

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)

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

This announcement is made on a voluntary basis by Shoucheng Holdings Limited (the “**Company**”) for the purpose of further increasing the level of corporate governance and enhancing its transparency.

HIGHLIGHTS OF QUARTERLY RESULTS

For the nine months ended 30 September 2024:

- The Group recorded revenue of approximately HK\$935 million, representing an increase of approximately 42% from the same period of last year.
- The Group recorded gross profit of approximately HK\$429 million, representing an increase of approximately 49% from the same period of last year.
- The Group recorded profit attributable to owners of the Company of approximately HK\$400 million. The profit attributable to owners of the Company of approximately HK\$465 million in the same period of last year.
- The basic earnings per share for the period was approximately HK5.61 cents. The basic earnings per share for the same period of last year was approximately HK6.41 cents.
- The diluted earnings per share for the period was approximately HK5.61 cents. The diluted earnings per share for the same period of last year was HK6.37 cents.

SUMMARISED INFORMATION

The board of directors (the “**Board**”) of the Company is pleased to announce the summarised information in relation to the unaudited condensed consolidated quarterly results of the Company and its subsidiaries (the “**Group**”) for the nine months ended 30 September 2024.

KEY FINANCIAL INFORMATION

As extracted from the unaudited condensed consolidated statement of comprehensive income	Nine months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	934,995	660,429
As attributed by the Group's		
(i) Revenue from asset operating	674,908	451,024
(ii) Revenue from FIME*	260,087	209,406
Gross profit	429,333	288,305
Operating profit	550,347	616,380
Profit attributable to owners of the Company	400,016	465,353

*FIME is defined as fundraising, investment, management and exit.

As extracted from the unaudited condensed consolidated statement of financial position for 30 September 2024	30 September	31 December
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Total assets	14,489,770	13,522,517
Net assets attributable to owners of the Company	10,000,387	9,923,352
Bank balances and cash	2,286,026	2,262,573
Time deposits with maturity over three months, wealth management products and other securities	1,927,265	1,982,022
Asset – Liability ratio Δ	30.2%	25.7%
Debt – Equity ratio Δ	11.7%	8.0%

Δ The definitions of Asset – Liability ratio and Debt – Equity ratio are set out on page 3 and page 4 of this announcement.

Except for the taxes on income in the third quarter periods, which are accrued using the tax rate that would be applicable to expected total annual earnings, the unaudited financial results of the Group for the nine months ended 30 September 2024 have been prepared in accordance with the same accounting policies which had been adopted in the audited financial statements of the Group for the year ended 31 December 2023.

Non-HKFRSs Measures

The total liabilities divided by total assets is defined as the Asset – Liability ratio (the “**Asset – Liability ratio**”) of the Group.

The total debts divided by capital and reserves attributable to owners of the Company is defined as the Debt– Equity ratio (the “**Debt – Equity ratio**”) of the Group.

The Asset – Liability ratio and Debt – Equity ratio used as additional financial measures to supplement the Group’s summarised information in relation to the unaudited condensed consolidated quarterly results which are presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The Group believes that the Asset – Liability ratio and Debt – Equity ratio not only provide meaningful supplemental information regarding the Group’s performance and the core operating results, but also enhance the overall understanding of the Group’s past performance and future prospects and allow for greater visibility with respect to key metrics used by the Group’s management in its financial and operational decision-making. It would help the investors of the Company and others understand and evaluate the Group’s consolidated results of operations in the same manner as management and in comparing the Group’s financial results across different accounting periods.

Asset – Liability ratio

The Asset – Liability ratio is presented because it is used by management to evaluate the Group's debt level.

In the third quarter of 2024, the Asset – Liability ratio of the Group was approximately 30.2%, representing an increase of absolute value of approximately 4.5% as compared to 31 December 2023.

The following table shows the Group’s total liabilities and total assets for the periods presented:

	30 September 2024	31 December 2023
	<i>HK\$’Million</i>	<i>HK\$’Million</i>
	(Unaudited)	(Audited)
Total liabilities	4,378	3,482
Total assets	14,490	13,523
Asset – Liability ratio	30.2%	25.7%

Debt – Equity ratio

The Debt – Equity ratio is presented because it is used by management to evaluate how the Group utilised its debts for financing the business and operations for growth.

