

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)

**CONNECTED TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE**

PROVISION OF FINANCIAL ASSISTANCE

On 23 June 2020, Shouda Huihe, a wholly-owned subsidiary of the Company, entered into the Loan Agreement as lender with Micro Parking as borrower and Vstartup as guarantor, pursuant to which Shouda Huihe has agreed to grant Micro Parking, a wholly-owned subsidiary of Vstartup, the Credit Facility of up to RMB50,000,000 and Vstartup has agreed to provide guarantee in favour of Shouda Huihe to secure the payment obligations of Micro Parking under the Loan Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As at the date hereof, Shougang Group indirectly holds approximately 36.75% of the issued Shares and is a connected person of the Company. Shougang Fund is a wholly-owned subsidiary of Shougang Group and indirectly holds approximately 13.26% of the issued Shares, and hence a connected person of the Company.

Jingxi Venture, a subsidiary of the Company, and Shougang Fund are both shareholders, holding approximately 24.19% and 20.56% equity interest respectively, of Vstartup. Therefore Vstartup is a commonly held entity falling within the meaning of Rule 14A.27 of the Listing Rules. Hence, the granting of the Credit Facility by Shouda Huihe to Vstartup's wholly-owned subsidiary, Micro Parking, and the provision of guarantee by Vstartup under the Loan Agreement in aggregate constitute a connected transaction of the Company pursuant to Rule 14A.26 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 entering into of the Loan Agreement and the transactions contemplated thereunder (including the granting of the Credit Facility) is subject to announcement and reporting requirements but is exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE

On 23 June 2020, Shouda Huihe, a wholly-owned subsidiary of the Company, entered into the Loan Agreement as lender with Micro Parking as borrower and Vstartup as guarantor, pursuant

to which Shouda Huihe has agreed to grant Micro Parking, a wholly-owned subsidiary of Vstartup, the Credit Facility of up to RMB50,000,000 and Vstartup has agreed to provide guarantee in favour of Shouda Huihe to secure the payment obligations of Micro Parking under the Loan Agreement.

PRINCIPAL TERMS OF THE LOAN AGREEMENT

Date	23 June 2020
Parties	(1) Shouda Huihe, a wholly-owned subsidiary of the Company, as lender; (2) Micro Parking, a wholly-owned subsidiary of Vstartup, as borrower; and (3) Vstartup, as guarantor.
Principal amount of the Credit Facility	Up to RMB50,000,000.
Interest rate	6.88% per annum, which is determined after arm's length negotiations among the parties and shall be calculated from the day following the date of drawdown up to the corresponding date of principal repayment.
Drawdown period of the Credit Facility	One (1) year commencing from the effective date of the Loan Agreement.
Term of the Loans	Up to three (3) years from the date of drawdown.
Guarantee and pledge	(i) Vstartup, as the sole shareholder of Micro Parking, jointly guarantees the payment obligations of Micro Parking under the Loan Agreement and undertakes to repay all the overdue principal amounts of the Loan(s) together with accrued interests thereon within 10 business days from the relevant due date if Micro Parking fails to perform its obligations thereunder; and (ii) Micro Parking shall pledge the income derived under the projects pertaining to each Loan in favour of Shouda Huihe as security for the payment obligations of Micro Parking under the Loan Agreement.
Repayment	(i) The principal amounts of the Loan(s) shall be repaid in one lump sum in full on the maturity date of each Loan as specified in the drawdown notice if its term is within one (1) year; or repaid in accordance with the corresponding approved repayment schedules as specified in the drawdown notice if the term of the relevant Loan exceeds one (1) year;

- (ii) The interests shall be repaid before the last working day of each quarter during the term of each Loan, and all accrued interests shall be settled on the maturity date of each Loan; and
- (iii) Micro Parking may make early repayment of the principal amounts and/or accrued interests of each Loan depending on its funding needs and the corresponding interests shall be calculated based on the actual borrowing period.

Purpose Micro Parking shall use the Loan(s) for its projects' performance bonds, upstream rentals, engineering transformation payments and working capital replenishments.

Supervision Account Micro Parking shall set up a supervision account to be jointly operated by Shouda Huihe in accordance with the Loan Agreement. The supervision account shall be used specifically for receiving any Loan(s) granted by Shouda Huihe and for receiving any receivables derived under the projects pertaining to the Loan(s).

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

The Board and the management of the Company consider that this transaction is not in the ordinary and usual course of business of the Group, but the Group could make full use of Micro Parking as a channel in its business exploration to enhance its market competitiveness in the parking business and hence accelerating the Group's business integration progress in the parking sector. At the same time, Micro Parking could also actively explore the edge innovations in parking lot operation which is beneficial in reducing the costs of overall operation and management. As the sole shareholder of Micro Parking and being a joint venture of the Group, Vstartup has extensive experience in commercial lease operations. This transaction will promote and facilitate further cooperation between the Group and Vstartup. When Vstartup expands its commercial lease operating business in the future, it could collaborate with the Group, and achieve potential synergies in developing the Group's commercial parking projects.

