividing the principal amount of the Bonds to be converted by the Conversion Price in effect on the relevant conversion date.

Conversion Price:

The price at which Conversion Shares will be issued upon exercise of a conversion right will initially be HK\$1.632 per Conversion Share, but will be subject to adjustment upon the occurrence of certain prescribed events, namely: (i) consolidation, subdivision or reclassification; (ii) capitalisation of profits or reserves; (iii) capital distributions; (iv) rights issues of Shares or options over Shares at less than 95% of the Current Market Price per Share; (v) rights issues of other securities; (vi) issues at less than 95% of the Current Market Price per Share; (vii) other issues of convertible or exchangeable securities at less than 95% of the Current Market Price per Share; (viii) modification of rights of conversion at less than 95% of the Current Market Price per Share; (ix) other offers of securities to Shareholders; and (x) if the Company otherwise determines that an adjustment should be made to the Conversion Price.

Adjustment upon Change of Control:

If a Change of Control shall occur, the initial Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = \frac{OCP}{1 + (CP \times c/t)}$$

where:

“**NCP**” means the new Conversion Price after such adjustment.

“**OCP**” means the Conversion Price before such adjustment. For the avoidance of doubt, OCP shall be the Conversion Price in effect on the relevant conversion date.

“**CP**” means the conversion premium of 2.00%, expressed as a fraction.

“**c**” means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date.

“**t**” means the number of days from and including 9 July 2025 to but excluding the Maturity Date.

Ranking of the Conversion Shares:

The Conversion Shares to be issued upon exercise of the conversion right attaching to the Bonds will be fully paid and rank *pari passu* in all respects with the Shares then in issue on the date on which the name of the exercising Bondholder is registered as holder of the relevant Conversion Shares in the register of members of the Company except for any right excluded by mandatory provisions of applicable law.

Redemption at maturity:

Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, the Company will redeem each Bond at 100% of its principal amount on the Maturity Date.

Redemption for taxation reasons:

The Company may at its option, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Principal Agent and the Trustee in writing and the Bondholders in accordance with the Conditions (which notice shall be irrevocable), on the date specified in the Tax Redemption Notice for redemption, redeem in whole but not some only of the Bonds at 100.00% of its principal amount, if the Company satisfies the Trustee immediately prior to the giving of such notice that

- (a) the Company has or will become obliged to pay additional tax as a result of any change in, or amendment to, the laws or regulations of the PRC or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 30 June 2025, and
- (b) such obligation cannot be avoided by the Company taking reasonable measures available to it,

provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.

If the Company gives a Tax Redemption Notice, each Bondholder shall have the right to elect that his Bonds shall not be redeemed. Upon a Bondholder electing not to have its Bonds redeemed in such circumstances, any payments due after the tax redemption date shall be made subject to any deduction or withholding of any tax required to be deducted or withheld.

Redemption at the option of the Company:

The Company may at its option, on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Agent in writing and the Bondholders in accordance with the Conditions, redeem all and not some only of the Bonds at their principal amount together with interest accrued (if any) to (but excluding) the date fixed for redemption, at any time if, prior to the date the relevant notice is given, conversion rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90% or more in aggregate principal amount of the Bonds originally issued.

Redemption for relevant event:

Following occurrence of any of the following events, the holder of each Bond will have the right at such holder's option, to require the Company to redeem all or some only of such holder's Bonds at their principal amount, together with interest accrued (if any):

- (i) when the Shares cease to be listed or admitted to trading or are suspended from trading on the Main Board of the Stock Exchange for a period equal to or exceeding 30 consecutive Trading Days; or
- (ii) when there is a Change of Control.

Cash settlement option:

Notwithstanding the conversion right of each Bondholder in respect of each Bond, at any time when the delivery of Shares deliverable upon conversion of the Bonds is required to satisfy the conversion right in respect of a conversion notice, the Company shall have the option to pay to the relevant Bondholder an amount of cash in U.S. dollars equal to the Cash Settlement Amount (as defined below) in order to satisfy such conversion right in full or in part (in which case the other part shall be satisfied by the delivery of Shares) (the “**Cash Settlement Option**”), by providing notice of the exercise of the Cash Settlement Option (the “**Cash Settlement Notice**”) to the relevant Bondholder, the Trustee and the agents as soon as practicable but no later than the fifth Stock Exchange Business Day immediately following the date of delivery of the conversion notice.

