

CHAIRMAN'S STATEMENT 主席報告書

Dear shareholders,

all potential investors, employees and business partners who care about the growth of the company,

“Work all day long and go with the times.” During the past year, we have demonstrated greater confidence in advancing strategic transformation to achieve development by changing lane; we have gained more experience in tactical arrangement, lean management and splitting complex issues into the most simplified units.

During the year, the Company held 16 board meetings and 23 director-level special sessions. For its parking business, contracts have been signed for in aggregate 22,128 new parking lots in Beijing, Shanghai, Chongqing, Chengdu and other cities. The urban renewal fund under our management reached RMB30 billion, of which about RMB11 billion was newly increased. The turnover of the iron ore trading continued to decline while the gross profit margin increased significantly. Its associated companies also achieved good returns. Moreover, two major asset restructurings and one share subscription were conducted during the year which further optimized our asset structure.

During the year, the Company has achieved a profit attributable to shareholders of HK\$353 million, with a year-on-year increase of 516.4%; whereas the asset-liability ratio fell to 4.61%, with accounts receivable and notes receivable decreased by HK\$706 million to HK\$117 million, representing a decrease of 85.8%; cash reserves increased by HK\$1.544 billion, up to HK\$3.034 billion. Based on the confidence in the Company's development and aspiration to give back to the shareholders, the Company is pleased to announce that the board has recommended to distribute 2018 dividends in the total amount of HK\$700 million to shareholders and plans to distribute dividends of not less than HK\$700 million to shareholders each year from 2019 to 2022.

尊敬的股東：

以及各位關心公司成長的潛在投資者、員工與業務夥伴，

「終日乾乾，與時偕行。」這一年，我們在推進戰略轉型，實現換道發展上有了更強的自信；這一年，我們在戰術安排、精益管理、將複雜問題拆分到最小單元方面有了更多的經驗。

年度內，公司召開董事會16次，召開董事層面的專題會23次；停車業務在北京、上海、重慶、成都等地新簽約車位22,128個；城市更新基金管理規模達到人民幣300億元，其中新增管理規模約人民幣110億元；鐵礦石貿易營業額繼續遞減，毛利率大幅提升；聯營公司也取得了較好收益；年內進行了2次重大資產重組和1次股份認購，進一步優化了資產結構。

年度內，公司實現股東應佔溢利港幣3.53億元，同比增長516.4%，資產負債率下降至4.61%，應收賬款及應收票據減少港幣7.06億元，降至港幣1.17億元，降幅85.8%；現金儲備增加港幣15.44億元，達港幣30.34億元。基於對公司發展之信心和對股東回饋的執著信念，公司欣然宣佈2018年度向股東派息港幣7億元，並在2019年至2022年每年向股東至少派息港幣7億元的方案。

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Under the complicated economic environment in 2018, the Company's above-mentioned achievements are the result of joint efforts of all partners. As a Hong Kong listed company, we are turning into a company with an innovative business model, good cash flow, stable and healthy operation. Evolution of the organization is steadily promoted, rapidly iterated and upgraded. We make progress every quarter, every month and even every day. With the common mission and vision and the forming of a shared value, the team is transforming into a real team. Next, on behalf of the board of directors of the Company, I report to you on our efforts and achievements over the past year.

CHAPTER 1. STRATEGY IMPLEMENTATION AND REVIEW

The "grey rhino" stands there, and the "black swan" often flies over as well. An excellent business management team with leaping over the economic cycle as its goal can turn a business idea of "what to do" into a real business of "what should be done" in an uncertain economic environment.

For the Company, our challenges are to smoothly and safely retreat from traditional business, seize the opportunities of rapid growth for new business, maintain sufficient quality and speed, and achieve transition in different dimensions, which require the abilities of deep thinking, broad cognitive dimension and fast learning from our team.

在2018年錯綜複雜的經濟環境之下，公司取得上述成績是全體夥伴共同努力的結果，我們正在成為一家創新商業模式、現金流良好、運營穩定健康的香港上市公司。我們不斷推動組織進化成長，快速迭代升級，每季度、每月乃至每天都有所進步，在共同的使命願景之下，共同的價值觀正在形成，團隊開始成為真正的團隊。下面我代表公司董事會，向各位匯報我們在過去一年所做的努力和取得的成果。

第一章戰略執行與回顧

「灰犀牛」就矗立在那裡，「黑天鵝」也經常飛過來，一個優秀的企業經營團隊以跨越經濟週期為目標，需要在不確定性的經濟環境中，把「想做什麼」的商業構想變成「做成什麼」的商業可達。

對於公司而言，我們的挑戰在於平穩地從傳統業務中安全退出，抓住新業務的快速增長機會，保持足夠的質量和速度，實現在不同曲線的躍遷，這要求我們團隊的思考力度要深，認知維度要廣，學習速度要快。

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1. Parking business segment: flourishing development with strategic focus

Through the investment and operation of parking assets, we have achieved product upgrades, management empowerment and service value increase, in order to provide better services to users, and thus obtain good returns from assets.

In the past year, the investment intensity in parking assets has been continuously increased. By defining a clear regional layout, we have focused on parking assets with high traffic, huge potential and good returns, and promoted efficiency in asset construction and operation as well as provided users with structural opportunities for parking consumption upgrade.

During the year, the Company has acquired 22,128 parking lots through contracts awarded to the Company, increased by 307% (year-on-year), with an actual acquisition of 30,513 parking lots (some contracts were signed in February 2019). These parking lots were strictly selected out from more than 300 car parking projects on retention and 80 projects which were put forward to meetings for discussion in 2018. Although it's below the target of 50,000 parking lots proposed in the 2017 Chairman's Statement, the team has adhered to the bottom line of profits, ensured asset quality as the priority and strived to reach the optimal results. We believe that, based on the achievements made during the year, the Company is capable of fully exerting its efforts in 2019. By setting the key performance index for the management team to be the acquirement of 100,000 parking lots, we will be able to further consolidate the leading position in the industry.

一、停車業務板塊：發展態勢蓬勃，戰略聚焦發力

我們通過停車資產的投資和經營，實現產品升級、管理賦能和服務增值，為用戶提供更好的服務，進而獲得良好的資產收益。

在過去的一年中，我們持續加大停車資產的投資強度，明確區域佈局，進一步向流量高、潛力大、收益好的停車資產聚焦，提升資產的建設與運營效率，服務於用戶對停車消費升級的結構性機會。

年內簽約獲取車位22,128個，同比增長307%，實際獲取（部分在2019年2月完成簽約）30,513個，該些獲取的車位是在全年超過300個車場項目儲備、80個上會項目中嚴格篩選出來的。雖然低於2017年主席報告提出的50,000個車位的目標，但團隊始終堅守收益底線，以保證資產質量為優先級目標，努力地在向最優結果靠近。我們也相信在年內工作的基礎上，2019年將會全面發力，公司對經營團隊的考核指標是獲取100,000個車位，以夯實行業領先的地位。

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(1) Define attributes of the category to create cutting-edge products for the future

In 2017, the Company formulated the investment principle of "key cities, prime locations and quality parking spaces". In 2018, we have further clarified the category attributes of parking assets. In the area of investment, we have continuously focused on the first-tier and second-tier key cities in China. In terms of the classification of products, as always, we have focused on large-scale transportation hubs, high-density public utilities, and the supporting parking assets of commercial properties with high traffic. For the operation of specific projects, we have further focused on high-quality projects in prime locations.

