

Shoucheng Holdings Limited (0697.HK)

2022 Interim Results

September 2022

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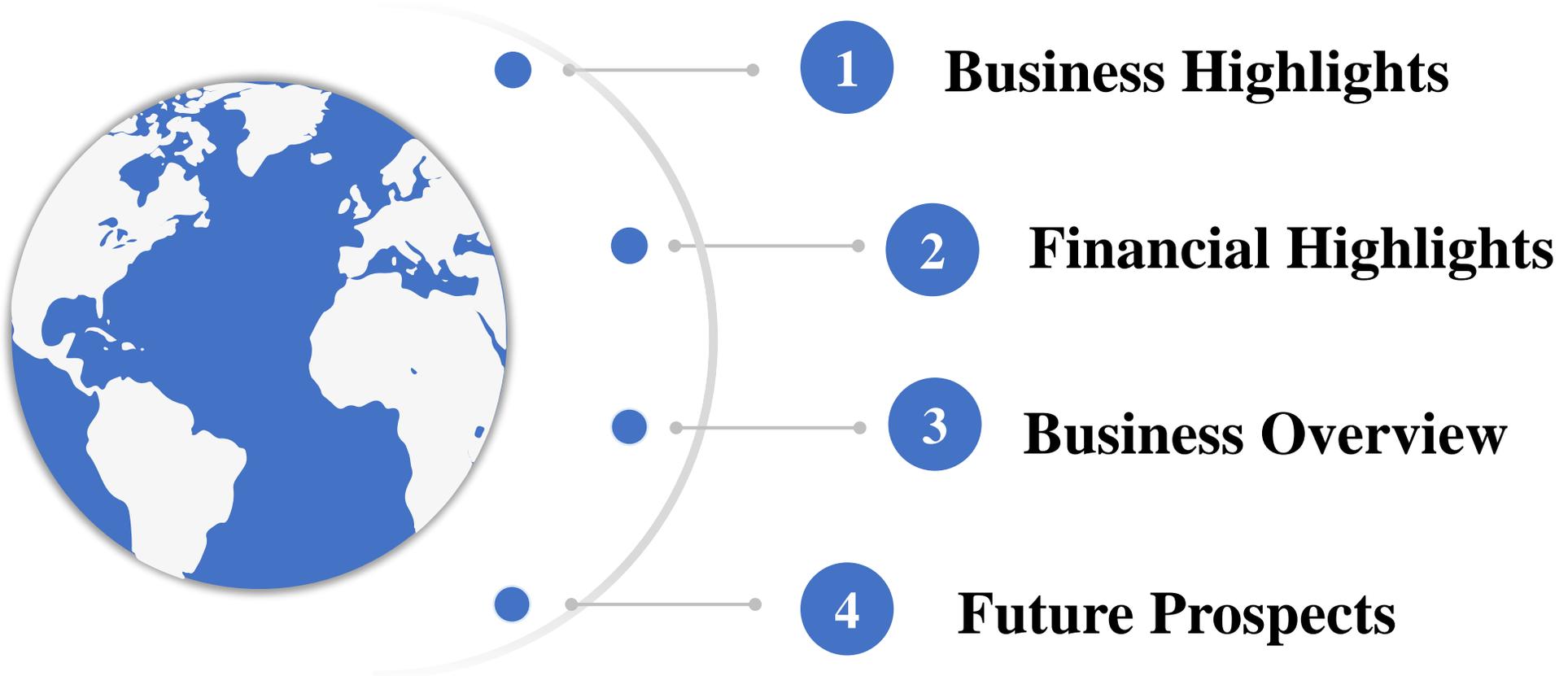
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Business Highlights

2022 Interim Business Highlights

Revenue
+44%

922HKD million

Gross Profit
+86%

653HKD million

Profit attributable to
Owners of the Company
+143%

602HKD million

Total Assets
+10%

14,780HKD million

Asset optimization

- In January 2022, the company divested 11.88% equity interest in Shougang Fushan Resources Group Limited, which was a vital step on the strategic reconfigurations. The company is committed to become an infrastructure asset management platform with stable cashflow, efficient operation and high economic cycle resistance

Taking the first mover advantage and being a leader of publicly-offered infrastructure REITs in China

- Taking the first mover advantage in the field of publicly-offered infrastructure REITs, adhered to the business loop of “Pre-REITs investment + platform operation management + REITs strategic investment”

The success of fundraising facilitating the scale of fund

- The company’s managed fund introduced premium limited partners such as government investment institutions and listed companies, completed RMB **450 million** fundraising, and the scale of fund was improved steadily

Declare special dividends to reward shareholders

- The company declared extra special dividend of HKD **200 million**, the total dividends for the year was HKD **900 million**, giving back to shareholders’ long-term support with a stable dividend schedule and a generous dividend scale



