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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)

**CONTINUING CONNECTED TRANSACTION
REFERRAL SERVICES FRAMEWORK AGREEMENTS**

REFERRAL SERVICES FRAMEWORK AGREEMENTS

The Board is pleased to announce that on 20 May 2024, Shoucheng Feisi, an indirect wholly-owned subsidiary of the Company, entered into Shougang Fund Referral Services Framework Agreement and Shougang Construction Investment Referral Services Framework Agreement with Shougang Fund and Shougang Construction Investment, respectively, pursuant to which, Shoucheng Feisi has agreed to provide Referral Services to Shougang Fund, Shougang Construction Investment and/or their respective associates during the Term, respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shougang Group is a substantial shareholder of the Company. As Shougang Fund and Shougang Construction Investment are wholly-owned subsidiaries of Shougang Group, i.e. associates of Shougang Group, Shougang Fund and Shougang Construction Investment are connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, Shougang Fund Referral Services Framework Agreement, Shougang Construction Investment Referral Services Framework Agreement and the transactions contemplated under each of them constitute continuing connected transactions of the Company.

Given that the transactions under the Services Agreement, the fully exempted continuing connected transactions carried out by the Company and the transactions contemplated under each of the Referral Services Framework Agreements have been entered into or completed within the same 12-month period and these transactions are connected with each other, these transactions shall be aggregated pursuant to Rule 14A.81 to Rule 14A.82 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the respective maximum annual caps of these transactions, when aggregated exceeds 0.1% but is less than 5%, these transactions are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 20 May 2024, Shoucheng Feisi, an indirect wholly-owned subsidiary of the Company, entered into Shougang Fund Referral Services Framework Agreement

and Shougang Construction Investment Referral Services Framework Agreement with Shougang Fund and Shougang Construction Investment, respectively, pursuant to which, Shoucheng Feisi has agreed to provide Referral Services to Shougang Fund, Shougang Construction Investment and/or their respective associates during the Term, respectively.

SHOUGANG FUND REFERRAL SERVICES FRAMEWORK AGREEMENT

Principal Terms

Date

20 May 2024

Parties

1. Shoucheng Feisi; and
2. Shougang Fund

Scope of services provided by Shoucheng Feisi

In respect of the leasing/sale of project properties owned or operated by Shougang Fund and/or its associates which are mainly located in New Shougang High-end Industrial Comprehensive Service Park* (新首鋼高端產業綜合服務區) (“**Shougang Park**”), Beijing, the PRC, Shoucheng Feisi will seek potential lessees/purchasers to negotiate with Shougang Fund and/or its associates and the relevant clients, refer potential clients and provide relevant consulting services to Shougang Fund and/or its associates to facilitate Shougang Fund and the clients to complete the signing of property contracts (“**Shougang Fund Referral Services**”). Shoucheng Feisi will charge relevant service fees. Without prejudice to the terms of Shougang Fund Referral Services Framework Agreement, specific details of the services will be set out in the individual agreements to be separately entered into by the parties, provided that such individual agreements are entered into on normal commercial terms or on terms more favorable to Shoucheng Feisi.

Term

Commencing on 20 May 2024 and expiring on 31 December 2026 (both days inclusive)

Termination

Shougang Fund Referral Services Framework Agreement may be terminated for the following reasons:

1. the parties jointly terminate the agreement in writing;
2. either party to the agreement is unable to continue to perform the agreement due to closure of its business;
3. either party to the agreement has been seized or ordered to close down by a competent court or relevant governmental authority due to material breach of laws or regulations, and is unable to continue to perform the agreement;
4. either party to the agreement is declared bankrupt; or

5. either party to the agreement is incapacitated by force majeure from continuing to perform the agreement.

If a party breaches the terms of Shougang Fund Referral Services Framework Agreement and fails to rectify its breach within 15 days after receiving the non-breaching party's written notice in relation to the breach, the non-breaching party may immediately notify the breaching party in writing to terminate Shougang Fund Referral Services Framework Agreement. Shougang Fund Referral Services Framework Agreement shall terminate immediately upon delivery of the termination notice to the breaching party.

