

Dear shareholders,

All potential investors, employees and business partners who have interests in the growth of the Company.

2019 is the second year of the Company's full transition into investment and management of parking assets and urban renewal funds management. The Company held 13 board meetings and 19 board committees meetings during the year. We progressed solidly in each type of work according to the established strategic plan, and the Company continued to advance in areas such as strategy implementation, business development, and enterprise management, etc.

During the year, the Company's financial performance reached further new heights. In 2019, the revenue was HK\$396 million; the profit attributable to shareholders reached HK\$443 million, representing a year-on-year increase of 25.5%; the net asset reached HK\$98.23 billion; and the interest-bearing debt ratio was 5%. As of March 31, 2020, the market capitalization of the Company is HK\$9.211 billion, representing an increase of 94.45% in comparison to that of January 1, 2019. The Company was selected as a constituent stock of the Hang Seng Composite Small Cap Indexes (HSSI), and has become an eligible Hong Kong stock of "Shenzhen-Hongkong Stock Connect", which brought more convenience to professional investors and customers from Mainland China to invest in the Company. After the share consolidation on the basis of every five shares be consolidated into one share, a final dividend would amount to HK7.22 cents per consolidated share and the dividend yield as of 31 March 2020 would be 7.6%.

During the year, the Company continued to receive strong support from existing and new strategic investors. In 2019, the Company completed two rounds of fundraising, firstly in March with the introduction of strategic shareholders of the Company, namely HOPU and Matrix Partners China, with a total financing of approximately HK\$846 million; and in November with the introduction of JD Digital as a strategic investor of the Company, raising approximately HK\$450 million. Furthermore, existing shareholders namely Shougang Holding (Hong Kong) Limited, ORIX Group, NWS Group, Matrix Partners China, also increased their holdings of the Company's shares by approximately HK\$1.745 billion; the above brought the total amount raised to HK\$3.041 billion. With the support of the investors, the Company has a bigger cash reserve; with sufficient capability and solid backing to face different types of uncertainties.

尊敬的首長國際股東：

以及關心公司成長的潛在投資者、員工與合作夥伴。

2019年是公司全面轉型停車資產投資經營及城市更新基金管理業務的第二年。公司在這一年召開董事會13次，另召開董事層面的專委會19次。我們按照既定的戰略規劃紮實推進各項工作，公司在戰略執行、業務拓展、企業管理等方面持續精進。

年度內，公司經營成果再上新台階。2019年實現收入3.96億港幣，股東應佔溢利達4.43億港幣，同比增長25.5%，淨資產達98.23億港幣，有息負債率為5%。截至2020年3月31日，公司市值為92.11億港幣，較2019年1月1日增長94.45%。公司已被納入恆生綜合小型股指數，繼而入選「深港通」港股標的，更加便利於內地專業投資者和客戶投資本公司。5合1合股後每股末期股息達7.22港仙，以2020年3月31日市值計算，股息率為7.6%。

年度內，公司繼續得到新老戰略投資人的大力支持。2019年公司共完成兩輪融資，於3月引入厚樸投資和經緯創投作為公司的戰略股東，共計募資約8.46億港幣；於11月引入京東數科作為公司的戰略股東，募資約4.5億港幣；公司還獲得了老股東首鋼控股（香港）、歐力士集團、新創建集團、經緯創投的增持，募資約17.45億港幣，上述總計募資30.41億港幣。在投資人的支持下公司儲備了較大規模的現金，有充分的條件和堅實的基礎應對各種不確定性。

CHAIRMAN'S STATEMENT

主席報告書

During the year, the core business of the Company grew rapidly. The parking business in Beijing, Shanghai, Guangzhou, Chengdu, Nanjing and other cities had approximately 40,000 new contracted parking spaces, which summed to a total of more than 70,000 contracted parking spaces. The urban renewal business funds management scale increased by RMB14.875 billion to RMB42.904 billion (excluding liquidated withdrawn funds), and the area of property under management increased to 700,000 square meters in the Beijing metropolitan area.

During the year, the team grew, and the level of management was stepped up. The number of directly managed staff increased 30%, with an average age of 35. The per capita income grew 71% in 2019. We focused on the needs to develop the core business, improving the organizational structure, refining the system's procedures, creating cultural values, so as to bring effective improvements to the various management tasks.

On behalf of the Company's board of directors, I would like to report on what we have achieved in the past year along with related issues to think over.

CHAPTER ONE OUR EVALUATION AND DETERMINATION

In 2019, as per our evaluation from two years ago, the volatile asset price bubble is getting cleaned up and the rate of return continues to drop, with various uncertainties becoming a reality. As China has already shifted from the high-speed growth in size and volume into an era of acceleration of innovations, we are steadfast in being optimistic about Chinese economy's sturdiness and resilience, and optimistic about the development brought by the shift.

It was a good opportunity to increase investment at the downturn of industry, with the steps to breakthrough paved by tough situations. To this end, all team members devoted themselves to the implementations of the Company's various strategies, as guided by the model of the operation in "precise investment + lean operation", with the principle of longevity, lean operation, regional development, and technology empowerment.

年度內，公司核心業務快速成長。停車業務在北京、上海、廣州、成都、南京等城市新簽約車位約4萬個，累計簽約車位超過7萬個。城市更新業務基金管理規模新增148.75億人民幣，累計管理規模達429.04億人民幣（不包含已清算退出基金），累計獲取北京區域物業面積約70萬平方米。

年度內，團隊進一步壯大，管理進一步提升。直接管理員工增長30%，平均年齡結構35歲，正青春。2019年，人均創收增長71%。我們圍繞核心業務發展所需，進一步完善組織結構、優化制度流程，塑造文化價值觀，各項管理工作得到有力提升。

下面我代表公司董事會，向各位匯報在過去一年中我們所做的努力以及對有關問題的思考。

第一章 我們的判斷與堅守

2019年，如我們兩年前的判斷，浮躁的資產價格泡沫正在出清、收益率持續下降，各種不確定性已成為確定的事實。中國已經從體量規模高速增長進入到存量結構加速創新的時代，我們堅定地看好中國經濟的強大韌性，堅定地看好動能轉換的發展後勁。

行業的低谷是加大投資的良機，艱苦的環境是向上突破的台階。為此，團隊全體成員「躬身入局」，在「精準投資+精益運營」運作模式的引領下，以長期主義、精益運營、深耕區域和科技賦能為導向指導公司各項戰略落地實施。

1. Longevity

Strategic goals will not be achieved all at once and capabilities also will not all be developed overnight. We believe in the power of time, and are a firm believer of longevity. We concentrate and focus on doing a fair amount of work that has long-term value.

We integrate the concept of sustainable development into the Company's strategic planning, business decision-making, enterprise management, incentive and restraints, and ensure employees have sufficient consensus with the Company's vision and strategic development plans, so they would be able to stand up to short-term lures.

We have become more determined in setting up plans for parking business, ramping up investments and the strength of operation; improving the investment decision model which covers the industry's long-term value; having employee incentive mechanisms more inclined to business with long-term value; exploring employee equity incentive plans, ensuring the integration of employees' growth with the Company's developments. We are pleased that a considerable number of employees purchased the Company's shares, showing confidence in growing with the Company together, and in the past year, these co-workers have also been rewarded by the stock market.

2. Lean Operation

At present and in the future, after industry consolidation, enterprises compete in their ability in lean operation. A part of the success of outstanding companies like KFC, Danahar, Park24, comes from responding to the aspiring needs of people to live a better life, and they have continually refined their management and standardized the level of operation.

We strive to make every part dissectible to the smallest unit, standardize and systemize the operation management to the greatest extent. Through building an excellent operating system, increasing the involvement of technology, delivering five-star service standards, optimizing the supply chain system, we guarantee the stability, replication, and continuous optimization of operation quality.

一、長期主義

戰略目標不會一蹴而就，能力積澱也非一朝一夕。我們相信時間的力量，做堅定的長期主義者，沉心靜氣做了相當多具有長期價值的工作。

我們將可持續發展理念融入公司的戰略規劃、業務決策、企業管理、激勵約束當中，確保成員對公司願景和發展戰略有充分的共識，可以坦然面對短期誘惑。

我們更加堅定地佈局停車出行領域，加大投資和經營力度；完善涵蓋產業長期價值的投資決策模型；將員工激勵機制向具有長週期價值的業務傾斜；探索員工股權激勵方案，確保員工成長與企業發展能夠長期緊密結合。我們欣喜地看到，相當多員工購入了公司的股票，體現了員工與公司共同成長的信心，過去的一年，這些夥伴也得到了市場的獎賞。

二、精益運營

當下和未來，企業比拚的是產業整合之後的精益運營能力。正如肯德基、丹納赫、Park24 這些優秀的公司，它們的成功一方面是順應了國民對美好生活的嚮往和需求，另一方面則是不斷提升精細化管理、標準化運營的水平。

我們力求將每個環節拆分為最小單元，最大程度地將運營管理標準化和系統化，通過搭建卓越的運營體系，加大科技投入，實施五星服務標準，優化供應鏈體系，保證了項目運營質量的穩定、可複製和不斷優化。

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An example is the car parking business. Leveraging on an intelligent parking management platform, an excellent operating system and supply chain system, many projects recorded above 20% increase in revenue. We upgraded the equipment and systems of operation, researched and developed leading SONIC operation management system, the cost of labor was reduced in the areas of fee collection, site inspection, and customer service, and scientific and technological innovation further increased the capacity of assets return; we delivered five-star service standards across each parking lot, streamlining our operation insight into the public's minds. We further optimized the cost-effectiveness and efficiency of the supply chain system, bringing centralized purchasing into reality in operational resources, labor forces, engineering designs and construction, with the advantage of the emerging scale of operation and management.