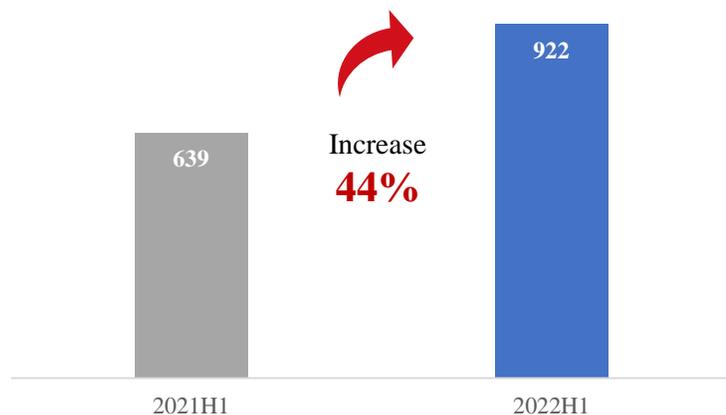
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Financial Highlights

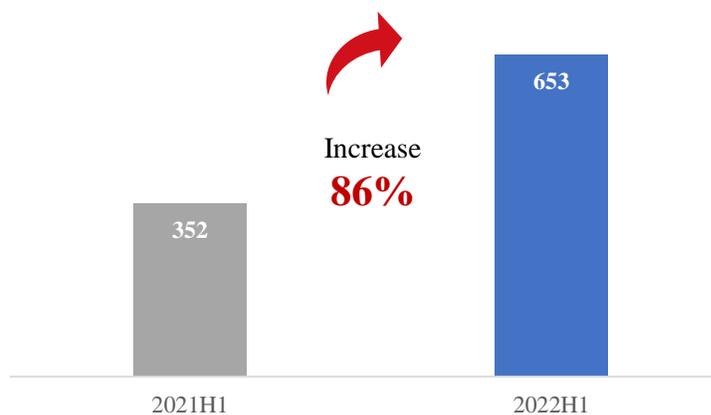
Financial Highlights

➤ Key financial indicators

Revenue(HKD million)



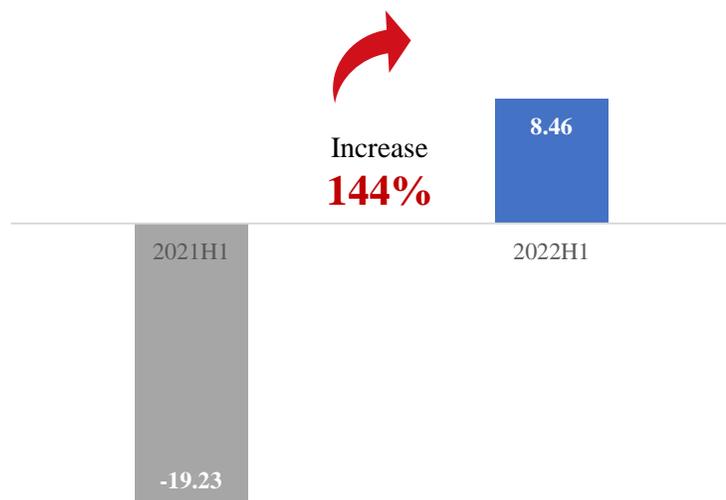
Gross profit(HKD million)



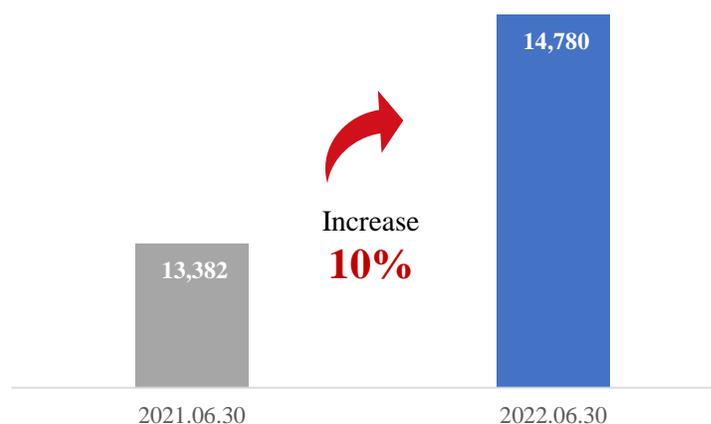
Profit attributable to owners of the company(HKD million)



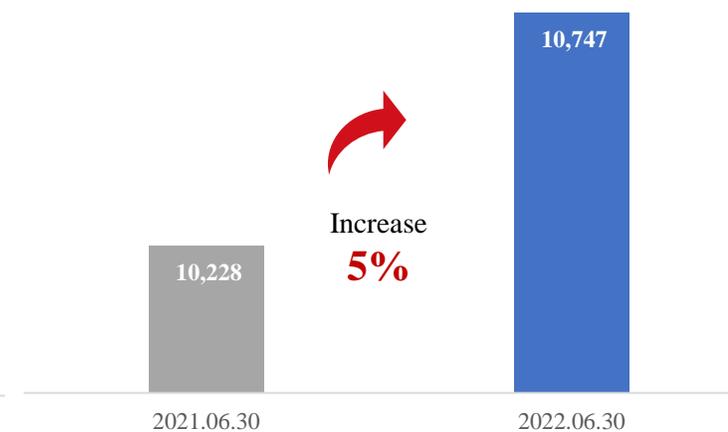
Basic EPS(HK cents)