With the accelerated popularization of technologies such as 5G, smart driving, and the Internet of Things, the car as a smart terminal is about to usher in a magical moment. As the key component in multiple scenes of travelling, the future parking space will become a new landscape with ultimate efficiency, green sharing, and seamless intelligence.

(2) Focus on market segments, and create products of differentiated business forms

We have accelerated to make the team more capable of polishing edge-cutting products in market of differentiated business forms. We have explored the investment and business models with distinctive features in three sub-sectors, namely transportation hubs, public facilities and commercial properties, and have achieved breakthroughs in implementation of major projects.

(一) 明確品類屬性，打造面向未來的頭部產品

2017年公司確定了「重點城市、核心位置、優質車位」的投資原則，2018年我們進一步明確了停車資產的品類屬性。在投資區域的佈局上，持續向國內一、二線的重點城市聚焦。在產品業態的分類上，一如既往地重點投向大型交通樞紐、高密度公用設施和大流量商業地產配套的停車資產。在具體項目的操作上，進一步聚焦核心地段的優質項目。

隨著5G、智能駕駛、物聯網等技術的加速普及，汽車作為智能終端即將迎來奇點時刻。未來的停車空間作為出行的關鍵節點與多元場景，將是一個極致高效、綠色共享、無縫智能的全新圖景。

(二) 聚焦細分市場，打造差異化的業態產品

我們加快提升團隊在差異化的業態市場中打磨頭部產品的能力，探索在交通樞紐、公共設施、商業地產等三個細分領域具有特色的投資和經營模式，實現重大項目的落地突破。

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Transportation hub parking

Based on its comprehensive knowledge of user needs and deep understanding of the investment and financing system for infrastructure in China, the Company has formed a leading position in airports and high-speed railway stations, and etc. and has built its core competitiveness in all links of the whole process of parking lots ranging from design, investment, construction and operation. During the year, in addition to the parking buildings of Beijing Daxing International Airport and Shanghai Hongqiao Airport, the Company has also acquired the long-term operating rights of the parking lot of Guiyang Longdongbao International Airport, which has further consolidated its leading position among airport parking building operators.

I would like to introduce to you the Beijing Daxing International Airport Parking Building Project. At present, the preparation for construction and operation of the project is progressing smoothly and has entered the stage of final construction and final commissioning. The leasing and operation together with the product design are also progressing steadily as planned. The project is scheduled to be put into operation simultaneously with Beijing Daxing International Airport in October 2019.

交通樞紐停車領域

我們基於用戶需求的深度把握，以及對中國基礎設施投融資體制的深刻理解，已經在機場、高鐵站等領域形成領先優勢。在停車場的設計、投資、建設和運營的全流程各環節，打造公司的核心競爭力。年內，除北京大興國際機場停車樓和上海虹橋機場停車樓之外，公司又獲取了貴陽龍洞堡機場停車場長期運營權，進一步鞏固了公司在機場停車樓運營商中的領先地位。

在這裡，我想特別向各位介紹的是北京大興國際機場停車樓項目。目前項目的建設和運營籌備工作進展順利，已經進入收尾施工和最後調試階段，運營招商和產品設計亦按計劃穩步推進，該項目計劃將於2019年10月和北京大興國際機場同步投入運營。

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As China's super-large integrated transportation hub for international aviation, Beijing Daxing International Airport is a new landmark for the coordinated development of "Beijing-Tianjin-Hebei" integration. It will have the world's largest single terminal upon completion and operation. The airport's long-term planning throughput of passengers is 100 million person-time, and its parking building will serve 12 million vehicles/time annually. We target to build it into a flagship benchmark project in category of the comprehensive transportation hub, provide world-class parking and travel service to customers and travelers around the world.

Public utility parking

For public utility parking, we have focused on the segment market of grade III-level A hospitals in the first-tier cities. I think many friends share the same feeling as mine towards the quality of these parking services: limited parking spaces in hospitals has caused serious congestion in the surrounding roads and this brings extremely inconvenient to nearby residents and patients. There is a huge demand and urgency to upgrade the hospital parking lot. To this end, through carrying out product innovation by changing the ground parking lot to multi-storey parking lot, the Company has made intensive land use and tapped potential of resources, and also has improved internal and external traffic environment of hospitals as well as has realized a better unity of economic benefits and social benefits.

北京大興國際機場作為中國超大型國際航空綜合交通樞紐，是「京津冀」一體化協同發展的新地標，建成運營後將擁有世界最大的單體候機樓。機場長期規劃客流吞吐量是一億人次，機場停車樓年度服務車輛可達1,200萬輛／次。我們將會將其打造成綜合交通樞紐品類中的旗艦型標桿項目，為廣大客戶和各地旅客提供世界級的停車與出行服務。

公用設施停車領域

在公用設施停車領域，我們關注一線城市「三甲」醫院這個細分市場。這個領域停車產品的服務品質，我想很多朋友和我一樣感同身受：醫院車位資源非常緊張，周邊道路時常擁堵不堪，給附近居民和患者造成極大不便，存在著巨大的需求痛點和產品升級的迫切性。為此，公司通過停車場「平改立」產品的創新，集約利用土地，深挖資源潛力，改善了醫院內外部交通環境，實現了經濟效益和社會效益較好的統一。

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I want to share with you the China-Japan Friendship Hospital project. There is, on average, over 8,000 person-time of outpatients and emergency patients every day and about 2,500 vehicles entering and exiting hospital daily, but with limited 340 parking lots formerly. The limited parking spaces had caused slow traffic, serious congestion, and even affected passing through of ambulances, which threatened the life safety of patients. Our Company has utilized part of the original ground parking lot and built a self-propelled four-storey parking building with a total area of 10,000 square meters, which can provide 520 parking lots, representing an increase of 53%. After implementation of the project, traffic speed of the main roads around the hospital has been at least doubled during peak hours, and the average waiting time of vehicles has been reduced by 80%. In addition, the top floor of the parking building is also equipped with a medical rescue helipad which allows a helicopter of less than 8 tons to take off and land. It is the only special medical facility in downtown Beijing that seamlessly combines air and ground rescue, which provides a new life channel for emergency rescue of the seriously ill patients.

和各位分享我們中日友好醫院項目。中日友好醫院的日均門診急診量超過8,000人次，日均進出車次約2,500輛，原有停車位僅有340個。緊張的停車資源導致車輛通行速度慢、周邊擁堵嚴重，甚至影響急救車通行，危及患者生命安全。公司利用醫院原有地面停車場的一部分，新建4層、總面積1萬平方米的自走式立體停車樓，可提供停車位520個，較之前新增53%。項目實施後醫院周邊主幹道高峰時段車輛通行速度提升1倍以上，就診車輛平均等待時間減少80%。此外，停車樓頂層還配套建設了醫療救援直升機停機坪，可起降起飛重量8噸以內的直升機，這是北京市區內唯一具備航空與地面救援無縫銜接的醫療專用設施，為重大疾病患者的緊急救護又提供一條新的生命通道。

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Commercial property parking

The parking of commercial properties is a relatively mature area. Our focus is on adding value to the owners' properties and comprehensively improving operational capabilities, including the provision of professional advice on traffic flow forecasting, moving line optimization and cost saving aspects. Moreover, we have aimed to deliver fast and "housekeeping" parking services during operation.