Referral services fee collection and pricing basis

Subject to compliance with the relevant Listing Rules, Shoucheng Feisi will charge fees for Shougang Fund Referral Services, which include a monthly basic service fee and a commission service fee as follows:

If such Shougang Fund Referral Services are exclusive, the basic service fee is determined within the range of RMB80,000 to RMB150,000 per month, and if such Shougang Fund Referral Services are non-exclusive, no basic service fee is involved;

For the commission service fee, a) with respect to the leasing type of matters, it is charged at 1.5 to 4 times of the monthly net rental of the deal property (where it is not feasible or appropriate to use the monthly net rental as the base, alternative data of the same type shall be used); and b) with respect to the sale type of matters, it is determined to be 2% to 4% of the property transaction amount.

The pricing basis of the referral services fee was determined after arm's length negotiations between Shoucheng Feisi and Shougang Fund, taking into account market competition and demand, relevant terms not less favorable to Shoucheng Feisi as compared with those available to independent third parties and connected parties of Shougang Fund, and having considered Shoucheng Feisi's resource capabilities and the long-term cooperation between both parties.

Shoucheng Feisi and Shougang Fund and/or its associates will enter into an individual agreement for each of the services, setting out the specific scope of services, the fee rates, the payment terms and the terms and conditions, which shall be determined after arm's length negotiation between the parties on normal commercial terms and in accordance with Shougang Fund Referral Services Framework Agreement. Shougang Fund and/or its associates shall pay the referral services fee to Shoucheng Feisi in accordance with the payment terms (usually within 10-30 working days after the fulfilment of the agreed payment terms) and in the payment method (usually by bank transfer) as agreed in the individual agreements to be separately entered into by the parties.

Periodic/annual caps of the referral services fee and their basis of determination

There is no historical transaction amount for the referral services transactions contemplated under Shougang Fund Referral Services Framework Agreement.

The amount of the referral services fee for the relevant period/years in respect of Shougang Fund Referral Services provided by Shoucheng Feisi to Shougang Fund and/or its associates during the Term shall not exceed the following caps:

Period/Year	From 20 May 2024 to 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
Proposed Caps	17,000,000	27,000,000	25,500,000

The proposed caps of the referral services fee were determined by Shoucheng Feisi and Shougang Fund after arm's length negotiations with reference to (i) the leasing/sale plan of the proposed projects, including the total leasing/sale area to be taken up (which is expected to reach 200,000 to 260,000 square metres by the end of 2026, of which 180,000 to 230,000 square metres for rental and 20,000 to 30,000 square metres for sale), the leasing and sale areas which are expected to be completed during the Term (which is expected to be 50,000 to 70,000 square metres during the year 2024, 80,000 to 100,000 square metres during the year 2025 and 70,000 to 90,000 square metres during the year 2026, respectively), the scale, location and leasing/sale arrangements (including the estimated annual occupancy rate/sale rate and unit rent/sale price); (ii) the leasing/sale status of the properties in the vicinity of the proposed project; and (iii) the existing service capacity and the expected growth of Shoucheng Feisi.

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 above mentioned proposed caps are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

SHOUGANG CONSTRUCTION INVESTMENT REFERRAL SERVICES FRAMEWORK AGREEMENT

Principal Terms

Date

20 May 2024

Parties

1. Shoucheng Feisi; and
2. Shougang Construction Investment

Scope of services provided by Shoucheng Feisi

In respect of the leasing of project properties owned or operated by Shougang Construction Investment and/or its associates mainly located in Shougang Park, Beijing, the PRC, Shoucheng Feisi will seek potential lessees to negotiate with Shougang Construction Investment and/or its associates and the relevant clients, refer potential clients and provide relevant consulting services to Shougang Construction Investment and/or its associates to facilitate Shougang Construction Investment and the clients to complete the signing of property contracts ("**Shougang Construction Investment Referral Services**" together with Shougang Fund Referral Services, the "**Referral Services**"). Shoucheng Feisi will charge relevant service fees. Without prejudice to the terms of Shougang Construction Investment Referral Services Framework Agreement, specific details of the services will be set out in the individual agreements to be separately entered into by the parties, provided that such individual agreements are entered into on normal commercial terms or on terms more favorable to Shoucheng Feisi.