Total assets(HKD million)



Net assets(HKD million)



Financial Highlights

➤ Segment financial performance

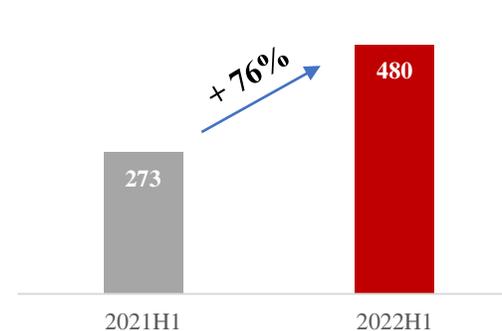
Parking business

- **Revenue:** Compared with the same period last year, revenue recorded an increase of 76% to **480 million**. Under the adverse impact of COVID-19, carpark income fell slightly, the company vigorously expanded the BOT business and the comprehensive utilization of parking space, revenue from both concession agreement and value-added service showed an upward trend, while the investment fund focusing on parking received excess income of HKD **199 million** in the current period
- **Segment profit:** Benefiting from the cost reduction and efficiency improvement brought about by the reliance on technology empowerment and standardized operating system, as well as the excess income of the parking investment Fund, the segment achieved both the operating income and investment return, profit before tax increased **249%**

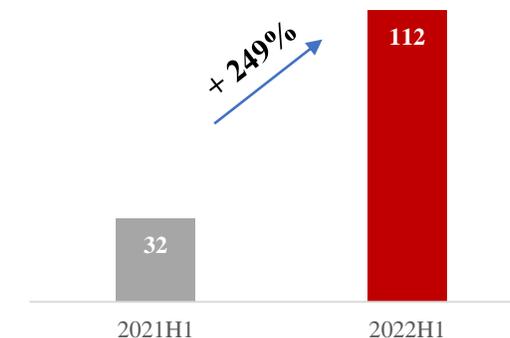
Infrastructure and real estate business

- **Revenue:** The steadily growth of fund management fee, as well as the considerable investment return derived from fund income distribution and REITs strategic investment projects, contributed a revenue of HKD **442 million**, representing an increasing of 24% as compared to the same period last year
- **Segment profit:** The first half of 2022 achieved a profit before tax of HKD **389 million**, an increase of 39% compared with the same period last year