In the third quarter of 2024, the Debt – Equity ratio of the Group was approximately 11.7%, representing an increase of absolute value of approximately 3.7% as compared to 31 December 2023.

The following table shows the Group’s total debts and capital and reserves attributable to owners of the Company for the periods presented:

	30 September 2024	31 December 2023
	<i>HK\$'Million</i>	<i>HK\$'Million</i>
	(Unaudited)	(Audited)
Total debts	1,170	793
Capital and reserves attributable to owners of the Company	10,000	9,923
Debt – Equity ratio	11.7%	8.0%

STEADY GROWTH IN ASSET MANAGEMENT SCALE

In September 2024, the Group successfully completed the operation handover of Tianjin Binhai International Airport parking business operation rights project* (天津濱海國際機場停車業務經營權項目). The Group aims to provide integrated travel support services in the Beijing-Tianjin-Hebei region by cooperating with the already-operational Beijing Capital International Airport parking lot project* (北京首都國際機場停車場項目), Beijing Daxing International Airport parking lot project* (北京大興國際機場停車場項目), and Zhangjiakou Ningyuan Airport parking lot project* (張家口寧遠機場停車場項目). In the first three quarters of 2024, the Group also completed the commencement of operation of the Guangzhou Baiyun Airport parking operation rights project* (廣州白雲機場停車場經營權項目) and the Tibet Lhasa Gonggar Airport parking lot project* (西藏拉薩貢嘎機場停車場項目). The Group's asset management business of car parks in transport hubs has been transformed from a point into a line, and from a line into a surface, and has achieved an all-round network of "East, West, South, North and Central" business layout across China.

FULL-CYCLE, ONE-STOP INFRASTRUCTURE ASSET MANAGEMENT SERVICES TO ENHANCE ASSET EFFICIENCY AND UNLOCK ASSET VALUE

The Group has leveraged its extensive industry experience and professional management capabilities to manage various real estate projects located in the New Shougang High-end Industrial Comprehensive Service Area* (新首鋼高端產業綜合服務區) in Beijing (the "Shougang Park")* (首鋼園區) through multiple investment models. These projects include Chang'an Mills project* (六工匯項目), Rongshi Square project* (融石廣場項目), Beijing Shougang Winter Olympics Plaza project* (北京市首鋼冬奧廣場項目), and other infrastructure projects in other industrial parks. The Group's full-cycle, one-stop service solutions in the design, construction, investment promotion, and operation of infrastructure assets will further promote the sustainable development and value release of the projects under management.

In the third quarter of 2024, the China International Fair for Trade in Services 2024 ("CIFTIS 2024") and the World Table Tennis Grand Smash 2024 ("WTT China Smash 2024") were successfully held at Shougang Park. The Group realized unified management of nearly 7,000 parking spaces across 17 parking lots in Shougang Park through convenient payment, reservation parking, parking navigation and supercharging functions.

Additionally, Beijing Shoucheng World Trade Property Management Co., Ltd.* (北京首程國貿物業管理有限公司), jointly established by the Group and China World Property & Hotel Management Limited* (國貿物業酒店管理有限公司), provided more effective and efficient security services and emergency response plans for Shougang Park during the CIFTIS 2024 and the WTT China Smash 2024 by creating a standardized and professional property management system.

* For identification purpose only

OBTAIN AAA MARKET RATING FROM LEADING RATING AGENCIES ONCE AGAIN

In the third quarter of 2024, China Chengxin International Credit Rating Co., Ltd. and China Lianhe Credit Rating Co., Ltd. once again awarded the Group a AAA rating with a stable outlook. Following the initial AAA long-term credit rating obtained from both leading rating agencies in 2023, this is the second time the Group has received this high recognition from both agencies for its comprehensive strength in terms of economic efficiency, asset quality, performance capability, and operational capacity. The AAA market rating is beneficial for the Group in broadening its financing channels, optimizing its financing structure, and enhancing its bargaining power in the capital market.