In 2018, through project expansion and merger and acquisition of equity, we acquired the parking lot of New World Department Store in core business district of Beijing, the parking lot of Shangjing Tiandi in Shanghai and the parking lot of the Wisdom Valley of Chengdu (Chengdu Xibuzhigu Park), which further enriched the basic portfolio of the Company's parking business, increased the size of parking spaces under operation and management, and optimized the regional layout of investment.

商業地產停車領域

在商業地產停車這個相對成熟的業態領域，我們重點關注的是業主對提升物業價值的迫切需求，全面加強該品類產品的運營能力，包括為客戶提供車流預測、動線優化和節約投資的專業建議，在產品的運營環節提供快捷和「管家式」的停車服務。

2018年，我們通過項目拓展和股權併購的模式，分別獲取了北京核心商圈新世界商場停車場、上海尚景天地停車場和成都西部智谷園區停車場等，進一步拓展了公司停車業務的基本盤面，增加了運營管理的車位規模，優化了投資的區域佈局。

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(3) *Consolidate basic capabilities, create lean and efficient operating system*

For high-quality parking assets and premium parking services, the Company's commitment to shareholders and users shall be met through lean and efficient operation and management by all colleagues and partners.

We have launched 5-Stars service system to comprehensively improve the quality of parking service. Identification system for parking lots has been constantly upgraded to make parking more efficient to save every second for car owners; we have paid attention to detailed management by reasonably planning the parking space to ensure vehicles enter and exit conveniently, and have been always keeping the parking lots clean to ensure good experience to car owners; safety is paramount, we have guaranteed cameras to operate 24 hours a day and have equipped parking lots with 24-hour central control and on-site security personnel to immediately meet the customer needs. In 2019, the 5-Stars service system will cover all parking lots under our management. The Company has always been committed to meeting the needs of customers, and we hope that all users can experience the quality of our parking services in every detail.

In 2019, the Company will continue to increase its investment in parking technology. Innovative products such as AI technology and immersive services will also be launched gradually, and management productivity will be further improved.

(三) 夯實基礎能力，打造精益高效的運營體系

公司優質的停車資產和高品質的停車服務，最終是要通過每一位同事和夥伴對一事一物精益而高效的運營管理，方能實現公司對股東和用戶的承諾。

為此，我們啟動了5星服務體系，全面提升停車服務品質。升級車場標識系統，提高停車效率，為車主節約每一秒；注重細節管理，合理規劃停車空間，確保車輛進出便捷；最高頻次保潔車場，確保良好體驗；安全壓倒一切，攝像頭24小時確保運作無誤，配備24小時中控和現場值守人員，第一時間滿足客戶需要。5星服務體系將在2019年全面覆蓋我們所管理的停車場。公司始終以滿足客戶需求為己任，希望讓所有的用戶於細節處體驗我們用心打造的停車品質。

2019年，公司仍將持續加大對停車科技的投入力度，AI技術、臨境服務等創新產品也將逐步上線，管理效率必將得到進一步提升。

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We have launched mixed parking consumption products in several parking lots. Our team has expanded the marketing coverage to a radius of 3 kilometers away from the independent parking lots and have attracted an increase of 30% customers. A trail of differentiated pricing strategy for different hours and different sub-areas will be launched at Beijing Daxing International Airport. Meanwhile, we have carried out environmental and lighting improvement projects in our parking lots. We hope that the users could feel the warm light from S-Park on their journeys.

(4) Explore incremental benefits, expand the innovative space for non-parking business

We know that excellent asset operators should never be satisfied with value preservation, but are good at finding opportunities to explore incremental benefits. The parking business inherently possesses dual attributes of traffic and space, so non-parking business is a natural extension of parking business and full of space for innovation. We have in-depth cooperation with Didi Group, Guazi second-hand car, and JD Technology, and strive to deliver a better user experience in areas of convenient transportation, power charging services and new retail.

We have cooperated with Beijing avant-garde artists to spice up our parking lots with graffiti art elements, creating more youthful and fashionable atmosphere in urban underground space. A series of events such as graffiti show, flash mobs, photography festivals, music festivals, and street performances will be launched subsequently so as to create a new hangout for urban fashion culture to attract more young people.

我們在多個車場推出了停車消費組合產品，團隊以獨立車場為圓心，三公里輻射區域為半徑，擴大營銷範圍，吸客力度提升了30%，分時段、分區域的差異化定價策略也將在北大興國際機場試行。同時，我們對旗下車場全面進行了環境改善和亮化工程，希望奔波在路途上的用戶，可以感受到S-Park釋放出的溫暖燈光。

(四) 挖掘增量效益，拓展非停業務的創新空間

我們深知優秀的資產經營者絕不僅僅滿足於固守保值，而是善於拓展價值空間，挖掘增量效益。停車業務自帶流量和空間的雙重屬性，非停業務是停車業務的自然延伸，創新空間巨大。我們分別與滴滴集團、瓜子二手車和京東科技開展深度合作，力圖在出行便利、充電服務和新零售領域給客戶更好的體驗。

我們與北京先鋒藝術家合作，在車場引入塗鴉藝術元素，使城市地下空間的氛圍更加年輕、時尚，後續將有塗鴉秀、快閃秀、攝影節、音樂節、街頭文化展示等一系列活動推出，吸引更多的年輕用戶來到這裡，營造新的城市時尚文化集聚地。

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We have been constantly exploring on how to shift parking lots from single parking space into new multi-functional urban space. We believe, by restructuring and integrating functions of the space, our product can stand out among the competitors whilst generate a great sense of affinity and superimpose its future value.

Based on expansion of non-parking business and exploration of urban space functionality, we predict in 2019 that revenue from non-parking business will account for more than 30% of the total revenue.

I spend a lot of time to review how we polished the parking business. I believe no matter how the economic cycle is adjusted, we should consider where constant rigid demand is, what unchanged commercial essence is, and how to improve efficiency, create products.

Regarding product, we can't be lazy, can't take shortcuts. Do what we should do, every step counts. The team should offer products which are good enough to seize opportunities growing by ten or even hundreds times. What is "good enough"? I think that only "one-fold better than the previous one" is not enough. In the future, only "ten-fold better" will have an opportunity to stand out.