Term

Commencing on 20 May 2024 and expiring on 31 December 2026 (both days inclusive)

Termination

Shougang Construction Investment Referral Services Framework Agreement may be terminated for the following reasons:

1. the parties jointly terminate the agreement in writing;
2. either party to the agreement is unable to continue to perform the agreement due to closure of its business;
3. either party to the agreement has been seized or ordered to close down by a competent court or relevant governmental authority due to material breach of laws or regulations, and is unable to continue to perform the agreement;
4. either party to the agreement is declared bankrupt; or
5. either party to the agreement is incapacitated by force majeure from continuing to perform the agreement.

If a party breaches the terms of Shougang Construction Investment Referral Services Framework Agreement and fails to rectify its breach within 15 days after receiving the non-breaching party's written notice in relation to the breach, the non-breaching party may immediately notify the breaching party in writing to terminate Shougang Construction Investment Referral Services Framework Agreement. Shougang Construction Investment Referral Services Framework Agreement shall terminate immediately upon delivery of the termination notice to the breaching party.

Referral services fee collection and pricing basis

Subject to compliance with the relevant Listing Rules, Shoucheng Feisi will charge fees for Shougang Construction Investment Referral Services, which include a monthly basic service fee and a commission service fee as follows:

If such Shougang Construction Investment Referral Services are exclusive, the basic service fee is determined within the range of RMB80,000 to RMB150,000 per month, and if such Shougang Construction Investment Referral Services are non-exclusive, no basic service fee is involved;

For the commission service fee, it is charged at 1.5 to 4 times of the monthly net rental of the deal property (where it is not feasible or appropriate to use the monthly net rental as the base, alternative data of the same type shall be used).

The pricing basis of the referral services fee was determined after arm's length negotiations between Shoucheng Feisi and Shougang Construction Investment, taking into account market competition and demand, relevant terms not less favorable to Shoucheng Feisi as compared with those available to independent third parties and connected parties of Shougang Construction Investment and having considered Shoucheng Feisi's resource capabilities and the long-term cooperation between both parties.

Shoucheng Feisi and Shougang Construction Investment and/or its associates will enter into an individual agreement for each of the services, setting out the specific scope of services, the fee

rates, the payment terms and the terms and conditions, which shall be determined after arm's length negotiation between the parties on normal commercial terms and in accordance with Shougang Construction Investment Referral Services Framework Agreement. Shougang Construction Investment and/or its associates shall pay the referral services fee to Shoucheng Feisi in accordance with the payment terms (usually within 10-30 working days after the fulfilment of the agreed payment terms) and in the payment method (usually by bank transfer) as agreed in the individual agreements to be separately entered into by the parties.

Periodic/annual caps of the referral services fee and their basis of determination

There is no historical transaction amount for the referral services transactions contemplated under Shougang Construction Investment Referral Services Framework Agreement.

The amount of the referral services fee for the relevant period/years in respect of Shougang Construction Investment Referral Services provided by Shoucheng Feisi to Shougang Construction Investment and/or its associates during the Term shall not exceed the following caps:

Period/Year	From 20 May 2024 to 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
Proposed Caps	6,400,000	10,500,000	14,000,000

The proposed caps of the referral services fee were determined by Shoucheng Feisi and Shougang Construction Investment after arm's length negotiations with reference to (i) the leasing plan of the proposed projects, including the total leasing area to be taken up (which is expected to reach 60,000 to 120,000 square metres by the end of 2026), the leasing areas which are expected to be completed during the Term (which is expected to be 10,000 to 30,000 square metres during the year 2024, 20,000 to 40,000 square metres during the year 2025 and 30,000 to 50,000 square metres during the year 2026, respectively), the scale, location and leasing arrangements (including the estimated annual occupancy rate and unit rent); (ii) the leasing and sale status of the properties in the vicinity of the proposed project; and (iii) the existing service capacity and the expected growth of Shoucheng Feisi.