STRENGTHENING “ASSET ACQUISITION – OPERATIONAL EFFICIENCY ENHANCEMENT – ASSET SECURITISATION – REINVESTMENT OF CASH BACKFLOW” FIME ECO-SYSTEM

With the expansion of assets under management, the Group is also actively advancing its asset securitization. The Group's parking assets quasi-Real Estate Investment Trusts (“REITs”) product, Guojun-Shoucheng Holdings Smart Parking Asset-backed Special Plan Phase II* (國君-首程控股智慧停車資產第二期支持專項計劃), which used the Group's self-owned parking lot projects as underlying assets, has received a no-objection letter from the Shenzhen Stock Exchange for listing conditions in August 2024.

In the future, the Group will continue to explore and enhance its asset securitization capabilities across multiple platforms, further strengthening the “Asset acquisition – Operational efficiency enhancement – Asset securitisation – Reinvestment of cash backflow” FIME eco-system, while advancing the Company's progress towards the “asset recycling + digitalization” phase.

** For identification purpose only*

PARTNERING WITH STRATEGIC CLIENTS TO CULTIVATE HIGH-QUALITY INFRASTRUCTURE ASSETS

The Group focuses on China Core Infrastructure Assets (“**CCIA**”), and is committed to be a leading service provider of CCIA. Thanks for the recognition of the Group’s asset management capabilities and FIME capabilities by its clients, the Group has engaged in in-depth cooperation with several strategic clients in the third quarter of 2024, focusing on infrastructure public offering REITs, new energy vehicle charging network layout and parking.

These strategic clients including China Life Investment Management Company Limited (“**China Life Investment**”), a large insurance asset management company under China Life Insurance (Group) Company that focuses on alternative investments such as infrastructure investment, ESR Group Limited (“**ESR**”), a leading new economy infrastructure assets management company in the Asia-Pacific region, and Li Auto Inc. (“**Li Auto**”), a leader in China's new energy vehicle market.

The collaboration with China Life Investment primarily focuses on the initial issuance and subsequent expansion of public offering infrastructure REITs, promoting high-quality development in the public offering REITs sector through an efficient “funds-capital-assets” cycle model. Simultaneously, following the cooperation with ESR in the issuance of public offering REITs, the Group continues to leverage its technical and operational advantages to provide investment and operation services for parking and charging facilities for ESR’s Kwai Chung Logistics Park project in Hong Kong, helping to create an environmentally friendly logistics center model. Additionally, following equity investments in Li Auto and the Headquarters Industrial Park project of Li Auto in the Beijing Shunyi District* (北京市順義區理想汽車總部產業園項目), the Group's cooperation with Li Auto has further extended to the charging business, dedicated to constructing a nationwide supercharging network and accelerating the development of green energy infrastructure.

** For identification purpose only*

CAUTION STATEMENT

Although the Company is now issuing quarterly information, potential investors should be aware that due to fluctuations in market conditions, exchange rates of Renminbi against other currencies and changes in the operating environment from time to time, certain income and expenses may vary substantially from quarter to quarter. Hence, comparisons between different periods within a single financial year, or between different periods in different financial years, are not necessarily meaningful and cannot be relied upon as indicators of the Group's performance. Also, quarterly results should not be used to estimate or extrapolate to project the Group's full-year performance.

In addition, the Board wishes to remind the shareholders of the Company and potential investors that the above selected financial data is extracted from the Company's internal records and management accounts and has not been reviewed or audited by its independent auditor. The Company's shareholders and potential investors are cautioned not to unduly rely on such data. In the meantime, the Company's shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our shareholders and potential investors for their trust and support to the Group, especially the strong support from our strategic shareholders such as Shougang Group Co., Ltd., ORIX Corporation, NWS Holdings Limited, Beijing State-owned Capital Operation and Management Company Limited, Sunshine Insurance Group Company Limited, and HOPU Investments Co. III Ltd, etc. The Group focuses on CCIA, leveraging its extensive experience in asset operation and professional FIME capabilities. The Group has created a "Asset Circulation + Strong Operations" business model, established a closed-loop service system for the full life cycle management of infrastructure assets, and is committed to be a leading service provider of CCIA.

By order of the Board
Shoucheng Holdings Limited
Zhao Tianyang
Chairman

Hong Kong, 1 November 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.