“**Cash Settlement Amount**” means an amount in U.S. dollars equal to the product of (i) the number of Shares otherwise deliverable upon exercise of the conversion right in respect of the Bonds to which the conversion notice applies, and in respect of which the Company has elected the Cash Settlement Option, and (ii) the arithmetic average of the volume weighted average price of the Shares for each day during the 20 consecutive Stock Exchange Business Days immediately after the date of the Cash Settlement Notice.

If the Company is at any time otherwise (for any reason whatsoever) unable to issue Shares in satisfaction of the conversion right of any converting Bondholder, the Company undertakes to exercise the Cash Settlement Option in full, or to the extent required, to satisfy the conversion right of the Bondholder.

Negative pledge:

So long as any Bond remains outstanding or any amount is due under or in respect of any Bond or otherwise under the Trust Deed, the Company will not, and will ensure that none of its Material Subsidiaries (as defined in the Conditions) will, create, permit to subsist or arise, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a “**Charge**”) (other than a security interest arising by operation of law) upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, unless at the same time or prior thereto the Bonds are accorded: (i) the same Charge as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity equally and rateably; or (ii) at the option of the Company by such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

Listing:

The Company will apply to the Stock Exchange for the listing of the Bonds and the Conversion Shares.

Clearing Systems:

Upon issue, the Bonds will be represented by a global certificate registered in the name of a nominee of, and deposited with, a common depository for Euroclear Bank SA/NV and Clearstream Banking S.A.

Transferability: Transfers of interests in the Bonds evidenced by the global certificate will be effected in accordance with the rules and procedures of the relevant clearing systems.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price of HK\$1.632 per Conversion Share represents:

- (i) a premium of approximately 2.00% over the closing price of the Shares at HK\$1.600 per Share quoted on the Stock Exchange on 30 June 2025, which is the date of the Subscription Agreement;
- (ii) a premium of approximately 0.99% over the average closing price of the Shares at HK\$1.616 per Share for the last five consecutive Trading Days up to and including 30 June 2025; and
- (iii) a premium of approximately 3.03% over the average closing price of the Shares at HK\$1.584 per Share for the last ten consecutive Trading Days up to and including 30 June 2025.

The initial Conversion Price was determined with reference to the prevailing market price of the Shares and the terms and conditions of the Bonds and was negotiated on an arm's length basis between the Company and the Managers after a book-building exercise.

865,786,764 Conversion Shares will be issued upon exercise of the conversion right attaching to the Bonds in full based on the initial Conversion Price of HK\$1.632 per Conversion Share. The number of Conversion Shares issuable upon conversion of any Bond shall be determined by dividing the principal amount of the Bonds to be converted (translated into Hong Kong dollars at the fixed rate of HK\$7.8498 = U.S.\$1.00) by the Conversion Price in effect on the relevant conversion date.

The 865,786,764 Conversion Shares represent:

- (i) approximately 11.89% of the total number of Shares in issue as at the date of this announcement; and
- (ii) approximately 10.62% of the enlarged total number of issued Shares upon allotment and issue of such Conversion Shares, assuming that there is no other change to the issued share capital of the Company.

USE OF PROCEEDS

The estimated net proceeds from the Proposed Issuance (being the gross proceeds after the deduction of commission and expenses) amount to approximately U.S.\$178 million. The net price for each Conversion Share is estimated to be approximately HK\$1.615. The Company intends to use the net proceeds of the Bonds for investing in certain key assets and for general corporate purposes.

GENERAL MANDATE

The Proposed Issuance and the issue of the Conversion Shares are not subject to Shareholders' approval. The Conversion Shares will be issued pursuant to the General Mandate, subject to the limit of up to 1,456,971,088 Shares (representing 20% of the issued share capital of the Company on the date on which the General Mandate was granted). As at the date of this announcement, the Company has not issued any Shares pursuant to the General Mandate.

As at the date of this announcement, the Company has no treasury shares and no intention to transfer treasury shares upon the Bondholders' exercise of the conversion rights.

APPLICATION FOR LISTING

The Company will apply to the Stock Exchange for the listing of, and permission to deal in the Bonds on the Stock Exchange. An application will also be made to the Stock Exchange for the listing of, and permission to

deal in, the Conversion Shares which may fall to be issued upon exercise of the conversion right attaching to the Bonds.