我們不斷探索將停車場從單一的停車空間，向著更多元化的城市新空間轉變。我們認為，當我們對空間的功能進行重構與融合之後，可以讓產品更加出眾，讓服務更有溫度，讓未來的價值成倍數疊加。

基於我們對非停業務的拓展和城市空間的功能探索，2019年公司預計非停業務收入佔總收入比重將提升至30%以上。

我用了相當大的篇幅，來回顧我們是如何打磨停車業務這個產品。我認為，無論經濟週期的調整如何，我們都要思考哪裡有不變的剛性需求，哪些是不變的商業本質，如何提升效率打造產品。

在產品層面上，我們偷不得懶，走不得捷徑。我相信該做的事一件也不能少，我們走過的路，每一步都算數。團隊要用足夠好的產品抓住十倍乃至百倍增長的機會。「足夠好」到底有多好？我認為只有「一倍好」是不夠的，未來只有「十倍好」才有機會脫穎而出。

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2. The urban renewal fund business segment: distinctive resource advantages and good strategic start

The urban renewal fund relates to the major mission and responsibility of the Company in transformational development of Shougang Group, also an important part of the Group's transformation towards an integrated urban service provider.

(1) *Prominent location advantage of the park, with major policy support from the Group, the urban renewal fund business has outstanding endowment advantages*

The hundred-year-old Shougang has witnessed revitalization of national iron and steel industry, also has marked a profound accumulation of industrial civilization. Located in Shijingshan and by Yongding River, the new Shougang Park has distinctive regional advantages, rich ecological and cultural resources, with an area up to 8.63 square kilometers for development. Shougang Group has given the fund business for Park renewal to the Company, which has indicated the strongest policy support to the Company, and we are determined to play a greater role to serve the Park development.

With arrival of the Organizing Committee of the Winter Olympic Games, Shougang Park has ushered in important historical opportunities. On 5 June 2018, Shougang Group became the highest-level sponsor of the 2022 Winter Olympic Games, namely, the Olympic official urban renewal service partner. In the future, the new Shougang Park will become a model for the Olympic Movement to promote urban development, a world's model for the reuse of the industrial heritage and the revitalization of industrial zones, and a new landmark of urban renewal with global influence in the new era.

二、 城市更新基金業務板塊：資源優勢明顯，戰略開局良好

城市更新基金業務板塊，是公司在首鋼集團的轉型發展中所肩負的重大使命與責任，也是集團實現城市綜合服務商轉型的重要組成部分。

(一) *園區區位優勢明顯，集團給予重大政策支持，城市更新基金業務擁有突出稟賦優勢*

百年首鋼見證了民族鋼鐵工業的振興，也為這裡留下深厚的工業文明的沉澱。新首鋼園區依石景山，傍永定河，區域優勢明顯，生態和文化資源豐富，總體可開發面積達到8.63平方公里。首鋼集團將園區更新的基金業務賦予公司，是對公司最大的政策支持，公司也將在服務園區發展過程中發揮更大的作用。

隨著冬奧會組委會的進駐，首鋼園區又迎來重要的歷史機遇。2018年6月5日，首鋼集團成為2022年冬奧會最高級別的贊助商——奧林匹克官方城市更新服務合作夥伴。未來的新首鋼園區將是奧林匹克運動推動城市發展的典範、工業遺產再利用和工業區復興的世界典範、新時代具有全球影響力的城市復興新地標。

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(2) *The Winter Olympic Plaza and Qiaomengyuan (Overseas Chinese Creation and Innovation Development Zone) project progressed smoothly, the urban renewal business segment achieved a good strategic start*

During the year, the Company and Tishman Speyer, a renowned international investor and operator for industrial park, jointly launched the Winter Olympic Plaza project. The project is located on the extension of Chang'an Street, accessible by multiple subway lines and convenient transportation. Integrated with the Winter Olympic Games Organizing Committee Office, the gross floor area of this project is 225,000 square meters. We will work with our partners to create architecture with retained post-industrial style, perfectly combining historical heritage with modern architecture. In the future, the park will become an international sports, science and technology industrial park integrating headquarter office, commerce, sports entertainment, and service facilities for Winter Olympics Games, a lively practice of promoting urban development of Olympic Games. The Qiaomengyuan Project is located on the west extension of Chang'an Street, with a total area of 11,000 square meters. Positioned as a comprehensive space for innovative new business forms, the project concentrates on new business forms such as international business schools, new retail bookstores, international exhibitions and displays. In 2018, 168 high-end events, courses of 5 renowned business schools and 11 TED-style speeches were undertaken, attracting high-end traffic of more than 20,000 person-time. Both Yiwang College of Matrix Partners and the Canjia College of Shougang Fund have chosen to locate here. Compared with the surrounding traditional office, sales per square meter of this project increased by more than 40%.

(二) 冬奧廣場、僑夢苑項目順利推進，城市更新業務板塊實現良好戰略開局

年內，公司與國際知名產業園區投資運營商美國鐵獅門集團共同啟動了冬奧廣場項目。該項目位於長安街延線，多條地鐵通達，區域交通便捷。與冬奧組委辦公區融為一體，總建築面積22.5萬平方米。我們將與合作夥伴一道，保留濃郁後工業文化風格，使歷史積澱與現代建築有機融合，未來將成為集成總部辦公、商業、體育娛樂、冬奧會服務設施於一體的國際化體育科技產業園區，成為奧林匹克運動推動城市發展的生動實踐。僑夢苑項目坐落於長安街西延線上，總面積1.1萬平米。該項目定位於創新型新業態空間聚合體，聚集國際商學院、新零售書店、國際化展覽展示活動等新業態場景。該項目年內共承接了168場高端活動，5個高品質商學院集中授課，11次TED式演講；吸引高端人流量超過2萬人次。經緯億萬學院、首鋼基金參加學院均將會址選於此，相比於周邊傳統寫字樓辦公空間，坪效比提升40%以上。

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From a long term perspective, we believe in the future park development and real estate sector will mainly shift from incremental development to stock renewal. Through the light asset operation mode of "Fund + Base + Industry", aiming at high-quality development by serving the park better, we will collaborate with top partners to build benchmark projects in the park to ensure quality of renewal development. Meanwhile, we begin to pay attention to opportunities for investing and acquiring premium resources and properties for renewal in core cities besides Shougang Park. Through renovation and renewal, operational improvement and import of resources, we can realize restoration of asset value and add value to assets, and expect the withdrawal of fund investors through REITs.

從更長的時間視角看，園區開發與地產行業的未來將主要由增量開發轉向存量更新。我們將通過「基金+基地+產業」的輕資產運營模式，以服務好園區的高質量發展為目標，引入頂級合作夥伴，打造園區標桿項目，確保園區更新開發的品質。與此同時，公司也在關注首鋼園區以外核心城市優質資源和需改造物業的投資收購機會，通過更新改造，運營改善和資源導入，實現資產價值修復與增值，並期待通過REITs實現基金投資人的退出。

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3. Non-core business segment: insist firmly on transformation development, strategic withdrawal progressing smoothly

Honoring our commitments to all investors, we have withdrawn further from the non-core business while developed actively in core business. During the year, revenue from ore trading reduced to HK\$1.5 billion, decreased by 60.6% than that of 2017; the gross profit margin of ore trading business increased from 0.2% to 3.5%, and the receivables decreased from HK\$817 million to HK\$63 million. In 2019, the Company will further cut the scale of ore trading business. In addition, the disposing of the entire equity of Shougang Concord Century Holdings Limited, an associated company of the Group, which will bring HK\$206 million in cash to the Company.