3. Regional Development

In 2019, the Company's core business had breakthroughs in Guangzhou, Shenzhen, Nanjing, etc., and regional layout started to take shape; at the same time, the Company is continuously furthering its business exploration in Beijing, Shanghai, Chongqing, Chengdu, etc., constantly increasing market influence.

We have formed a strong regional development and service group with the elites for channel expansion, public relations and other fields, to standardize regional networks and localize service ability, maximizing coherent regional resources, and therefore create a bridgehead for ordered expansion and efficient management.

With our products as priority, we can gain an in-depth understanding of the realistic needs of clients and actively build long-term partnerships with clients and our partners. Along with the development of regional layout, upholding the goal of thoroughly penetrating in regional markets, our business development channels continue to grow, our penetration abilities rapidly improving, the category and scale of our products expanded steadily, which lead us to stay ahead in the market.

以停車為例，我們依托智能停車管理平台、卓越運營體系和供應鏈體系，多個運營項目的收入較之前實現20%以上的增長；我們通過對項目的設備和系統進行升級改造，研發了領先的SONIC運營管理系統，在收費、巡場、客服等環節降低了人工成本，科技創新進一步提升了資產的收益能力；我們在各車場貫徹執行停車場運營五星服務標準，精細化運營理念深入人心；我們進一步優化節約高效的供應鏈體系，已經實現了運營物資、人力勞務、工程設計、施工的集中採購，運營管理的規模化優勢正在顯現。

三、深耕區域

2019年公司核心業務在廣州、深圳、南京等城市實現突破，區域佈局已見雛形；同時公司在北京、上海、重慶、成都等地繼續深度挖掘，市場影響力不斷增強。

我們調集渠道拓展、公共關係等領域的精兵強將組建區域拓展與服務事業群，推動區域網絡標準化、服務能力本地化，最大限度協同區域資源，使之成為區域有序擴張和高效管理的橋頭堡。

我們以產品為先導，深度了解客戶的真實需求，積極與客戶及合作夥伴構建長期合作關係。隨著區域佈局的深耕，秉持著做深做透區域市場的既定目標，我們的業務拓展渠道不斷深入，縱深突破能力快速提升，產品品類規模穩步擴大，確立了市場的領先地位。

4. Technological Empowerment

At the moment, the digital economy is arising, there is a strong integration between online and offline. Controlling offline high-quality base asset and adding the support of internet technology is the key to speeding up strategic transition, upgrading product formats, iterating business models, and reshaping enterprise values.

Currently, we are far from using enough technology, and we have a long road ahead. In the future, we will invest more resources to equip our staff, to empower business operations, to improve our level of technology in market expansion, lean operation, management efficiency, client services, to push the digitalization transition of industry and enterprise, so as to provide clients with products and services with higher quality, better user experience and more scenarios.

四、科技賦能

當下，數字經濟方興未艾，線上線下深度融合，掌握線下優質基礎資產再加上互聯網科技的助力，是我們加速戰略轉型、升級產品業態、迭代商業模式、重塑企業價值的關鍵所在。

目前，我們在運用科技力量方面還遠遠不夠，我們還有很長的路要走。公司未來將投入更多資源來武裝我們的員工，賦能業務的運營，提升我們在市場拓展、精細運營、管理效率、用戶服務等方面的科技水平，推動企業和行業的數字化轉型，為用戶提供更高品質、更好體驗、更多場景的產品和服務。

CHAPTER TWO OUR PLANS AND IMPLEMENTATIONS

Our evaluations towards the market and the determination to hold onto our principles show the confidence and courage of our team. However, the market believes in results and performances. In the past year, heading in the direction of the goal in mind in the implementation of strategic plans, we achieved common goals across the management to the employees.

Through results-driven and goal-oriented management, we divided the strategic goal into several measurable key results, which prompted the team to focus on the market needs, shaping products' competitiveness, lifting the level of management, continually producing new supplies.

第二章 我們的戰術與執行

對市場的判斷和對原則的堅守體現了團隊的信心和勇氣，但市場相信的是結果和成績。在過去一年，我們在戰略戰術的貫徹執行上以目標為導向，實現了上下同欲。

我們通過目標和關鍵結果管理法，將戰略目標拆分為若干可衡量的關鍵結果，促使團隊緊盯市場需求、打磨產品競爭力、提升運營管理水平、不斷創造新供給。

CHAIRMAN'S STATEMENT

主席報告書

1. Parking Business Segment

In China, parking is related to people's lives and is a massive industry, which is large enough to breed an excellent enterprise. The current domestic parking industry is extremely dispersed, with a huge demand gap and low-quality managements, characterized by single product, and is in the early stages of market consolidation.

The consolidation of parking industry will bring more quality investment opportunities, and lean operation after consolidation will create more investment value. On one hand, we are continually improving and innovating new products around the market demands, and on the other hand, we still believe that technology is an important driving force to reshape the layout of the industry. Therefore, no matter how many challenges and difficulties we are faced with, we are still determined to move forward.

(1) *Shaping Product Competitiveness of Parking Industry*

1) Municipal Facilities Car Parking Product

Transportation hub parking is a high-end product of the municipal facilities. After acquiring the projects of Daxing International Airport, Hongqiao International Airport, Guiyang Longdongbao International Airport, Pudong International Airport, we also won the bid for the 15-year operation rights to approximately 10,000 parking spaces at Beijing Capital International Airport, covering the whole of Beijing-Shanghai airport line car parking resources, standing stronger as the leader in the airport car parking industry.

一、停車業務板塊

在中國停車是關乎民生、體量巨大的事業，具備孕育卓越企業的空間。目前國內停車市場高度分散，呈現需求缺口大、管理水平低、產品品類單一的特徵，正處於市場整合的前期。

停車行業的整合將帶來更多的優質投資機會，整合之後的精益運營將放大投資的價值。我們一方面圍繞市場需求不斷優化和創新產品，另一方面始終相信科技是重塑產業格局的重要驅動力。所以，儘管面臨著諸多困難和挑戰，我們依然堅定前行。

(一) 打磨停車產品業態的競爭力

1) 市政配套類停車產品

交通樞紐停車是市政配套類高端產品業態，在獲取大興國際機場、虹橋國際機場、貴陽龍洞堡國際機場、浦東國際機場等項目外，我們又中標了北京首都國際機場停車樓約10,000個車位15年的經營權，實現了京滬線機場停車資源全覆蓋，進一步夯實機場停車領域龍頭地位。

CHAIRMAN'S STATEMENT 主席報告書

On September 25, 2019, Beijing Daxing International Airport opened for operation and the car parking building was put into operation on the same day. We introduced the globally advanced automatic parking technique, with full coverage of intelligent parking and reverse car search. Through installing photovoltaic, charging points, smart lighting, and other infrastructures, we have made the biggest reduction in the cost of energy, and attracted a group of high-end car brands into new energy car experience centers. We tried to collaborate with online ride-hailing platform companies to resolve the management issues caused by unregulated pick up and drop off passengers. We collaborated with well-known environmental protection organization in order to develop cross-border charity collaboration work, bringing wildlife protection themes into car parking signage, taking on the social responsibility that a good company should have.

Central regions of first and second tier cities have a shortage of land and the use of land is restricted. The Company has had opportunities of urban renewal and in making up shortfalls in functionality of urban cities, closely worked with the government's plans of the old city regions renewal projects, investing and building parking complex as urban city nodes, with implementations of franchising rights projects/BOT projects for three-dimensional parking lots across Beijing's Xicheng District, Chaoyang District, Shunyi District, and Nanjing's Qinhuai District, with a total of more than 7,500 contracted parking spaces.