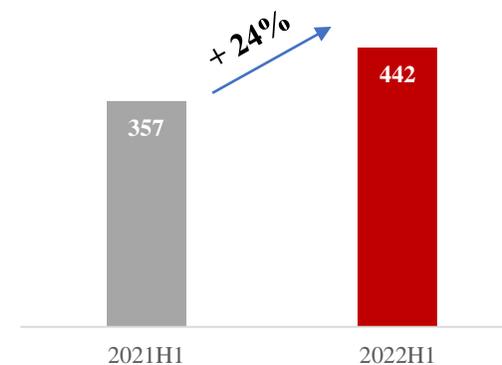
Revenue



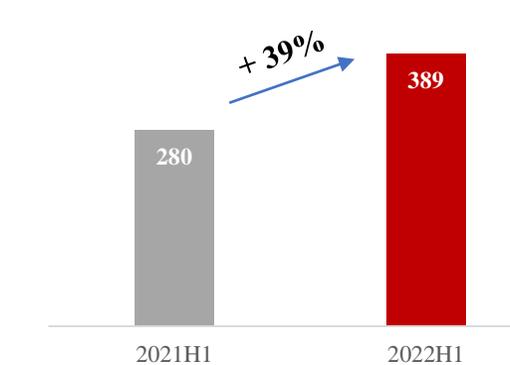
Segment profit



Revenue



Segment profit



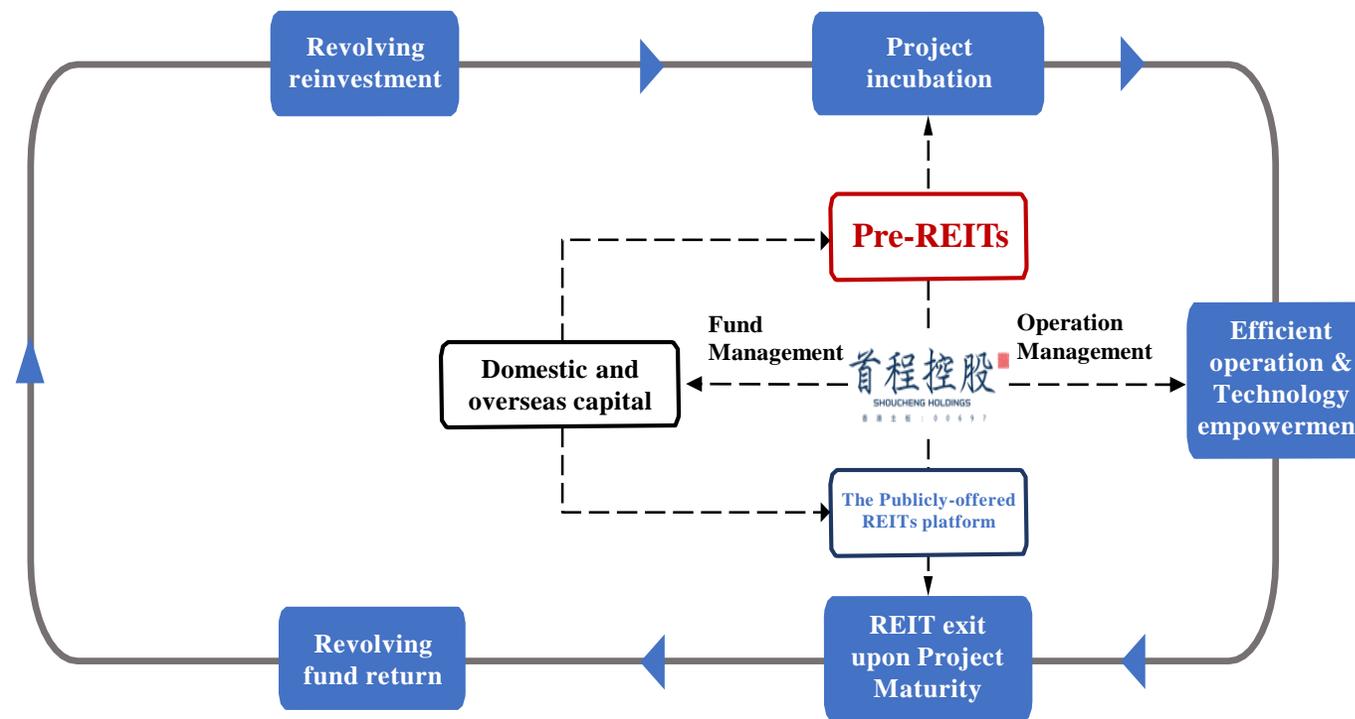


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Business Overview

Industry-Finance Integration

The company aims to become “**pioneer of infrastructure real estate investment trusts (“REITs”) and the booster of infrastructure and real estate management efficiency in China**”, relying on capabilities of **lean operation and precise investment**, thereby revitalising assets for customers, improving asset efficiency, and providing leading infrastructure and real estate management services to society and driving the sustainable enhancement of asset performance



Realizing the “Asset acquisition/development-cultivation-operation-securitization-cash return” closed-loop business model

Business Drivers under the integration of industry and finance

Three Pillars of Business

With a mature product model and precise investment capabilities, acquiring long life cycle concession and property rights through assets investment and development



Asset Acquisition

With an efficient asset operation system, the quality and efficiency of assets can be improved, and through scene innovation, value-added services can be grafted to achieve the profitability



Asset Operation

As a professional fund manager, reaping stable management fee, meanwhile, connecting the underlying assets with the capital market through the fund, forming a smooth loop between funds and assets



Fund Management

Sources of Income

- Acquisition Fee
- Development Fee
- Valuation Income

- Parking Income
- Rental Income
- Value-added Income

- Management Fee
- Investment Income
- Excess Return

Key Drivers

- ✓ Intensive supply and demand
- ✓ Integration of supply chain

- ✓ Increasing parking fee
- ✓ High volume and turnover
- ✓ Diversified value-added business

- ✓ Soaring AUM
- ✓ Important channel of fund

Lean operation-Parking assets management

➤ The company focusing on infrastructure asset management, and the **leading position** has been established in the parking segment

Southeast Region

- Shanghai
Hongqiao Airport、 Pudong Airport
- Nanjing
Qinhuai District Concession Project
Jianye District Concession Project
- Ningbo
Ningbo Airport
- Wuxi
Wuxi Dacheng Industrial park
Wuxi Xidong Business District

