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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)

SUPPLEMENTAL ANNOUNCEMENT

CONNECTED TRANSACTION CAPITAL INCREASE IN SHOUZHONG PARKING

Reference is made to the announcement of Shougang Concord International Enterprises Company Limited (the “**Company**”) dated 30 December 2018 (the “**Announcement**”) in relation to the Capital Increase by Shouxing Zhixing in Shouzhong Parking. Unless otherwise stated, terms used herein shall have the same meanings as defined in the Announcement.

SUPPLEMENTAL AGREEMENT TO THE CAPITAL INCREASE AGREEMENT

On 14 January 2019, Shouxing Zhixing and Shouzhong Parking entered into a supplemental agreement (the “**Supplemental Agreement**”) to the Capital Increase Agreement to supplement certain terms of the Capital Increase Agreement.

The principal terms of the Supplemental Agreement are set forth below:

- (1) Shouxing Zhixing undertakes that the approval from independent Shareholders (the “**Independent Shareholders’ Approval**”) shall have been obtained before 30 April 2019 in respect of, among other things, execution of the Capital Increase Agreement and the performance of obligations thereunder.
- (2) Shouzhong Parking acknowledges that the amount of RMB76,000,000 to be paid by Shouxing Zhixing in cash to Shouzhong Parking before 31 January 2019 pursuant to the Capital Increase Agreement shall be deemed as deposit for the Capital Increase, which shall be returned by Shouzhong Parking to Shouxing Zhixing as soon as practicable thereafter if the Independent Shareholders’ Approval has not yet been obtained before 30 April 2019. In addition, if the Independent Shareholders’ Approval has not yet been obtained before 30 April 2019, Shouzhong Parking shall procure that parties to the Capital Increase Agreement shall cooperate to revert to the relevant status immediately prior to execution of the Capital Increase Agreement.

The Directors (other than the independent non-executive Directors) are of the view that the Supplemental Agreement and the transactions contemplated thereunder are in the interests of the Company and its Shareholders as a whole and the terms of the Supplemental Agreement are fair and reasonable and are on normal commercial terms.

LISTING RULES IMPLICATIONS

In respect of the Announcement, the Company wishes to clarify that one or more of the applicable percentage ratios in respect of the Capital Increase are more than 5%, and therefore, the entering into of the Capital Increase Agreement (as supplemented by the Supplemental Agreement) and the Joint Venture Agreement is subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In accordance with the Listing Rules, Shougang Group Co., Ltd.* (首鋼集團有限公司), which, through its subsidiaries (including Shougang Fund), is interested in approximately 52.54% of the total number of Shares in issue as at the date of this announcement, will abstain from voting at the general meeting of the Company (the "GM") on the resolution(s) in relation to the Capital Increase Agreement (as supplemented by the Supplemental Agreement) and the Joint Venture Agreement and the transactions contemplated thereunder (including, among other things, the Capital Increase).

An independent board committee of the Company comprising the independent non-executive Directors (the "**Independent Board Committee**") will be formed to advise the Shareholders as to whether the Capital Increase Agreement (as supplemented by the Supplemental Agreement) and the Joint Venture Agreement and the transactions contemplated thereunder (including, among other things, the Capital Increase) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the recommendations from the Independent Financial Adviser (as defined below). An independent financial adviser (the "**Independent Financial Adviser**") will be appointed by the Company to advise the Independent Board Committee and the Shareholders with respect to the Capital Increase Agreement (as supplemented by the Supplemental Agreement) and the Joint Venture Agreement and the transactions contemplated thereunder (including, among other things, the Capital Increase).

A circular containing, among other things, (i) further details of the Capital Increase; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser; and (iv) notice of the GM, will be despatched to the Shareholders on or before 4 February 2019.

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

Hong Kong, 14 January 2019

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 Yinwei, 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.

* For identification purpose only