2019年9月25日，北京大興國際機場開通運營，停車樓同期投入使用。我們引入世界先進的自動泊車技術，實現了智能停車、反向尋車的全覆蓋。通過加裝光伏、充電樁、智能照明等設施最大化地降低了能源成本，吸引了一批高端汽車品牌的新能源體驗中心入駐。我們嘗試與網約車平台公司合作，解決網約車無序接送客的管理痛點。我們與知名環保組織開展跨界公益合作，在停車場標識中融入野生動物保護的主題，承擔好企業應盡之社會責任。

針對一二線城市中心城區土地資源緊缺且利用受限的痛點，公司緊抓城市更新和城市功能補短板的機遇，緊密配合政府老舊城區改造計劃，投資建設城市節點停車綜合體，相繼在北京市西城區、朝陽區和順義區、南京市秦淮區落地立體停車場庫特許經營/BOT項目，累計簽約車位7,500餘個。

CHAIRMAN'S STATEMENT

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2) Commercial Car Parking Product

Commercial parking (including parking for commercial properties and office buildings) is considered a relatively mature product segment in the business and the focus of the operation is to meet the owners' urgent need for property value enhancement.

We started from the stage of planning and design conduct in-depth research on how to better match with above-ground real estate positioning, to design functional services like the moving line of the parking lot and identification system for parking lot to meet the clients' needs. By using SONIC parking system, and A.I. + big data + mobile payment algorithms, we connect closely with the membership database of owners and develop various parking service products such as car space booking, service booking, bonus points redemption system, etc., making the most out of the value of parking lots.

3) Roadside Car Parking Product

Roadside parking management is an important starting point of detailed city management and smart city infrastructure. All levels of governments have had high initiatives in moving into electronic management of roadside parking. We face a new round of opportunity in the market.

2) 商業類停車產品

商業類停車(含商業和辦公等)是相對成熟的業態領域,運營的重點是滿足業主對物業價值提升的迫切需求。

我們從規劃設計階段即開始深度研究如何更好地與地上物業定位相匹配,設計與客戶需求契合的車場動線、車場標識等功能服務;借助SONIC停車系統,通過AI+大數據+移動支付算法,深度與業主方的會員體系綁定,開發車位預定、服務預約、積分兌換等豐富的出行產品,充分挖掘停車場價值。

3) 路側停車產品

路側停車管理是城市精細化管理和智慧城市建設的重要切入點,各級政府對推進路側停車管理電子化積極性很高,我們面臨著新一輪的市場機遇。

In 2019, we lifted the quality of the roadside parking management and received high recognition by the Yanqing District government, and signed a contract for Beijing's Yanqing District roadside parking operations management (phase II) project, realizing the integrated management for roadside parking for the whole region. We have also been actively creating new ways to collaborate on roadside parking projects, continually improving on technical solutions of roadside parking, and obtained the project of operating and managing approximately 1,700 roadside parking spaces in Beijing Daxing District by taking advantage of "precise investment + lean operation". In January this year, our Company further obtained the 30-year operation rights of more than 13,000 roadside parking spaces in the main city area of Baoding, Hebei Province.

In the near future, we will strengthen the cooperation with regional governments to implement the expansion of "from within to the outside of the road", consolidating the ability to invest and operate, to provide the government with a regional-level integrated comprehensive static traffic solution, and to develop more in-depth business cooperation with regional governments with a broader business scope.

(2) *Building Technological Support for Lean Operations*

The Company firmly believes that technology has fundamental values in reshaping the parking industry. We, on one hand, use the latest smart hardware in parking lots, and on the other hand, continuously upgrade application systems, making the transition from the "parking lot level" operation and management to a "parking space level" digitalized smart operations mode.

2019年，我們通過提升路側停車的管理水平，獲得了延慶區政府的高度認可，簽約了北京市延慶區路側停車運營管理（二期）項目，實現了全區域路側停車的一體化管理；我們還積極創新路側停車項目合作模式，不斷完善路側停車的技術解決方案，以「精準投資+精益運營」的優勢獲取了北京市大興區約1,700個路側車位的運營管理項目。今年1月，公司又獲取了河北省保定市全部主城區約13,000餘個路側停車位30年的運營權。

未來，我們將與區域政府繼續加深合作，實現「從路內到路外」的延伸，將投資能力與運營能力相結合，為政府提供區域級的一體化靜態交通綜合解決方案，在更廣的業務範圍內與區域政府開展更深的業務合作。

(二) *打造精益運營的科技支撐力*

公司堅定地認為科技對於停車行業具有根本性的重塑價值。我們一方面在停車場應用最新的智能硬件，另一方面持續對應用系統進行升級，實現了從「車場級」的運營管理向「車位級」數字智能運營模式的轉變。

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Through analyzing the data of parking space utilization and turnover rate, and combining with image analysis of customers' vehicle, we achieve accurate marketing of parking product and services. We use smart devices to replace operator for site surveillance and the number of managed parking spaces per staff increased by 49%. Through obtaining and using accurate operational data and image data of cars, car spaces and lanes in real time, our operation and management efficiency has been significantly improved.

In 2019, we created an independent intellectual property product, SONIC intelligent parking management system platform, which is another upgrade to the Company's smart management, created more value to the parking industry assets. This platform is currently used in the Daxing International Airport project, and in the future, it will be used in all parking lots operated by the Company.

Our digital intelligent parking management system has eliminated the constraints of manpower needs and scale growth in traditional car parking operation management. Instead, the greater the scale of the management of parking assets, the more obvious the operational cost benefits, creating a solid foundation of competitive advantages of a coexisting model of industry scale and lean management.

(3) Improvement of Team Stress Resistance

In 2019, the Company achieved good results in the market, however, we also clearly understand that as a pioneer in the industry, the development of the Company is inseparable from the support of all parties, and is relative to industry policies and social environment.

我們通過對車位使用率和周轉率數據進行分析，結合客戶車輛畫像分析，實現停車產品和服務的精準營銷。我們通過智能設備代替了運營人員進行場地巡視，人均管理停車位的數量提升了49%。通過對車輛、車位、車道實時、精準的運行數據和畫像數據的獲取和利用，企業的經營和管理效率得到了顯著提升。

2019年，我們打造擁有自主知識產權的SONIC智能停車管理平台，該系統平台是公司智能管理的又一次迭代升級，讓停車資產創造更多的價值。此平台目前已率先應用於大興國際機場項目，未來將覆蓋公司運營的所有停車場。

我們的數字智能停車運營系統擺脫了傳統停車運營管理中人力投入與規模增長的制約關係，管理停車資產數量級越大，運營成本優勢就越明顯，為我們塑造產業規模化與管理精細化並存的競爭優勢奠定了堅實的基礎。

(三) 提升應對挑戰的團隊抗壓力

2019年公司在停車市場取得了一些成績，但我們也清楚地認識到，作為產業的拓荒者，企業的發展離不開各方的支持，也與行業政策、社會環境息息相關。

CHAIRMAN'S STATEMENT 主席報告書

1) Take Initiatives, Promote Local Policies Implementation

On July 30, 2019, the Political Bureau of the CPC Central Committee requested to implement such as the reconstruction of urban old areas, urban car parking, and the construction of urban-rural cold-chain logistics facilities. This is a significant policy benefiting the entire industry, however, at the policy execution level, the parking industry policies in various cities are yet to be completed and it will take time to implement. This requires the Company to actively strengthen the communication with each local industry authorities, to provide timely feedback on practical experiences to the industry, in order to improve and enrich the parking industry policies of all the regions, and to support the authorities in regulating and guiding the developments of parking industry.

2) Be Positive, Accelerate Project Implementation

One of the Company's key products is the construction of parking complex in core urban area of cities to form city nodes. These projects are generally located at the core parts of the city, where the underground pipeline conditions and the surrounding residents are complicated. The new construction projects also involve various issues such as land use and construction facilities related issues. The lengthy construction period from the initial stages of implementation to the final stage of putting it into use is one of the reasons that the progress of some car parking complex projects is falling behind expectations. Although the current project advancement rate is accelerating year-on-year and month-on-month, it is still insufficient to match with the industry space and overall capacity of the parking industry in China. In the future, we will have the initiative to build a parking complex in the region through cooperation at the city-level, and will furthermore make use of the support of parking complex product standards, to construct and replicate speedily and speed up project implementations.

1) 主動作為，推動各地政策落地

2019年7月30日的中共中央政治局會議要求，實施城鎮老舊小區改造、城市停車場、城鄉冷鏈物流設施建設等補短板工程。這對於整個行業來說是重大政策利好，但在政策執行層面上，各個城市的停車產業政策尚未完善、落地尚需時日。這需要公司積極加強與各地行業主管部門的溝通，將運營中的實踐經驗及時反饋給行業主管部門，用以完善和豐富各地的停車產業政策，支持主管部門規範和引導停車行業發展。

2) 積極有為，加快項目落地速度

公司主力產品之一是在核心城區建造停車綜合體，形成城市節點。項目一般位於核心城區，地下管線情況和周邊居民關係複雜，新建項目還涉及土地使用、工程建設等各類問題，從前期手續辦理到最後投入使用，建設週期較長，這是造成部分停車綜合體項目進展落後於預期的原因之一。雖然目前項目推進速度每個月同比及環比都在不斷加速，但與中國停車市場的行業空間和整體容量相比，還不夠匹配。未來我們會通過城市級合作的方式，獲取在區域內建設停車場綜合體的主動權，再借助停車場綜合體的產品標準，快速批量建設複製，加快項目落地速度。

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3) Stay on the Right Path, Eliminate Unethical Practices

In the current situation of the market, there are some stereotypes and grey areas causing trouble in business development and operation. The management agrees that, even under the pressure of the business expansion, actions need to remain unchanged and the team is not allowed to benefit from any use of illegal measures. We insist on adhering to strict risk control standards to ensure that business operations are meeting the compliance requirements of a listed company and of our cultural values. We insist on a transparent management system, submitting real data of the parking lot to the owners regularly, which are also open for inspection by the owners. We are willing to make money with "honesty", and are willing to work hard in promoting our commercial services, promoting the gradual standardization of the parking industry.