An excellent management team takes the initiative to find new business opportunities and continuously adds value to company during cyclical adjustment. I appreciate the great contribution made by the trading business team to the established strategic withdrawal, as they have followed the Company's arrangements and have taken overall situation into account.

三、非主營業務板塊：堅定轉型發展，戰略退出順利

我們恪守對所有投資人的承諾，在核心業務領域持續發力的同時，進一步退出非主營業務。年內將礦石貿易收入規模縮減至港幣15億元，較2017年下降60.6%，並將礦石貿易業務毛利率從0.2%提升至3.5%，應收款從港幣8.17億元下降至港幣0.63億元。2019年，公司將會進一步縮減貿易業務規模，並將處置本集團之聯營公司首長寶佳集團有限公司的全部股權，該股權處置交易將使公司獲得現金港幣2.06億元。

優秀的經營團隊，要能夠在週期調整中主動作為，尋找新的業務機會，不斷提升公司價值。在既定的戰略性退出過程中，公司貿易經營團隊顧全大局，服從公司安排，做出了積極的貢獻，我對此表示感謝。

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4. Introduced strategic investors: ensure long-term development and highlight strategic synergy

By introducing strategic investors with synergy and leading edge, it has further optimized Company's shareholding structure and will enhance corporate governance of the Company and will bring the operations of the Company to an international level, therefore laying the foundation of long-term development for the Company.

During the year, NWS Group, ORIX Group, and CIMC Group have become important strategic shareholders of the Company. NWS Group funded twice in March and September respectively to support the Company's equity adjustment and placement. In December, NWS Group sold out Urban Parking (Beijing) Limited, a company which has been cultivated in mainland China for many years, to the Company, reflecting their strong support to the Company's transformation development. CIMC Group is the largest container manufacturer in China. Its automatic multi-storey parking system business subdivided from the airport facilities equipment business segment, as an important part of the ecological chain of the parking industry, will form a good strategic synergy with the Company's parking business. As one of the global top integrated financial service groups, ORIX Group has taken actions to give support to and to show its confidence in the Company.

四、 引入戰略性投資者：保障長足發展，戰略協同凸顯

通過引入具有協同效應和領先優勢的戰略投資者，優化了公司的股權結構，也必將提升公司治理和國際化經營水平，為公司的長足發展奠定基礎。

年內，新創建集團、歐力士集團和中集集團成為公司重要戰略股東，其中新創建集團在3月份、9月份兩次出資支持公司的股權調整及配售，並在12月份將其內地在內地深耕多年的富城（北京）停車管理有限公司整體注入公司，全面支持了公司的轉型發展；中集集團是中國最大的集裝箱專業生產企業，旗下的空港設備業務板塊的自動化立體停車系統業務作為停車行業生態鏈條的重要環節，將與公司停車業務構成良好的戰略協同；歐力士集團是全球最大的綜合金融服務集團之一，以實際行動給公司投了信任票。

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By the end of the year, the Company's total assets have reached HK\$9.43 billion with an increase of about HK\$1.244 billion from the end of previous year, up approximately 15.2%, and its book cash has reached HK\$3.034 billion, showing an abundant liquidity. The Company's net assets have amounted to HK\$8.995 billion with an increase of about HK\$1.751 billion from the end of previous year, up approximately 24.2%. The asset-liability ratio has further lowered, from 11.52% to 4.61%. The Company's asset condition is at its best in recent years, with extremely low asset-liability ratio and sufficient cash reserves, making the Company more unruffled in a complex and volatile economic environment.

We are extremely grateful for the investment by strategic shareholders during the transformation stage of the Company. The Company will exercise best endeavor, act out and create greater value for shareholders. In the future, according to the development needs of the Company, it might be necessary to have a few more strategic shareholders who understand the industry and are able to contribute to market expansion and resource integration. It will increase the number of shares of the Company, however, the Company will strictly adhere to the bottom line and gradually enhance its dividend-paying ability to achieve a continuous increase in the dividend payout ratio. If the market opportunity is appropriate, it does not rule out the possibility of share buy-backs. It is an important task for the management team to ensure a continuous increase of the earnings per share for all shareholders.

截至年末，公司總資產達到港幣94.3億元，較去年年末增長約港幣12.44億元，增幅約15.2%，公司賬面現金達港幣30.34億元，流動性非常充裕。公司淨資產達港幣89.95億元，較去年年末增長約港幣17.51億元，增幅24.2%。資產負債率進一步降低，由11.52%下降至4.61%。公司資產狀況處在近年來的最佳狀態，極低的資產負債率和充盈的現金儲備，讓公司在複雜多變的經濟環境中將更加從容。

對於戰略股東在公司轉型階段的投資，我們無比感恩，公司將盡心盡力、說到做到，為股東創造更大的價值。在未來，根據企業的發展需要，可能還需要進一步引入少數懂行業、有助於市場拓展和資源整合的戰略股東，這將造成公司股數增加，但公司將嚴守底綫，逐步增強分紅能力，以達到分紅率的持續提高。如市場機會合適，也不排除啟動回購股份的可能。保障全體股東的每股收益不斷提升是管理團隊的重要任務。

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CHAPTER 2. ORGANIZATIONAL GROWTH AND EVOLUTION

There are two core variables in the growth of an enterprise: strategy and organization. The explicit variable is strategic focus, and the implied variable is the organizational iteration. If the strategy cannot be effectively focused, the organization will be exhausted with decreasing efficiency. If the speed of organizational evolution cannot be kept up with the pace of strategy, the enterprise will eventually stop moving forward.

The achievement of the business performance in 2018 was the result of our constant focus on and efforts in the strategy. However, in order to win from battle to war, the Company needs to build a highly capable team and a self-growing system.

1. Build a highly capable team

Talents gather for their careers, and the Company thrives on talents. In the journey towards the ambitious goal, we need excellent talents sharing common goals and values to continuously join our marching team. How to attract the best talents to join us, how to place people in the best suitable positions to play their roles effectively, how to design a mechanism to retain the outstanding talents, and how to cultivate the growth of young talents with great potential, all the above are the most important things for us to build a remarkable and evergreen company.

第二章組織成長與進化

企業的成長有兩個核心變量：戰略與組織。明線變量是戰略的聚焦，暗線變量是組織的迭代。戰略不能有效聚焦，則組織疲憊而效率低下；組織進化的速度如果跟不上戰略的腳步，企業終將止步不前。

今年經營業績的取得，是我們在戰略上不斷聚焦與發力的結果，但公司要能從打勝仗到打勝戰役，需要打造一支極具戰鬥力的團隊和一個可以自我成長的系統。

一、 打造極具戰鬥力的團隊

人才因事業而聚集，公司因人才而興旺。在向遠大目標前進的征程中，我們需要有著共同目標和價值觀的優秀人才不斷加入我們前進的隊伍。如何吸引最優秀的人才加盟，如何讓最合適的人在最佳的崗位發揮重要的作用，如何設計機制留住優秀的人才，如何培養極具潛力的青年人才成長，從而塑造卓越長青的企業，對我們來說是最重要的事情。

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In 2018, more outstanding talents joined our management team

Ms. Zhang Meng, Deputy General Manager of the Company, is in charge of investment, management, and withdrawal of the Company's funds. Before joining Shougang Fund as Director of Risk Management in 2014, she had worked in a well-known law firm in China for a long time and accumulated rich experience in fund business. She is forthright, sincere and motivated, dares to take the responsibilities, and takes care of her team. She is able to lead the team to achieve good performance by overcoming difficulties.