Beijing-Tianjin-Hebei Region

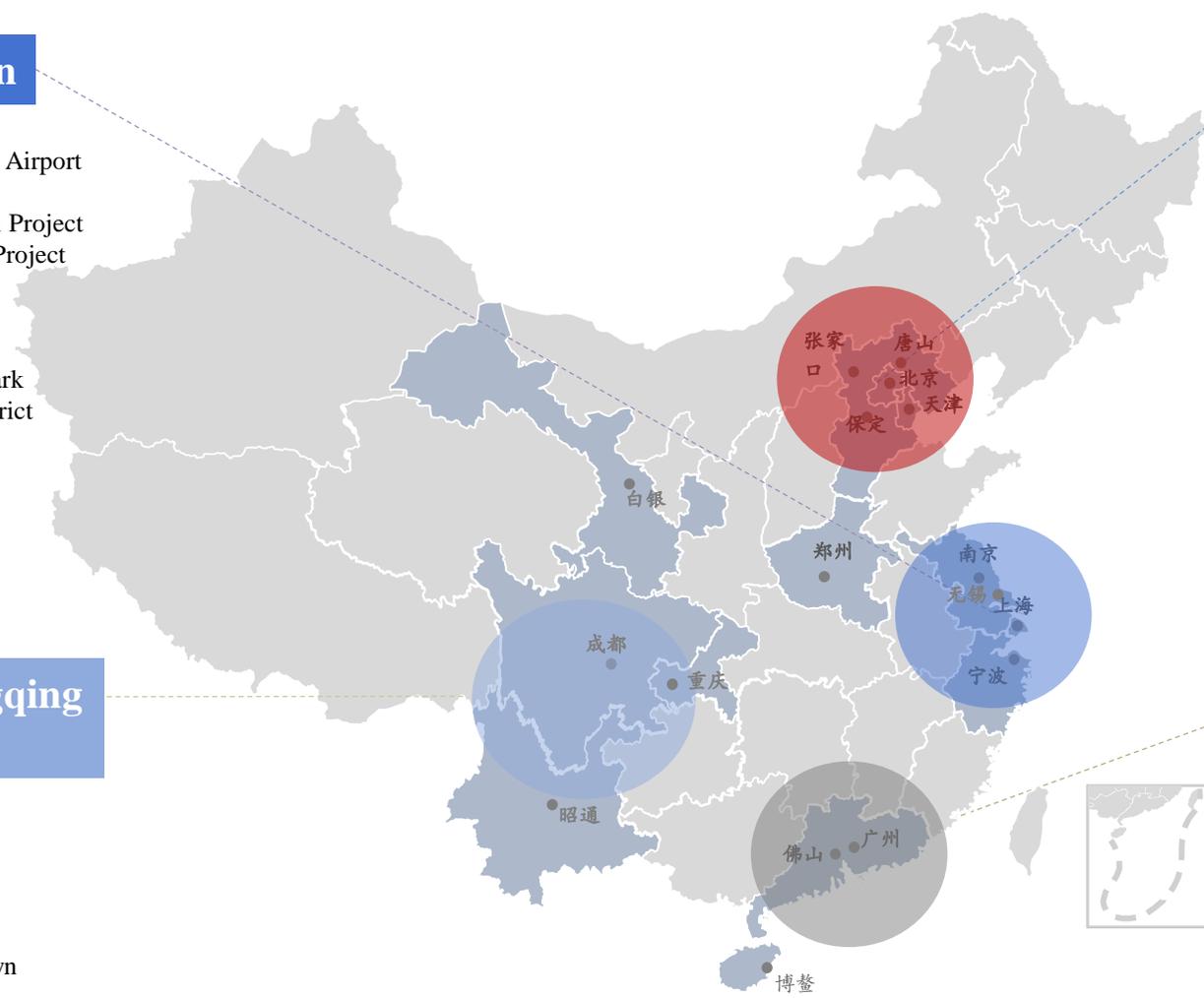
- Beijing
Daxing Airport、 Capital Airport
Beijing Railway Station
Beijing-Harbin、 Beijing-Zhangjiakou and Beijing-Xiong'an High-speed Railway Station
Daxing District、 Shunyi District Roadside Parking
China-Japan Friendship Hospital
- Tianjin
Xiqing District Zhongbei Town
Meijiang Convention and Exhibition Centre
- Zhangjiakou
Ningyuan Airport
- Baoding
Baoding Roadside Parking
- Tangshan
Tangshan Railway Station
Gongren Hospital

Chengdu-Chongqing Region

- Chengdu
Dayi Railway Station
Wisdom Valley
An Ren Ancient Town
- Chongqing
Dadukou Yidu Ancient Town
- Yunnan
Zhaotong Airport

Greater Bay Area

- Guangzhou Tianhe Cloud City
- Foshan Jinyu Centre Community



Lean operation-Parking assets management

➤ Revolution of parking asset management with extraordinary operating capability

1

Long-term leasing



Daxing Airport project

Signing long-term leases of **10 years or more** with property owners
Deeply binding the interest of owners with the **fixed rent and revenue sharing** model

2

Concession



Chengdu Gaoshengqiao project

Under the PPP/BOT model, providing the **fully-cycle integrated solution**, acquiring concession over 20 years

3

Investment in property



Chongqing Longhu project

Acquiring parking assets with **long-term value**, revitalize the existing projects of partners, and achieve mutual benefit and win-win results for both parties

4

Cloud hosting service



SONIC system

Providing **one-stop digital and intelligent governance solution** including smart parking, smart travel, new energy travel