In the field of parking services, the Company's core value is to create multi-value parking products for the society. We need to have an in-depth understanding about the unique culture of each city where each project locates in order to resonate with the spirit of the city. It is necessary to have in-depth communication with the government to obtain a better policy environment. It is also necessary to understand the clients better, design creatively functional combinations. By creating parking lots with warmth, emotions, and culture, parking lots become common living spaces for all, and even become landmarks for the city that express the spirit of the city.

3) 堅守正道，破除行業陳規陋習

在目前的市場環境中還存在著一些困擾業務拓展與運營的陳規陋習和灰色地帶。管理層一致認為，就算在規模拓展的壓力下，動作也要保證不變形，不允許團隊採取任何違法違規手段獲取收益。我們堅持嚴格的風險管控標準，保障業務運行符合上市公司的合規要求和我們的文化價值觀；我們堅持管理系統「陽光透明化」，定期向業主提交車場真實數據，並向業主開放查閱；我們願意賺「老實錢」，並以實際的努力推廣我們的商業服務，推動停車行業日漸規範。

在停車業務領域，公司的核心價值在於打造出能為社會創造多元價值的停車產品。我們需要深入體驗每一個項目落地城市的獨特文化，以求取精神上的共鳴。需要與政府深入溝通，贏得更好的政策環境。需要更好地理解客戶，創造性地進行功能組合設計，打造有溫度、有情感、有文化的停車場，使停車場成為大家的共同生活空間，乃至成為表達城市精神的名片和地標。

2. Urban Renewal Business Segment

In the process of urbanization in China, no matter policy oriented or the constant division in the real estate market show the same signals: the large-scale of development of first-tier cities is coming to an end, urban renewal is moving from a single point to the whole region, and the window of opportunity for urban renewal is opening gradually. In the current stage, our urban renewal business operates under a fund model and promotes urban renewal projects with a very "light" assets management model. We are committed to taking urban renewal as the main orient, and through integration of regional resources, we create experiential and composite business formats, and thereby continue to improve urban functionalities and stimulate urban vitality. We believe that with the land resources we have, along with the capital strength and joint operations ability, we are bound to create new values.

(1) *Land as a Base, Accurate Link to Capital, Introducing Commercial Resource*

The urban renewal fund is based on land resources held, grafting capital and commercial resources, introducing investors with different risk and return preferences according to the designated positioning of different projects, and thereby bringing in various types of commercial resources in a purposeful manner.

Key projects have been progressing well for the year:

- A fund of RMB6 billion was set up for the Beijing International Talents Community Project and received investment of RMB2.4 billion from National Council for Social Security Fund, which is the first investment for National Council for Social Security Fund towards urban renewal. The International Talents Community covers hotels, apartments, commercial buildings, offices, and many other types of business formats, and will introduce global commercial resources and partners to build together property complex with international quality, thus becoming the talent gathering location in the western part of Beijing.

二、 城市更新業務板塊

在中國城市化進程中，無論是政策導向還是不斷分化的房地產市場都發出一致的信號：一線核心城市的大規模開發已經進入尾聲，城市更新也正在從單點走向全域，城市更新的機會窗口正徐徐打開。現階段，我們的城市更新業務採用基金模式運作，以極「輕」的資產管理模式推進舊改項目。我們致力於以城市更新為主軸，通過整合區域資源，創造體驗式、複合型業態，不斷提升城市功能，激發城市活力。我們相信憑借持有的土地資源、強大的資本實力和聯合運營能力，勢必創造出新的價值。

(一) *以土地為根本，精準鏈接資本，導入商業資源*

城市更新基金以持有的土地資源為根本，嫁接資本與商業資源，依據不同項目的設計定位，引入具有不同風險收益偏好的投資者，有針對性地導入各類商業資源。

年度內重點項目進展順利：

- 圍繞北京國際人才社區項目，搭建了總規模60億元人民幣的基金，獲得全國社保基金24億元人民幣投資，系全國社保基金在城市更新領域首筆投資。國際人才社區將涵蓋酒店、公寓、商業、辦公等豐富業態，並會引入全球化的商業資源和合作夥伴，共同打造具有國際品質的複合型物業，以此成為京西地區的人才聚集區。

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- We are cooperating with the world's top industry operator Tishman Speyer to launch a large-scale urban renewal complex – “Chang'an Malls” project at the Beijing Winter Olympics Plaza, which is fully under construction and is expected to be put into use in October 2021, and will be servicing as the first mega commercial complex for the Beijing Winter Olympics and the local community. We will be integrating industrial heritage and futuristic spaces, building a dynamic vibrant corporate development cluster, providing unique experiences for people. Once completed, it will become a city landmark with global significance and influence.
- In addition, during the year, a special fund under our management won the bid for the seven lots of land located on the south side of Gucheng station on Beijing Metro Line 1. It has a total construction site of 240,000 square meters. The project will work closely with the world's top development companies to ensure quality and excellence. This project is positioned as an international 5A Grade A modern smart office building property and is now open to global technology giants and multinational large-scale corporation groups to invest.
- 聯合世界頂級產業運營商鐵獅門推出的大型城市更新綜合體——北京冬奧廣場「六工匯」項目全面開工建設，預計於2021年10月投入使用，將成為服務北京冬奧會及周邊市民的首個大型商業綜合體。我們將工業傳承和未來空間進行融合，建立充滿活力的企業發展集群，為人們提供獨特的體驗，項目竣工後將成為具有全球示範意義和影響力的城市地標。
- 此外，年內我們管理的專項基金通過招拍掛拿下位於北京地鐵一號線古城站南側七宗地塊，總建築面積24萬平米，該項目會與全球頂級開發企業深度合作，全面確保項目的卓越品質。項目定位為國際5A甲級現代智能辦公樓宇物業，現已面向全球科技獨角獸企業及跨國大型企業集團開放招商。

The urban renewal funds we managed are different from property development project fund or debt fund with single purpose. We have had multiple rounds of accurate capital investments, and arranged investment and exit channels on multiple stages such as land development, property holdings, property operations, achieving high levels of matching between capital financing and project phases, and attracting different types of capital support into the urban renewal field and finally opening up the way to ABS and Reits.

我們管理的城市更新基金不同於單一屬性的地產開發專項基金或債項基金，我們多輪次精準對接資本，在土地開發、物業持有、物業運營等多個階段安排投資與退出通道，做到資本融通方式與項目階段的高度匹配，吸引各類型資金支持進入城市更新領域，最終打通不動產資產證券化之路。

(2) *Value as the Core, Cost Control, Efficiency Improvement*

The investors do not only focus on accuracy of investment, but also have high expectations towards quality of the real estate operations. We aim to be an excellent asset management organization, whilst focusing on design planning and constructions, we also focus on the process of property lease and operation.

- In the design and budgeting stage, we utilize a "cost limit on design" concept, in ensuring the maximization of product value, simultaneously using the most cost-efficient design, to achieve optimization of design and costs.
- In the bidding stage, we select project contracting units through market-based public bidding. We select contracting units with the most outstanding quality, reasonable cost and budget, guarantee of construction timeframe; and also select professional subcontractor companies using a market-based bidding process.
- In the construction stage, we build a very experienced construction management team to ensure construction schedule, and engage a special cost control team to supervise the site, to effectively control the on-site contracts and agreements, any on-site changes and other measures, to make sure that there is no occurrence of "non-effective costs".
- In the open investment stage, we participate in investment promotion from an investment perspective. We make use of the investor's channels and internal or external resources to establish a comprehensive and open lease platform so as to attract companies which are able to grow together with us in the long term.