This transaction is beneficial to the normal operation and development of Micro Parking whereas the risk of lending is within the control of the Company and therefore, it will not create any adverse effects on the Company's operations and assets and will not be detrimental to the interests of the Company and its shareholders as a whole. As a security for repayment, the Company has also stipulated terms in the Loan Agreement, including but not limited to funds supervision and shareholder's guarantee, to secure safe and effective use of funds.

INFORMATION ON THE GROUP AND THE PARTIES

The Group mainly focuses on the management and operations of car parking assets and the management of private funds that are oriented towards urban redevelopment.

Shouda Huihe, a wholly-owned subsidiary of the Company, is a company established in the PRC with limited liability and is principally engaged in business management, consulting and planning.

Vstartup, the equity interest of which is held as to approximately 24.19% by Jingxi Venture, a subsidiary of the Company and approximately 20.56% by Shougang Fund, is a company established in the PRC with limited liability and is principally engaged in investment and property management, motor vehicle public parking lot services and technology development.

Micro Parking, which is wholly owned by Vstartup, is a company established in the PRC with limited liability and is principally engaged in motor vehicle public parking lot management and technology development.

IMPLICATIONS UNDER THE LISTING RULES

As at the date hereof, Shougang Group indirectly holds approximately 36.75% of the issued Shares and is a connected person of the Company. Shougang Fund is a wholly-owned subsidiary of Shougang Group and indirectly holds approximately 13.26% of the issued Shares, and hence a connected person of the Company.

Jingxi Venture, a subsidiary of the Company, and Shougang Fund are both shareholders, holding approximately 24.19% and 20.56% equity interest respectively, of Vstartup. Therefore Vstartup is a commonly held entity falling within the meaning of Rule 14A.27 of the Listing Rules. Hence, the granting of the Credit Facility by Shouda Huihe to Vstartup's wholly-owned subsidiary, Micro Parking, and the provision of guarantee by Vstartup under the Loan Agreement in aggregate constitute a connected transaction of the Company pursuant to Rule 14A.26 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 entering into of the Loan Agreement and the transactions contemplated thereunder (including the granting of the Credit Facility) 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, Mr. Xu Liang and Mr. Liang Hengyi, by virtue of their connection with Shougang Group, have abstained from voting on the Board resolutions proposed to approve the Loan Agreement and the transactions contemplated thereunder (including the granting of the Credit Facility). Save as disclosed, none of the Directors has any material interest in the Loan 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 Loan Agreement and the transactions contemplated thereunder (including the granting of the Credit Facility) were arrived at after arm's length negotiation among Shouda Huihe, Micro Parking and Vstartup; and have been entered into on normal commercial terms and the terms thereof are fair and reasonable and are in the interests of the Company and the 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;
“Credit Facility”	a credit facility in the principal amount of up to RMB50,000,000 to be granted by Shouda Huihe to Micro Parking under the Loan Agreement;
“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;
“Jingxi Venture”	北京京西創業投資基金管理有限公司 (Beijing Jingxi Venture Capital Fund Management Co., Ltd.*), a limited liability company established in the PRC, which is indirectly held as to 90% by the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan(s)”	the loan(s) to be drawn under the Credit Facility by Micro Parking subject to the terms and provisions of the Loan Agreement;
“Loan Agreement”	the loan agreement dated 23 June 2020 entered into among Shouda Huihe (as lender), Micro Parking (as borrower) and Vstartup (as guarantor) in respect of the provision of the Credit Facility;
“Micro Parking”	微停車(北京)科技有限公司 (Micro Parking (Beijing) Technology Co., Ltd.*), a limited liability company established in the PRC and a wholly-owned subsidiary of Vstartup;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of the Company;

“Shouda Huihe”	北京首達慧合企業服務有限公司 (Beijing Shouda Huihe Enterprise Services Co., Ltd.*), a limited liability company established in the PRC and a wholly-owned subsidiary 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, and a substantial shareholder 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 connected person of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Vstartup”	北京創業公社投資發展有限公司 (Beijing Vstartup Investment and Development Co., Ltd.*), a limited liability company established in the PRC, the equity interest of which is held as to approximately 24.19% by Jingxi Venture and approximately 20.56% by Shougang Fund; and
“%”	per cent.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 23 June 2020

As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman), Mr. Xu Liang, Mr. Liang Hengyi (Managing Director), Mr. Li Wei and Ms. Zhang Meng as Executive Directors; Dr. Li Yinhui, Mr. Liu Jingwei, Mr. Ho Gilbert Chi Hang and Mr. Li Hao as Non-executive Directors; Dr. Wang Xin, Mr. Choi Fan Keung Vic, Mr. Deng Yougao, Ms. Zhang Quanling and Dr. Qiao Yongyuan as Independent Non-executive Directors.

** For identification purposes only*