Lean operation-Parking assets management

➤ Break the traditional parking scene and rebuild the value of assets



New energy charging piles



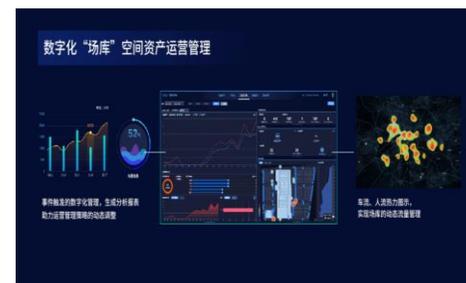
Exclusive area of taxi



Restaurants, convenience stores



Fast nucleic acid check



Comprehensive utilization of space

The traditional parking assets will be grafted with emerging infrastructure assets such as logistics pre-warehouses, charging bars for new energy vehicles, energy storage facilities and convenient commercial distribution, so as to improve the **efficiency ratio of space**, and transform traditional parking lots into new spaces for urban services

Cost reduction and efficiency improvement through technology

Through cloud computing, big data and other digital intelligent means to improve the intelligent ability of parking space, break through the industry's **cost reduction bottleneck**, and create a low-cost, sustainable, technology-driven operation and operation new ecology

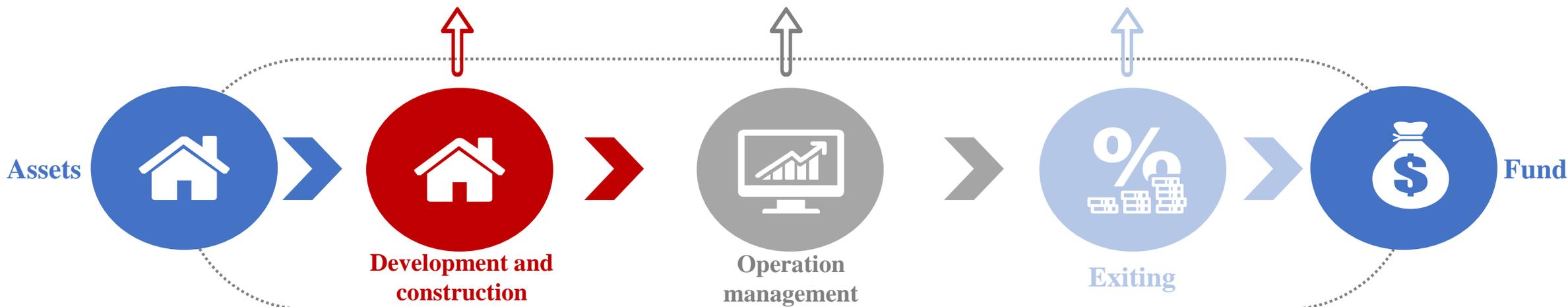
Lean operation-Industrial Park assets management

- The company has invested and built an area of about **700,000 square meters** and a reserve area of more than 10 million square meters in the field of real estate asset management in the park. The company adopts the "asset + fund" model, which is an **important starting point** for the company to realize the organic combination of industrial operation and asset management

Providing **customized services** to the original owners, building barrier to entry of project, and increase the level of income by collecting **asset management fees** during the construction period

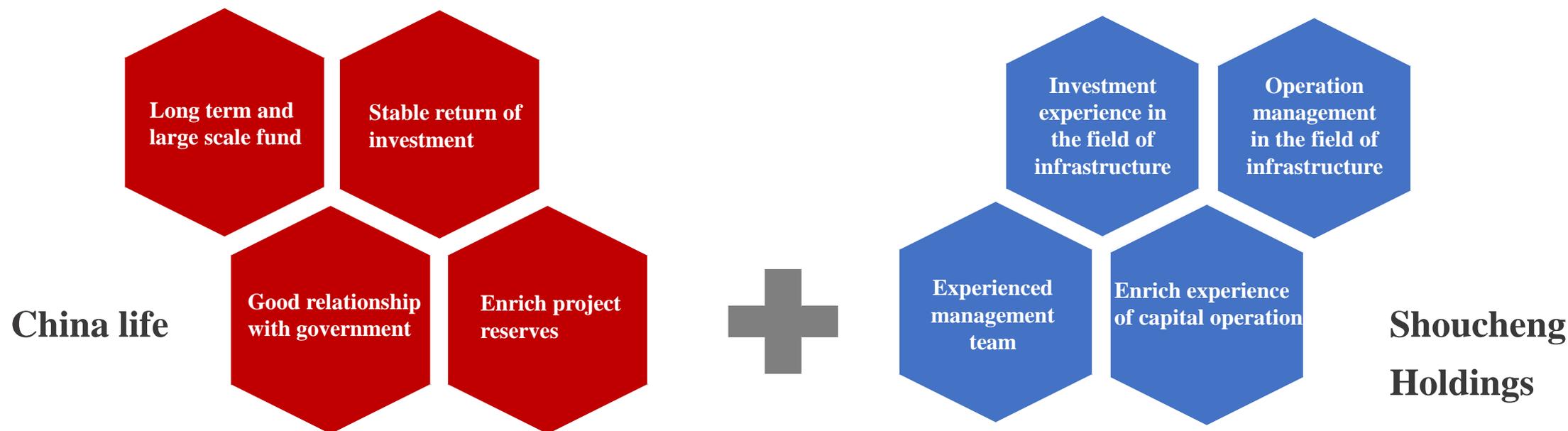
With a standardized management system, full-cycle value-added services, precision industrial services, and diversified external resources, the assets will be gradually cultivated to maturity to enhance the **intrinsic value** of the assets