(二) *以價值為核心，全程控制成本，全面提升效能*

投資者不僅關注投資的精準度，對物業運營質量也有更高的要求。我們以優秀的資產管理者為目標，在關注設計規劃和建設施工的同時，也同樣關注物業招商與運營過程。

- 設計與造價階段，我們採用「限額成本設計」理念，在確保產品價值最大化的同時，採用成本最優的設計方案，做到設計、造價雙優化。
- 招標階段，我們通過市場化的公開招投標方式選擇工程總包單位，選擇質量優秀、成本合理、工期保障的施工單位，同時，也通過招投標方式市場化地選擇優質專業分包公司。
- 施工階段，我們組建了擁有豐富經驗的工程施工管理團隊，保障工期，並派成本專項小組進駐現場，有效的控制現場合同合約、現場變更等措施，確保不發生「無效成本」。
- 招商階段，以投資視角參與招商，我們綜合運用投資人渠道和內外部資源，建立全面開放的招商平台，尋找具有長期共同成長價值的企業。

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- In the operation stage, through lean operation, we strictly control cost and expenditure of each stage, using superior cost control ability to increase the operational efficiency, lowering the cost of property renewal and operational costs, increasing asset operation returns.

(3) *Beijing West (Jingxi) As a Starting Point, Seizing Right Opportunity to Enter the First Tier Cities, Servicing Transformation of the Enterprise*

In terms of urban renewal business area layout, we insist on basing in the Beijing West area, and select opportunities suitable to be based in first tier cities such as Beijing, Shanghai, etc. Industrial enterprises represented by Shougang Group have once written a part in the grand history of the modern industrial development in the west side of Beijing, which has been an outstanding contribution to Beijing construction. In the future, Shougang region will become the landmark of city revival in the new era. This is a historical development opportunity, a momentum of which we will ride on, and base ourselves in the Beijing West area and further develop the Beijing West area, to provide the best quality of investment and financing services for regional development and transformation of Shougang, and to become one of the bridges where high-end resource elements are collected.

We have noticed that the pricing on a large volume of assets has started to adjust towards a sensible range, and there is also quite a substantial amount of companies and partners willing to sell or securitize assets to obtain opportunities for transitioning into a new direction of development. In the next three years, we will cooperate with international investment institutions, large-scale industrial groups and other long-term capital investors in setting up funds, acquiring property assets in Beijing, Shanghai and other first tier cities, and through repositioning of property assets, improving revenue structure, increasing property operations efficiency and other means to boost asset value and achieve asset securitization.

- 運營階段，通過精益經營，我們嚴格控制各個環節的成本支出，以優秀的成本控制能力提升運營效率，降低物業更新及運營成本，提高資產運營回報。

(三) *以京西為基點，擇機佈局一線，服務企業轉型*

在城市更新業務區域佈局方面，我們堅持立足京西，擇機適度佈局北京、上海等一線城市。以首鋼集團為代表的工業企業，曾在北京西部地區書寫過波瀾壯闊的現代工業發展史，為首都建設做出卓越貢獻。未來首鋼區域將成為新時代首都城市復興的新地標，這是歷史性的發展機遇，我們將借勢而上，立足京西、深耕京西，為區域發展和首鋼轉型提供最優質的投融資服務，並成為高端資源要素集聚區域的橋樑之一。

我們注意到大量資產的價格開始向理性區間調整，也有相當多的企業和合作夥伴願意將資產證券化或出售，以獲得向新的發展方向轉型的機會。未來三年，我們將聯合國際投資機構、大型產業集團等長期資本合作設立基金，聚焦北京、上海等一線城市的物業資產收購，通過對於物業資產重新定位、優化收入結構、提升物業經營效益等手段，提升資產價值並實現資產證券化。

3. Equity Investment Business Segment

Apart from parking and urban renewal businesses, in the past year, we have also progressed in the area of equity investment. The Company's equity investment business adheres to the concept of "keep straight and be innovative, incubating with ecology", on one hand, to "innovate" outside the core business and earn profits for the Company through financial investments, and on the other hand, to provide an ecological platform to promote core business industry innovation and incubation. Our two core businesses, parking and urban renewal were bred from equity investment businesses.

Traditional funds' investment structure of "hear the stories, try the luck, seize the speculating opportunity" is not sustainable. The investment value logic is shifting from speculate to industrial empowerment. We are determined to cooperate long-term with excellent corporations and teams, to participate fully in industry integration, and bring about value enhancements through lean operation after precise investment.

- During the year, we acquired Beijing Jingxi Venture Capital Fund Management Co., Ltd. ("**Jingxi Venture**"), a subsidiary of Shougang Fund, and inherited the valuable experience and methods that Shougang Fund had gathered in the last decade in the field of investment. The joining of the Jingxi Venture team has enriched the content of equity investment business, and further empowered the core business, at the same time also added new areas of collaborations with clients in regional expansion.
- During the year, Beijing Bayi Space LCD Technology Co., Ltd. ("**Bayi Space**", SH.688181), which the fund under our management invested in, was listed on the Science and Technology Innovation Board, and as of March 31, 2020, the market capitalization of Bayi Space was about RMB459 million, and the return on this investment is 12.11 times. Early in 2013, the fund under our management invested in Bayi Space, and have been the biggest institutional investor since, staying and growing together with it in the long-term and therefore to be rewarded with great returns.

三、 股權投資業務板塊

除了停車和城市更新業務，過去的一年，我們在股權投資領域也有長足的進步。公司股權投資業務堅持「守正用奇、生態孵化」的理念，一方面這是核心業務之外的「奇兵」，通過財務投資可以為公司獲取收益；另一方面，又是促進核心業務產業迭代與創新孵化的生態平台，我們的停車和城市更新兩大核心業務正是從股權投資業務中孵化而來。

傳統基金「聽故事、碰運氣、抓風口」的投資模式不可持續，投資的價值邏輯正在從風口套利轉向產業賦能。我們堅定地長期陪伴優秀的企業及團隊，深度參與產業整合，在精準投資後，通過企業的精益運營帶來巨大的價值提升。

- 年內，我們併購了首鋼基金旗下北京京西創業基金管理有限公司（「京西創業」），承接了首鋼基金過去十年間在投資領域所積累的寶貴經驗及方法論。京西創業團隊的加入，充實了股權投資業務的內涵，也能更好地為核心業務賦能，同時也可在區域拓展上與客戶增加新的合作領域。
- 年內，我們管理的基金投資的北京八億時空液晶科技股份有限公司（「八億時空」，SH.688181）登陸科創板，截至2020年3月31日，該部分股權市值約為4.59億元人民幣，投資回報率為12.11倍。我們管理的基金早在2013年即已投資於八億時空，並一直是其最大的機構投資者，長期陪伴、共同成長為我們贏取了豐厚回報。

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- During the year, other investment project of the fund under our management – Li Xiang Automotive, obtained a new round of US\$530 million financing from Wang Xing, the founder of Meituan Dianping. Li Xiang Automotive has a rich accumulation of technical strength in core areas such as advanced driver assistance systems (ADAS). With the launch of the first product, Li Xiang ONE, the user feedbacks are positive and there has been a fast increase in sales orders. Li Xiang Automotive has the opportunity to overtake in the industry and be China's automotive enterprise representative in part of the global competitive electronic and smart automotive industry.
- The Company focuses around the key industries, creating educational brands in "Canjia College", building "education + capital + industry" systems to create an innovative and enabling ecosystem for the Company's core business and equity investment businesses. Canjia College currently has about 300 entrepreneurs in total; covering more than 200 outstanding enterprises, including 24 listed companies and 12 unicorn companies; with the total market capitalization of the traineeship at more than RMB920 billion.
- 年內，我們管理的基金的另一個投資項目 — 理想汽車獲得美團創始人王興領投的新一輪約5.3億美元的融資。理想汽車在智能交互及輔助駕駛(ADAS)等核心領域積累了深厚的技術實力，第一款產品 — 理想ONE已經交付，用戶反饋積極良好、訂單高速增長。理想汽車有機會彎道超車，成為中國車企參與汽車產業電動化、智能化全球競爭的代表企業。
- 公司圍繞重點關注的產業，打造「參加學院」教育品牌，構建「教育+資本+產業」的體系，為公司的核心業務和股權投資業務營造創新賦能的生態圈。參加學院目前共匯聚近300位企業家、創業者；覆蓋200多家優質企業，包括上市公司24家、獨角獸企業12家；學員企業總估值超過9,200億元人民幣。

4. Stable Performance of Associated Companies

Shougang Fushan Resources Group Limited ("Shougang Resources") has been stable for the year in production and operations with a yearly revenue of HK\$3.869 billion in 2019, with profit attributable to shareholders HK\$1.14 billion. The Company shared a net profit of Shougang Resources in HK\$290 million in proportion to its shareholding. Shougang Resources has a healthy financial position, with net assets of HK\$17.046 billion, book cash of HK\$4.762 billion. In the interim and final results of 2019, the dividends were HK\$450 million and HK\$460 million respectively, the dividend payment rate at 79.96%, continuing its contribution to the stable profits and cash dividends to the Company.