Ms. Liang Lixia, Deputy General Manager of the Company, has more than 20 years of experience in well-known real estate companies before joining the Company. She has unique and profound insights into the value increment and re-creation of commercial projects. She presided over the acquisition and re-disposal of various non-performing assets projects in Beijing, with huge returns generated. Her joining is of great significance to the Company's relevant exploration and business development.

During the year, with the Chinese team of Urban Parking from NWS Group via acquisition, we have become even more powerful. Among them, Mr. Lu Ping has 10 years of experience in parking management and 15 years of experience in commercial real estate management, especially extensive practical experience in equipment selection and emergency response.

2018年，我們有更多優秀的人才加入經營團隊

張檬女士，擔任公司副總經理，分管公司旗下基金的投資、管理和退出。她2014年加入首鋼基金任風控總監，此前長期在國內知名律師事務所工作，基金行業經驗豐富。她為人真誠率性、積極進取、敢於擔當，對團隊愛護有加，能夠帶領團隊攻堅克難取得佳績。

梁麗霞女士，擔任公司副總經理，加盟公司前她在知名房地產公司有著逾20年的豐富經驗，對於商業項目增值再造有著獨到和深刻見解，曾經主持收購及再處置北京多個不良資產項目，收益巨大。她的加盟對於公司在該領域的探索和業務發展意義巨大。

年內因併購新創建富城停車中國團隊，讓我們如虎添翼。其中，陸平先生具有10年的停車場管理及15年的商業地產物業管理經驗，尤其在設備選型、突發事件應急處置等方面具有豐富的實踐經驗。

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In 2018, more frontline teams have grown rapidly

There are so many teammates I want to thank. This year I would like to introduce our team at Shanghai Hongqiao Airport to you. Among them, Ms. Jia Menglei, the ticketing supervisor, starting from a junior leader responsible for collecting parking fees, she has witnessed that the daily parking volume of P1 parking lot of Hongqiao Airport has grown from 100~200 vehicles per day to more than 4,000 vehicles per day. There is always a smile on her face, trying to make customers feel at home; Ms. He Meifang, Head of Finance, has come to Shanghai to work since 2007 and is currently Head of the Financial Department of Hongqiao Project. She is meticulous in accounting work without any deviations and brings great synergy throughout every level of the Company.

2. Shape an evolutionary organization

At the moment, the traditional corporate organizational form might be seriously challenged. Too many organizational levels lead to low decision-making efficiency, which makes high-level managers lose their sensitivity to the frontline market; complex management rules and systems hamper the initiative and innovation of talents, and the unreasonable value distribution system cannot retain outstanding talents.

We must change and shape an organization with the capability of evolution, in which flexibility could resist the rigidity derived from scale and innovation could fight against organizational entropy increase, so as to ensure the Company stays longer in the phase of healthy and high-speed growth.

(1) Reduce internal hierarchy, and shape a flat organization

Generally speaking, the more hierarchies within an enterprise, the more reporting there will be, the harder it is to understand and slower the action will be taken. The primary goal of employees is to fulfill orders from superiors in the layer-by-layer report, instead of being user centric, and they will spend their energy on the report, instead of going to frontline to solve the users' real problems.

2018年，我們有更多一線的團隊得到快速成長

需要感謝的夥伴太多，今年我要向各位介紹的是我們上海虹橋機場的團隊。其中，票務主管賈夢雷女士從基層收費班長做起，見證了虹橋機場P1停車場每日由零散的100~200輛車增長到現在進出4,000多輛，微笑始終在她的臉上綻放，努力讓客戶賓至如歸；財務主管何美芳女士2007年來上海打拚，現擔任虹橋項目財務部主管一職。她的財務工作能夠事無鉅細無偏差，同時又貫穿公司上下，提升協同效率。

二、 塑造具備進化力的組織

當下，傳統的企業組織形態可能受到嚴重挑戰。過多的組織層級，導致決策效率的低下，讓高層失去了對市場一線的敏感度；複雜的管理規則和制度，束縛了人才的主動性和創新活力；不合理的價值分配體系也留不住優秀的人才。

為此，我們必須做出改變，打造具有進化能力的組織，以靈活性對抗規模剛性，以創新性對抗組織增熵，以此保障企業在健康高速成長區間停留的時間更久。

(一) 減少內部層級，塑造扁平化組織

一般來說企業內部的層級越多，匯報越多，理解就會越難，行動就會越慢。員工會在層層的匯報中以完成上級命令為首要目標，而不再是以用戶為中心，會把精力花在報告上，而不去一線解決用戶的實際問題。

CHAIRMAN'S STATEMENT 主席報告書

As a startup, we want to create a culture entirely different from big companies and we are determined to create a flat organization and strive to achieve “three and a half levels” and “two and a half levels” management in decision-making by streamlining and optimizing organizational structure. For business operation, there are no more than three levels from the bottom level to top management, and then to the last half level (board) for review. For fund investment business, there are no more than two levels from the most bottom level to the top management, then to the final half level (the investment committee) for review. We ask mid and senior level executives to be accountable instead of simply avoiding risks. Those who fail to lead the team to win the battle, but blame the subordinates and external factors shall be resolutely dismissed.

(2) Develop simple rules to create a networked organization

We are committed to creating a network organization that is professional, highly adaptable, and efficient.

In terms of operational rules, we believe that extremely simple rules rather than complex central control system can guarantee the creativity of the junior employees, realize the network effect of emerging collective wisdom, and ensure the sensitivity and flexibility of the Company to the frontline market.

作為一家創業企業，我們打造與大企業截然不同的文化，下定決心打造扁平化組織，通過精簡優化組織結構，力圖實現管理決策的「三級半」和「兩級半」。在產業經營範圍，從最基層到最高層管理者不超過三級，再到最後的半級（董事會）進行覆核；在基金投資領域從最基層到最高層管理者之間不超過兩級，再到最後的半級（投委會）進行覆核。我們要求中高管責任擔當而非簡單地風險迴避，對於那些不能帶領團隊打勝仗，並把責任推諉給下屬和外界因素變化的中高管堅決請走。

(二) 制定簡單規則，打造網絡型組織

我們致力於打造專業化強、適應度高、運行高效的網狀組織。

在運行規則上，我們認為極度簡單的規則而非複雜的中心控制體系，才能保證基層的創造力，才能實現群體智慧湧現的網絡效應，保證公司對一線市場的敏感性和靈活度。

CHAIRMAN'S STATEMENT 主席報告書

In terms of organizational collaboration, we have drawn inspiration from the Yuanyang Array in ancient military tactics, to define the boundaries of each person's professional ability and view everyone as a trusted partner on the one hand, and to break the boundary, communicate and collaborate in the most direct and effective way on the other hand. By combining the advantage of flexible division of small teams with the advantage of scaled operation of big teams, the Company can flexibly apply the array according to environmental changes.

