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首長國際企業有限公司
SHOUGANG CONCORD INTERNATIONAL ENTERPRISES COMPANY LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 697)

**CONNECTED TRANSACTION
IN RELATION TO
ENTERING INTO OF RESTATED PARTNERSHIP AGREEMENT**

References are made to the Previous Announcements and the Previous Circular in relation to, among other things, the establishment of the Partnership. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Previous Announcements and the Previous Circular.

THE RESTATED PARTNERSHIP AGREEMENT

Subsequent to the transactions set out in the Previous Announcements and the Previous Circular, on 14 December 2018, the parties entered into the Restated Partnership Agreement in relation to the Partnership. Set out below is a summary of certain key terms of the Restated Partnership Agreement.

PARTIES TO THE RESTATED PARTNERSHIP AGREEMENT

1. Shoushi Company, as the General Partner
2. Shougang Fund, as a limited partner
3. Shouyuan, as a limited partner

Shouyuan is an investment holding company and a wholly-owned subsidiary of the Company. The Group mainly focuses on the management and operations of car parking assets and management of private funds that are oriented towards urban redevelopment.

Shougang Fund is principally engaged in the investment, management and advisory of non-securities businesses. Shougang Fund is a wholly-owned subsidiary of Shougang Group. Shougang Group, through its subsidiaries (including Shougang Fund), is interested in approximately 52.93% of the total number of Shares in issue as at the date of this announcement and is a controlling shareholder and a connected person of the Company.

Shoushi Company is principally engaged in enterprise management advisory and economic information advisory (excluding investment advisory).

TERM OF THE PARTNERSHIP

The Partnership has an initial term of six years (“**Partnership Term**”). Shoushi Company as the General Partner has the sole discretion to extend the Partnership Term twice, each time for one year, subject to Shoushi Company making such decision on extension no later than 6 months before the end of the Partnership Term and subject to the extended Partnership Term not being shorter than the Partnership’s term for holding the project company (“**Project Company**”) used to invest in the 首奧產業園區 (Shouao Industrial Park*) (“**Project Holding Term**”). Such Project Holding Term shall be five years from the closing date of the Partnership, or if the Partnership makes an early exit from investment in Shouao Industrial Park, the Project Holding Term expires on completion of such exit. The General Partner has the sole discretion to extend the Project Holding Term twice, each time for one year. If the Project Holding Term has already been extended twice, but the General Partner considers that there is a need for further extension, the partners’ meeting shall decide whether to further extend the Project Holding Term.

The investment period of the Partnership shall be one year, and the General Partner shall procure that the Partnership make investment in the Project Company within the investment period. Depending on the operational needs of the Partnership, the General Partner may, at its sole discretion, extend the investment period for one year for one time only. If a force majeure event occurs during the investment period, the investment period shall be extended accordingly.

CAPITAL CONTRIBUTION TO THE PARTNERSHIP

Pursuant to the Restated Partnership Agreement, Shoushi Company’s committed capital contribution to the Partnership will increase from RMB10,000,000 to RMB70,000,000 (the “**Capital Commitment Increase**”). The total committed capital contribution to the Partnership shall be as follows:

	Amount to be contributed <i>RMB</i>	Percentage interest in the Partnership <i>(approximate)</i>
Shougang Fund	900,000,000	81.45%
Shouyuan	135,000,000	12.22%
Shoushi Company	70,000,000	6.33%
Total	<u>1,105,000,000</u>	<u>100.00%</u>

MANAGEMENT OF THE PARTNERSHIP AND MANAGEMENT FEE

It was stated in the Previous Circular that Jingji Capital and Shanghai Shiwei would act as joint Fund Managers, providing management services to the Partnership.

As a result of relevant requirements by the Asset Management Association of China, under the Restated Partnership Agreement, Jingji Capital shall be the sole Fund Manager to the Partnership. Pursuant to the Restated Partnership Agreement, every year, the Partnership shall pay the Fund Manager a total of 1% of its total committed capital contribution as management fee.

REASON FOR THE RESTATED PARTNERSHIP AGREEMENT

The Capital Commitment Increase is intended to (a) provide capital for the Partnership's investment need and (b) increase the Partnership's attractiveness to other potential limited partner investors. In addition to benefitting the fund raising prospects of the Partnership, such increase will also help to cement the relationship between the shareholders in Shoushi Company, a non-wholly owned subsidiary of the Company which is held by Jingji Capital and Beijing Shize as to 60% and 40%, respectively.

IMPLICATIONS UNDER THE LISTING RULES

Shougang Fund is a wholly-owned subsidiary of Shougang Group. Shougang Group, through its subsidiaries (including Shougang Fund), is interested in approximately 52.93% of the total number of Shares in issue as at the date of this announcement and is a controlling shareholder and a connected person of the Company. Accordingly, the entering into of the Restated Partnership Agreement constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Capital Commitment Increase are more than 0.1% but less than 5%, the entering into of the Restated Partnership Agreement is subject to the reporting and announcement requirements, but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The entering into of the Restated Partnership Agreement and the transactions thereunder (including, among others, the Capital Commitment Increase) is in the ordinary and usual course of business of the Group. At the Board meeting approving the Restated Partnership Agreement, Mr. Zhao Tianyang, Mr. Li Shaofeng, Mr. Xu Liang and Mr. Liang Hengyi (by virtue of their connection with Shougang Group) have abstained from voting in respect of the resolutions proposed to approve the Restated Partnership Agreement. Other Directors (including the independent non-executive Directors) consider that the Restated Partnership Agreement has been entered into on normal commercial terms and is in the ordinary and usual course of business of the Group, that such terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Capital Commitment Increase”	Shoushi Company's increase in committed capital contribution to the Partnership from RMB10,000,000 to RMB70,000,000 pursuant to the Restated Partnership Agreement;
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“Fund Manager”	Jingji Capital;
“Previous Announcements”	the Company’s announcements (i) dated 13 July 2018 in relation to the establishment of the Partnership; and (ii) dated 24 July 2018 in relation to the entering into of Fund Subscription Agreement;
“Previous Circular”	the Company’s circular dated 27 August 2018 in relation to, among other things, the entering into of the Fund Subscription Agreement and Proposed Partnership Agreement;
“Restated Partnership Agreement”	the partnership agreement dated 14 December 2018 between Shougang Fund, Shoushi Company and Shouyuan; and
“Shouyuan”	北京首源投資有限公司(Beijing Shouyuan Investment Limited*), a wholly foreign-owned enterprise established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company.

** For reference purposes only, the Chinese names of the PRC entities, addresses or terms have been translated into English in this announcement. In the event of any discrepancies between the Chinese names of these PRC entities, addresses or terms and their respective English translations, the Chinese version shall prevail.*

By order of the Board of
**Shougang Concord International
Enterprises Company Limited**
Zhao Tianyang
Chairman

Hong Kong, 14 December 2018

As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (Chairman), Mr. Li Shaofeng (Vice Chairman), Mr. Xu Liang and Mr. Liang Hengyi (Managing Director) as Executive Directors; Dr. Li Yinhui, Mr. Liu Jingwei, Mr. Ho Gilbert Chi Hang and Mr. Li Hao as Non-executive Directors; Dr. Wang Xin, Mr. Choi Fan Keung Vic, Mr. Deng Yougao and Ms. Zhang Quanling as Independent Non-executive Directors.