四、聯營公司業績穩定

首鋼福山資源集團有限公司(「首鋼資源」)本年度生產經營狀況穩定，2019年實現收入38.69億元港幣，股東應佔溢利11.40億元港幣，公司按持股比例攤佔首鋼資源淨利2.9億元港幣。首鋼資源財務狀況健康，淨資產達170.46億元港幣，賬面現金47.62億元港幣。2019年中期和末期分紅分別為4.5億元港幣及4.6億元港幣，股利支付率為79.96%，繼續為公司貢獻穩定的盈利和現金分紅。

During the year, the Company acquired Jingxi Venture and indirectly became the largest shareholder of Beijing Vstartup Investment and Development Co., Ltd. ("Vstartup"), holding 24.19% equity interest thereof. In 2019, the total management area scale of Vstartup is 503,000 square meters (inclusive of Zhong Guan Village E World, International Chuangke Centre, and other groups of landmark assets), with a revenue of RMB261 million (including more than 2000 customers such as Bytedance, New Oriental and TAL Education), and a compound growth rate of 123% in the last seven years. Vstartup has practical operation ability in urban renewal area, which provides significant support for the Company's urban renewal fund strategic layout.

5. Trade Business Termination

Since 2018, according to the established strategic plans, there has been a gradual reduction in the iron ore trade business scale. In 2019, the Company stepped further in reducing the scale of trade business, and signed an assignment and novation agreement to transfer the long-term purchase agreement of iron ore in late May 2019, consequently removing it from the business segments, and the business trading terminated completely. The Company has completed the transformation in its main business segments, and will be focusing on parking and urban renewal businesses in the future.

Following the development of various businesses, the Company's revenue structure and profitability has clearly shown improvement and better performance. In comparison to 2018, parking business revenue has increased from 35% to 45% in proportion to the continuing operations revenue, the urban renewal business revenue decreased from 58% to 46% in proportion to the continuing operations revenue, and overall gross profit margin decreased from 61.3% to 51.1%, gross profit margin gradually stabilized due to business restructuring.

年內公司通過收購京西創業，間接成為聯營公司北京創業公社投資發展有限公司（「創業公社」）的第一大股東，持股比例為24.19%。2019年，創業公社全總面積口徑的資產管理規模共計50.3萬平方米（包括中關村e世界、國際創客中心等一批地標性資產），收入2.61億元人民幣（包括今日頭條、新東方、學而思等2000多家客戶），過去7年複合增長率123%。創業公社在城市更新空間的務實運營能力，為公司城市更新基金的戰略佈局提供了重要的支持。

五、全面停止貿易業務

自2018年以來，按照既定戰略規劃，逐步縮減鐵礦石貿易業務規模。2019年，公司進一步壓縮貿易業務規模，並於5月底簽署協議，將鐵礦石長期承購協議轉讓，此後將業務團隊剝離，全面停止貿易業務。至此，公司已完成主營業務的轉換，未來將完全聚焦於停車及城市更新業務。

隨著各項業務的開展，公司的收入結構和盈利能力得到明顯優化和改善。相較2018年，停車業務收入佔持續經營業務收入比重由35%上升至45%，城市更新業務收入佔持續經營業務收入比重由58%下跌至46%，整體毛利率則由61.3%下降至51.1%，毛利率因為業務重整關係而漸趨平穩。

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CHAPTER THREE OUR ORGANIZATION AND CULTURE

第三章 我們的組織與文化

The business model, organization and cultural values are our ferries that take us across to the other side. With value creation as the end goal, the organization as the driving power, values as the beacon in the lighthouse, all of which are indispensable. The business model needs to create valuable products to serve more people and create tangible profits; the organization needs to build collective momentum, to allow the team to drive themselves forward; furthermore, values shall establish behavioral boundaries, ensuring organization's direction does not deviate from the end goal or route.

商業模式、組織和價值觀是我們抵達彼岸的渡船，創造價值是目標，組織是動力，價值觀是燈塔，三者缺一不可。商業模式要形成有價值的產品，能夠為更多人服務，創造實在的收益；組織要打造集體動力，讓團隊自驅前行；價值觀要築牢行為邊界，保證組織航向不偏離目標和軌道。

As the number of employees grows rapidly, the parking business rapidly expands, and the urban renewal projects entering the growth period and upon the landing of the park fund project, the construction of the organization is facing more challenges.

伴隨著員工人數快速增長，停車業務快速擴張，城市更新項目進入耕耘期以及園區基金項目落地，我們的組織建設面臨更多的挑戰。

We hope the Company is a business community with a common mission and vision and for this, we persevere in our efforts in three areas: firstly, to continue to improve operation system of the organization, building an efficient and simple organization; secondly, to honestly help employees to grow, building a vibrant organization; thirdly, to continue to develop our cultural values, building an organization that is stable and long-lasting.

我們希望公司是以共同的使命願景聚合起來的事業共同體，為此我們從三個方面展開努力：第一，持續優化組織運作體系，塑造一個高效簡潔的組織；第二，真心幫助員工成長成功，塑造一個有發展活力的組織；第三，不斷沉澱我們的文化價值觀，塑造一個行穩致遠的組織。

1. Building an Efficient Organization Operation System

一、 打造高效的組織運作體系

An organization is never going to be perfect at any time, and hence must change with the times. We continue to invest energy to shape an evolutionary organization in working on the following three areas.

組織沒有盡善的時刻，須因時因勢而變，我們持續投入精力塑造具有進化力的組織，在以下三個方面展開工作。

(1) Efficient and Flat Organization

We aim to achieve high efficiency, through better empowerment and a better decision-making system, streamlining the workflow processes, with measures to simplify rules and systems, reducing complexity of the organizational operations, improving organization's overall efficiency.

(一) 高效的扁平化組織

我們以「高效成事」為目標，通過優化授權與決策體系、精簡工作流程、簡一組織規則體系等措施，降低組織運轉複雜度，提升組織效率。

- The improvements on delegating and decision-making systems give more incentive to the frontline staff. On one hand, under the premise of risk compliance, we commit to enabling frontline staff to get corresponding authority, to have enough autonomy to mobilize Company resources in order to quickly respond to external changes. On the other hand, we streamline the management decision-making levels, reducing unnecessary intermediate stages of assessments.
- Streamlining work process, adhering to using multiplex tools, focusing on value creation. We encourage employees to be active in participating in continuous improvements of work, on the basis of compliance and achievement of basic goals, to simplify the work processes, to accumulate experience and practice, allowing the team to put more energy into creative work.
- Continuing a clear and concise system of organization rules, we simplify the Company's rules and regulations to form rules of incentives, collaboration, negativity management list, internal systems accounts rules, etc. We strive to facilitate employees to be able to quickly comprehend, master the tasks and take action to implement.
- 優化授權與決策體系，賦予前線更多的主動權：一方面，在風險合規的前提下，致力於讓一線管理者獲得相應的授權，有足夠的自主性權利調動公司資源，可以快速響應外部變化。另一方面，精簡管理決策層級，減少不必要的中間審議環節。
- 精簡工作流程，沉澱復用型工具，聚焦價值創造：我們倡導員工主動參與到工作持續改進中，在合規和達到目標的基礎上，簡化工作流程，做好經驗以及實踐的沉澱，讓團隊把更多的精力用於創造性的工作。
- 持續明晰並簡一組織規則體系：我們將公司的規章制度去繁就簡，形成激勵規則、協作規則、負面管理事項清單、內部結算規則等，力求使得員工能夠快速了解掌握、落實開展。

(2) *Technological Specialized Organization*

We plan to use the ways of technical information to transit majority of the content of employee's work online, connecting business, financial and human resource systems, building a company smart platform, and achieving a work model of "one man, one login number, to handle all daily work requirements".

(二) *科技的專業化組織*

我們計劃通過科技化和信息化的途徑，將員工的絕大部分工作內容轉移到線上，打通業務系統、財務系統和人力系統，搭建公司智能平台，做到員工「一人一號走天下」。

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The Company's smart platform can automatically follow up on employees work progress, capture, insert and save employees' work, and turn individual performance into organizational work experience. Through smart platform analysis, to renew and adjust the Company products, standards and plans accordingly. Such a platform becomes the "brain" of the Company to think, which enables employees to fight alone with this "secret weapon".

(3) *Innovative Networked Organization*

We continue to persevere to accelerate the improvement on performance results as an innovative matrix organization. We start with the end in mind, coming back to the organizational design essence, and use "Yuanyang Array" which we borrowed from the ancient military tactics.

On one hand, to clearly define the position of each line of function, setting challenging goals, continuing to consciously develop in a disciplinary manner true experts of the industry. During the year, we sequentially built urban fund management teams and urban parking business expansion professional teams, tidying up and amalgamating park region business professional teams and adjusting investment professional teams.

On the other hand, many results orientated virtual project-based organization emerged. The Company used daily communications mechanisms, information sharing mechanisms, collaborative expansion mechanisms, authorizing decision-making mechanisms, internal accounting mechanisms and benefits sharing mechanisms, to effectively promote the achievement of the projects.