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 above mentioned proposed caps are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

INTERNAL CONTROL

The internal control measures on determining of the basic service fee and commission service fee rates for the Referral Services are as follows:

Shoucheng Feisi will enter into individual agreements with Shougang Fund, Shougang Construction Investment and/or their respective associates as and when necessary. Prior to entering into the individual agreements, the business operation department of the Company will verify (or obtain) and compare the fee rates for similar service and the corresponding levels of service content provided by other independent service providers to ensure that the basic service fee and the commission service fee charged under the Referral Services Framework Agreements are not less favorable to the quoted rates of other similar service providers in terms of the service content

provided to the Group. At the same time, the business operation department of the Company will keep track of the provision of service and the fee collection from time to time to ensure that the interests of the Group will not be jeopardized.

The internal control measures on monitoring the proposed caps in relation to the Referral Services are as follows:

1. The Company's finance department regularly monitors the aggregate amount of continuing connected transactions in relation to the Referral Services under the Referral Services Framework Agreements. In the event that the fees incurred and to be incurred for such referral services are expected to reach the proposed caps, the Company's finance department will follow up immediately by reporting and providing a response to the Company's management. If there is a need to revise the proposed caps, details will be reported to the Board and a Board meeting will be convened to consider the relevant matters to ensure compliance with the requirements of the Listing Rules; and
2. The independent non-executive Directors and auditor of the Company will conduct an annual review of the continuing connected transactions entered into by the Group in the previous financial year and provide annual confirmation as required under the Listing Rules to ensure that the continuing connected transactions have been conducted in accordance with the terms of the Referral Services Framework Agreements and other relevant terms of agreements governing such transactions and on normal commercial terms, and are fair and reasonable and in compliance with the pricing policy and the proposed caps.

REASONS FOR AND BENEFITS OF THE REFERRAL SERVICES FRAMEWORK AGREEMENTS

The Group strives to be a continuous improver and service provider of infrastructure assets, providing leading infrastructure real estate management services through FIME, which refers to fundraising, investment, management and exit, and efficiency enhancement. Currently, the Group has managed a number of real estate projects located in Shougang Park and other industrial parks through various investment modes. Among them, Chang'an Mills project has attracted Chinese high-tech enterprises, listed enterprises, central state-owned enterprises and foreign-invested enterprises, and has been honoured with the titles of "Low-Carbon Innovation" Featured Industrial Park and "Beijing Characteristic Consumption Street District". As the first customised service project for which the Group took the lead in the entire planning and design process, the Li Auto Headquarters Phase II project is now in full operation. Rongshi Plaza, Shoucheng Times Center, Shougang Winter Olympics Plaza and many other projects in Shougang Park are progressing steadily, and the Group has accumulated rich experience in design, construction, investment promotion and operation.

As a wholly-owned subsidiary of the Company, Shoucheng Feisi is deeply engaged in the introduction of high-end industries and commercial resources to real estate projects in Shougang Park. The fact that Shoucheng Feisi has taken up the aforementioned Chang'an Mills project and other property negotiations in the parks demonstrates the market's recognition of the Group's asset management capabilities. After the signing of the Referral Services Framework Agreements, the Group will undertake the introduction of resources for most of the projects under construction and operation in Shougang Park. The Group can promote the formation of industrial clusters and industrial ecosystems in Shougang Park through unified planning and overall layout, create a focusing effect on the business district, and contribute to the creation of a new pivot of Shougang in Beijing's international consumption centre and a new landmark for capital city rehabilitation in the new era, which will in turn further enhance the asset value of the Group's real estate projects under its management in Shougang Park, and provide better returns to the investors and the Group.

In view of the above reasons, 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 Referral Services Framework Agreements and the transactions contemplated thereunder are fair and reasonable, are entered into on normal commercial terms or better in the ordinary and usual course of business of the Group and are in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE COMPANY AND THE PARTIES

The Company

The Company is incorporated in Hong Kong and the shares of which are listed on the main board of the Stock Exchange. The Group is principally engaged in infrastructure asset management.