Through the public offering of REITs and the acquisition of mature assets to open up the exit path, the use of return funds to continue to develop new projects, to achieve a **positive cycle** of funds and assets



Lean operation-Environmental protection assets management

- Relying on the opportunity of the green development of Beijing, the company launched a environment protection fund with an initial phase of **RMB 4.5 billion** in cooperation with China Life Insurance and Shougang Fund
- Focus on the garbage treatment and sewage treatment industry in Beijing, and purchase, repair, upgrade and complete the withdrawal through the **withdrawal of public REITs** of high-quality assets



Revitalize Beijing's environmental infrastructure stock projects and provide sample for the development of the whole industry chain of Beijing infrastructure public offering REITs

Precise investment-Strategic investment

➤ REITs Strategic investment

Pioneer of strategic investment in public REITs

- The **first** publicly offered REITs industry investor in the Hong Kong stock market
- As of March 31, 2022, the company participated in the strategic placement investment of **9 products** in the listed REITs, achieving full category coverage
- The company has set up the **first domestic private equity fund product** focusing on REITs strategic placement investment -- Lang He No.1 Fund and the theme fund with REITs as its core asset -- Lang He Shou Xi Fund

**Dividend
income**

Strategic
placement

**Capital
gain**

➤ Private equity strategic investment

Boutique investment institution in the field of large travel

- Adhere to the investment concept of "industry focus on deep penetration, low frequency and large amount, no ability and no investment", fully integrate its own resources, realize the effective integration of capital and industrial projects, build an ecological circle of industry and finance, provide value-added services for invested enterprises, and bring **long-term value returns** to investors