公司智能平台自動跟進員工工作進度，抓取、沉澱並儲存員工的工作內容，將個人能力及時轉化為組織經驗，通過平台智能分析，對公司產品、標準和策略進行調整和更新，這樣的平台成為了公司可自主思考的「大腦」，是賦能員工單兵作戰的「秘密武器」。

(三) *創新的網絡化組織*

我們持續夯實能夠加速業績結果的創新型矩陣組織，以終為始，回歸組織設計本質，深耕「鴛鴦陣」。

一方面，清晰定義各功能條線的定位，設定具有挑戰性的目標，持續有意識、有章法的培養真正的「行家裡手」。年內陸續佈局組建了區域基金管理及區域停車業務拓展專業團隊、梳理整合了園區業務專業團隊、調整合並投資專業團隊。

另一方面，以結果為導向的虛擬項目制組織層出不窮。公司通過日常溝通機制、信息分享機制、協作拓展機制、決策授權機制、內部結算規則、利益分享機制的建立及優化，有力地促成了眾多項目的達成。

During the year, we achieved certain results in optimizing the organization. However, we still have a long way to go to form a flat and professional networked organization. We hope to continue to keep an open and embracing attitude, to take an active role, remove any self-limitations, and integrate small teams and individuals into the synergy of the greater organization, to achieve mutual movement and common growth.

2. Creating an Excellent Business Development Platform

An excellent team is the guarantee of business success. We strive to create a successful business platform around the goal of "business achievements, obtaining rewards, sustainable growth".

(1) Attracting Superior Workmates into the Team

A superior team overcomes all things. The Company firmly establishes business partnership teams. We are committed to have employees who want to get things done, who are capable of doing things, dare to do things, and can deliver on things to join our journey. In the past year, the Company's team continued to develop, attracting a significant amount of industry elites. Having them onboard, makes our team stronger, taking our abilities to a higher level, and here I would like to introduce three of them.

Mr. Wang Zhijian, an investment banker who has strategic thinking ability, once held important positions such as the deputy general manager of CITIC M&A Fund, the managing director of CITIC Securities Investment Bank, the head of CITIC Securities Strategic Planning Department, etc. Since 2011, he was the external expert member of Jingxi Venture Investment Committee and has accompanied the growth of the team. In 2019, he officially joined the Company as the Company's Chief Investment Officer and has been leading the equity investment sector. Under his leadership, the Company will be more fruitful in the investment work.

這一年，我們在組織優化方面取得了一定的成果，但是距離形成扁平化、專業化、網絡化的組織還有很長的路要走。希望我們繼續秉持開放包容的心態，積極主動的擔當，破除自我局限，將個人與小團隊融入更大的組織協同之中，實現相互促進、共同成長。

二、 打造卓越的事業發展平台

優秀的團隊是事業成功的保障，圍繞「成就事業、獲得收益、持續成長」的目標，我們努力打造成事業的平台。

(一) 吸引更多優秀夥伴加入團隊

一個優秀的團隊勝過一切，公司堅定地打造事業合夥人團隊：致力於讓「想做事、能做事、敢做事、能成事」的員工成為我們的同路人。過去一年，公司團隊繼續發展壯大，引進了相當數量的業界精英，他們的加盟，充實了我們的隊伍，提升了我們的能力，在這裡給大家介紹其中的三位。

王治鑾先生，一位具有戰略思維的投行家，先後擔任中信併購基金副總經理、中信證券投資銀行董事總經理、中信證券戰略規劃部負責人等重要職務。他本人在2011年便擔任京西創業投委會的外部專家委員，一直伴隨著團隊的成長。2019年正式加入公司，擔任公司首席投資官，牽頭負責股權投資板塊，相信在他的領導下，公司投資工作將結出更多碩果。

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Mr. Liu Shuyi, an architect with sentiment, had worked in well-known companies such as China Vanke Co.,Ltd. for 15 years, in jobs related to product design and management, and was in charge of product management of many large-scale multi-complexes, office buildings, residential projects. He joined the Company as the Company's Chief Product Officer in 2019. During the year, he worked diligently, in building a product design and cost control system, making our parking complexes and urban renewal projects more efficient and scientific in design and constructions processes.

Ms. Zhang Yi is a legendary operation expert. In the 1990s, she quit the stable job offered by a university, which symbolized "bread and butter", and began as a trainee assistant at KFC stores, then worked until she took up the position of YumChina's operation optimization senior manager. In 2019, she joined the Company and currently works as the director of operation quality and efficiency improvement. I believe that under her leadership, the operation team will be improving the quality and efficiency of the standardization of all the parking lots.

Simultaneously, I also want to introduce to everyone an excellent team. In 2019, Ji Weizheng built a team called "V-Park" with 10 people, which was the first leading edge innovation of Company's parking business. In this team, Ji Weizheng was equipped with 20-year work experience in the property management industry along with Gao Xuan, Fan Yiran, and Chen Mingxin, all of whom were equipped with more than 10 years of immersive market experience, and Wang Xin with more than 10 years of experience working with the government. In addition, engineering director Feng Shuo, the head of design Hou Fuxin, head of equipment Huang Lei, head of operation Yang Lin, head of client service Peng Jianfei, and the head of efficiency Yao Xin, together formed a specially capable "Yuanyang Array" team. With the support of all the members working hard together, after half a year, the team acquired and has successfully operated over 5,000 high-quality parking spaces.

劉書軼先生，一位有情懷的建築師，他先後在萬科等知名公司任職15年，一直從事產品設計管理工作，主持過多個大型綜合體、辦公類、住宅類項目的產品開發管理工作。2019年加入公司，擔任公司首席產品官。這一年，他不辭辛勞，搭建出了項目產品設計及成本管控體系，讓我們的停車綜合體和城市更新項目在設計和建造環節更加科學和高效。

張奕女士，一位有著「傳奇」經歷的運營專家，90年代辭去大學「鐵飯碗」，從肯德基門店一線見習助理做起，一直做到百勝中國營運優化的資深經理。2019年加入公司，現擔任運營提質增效負責人。我相信在她的帶領下，運營團隊可以與時俱進地提升所有車場的標準化運營質量和效率。

與此同時，我還想為大家介紹一個優秀的團隊。2019年，吉維崢帶著10個夥伴組建了「微停車」團隊，這是公司停車業務的一次邊緣創新。在這個團隊中，吉維崢有著物業管理行業二十年工作經歷，高軒、樊怡然、陳明鑫有10年以上豐富的市場經驗，王昕有十多年政府工作經驗，再加上工程主管馮碩、設計主管侯福新和設備主管黃磊，運營主管楊琳、客服主管彭劍飛，提效主管姚鑫，形成了一個特別能戰鬥的「鴛鴦陣」，靠著全體成員的共同努力，半年之內，微停車獲取並成功運營超過5,000個優質停車位。

In recruiting new employees, education is not the factor that matters the most, we endeavor to recruit the most suitable young persons into the Company, gradually building a talent pool, and with young co-workers bringing fresh energy to the Company. We put emphasis on the ability for execution, and based on previous experience, we invite numerous amounts of veterans to join the Company, making our talent team more capable of execution and stronger in spirit.

(2) Making Performance Management and Incentive Schemes Solid

Excellent talented people need to have excellent effective performance management and incentive schemes, which is an inner logic to connect organizational targets with individual performance results.

The Company helps the team and individuals set challenging targets, and assessment results are used for determining bonuses, salary adjustments, job promotions, optimization and elimination, letting each team and individual of the whole Company to have order and effectiveness in the performance cycle.

We are also trying creative application by using KPI + OKR approach to performance management, ensuring top-down targets breakdowns and groundings, at the same time, achieving bottom-up innovative goals. This set of method of organizational governance ensures that the overall business does not deviate from the target and at the same time takes account of the vitality of innovation from a grass-roots level, continuously building a career basis for supporting everyone and for their personal success.

在新人招聘上，我們不惟學歷，招收最適合的年輕人進入公司，逐步建設人才梯隊，有進取心的年輕同事也為公司帶來了活力；我們十分注重執行力，在前期經驗的基礎上，開始邀請相當數量的退伍軍人加入公司，讓我們的人才隊伍更具執行力、戰鬥力。

(二) 做實績效管理與激勵機制

優秀的人才必須匹配卓有成效的績效管理和激勵機制，這是能把組織目標和個人成果相連接的內在邏輯。

公司幫助團隊和個人設定具有挑戰性的目標，目標考核結果全面應用在獎金、調薪、晉陞、優化淘汰之中，讓全公司每個團隊、每個個體都在績效閉環裡有序、有效運轉。

我們也在嘗試創造性地運用 KPI+OKR 的績效管理方式，確保自上而下的目標分解及落地，同時兼顧實現自下而上的創新型目標，這一套組織治理方式，在保證整體業務不偏離目標的同時，兼顧來自基層的創新活力，不斷培育共建大家、成就小我的事業土壤。

CHAIRMAN'S STATEMENT

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(3) *Creating Talent Growth Opportunities*

In terms of growth of talents, we believe management must be selected amongst grass-roots employees. The key to creating talent growth opportunities is to plan and provide them with responsibilities and positions with room for growth. Prioritizing internal staffing for promotions and work has always been a key feature of the Company.