REASONS FOR THE PROPOSED ISSUANCE

The net proceeds from the Proposed Issuance are intended to be primarily allocated to anchor investments in key industries. The Company will proactively seek and capitalize on high-quality investment opportunities, with a focus on sectors that are closely aligned with its strategic plans. Through targeted industrial investments, the Company aims to further extend and integrate its industrial chain, thereby enhancing its core competitiveness and market share. These initiatives are expected to reinforce the Company's industry leadership, support sustainable business growth, and generate greater value for its Shareholders.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement and the Bonds are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

As at the date of this announcement, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out (i) the Company's shareholding structure as at the date of this announcement; and (ii) the Company's shareholding structure assuming the Bonds are fully issued and converted into Conversion Shares at the initial Conversion Price of HK\$1.632 per Conversion Share, on the assumptions that there will be no other change to the issued share capital of the Company.

Name of Shareholder	As at the date of this announcement		Assuming all the Bonds are fully issued and converted into Conversion Shares at the initial Conversion Price of HK\$1.632 per Share	
	Number of Shares	Approximate % of total number of issued Shares	Number of Shares	Approximate % of enlarged total number of issued Shares
Shareholders:				
Shougang Group and its subsidiaries	1,817,411,917	24.95%	1,817,411,917	22.30%
ORIX Corporation and its subsidiaries	1,044,081,679	14.33%	1,044,081,679	12.81%
CTF Services Limited and its subsidiaries	835,485,105	11.47%	835,485,105	10.25%
Beijing State-owned Capital Operation and Management Company Limited and its subsidiaries	728,035,520	9.99%	728,035,520	8.93%

Directors:				
Zhao Tianyang ⁽¹⁾⁽²⁾	1,000,000	0.01%	1,000,000	0.01%
Xu Huajie ⁽¹⁾	1,300,000	0.02%	1,300,000	0.02%
Liu Jingwei ⁽¹⁾	4,293,200	0.06%	4,293,200	0.05%
Wang Xin ⁽¹⁾⁽³⁾	490,000	0.01%	490,000	0.01%
Public Shareholders	-	-	-	-
Bondholders	-	-	865,786,764	10.62%
Other Shareholders	2,852,358,019	39.16%	2,852,358,019	35.00%
Total	7,284,455,440	100.00%	8,150,242,204	100.00%

Notes:

- (1) Zhao Tianyang, Xu Huajie, Liu Jingwei and Wang Xin are Directors of the Company;
- (2) Zhao Tianyang is beneficially interested in 1,000,000 Shares and 2,380,000 share options pursuant to the share incentive plan adopted by the Company on 3 November 2021; and
- (3) Wang Xin is beneficially interested in 290,000 Shares, and is deemed interested in 200,000 Shares which is held by his spouse.

GENERAL

Completion of the Proposed Issuance is subject to the satisfaction of the conditions precedent to the Subscription Agreement and may or may not materialise. In addition, the Subscription Agreement may be terminated in certain circumstances. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Agency Agreement”	the paying, conversion and transfer agency agreement (as amended or supplemented from time to time) between the Company, the Trustee and the agents to be named therein to be dated on or about the Closing Date
“Board”	the board of Directors of the Company
“Bondholders”	holders of the Bonds
“Bonds”	the 0.75% convertible bonds due 2026 in the principal amount of U.S.\$180 million to be issued by the Company
“Change of Control”	the occurrence of any of the following events: <ol style="list-style-type: none"> (a) any person or persons acting together acquires control of the Company if such person or persons does not or do not have, and would not be deemed to have, control of the Company on 9 July 2025;

- (b) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person, unless the consolidation, merger, sale or transfer will not result in such other person or persons acquiring control over the Company or the successor entity; or
- (c) Shougang Group and/or the Permitted Holders together cease (directly or indirectly) to be the largest holders of voting rights of the Company;

provided that the events described in items (a) and (b) above would not constitute a Change of Control if Shougang Group and/or the Permitted Holders are such person or persons referred to therein