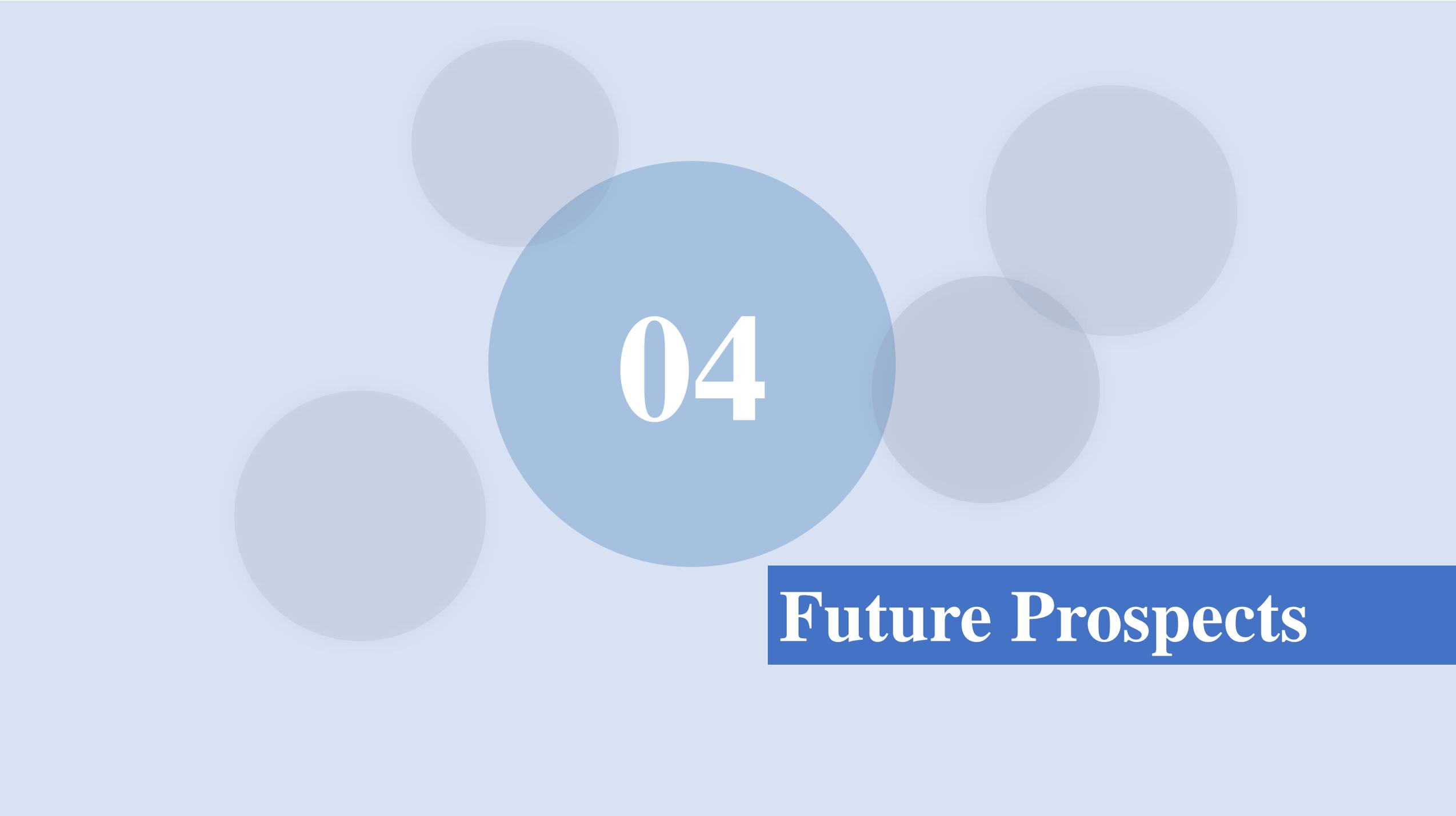
Haomo. Ai

The company invested in China's first large-scale mass-produced self-driving unicorn dime chi terrier, which realized the leading position of the leading enterprise in China's self-driving track and promoted the rapid development of the enterprise



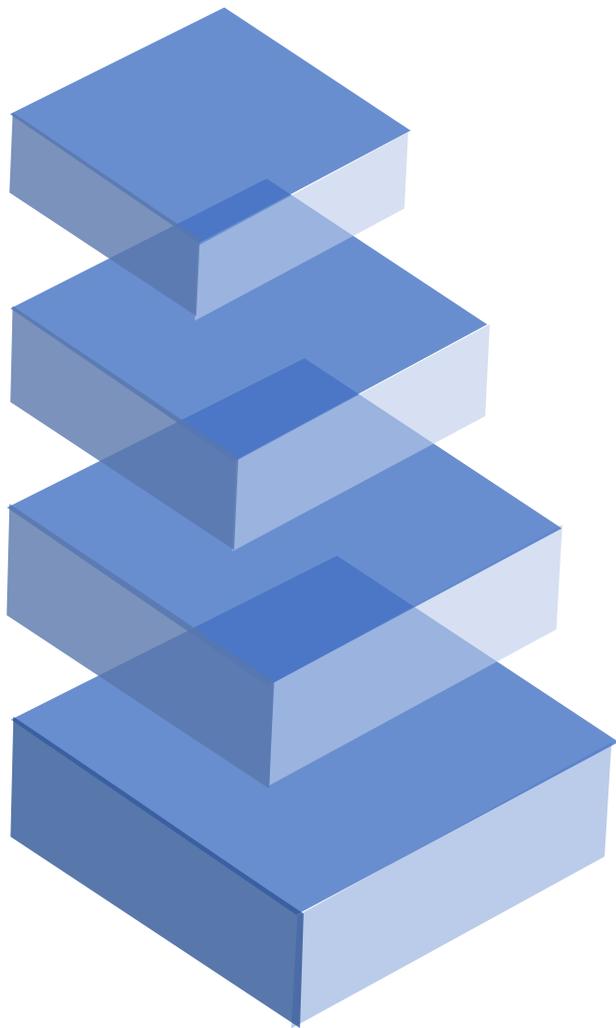
Leading Ideal

The company has invested in the Leading Ideal for many times, and has empowered the enterprise in many aspects such as subsequent financing, market, research and development site, promoting the rapid development of the enterprise and bringing rich financial returns to investors



04

Future Prospects



Mission: Revitalising asset for customers, improving asset efficiency, and providing leading infrastructure and real estate management services to society

- The company adheres to the belief of “key cities + core locations + quality assets”, operates parking assets with the idea of the whole industry chain, and strives to build a whole chain business ecology industry such as parking asset fundraising, parking facility design and construction, parking management system support, and parking asset operation and management
- In terms of business expansion and lean operation, the infrastructure and real estate business focused on building its abilities and refining its products, whilst upholding the “precise investment + lean operation” belief, and thereby realising the transformation from fund management to asset management
- Relying on the multi-channel resources of REITs, the existing resources in the system were integrated to revitalise stock assets to form business synergy and empowerment

Vision: Pioneer of China's Infrastructure Real Estate Funds (REITs)

- The company is based on REITs and focuses on awakening the vitality of infrastructure and real estate assets and improving asset operation efficiency
- Given the advancement of the work on the pilot program of Public Offering REITs, the company’s quality infrastructure assets reserve and mature operating experience in parking, industrial park and environmental-protection business, and experience in fund management, would release long-term growth momentum

Thanks for Your Supporting to
Shoucheng Holdings