Shoucheng Feisi

Shoucheng Feisi is a company incorporated under the laws of the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in commercial complex management services, business management consulting, entrepreneurial space services and technology intermediary services and etc.

Shougang Group

Shougang Group is a state-owned enterprise established in the PRC and a substantial shareholder of the Company. It is ultimately owned by the State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government. It is principally engaged in a wide variety of businesses such as steel industry, mining, machinery and equipment development, electronics, building, real estate, and related services, etc.

Shougang Fund

Shougang Fund is a company established in the PRC with limited liability and is a wholly-owned subsidiary of Shougang Group. It is principally engaged in investment activities with its own funds and equity investment, investment management and asset management activities with private equity funds.

Shougang Construction Investment

Shougang Construction Investment is a company established in the PRC with limited liability and is a wholly-owned subsidiary of Shougang Group. It is principally engaged in investment and management, real estate development, material sales, technical consulting and services and etc.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shougang Group is a substantial shareholder of the Company. As Shougang Fund and Shougang Construction Investment are wholly-owned subsidiaries of Shougang Group, i.e. associates of Shougang Group, Shougang Fund and Shougang Construction Investment are connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, Shougang Fund Referral Services Framework Agreement, Shougang Construction Investment Referral Services Framework Agreement and the transactions contemplated under each of them constitute continuing connected transactions of the Company.

Reference is made to the continuing connected transaction announcement of the Company dated 6 December 2022 in relation to the services agreement for the provision of certain tenants referral and

other consulting services by Shoucheng Feisi to Beijing Shoushi Changtai Operation Management Company Limited* (北京首獅昌泰運營管理有限公司), an associate of Shougang Group, for a term commencing from 6 December 2022 to 31 December 2024 (both days inclusive) (the “**Services Agreement**”). Given that the transactions under the Services Agreement, the fully exempted continuing connected transactions carried out by the Company and the transactions contemplated under each of the Referral Services Framework Agreements (the “**these transactions**”) have been entered into or completed within the same 12-month period and these transactions are connected with each other, these transactions shall be aggregated pursuant to Rule 14A.81 to Rule 14A.82 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the respective maximum annual caps of these transactions, when aggregated exceeds 0.1% but is less than 5%, these transactions are subject to the reporting, announcement and annual review requirements but are exempt from the 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 Referral Services Framework Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the Referral Services Framework Agreements and the transactions contemplated thereunder and therefore none of the Directors has been required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“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”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China and for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

“Referral Services Framework Agreements”	Shougang Fund Referral Services Framework Agreement and Shougang Construction Investment Referral Services Framework Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	the ordinary share(s) of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Shoucheng Feisi”	Shoucheng Feisi (Beijing) Operation Management Co., Ltd.* (首程非思(北京)運營管理有限公司), formerly known as Beijing Feisi Real Estate Consulting Co., Ltd.* (北京非思房地產諮詢有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“Shougang Construction Investment”	Beijing Shougang Construction Investment Co., Ltd.* (北京首鋼建設投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Shougang Group;
“Shougang Construction Investment Referral Services Framework Agreement”	the referral services framework agreement entered into between Shoucheng Feisi and Shougang Construction Investment on 20 May 2024;
“Shougang Fund”	Beijing Shougang Fund Co., Ltd.* (北京首鋼基金有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Shougang Group;
“Shougang Fund Referral Services Framework Agreement”	the referral services framework agreement entered into between Shoucheng Feisi and Shougang Fund on 20 May 2024;
“Shougang Group”	Shougang Group Co., Ltd.* (首鋼集團有限公司), a state-owned enterprise established in the PRC and a substantial shareholder of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Term”	the term commencing from 20 May 2024 and ending on 31 December 2026 (both days inclusive); and
“%”	per cent.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 20 May 2024

As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman) and Mr. Xu Liang as Executive Directors; Mr. Wu Lishun, Mr. Li Hao (Vice Chairman), Mr. Peng Jihai, Mr. Ho Gilbert Chi Hang and Mr. Liu Jingwei 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*