For potential risks, we control them through negative lists, but contents of the lists comply with the principle of simplicity and can be supplemented according to situation. For audits and various interim and post event supervision, in-process checking and results replay will be conducted annually, quarterly and monthly according to the negative lists, which is an insurmountable red line for Company's operation.

(3) Establish a sharing mechanism to create a dynamic organization

At present, how to establish an effective sharing mechanism is important to modern corporate governance. In essence, it is an issue of how to determine the relationship between talents and enterprises in respect of value creation and distribution. As early as 1980s, Shougang Group was one of the first batch for trials of national economic system reform to implement a contract plan of "Contracting for Progressive Increases of Profit". Under the historical conditions at that time, the contract system allowed Shougang to "have both self-motivated and self-constrained mechanisms, and be able to be self-accumulated, self-reform, and self-developed." Implementation of the contract system enabled Shougang to break through the constraints of planned economic system, expanded the autonomy of business operation and effectively promoted the development of the enterprise.

在組織協作上，我們從古代兵法的「鴛鴦陣」中獲取靈感，既要明確每個人的專業能力邊界，讓每個人都成為可以信任的夥伴，又要打破邊界，用最直接有效的方式溝通和協作。在實踐中把小團隊分工的靈活優勢與大軍團作戰的規模優勢結合起來，企業可以根據環境變化靈活應用陣法。

對於潛在的風險，我們通過制定負面清單加以管控，但清單的內容依然尊重極度簡單的原則，可以根據情況適度增加。審計及各類事中、事後監督根據負面清單，按照年度、季度乃至月度去進行過程督導和結果復盤，以此促使負面清單成為企業運營過程中不可逾越的紅線。

(三) 建立分享機制，打造活力型組織

當下，企業如何建立有效的分享機制是現代企業治理的重要命題。本質上，這是一個如何確定人才與企業在價值創造、價值分配中的關係問題。早在上個世紀八十年代，首鋼集團曾被列為第一批國家經濟體制改革試點單位，實行「利潤遞增包干」的承包方案。在當時的歷史條件下，承包制讓首鋼「既有了自我激勵，自我約束的機制，也有了自我積累，自我改造，自我發展的能力」。承包制的實施讓首鋼突破了計劃經濟體制的束縛，擴大了企業經營自主權，有力地促進了企業的發展。

CHAIRMAN'S STATEMENT 主席報告書

The Company inherits the Shougang spirit of being 'highly responsible, innovative and leading', has formulated a mechanism in line with market-oriented reform for management and key business staff, covering basic salary, performance bonus, long-term earnings sharing, and value sharing. We hope that employees will have no worries behind when they dedicate to and work hard for the Company, they will receive sufficient respect and reward.

公司傳承「敢擔當、敢創新、敢為天下先」的首鋼精神，針對管理層和業務骨幹，制定了符合市場化改革方向，包含基礎薪酬、績效獎金、長期收益分享和價值分享機制。我們希望員工在為公司奉獻和拚搏的時候，能夠後顧無憂，奮鬥者必將獲得足夠的尊重和獎賞。

CHAPTER 3. PONDERING OVER THE COMPANY'S MISSION, VISION, AND VALUES

In our business practice, I have become more and more aware that the corporate values not only influence our strategic judgment, management decisions and behaviors, but also fundamentally determine our destiny.

What kind of products do we want to provide to users? How do we continuously make efforts to contribute to the society? What kind of company do we want to be? What values shall we uphold to achieve our goals? This is the three ultimate questions of the philosophy of corporate survival: "Who am I? Where am I going? How will I arrive?" Without a mission, we will not know the ultimate meaning of existence. If there is no vision in common, we will not know where to go together. Without values, we will not be able to judge what are right from wrong.

To this end, we have thought and discussed thoroughly. Some expressions may not be completely accurate now, but I hope this is a beginning. We are open and inclusive, hope to share our ideas, and look forward to hearing voices from all shareholders, employees, and business partners.

第三章 公司使命願景以及價值觀的思考

在我們的商業實踐過程中，我越來越深刻的感受到，企業的價值觀不僅影響著我們的戰略判斷、管理決策和行為方式，而且從根本上決定了我們的命運。

我們要給用戶提供什麼樣的產品，如何不斷地努力為社會做出貢獻？我們希望成為一家怎樣的公司？我們又將遵循什麼樣的價值觀，達成我們的目標？這正是企業生存哲學的終極三問：「我是誰？我去往何處？我將如何抵達？」如果沒有使命，我們就將不知道存在的終極意義。如果沒有共同的願景，我們將不知道一起走向何方。如果沒有價值觀，我們將無法判斷哪些是對，哪些是錯。

為此，我們做了深入思考和討論，現在的有些表述也許還不完全準確，但我希望這是一個開始，我們秉持開放包容的理念，希望和各位股東、公司員工與業務夥伴一起來完成這個答卷。

CHAIRMAN'S STATEMENT 主席報告書

1. Our mission and vision: be a trustworthy superior asset investor and operator, make city life better!

We hope that in the near future, the Company could become the best asset investment enterprise with a deep layout in the familiar assets segment in China, and create great value for investors through anchoring the asset investment opportunity with lower risk, better returns, more dividends, and less retracement.

We hope that in the near future, lean management could be applied to make asset operation more efficient, empower evolution of urban functions, provide more valuable services to customers, use science and technology to generate profound changes, and create better urban life for users.

We hope that in the near future, the Company will be sufficiently inclusive and open, with equity as a link to invest and acquire more valuable companies and assets, as well as with SG Capital Group as a cultural identity to build the cornerstone of trust by empowering and managing the invested companies and assets.

We hope that in the near future, the team will share common cognitions, believe in and abide by common values, continuously grow on the platform, create more values for the Company and society, and ultimately enjoy benefits from the Company's development.

2. Our values: value investment, excellent products, open and inclusive

To achieve mission and vision of the Company, we need to achieve a lot of important tasks. The most important thing in this process is what kind of values we adhere to, and the multiple thinking models built by these values. The values of the Company determine our behavior patterns and value criterion.

一、我們的使命願景：成為值得信賴的卓越資產投資和經營者，讓城市生活更美好！

我們希望在不遠的將來，公司可以成為中國最好的資產投資企業，在熟悉的細分資產領域深度佈局，通過錨定風險較低、收益較好、分紅較多、回撤較小的資產投資機會為投資人創造巨大價值。

我們希望在不遠的將來，能夠用精益管理提升資產運行效率，為城市功能進化賦能，為客戶提供更多有價值的服務，亦能夠用科技智能引發深刻的改變，為用戶創造更美好的城市生活。

我們希望在不遠的將來，公司足夠的包容和開放，以股權為紐帶，投資收購更多有價值的企業及資產，以SG Capital Group為文化標識，通過為被投資企業及資產的賦能及管理，構築起信任的基石。

我們希望在不遠的將來，團隊能夠有共同的認知，篤信並遵守共同的價值觀，不斷在平台上實現自身的成長，為公司和社會創造更多的價值，並最終分享企業發展所帶來的收益。

二、我們的價值觀：價值投資、極致產品、開放包容

要實現企業的使命和願景，需要達成諸多要務，這個過程中最重要的就是我們堅持什麼樣的價值觀，以及這些價值觀所構築的多元思維模型。公司的價值觀，確立了我們做事的行為方式和價值準則。

CHAIRMAN'S STATEMENT 主席報告書

(1) *Must uphold the principle of value investment*

In the past five years, the price of a considerable number of assets in mainland China has seriously deviated from their value. Instead of blindly investing the funds into the highly valued business to earn temporary plaudits in commercial illusions, it is better to make well preparation while waiting, to take initiative to pave a path for business development and to comprehensively engage in the investment and operation of parking facilities and other undervalued assets. We have further improved our investment decision-making model and persisted to maintain investment standards. We uphold the idea of being low profile, "make a hard camp and fight a dull battle", to win tactfully and readily without competing. Unswervingly focusing on long-term, and only earning long-term money, we believe that excellent long-term investors will be surely rewarded by time.