“Closing Date”	the closing date for the Proposed Issuance, which is expected to be on 9 July 2025 or such later date, not being later than 23 July 2025, as may be agreed by the Company and the Managers
“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
“Conditions”	the terms and conditions of the Bonds
“connected person”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	HK\$1.632 per Conversion Share subject to adjustments in the manner provided in the Conditions
“Conversion Shares”	Shares to be allotted and issued by the Company upon exercise of the conversion right attaching to the Bonds
“CSRC”	the China Securities Regulatory Commission
“CSRC Filings”	any letters, filings, correspondences, communications, documents, responses, undertakings and submissions in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the offering pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC effective from 31 March 2023, as amended, supplemented or otherwise modified from time to time, and other applicable rules and requirements of the CSRC
“Current Market Price”	in respect of a Share on a particular date, the average of the closing price quoted by the Stock Exchange for one Share for the 20 consecutive Trading Days ending on and including the Trading Day immediately preceding such day subject to certain conditions as stipulated in the Conditions
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on 30 April 2025, which authorised the Directors to allot, issue or otherwise deal with up to 1,456,971,088 Shares, representing 20% of the total number of Shares (excluding treasury shares, if any) in issue as at that date

“Group”	the Company and its subsidiaries taken as a whole
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Joint Global Coordinators”	Haitong International Securities Company Limited, Huatai Financial Holdings (Hong Kong) Limited, DBS Bank Ltd. and Guotai Junan Securities (Hong Kong) Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Managers”	Haitong International Securities Company Limited, Huatai Financial Holdings (Hong Kong) Limited, DBS Bank Ltd., Guotai Junan Securities (Hong Kong) Limited and The Hongkong and Shanghai Banking Corporation Limited
“Maturity Date”	On or about 7 July 2026
“Offering Circular”	the offering circular to be issued by the Company in connection with the issue of the Bonds and the listing of the Bonds on the Stock Exchange
“Permitted Holders”	any person directly or indirectly controlled by or under direct or indirect common control with Shougang Group
“Proposed Issuance”	the proposed issuance of the Bonds by the Company
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“Principal Agent”	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司), the principal paying agent, principal conversion agent and principal transfer agent appointed under the Agency Agreement
“Publication Date”	the date of the Offering Circular, being not later than three business days prior to the Closing Date or such other date as may be agreed between the Company and the Managers
“Relevant Indebtedness”	any present or future indebtedness issued or incurred outside of the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange or over-the-counter or other securities market but shall not include any financing of the acquisition of assets if (a) by the terms of such financing it is expressly provided that the holders of the resulting indebtedness shall look to the assets financed and the revenues to be generated by the operation of, or loss of or damage to, such assets as the sole source of repayment for the moneys advanced and payment of interest thereon and (b) such financing is not guaranteed by any member of the Group
“Shareholders”	holders of Shares from time to time
“Shares”	ordinary shares of the Company

“Shougang Group”	首鋼集團有限公司 (Shougang Group Co., Ltd.*), being the single largest Shareholder as at the date of this announcement
“Subscription Agreement”	the conditional subscription agreement dated 30 June 2025 entered into between the Company and the Managers in relation to the Proposed Issuance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stock Exchange Business Day”	any day (other than a Saturday, Sunday or public holiday) on which the Relevant Stock Exchange (as defined in the Conditions), as the case may be, is open for the business of dealing in securities
“Trading Day”	a day on which the Relevant Stock Exchange (as defined in the Conditions) is open for business and on which Shares or other securities may be dealt in (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time), provided that if no closing price is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days
“Trustee”	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司), the trustee to be appointed under the Trust Deed in relation to the Bonds as trustee for itself and the Bondholders
“Trust Deed”	the trust deed (as amended or supplemented from time to time) made between, among others, the Company and the Trustee to be dated on or about the Closing Date
“U.S.\$”	United States dollars, the lawful currency of the United States of America
“%”	Per cent

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 30 June 2025

As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman), Mr. Li Hao (Vice Chairman), Mr. Xu Huajie and Mr. Liu Jingwei as Executive Directors; Mr. Wu Lishun, Mr. Peng Jihai and Mr. Ho Gilbert Chi Hang as Non-executive Directors; Dr. Wang Xin, Ms. Zhang Quanling, Ms. Zhuge Wenjing, Dr. Zhang Jianwei and Ms. Tse, Theresa Y Y as Independent Non-executive Directors.

**For identification purposes only*