Without real experience, theory cannot be understood, and without the basis of theory, challenges cannot be mastered. It requires theory, training and battlefield experience to grow talent. Hence, we are proactively exploring in the fields such as e-learning, trainee management, high-potential employees training, leadership training, professional skillset training, and external industry expertise sharing. In 2019, we implemented the Talent Development Camp Project that was held for two weeks in Hong Kong and received high recommendations from 20 management level employees.

In the future we will combine "point, lines and planes", continuing to build systematic talent growth schemes. A comprehensive career ranking system, family tree of professional growth, training system based on talent pool and backup talent reserves, standardizing design of drawing capable professionals, etc. are the key focuses in the talent creation plans.

3. **Creating Common Corporate Values**

Building of corporate values which contributes to corporation's unity, is as important as the construction of the organizational system as mentioned above. In the 2018 Chairman's Statement, I once shared thoughts on the Company's values, mission and vision. Consequently, in 2019, the Company drew lessons from practices of leading companies, worked around promoting the core values and has built its corporate soft competitiveness.

(三) *創造人才成長機會*

在人才成長方面，我們相信「宰相必起於州郡，猛將必發於卒伍」。創造人才成長機會的核心切入點，是有計劃地為其提供有成長空間的職責和崗位。優先提拔和使用內部員工一直是公司用人的特色之一。

沒有實戰經驗，不能理解理論；沒有理論基礎，不可能深刻感受實戰。人才成長要訓戰結合，為此我們在在綫學習、管培生培養、高潛員工培訓、領導力培訓、專業技能培訓、外部行業專家分享等方面，都積極進行了探索。2019年，我們實施的人才發展營項目，2周的香港之行，得到公司20位管理後備的高度好評。

未來我們將「點線面」結合，持續構建系統化的人才成長機制。全面職涯職級體系、職業成長家族譜、基於組織梯隊和後備人才的培養體系、專業能力提升標準化設計等都在人才建設的重點計劃中。

三、 **打造共同的企業價值觀**

通過企業價值觀構建，形成企業的內在聚合力，其重要性絲毫不亞於上述組織體系建設。在2018年的報告中，我曾經分享了對於公司使命、願景以及價值觀的思考。基於此，2019年公司借鑒領先企業的實踐，圍繞打造企業的軟性競爭力，全面推行核心價值觀。

CHAIRMAN'S STATEMENT 主席報告書

After six rounds of in-depth research and getting a broad range of opinions, nine values were finally formed around the three dimensions of system, innovation and loyalty, they are, customer first, team work, teaching and learning, quality superiority, outcome oriented, passion, open and inclusive, embracing change, loyalty and dedication. Frankly speaking, many of the nine values mentioned above are adoptions from values of excellent corporations, but it must be kept by the Company at this current stage. Specifically, towards each area, we follow the principle of simplicity, to form particular, progressive operative standards one by one.

The Company's values focus on customer service, developing employees, returns on shareholders and giving back to the society, we establish the directional values of what we do and a code of conduct. I hope the employees can follow a common value orientation and the code of conduct, to work easily, purely and happily together. I look forward to in the near future the values can reach a high level of understanding within the Company and be taken into practice, from a passive advocacy, training and evaluation to the employees taking initiative to passing on the cultural heritage.

Looking back over the past year, under the joint efforts of all the employees, we have felt with joy that the Company is, as the employee's business community, generous, steady and agile, with still much room for growth. We need to put in more efforts in the aspects of alignment of desires from top to bottom of the organization, operation with order, inspiring innovation, elevating energy, and collaboration efficiency.

OUTLOOK

Each year at this moment, on behalf of the Company's board of directors, I review the work of the past year, remind myself of the starting point, and feel grateful to the past. The Company as one of the first red-chip stock listed in Hong Kong, has created magnificence, and also experienced highs and lows, in accompaniment with the pulse of the Chinese economy, reflecting the flow of the times. After the financial crisis in 2008, the huge loss continued for many years and it almost caused the Company to delist with a market value of less than HK\$1.8 billion. With a responsible attitude towards all investors, Shougang Group, a major shareholder, helped to divest and undertake bad assets, with full support to the business team to undertake and unveil the strategic change and value reconstruction.

經過六輪的深入研討和大範圍徵求意見，圍繞系統、創新、忠誠三個維度，最終形成了九個價值觀：客戶第一、團隊協作、教學相長、質量至上、成果導向、充滿激情、開放包容、擁抱變化、忠誠奉獻。坦誠地說，上述九條相當多地採取了拿來主義，充分借鑒了卓越企業的價值觀，但都是公司目前階段必須信守的。針對每個領域，我們按照簡一原則又逐一形成了具體的、漸進的行動準則要求。

公司的價值觀聚焦於服務客戶、發展員工、回報股東和回饋社會，確立了我們做事的價值取向和行為準則。我希望員工能夠按照一致的價值取向和行為準則，簡單、純粹、愉快地共事。我期待在不久的將來，價值觀能夠在全公司範圍內得到深入理解和踐行，從被動的宣貫、培訓、考評變為員工主動踐行的文化傳承。

回首過去一年，在全體員工的共同努力下，我們欣喜地感受到公司作為員工的事業共同體，日益豐滿、沉穩且不乏靈動，但依然還有巨大的成長空間，在上下同欲、運轉有序、激發創新、提升活力、高效協同方面，我們還需要更多地努力探索。

展望

每年的此刻，我代表公司董事會回顧過去一年的工作，都會自問初心，感恩過往。公司作為首批於香港上市的紅籌股之一，創造過輝煌也經歷過波折，一直伴隨著中國經濟的脈動，折射出時代的大江大河。2008年金融危機之後，持續多年的巨額虧損讓公司一度瀕臨退市，市值不足18億港幣。大股東首鋼集團本著對全體投資人負責的態度，幫助剝離和承接不良資產，全力支持經營團隊開啟了戰略轉型和價值重構的大幕。

CHAIRMAN'S STATEMENT

主席報告書

In the past three years, we have been carrying weight on our shoulders. I started to lead the team forward from the age of 37, every time I think back on holding a PowerPoint report to the investors, and the moments of searching for investment, the hardships of the past are brought back vividly into sight. The sudden appearance of the epidemic pandemic has created obstacles to ordinary life of people and the social economic developments. Trade suspensions and industries closures will cause a fair amount of businesses to have debt issues. The epidemic situation also caused major shifts to the Company's development, the parking revenue in February and March, 2020, had a sharp decline, and there is a surmount of pressure for the new financial year's performance. The massive crisis has however also brought forth great opportunities. We have confidence in the further expansion of the business, to advance in cost control and technology upgrade, and in the Company's tenth anniversary year of strategic transformation, to endeavor to expand the scale of managed parking spaces to exceed 1 million, and urban renewal asset management to double to RMB85 billion, and to receive recognition by clients and investors in the market, so that the Company can be included in the Hang Seng Comprehensive Large-Cap Index. Knowing is easy, doing is hard, the team can only give all its heart and strength, to deliver according to their words, to put vision to action, seeing trust as a driver, fulfilling promises with results, and hence create greater value for investors through excellent operation and management.

The great era has given us a historical opportunity, the breadth of the market is breeding a great company and an advanced team is accruing strength for breakthroughs. We have an ample supply of resources, with time, positioning and human resource conditions in our favor, and with high spirits, I hope we can make full use of our talented ability to cope well with changes, as well as staying down to earth, together heading towards a common vision, staying updated and lastly working hard to prove it all!

過去三年，我們重任在肩。我從37歲開始帶領團隊砥礪前行，每每回想起拿著PPT跟投資人報告，尋求投資的場景，過往的艱難便歷歷在目。突如其來的疫情阻礙了社會經濟發展和人民正常生活，貿易停頓、產業鏈停擺，會引發相當多的企業面臨債務問題。疫情也給公司發展造成了極大的調整，2020年2月與3月的停車收入大幅下跌，新財年業績完成壓力很大。巨大的危機也帶來了巨大的機會，我們有信心在商務拓展、成本控制和科技升級等方面再進一步，爭取到公司戰略轉型十年之際，讓管理車位規模突破100萬個，城市更新資產管理規模再翻一番達到850億人民幣，在市場上獲得更多客戶和投資人的認可，以使得公司可納入恆生綜合大型股指數。知易行難，團隊唯有盡心盡力，說到做到，把願景落為行動，將信任視為鞭策，以成果兌現承諾，通過卓越的運用和管理為投資者創造更大的價值。

偉大的時代給了我們歷史的機遇，廣闊的市場孕育著偉大的公司，精進的團隊積蓄了破局的力量。佔據天時地利與人和的我們糧草充足，鬥志昂揚，希望我們既要身懷絕技善應變，更要腿上有泥接地氣，一起朝著共同的願景，守成出新，用奮鬥去證明一切！