(2) *Be committed to providing the best products and services to society*

Industry is the past, customers are the future. We must always think and improve the products from user's perspective, and even redefine the product category, because the users and we all believe that the parking lot should be a comfortable, efficient and safe space, and it should exist like a piece of artwork, and a space full of warmth and real perception. In order to achieve such goals and pursuits, we will strive to provide customers with the best parking service in the world by creating the best products and services through a "ten-fold better" efforts.

(一) 必須堅持價值投資原則

過去五年，內地相當多門類的資產價格嚴重偏離價值，與其將資金盲目地投入到高估值企業商業幻想中博取短暫的喝彩，不如在等待中做好準備，主動選擇深耕產業之路，深度參與停車設施及其他被低估資產的投資和經營。我們進一步完善了投資決策模型，堅持了投資標準。秉持居下不爭的理念，「結硬寨，打呆仗」，不爭而善勝。做堅定的長期主義者，只賺長期的錢，相信卓越的長期投資者必將受到時間的獎勵。

(二) 致力於為社會提供最好的產品和服務

行業是過去，客戶是未來，我們要始終站在用戶的角度去思考和改進產品，甚至是重新定義產品的品類，因為我們和用戶都相信，停車場應該是舒適、高效、安全的空間，甚至應該像藝術品一樣存在，是一個充滿溫度，真實可感知的空間。為了這樣的目標和追求，我們將努力通過「十倍好」的努力，打造極致的產品和服務，力求為客戶提供全球最好的停車服務。

CHAIRMAN'S STATEMENT 主席報告書

(3) *Be a trustworthy, open and inclusive investor*

As an investor who intends to acquire control in the target companies, it is necessary for the Company to establish a foundation of common interest with the acquired Company, and it is necessary to build a multi-level trust system. Under this principle, we work from three levels. First, locate the win-win situation for both parties in the price and structure of transactions. Second, think about how to empower our partners before the acquisition, identify to-do-list, in principle, we will not invest in a company if we can't help its development. Third, create an extremely simple negative list, extremely strict red lines and extremely serious in-process supervision and post event audit.

As more and more teams join our big family, we will adhere to an open and inclusive culture in the future. Inspired by the common mission and vision, we will continue to foster the endogenous feature of culture and value and enhance recognition of value and cultural identity to become a united team working together in harmony.

CHAPTER 4. ACKNOWLEDGMENT

There are a lot of people I would like to thank. We are exploring and walking on an unknown road, and we can see the glimmer of a lighthouse in a distance. Even though we are getting closer to the lighthouse, we are still walking on our way. However, with the support from the shareholders, the care of our customers, and the efforts of our teammates, we are never alone when moving forward, and we can draw strength of the present moment and make great strides towards the future.

On the road of exploration, Shougang Group gives the best resources and the greatest support to the Company, and also allows the team to innovate on the cutting edge via trials and errors and constantly seek to create the ultimate products. It is under the inclusiveness of Shougang Group that the Company has the opportunity to grow up with breakthrough.

(三) 做一個值得信任·開放包容的投資者

作為控股型投資者需要公司與被收購企業建立共同的利益基礎，需要構建多層次的信任體系。在這條原則之下，我們從三個層面開展工作：一是在交易價格和交易結構上找到雙方共贏的點；二是在收購前就需要想好如何為夥伴賦能，明確問題解決清單，原則上不能幫助企業發展就不要投資；三是劃定極度簡單的負面清單，極度嚴格的紅線以及極度認真的事中監督和事後審計。

隨著越來越多的團隊陸續加入我們的大家庭。在未來，我們將秉持開放包容的文化理念，在共同的使命與願景的感召之下，不斷增強文化價值觀的內生性，不斷提高增強文化價值觀的認同感，成為同心同德、合力共贏的戰鬥團隊。

第四章致謝

要感謝的人很多，我們正在一條未知的道路上探索前行，能夠模糊地看到遠方燈塔的微光，但即便臨近燈塔之下，也依然在路途上而已。然而由於股東的支持、客戶的關愛、夥伴的努力，前行之路上我們從不孤單，亦能更好地汲取當下的力量，大步快速向遠方邁進。

在探索之路上，首鋼集團將最好的資源和最大的支持賦能給公司，亦允許團隊在邊緣創新，不斷試錯、不斷尋求打造極致產品，正是在博大胸懷的包容之下，公司才有機會茁壯成長、形成突破。

CHAIRMAN'S STATEMENT 主席報告書

On the road of exploration, investors have given great trust in us. Now the Company is at the initial stage, and many works are not perfect. Under this circumstance, our investors give great financial support to us, help integrate the industrial chain and spend time on researching the priorities of the Company's development. These are the important cornerstones for the Company to become the best company in the market segments.

On the road of exploration, customers open up to innovation. We polish the products, guarantee better urban life services and redefine product categories in cooperation with our customers.

On the road of exploration, the teammates are working together and marching forward. Enterprise never has a perfect moment, but every teammate has aspiration to pursue "ten-fold better" with the common goal of creating an ideal enterprise, and never stop.

The best gratitude is to reward the trust of shareholders and customers with better performance and better products, and to encourage the team to grow up together with the Company and ultimately realize the mission and vision of the Company.

The future has come, 2018 has already ended. I believe in 2019 it will be even more fantastic with the support from all of you.

Thank you all!

Zhao Tianyang
26 March 2019

在探索之路上，投資人給予了巨大的信任，要知道現在只是公司的起步階段，很多工作還不完善，在此情況之下，大家給予大量資金支持、幫助整合產業鏈、付出時間研究公司發展之要務，這些是公司成為細分市場最好企業的重要基石。

在探索之路上，客戶開放創新，與我們共同打磨產品，保障提供更好的城市生活服務，重新定義產品品類。

在探索之路上，夥伴們戮力同心，砥礪前行。企業從沒有完美的時刻，但大家以創造理想企業為共同目標，始終追尋「十倍好」，從未停歇。

最好的感謝是以更加優秀的業績和更好的產品來回報股東和客戶的信任，並促使團隊與企業共同成長，最終實現企業之使命願景。

未來已來，2018年早已結束，相信在大家的的支持下2019將更加精彩。

謝謝各位！

趙天陽
2019年3月26日