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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 TRANSACTIONS
EQUITY TRANSFER AGREEMENT
AND
RESTATED PARTNERSHIP AGREEMENT**

EQUITY TRANSFER AGREEMENT

On 7 May 2019, Shouyuan (an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Fund Company in relation to the transfer of the committed capital contribution to the Partnership in the amount of RMB10,000, representing approximately 95.24% equity interest in the Partnership.

Upon completion of the Equity Transfer Agreement, the Partnership shall be held by Jingji Capital, as general partner, and the Fund Company, as limited partner, as to approximately 4.76% and 95.24%, respectively. As such, the Partnership shall cease to be a subsidiary of the Company.

RESTATED PARTNERSHIP AGREEMENT

On 8 May 2019, Jingji Capital (an indirect wholly-owned subsidiary of the Company) entered into the Restated Partnership Agreement with the Fund Company in relation to the Partnership.

Pursuant to the Restated Partnership Agreement, Jingji Capital's committed capital contribution to the Partnership shall increase from RMB500 to RMB60,000,000 and the Fund Company's committed capital contribution to the Partnership shall increase from RMB10,000 to RMB1,540,000,000.

IMPLICATIONS UNDER THE LISTING RULES

The Fund Company is owned by Shougang Group, Shougang Fund and Jingji Capital as to approximately 37.04%, 61.73% and 1.23%, respectively. Shougang Fund is a wholly-owned subsidiary of Shougang Group. Shougang Group, through its subsidiaries (including Shougang Fund), is interested in approximately 46.06% of the total number of Shares in issue as at the date of this announcement and is a controlling shareholder of the Company. As such, the Fund Company is an associate of the substantial shareholder of the Company. Accordingly, the entering into of the Equity Transfer Agreement and the Restated Partnership Agreement constitute connected transactions of the Company for the purpose of Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (other than profit ratio) in respect of the Equity Transfer Agreement are less than 0.1%, the entering into of the Equity Transfer Agreement constitutes a fully exempt connected transaction for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions contemplated under the Restated Partnership Agreement and the Previous Capital Commitment Increase were entered into with parties who are connected with one another and within a 12-month period, the Restated Partnership Agreement and the Previous Capital Commitment Increase are required to be aggregated for the calculation of the relevant percentage ratios.

As one or more of the applicable percentage ratios (other than profit ratio) in respect of the Restated Partnership Agreement and the Previous Capital Commitment Increase, on an aggregate basis, are more than 0.1% but all are less than 5%, the entering into of the Restated Partnership Agreement constitutes a connected transaction for the Company and is subject to the announcement and reporting requirements but is exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

EQUITY TRANSFER AGREEMENT

On 7 May 2019, Shouyuan (an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with the Fund Company in relation to the transfer of the committed capital contribution to the Partnership in the amount of RMB10,000, representing approximately 95.24% equity interest in the Partnership.

The principal terms of the Equity Transfer Agreement are as follows:

Date

7 May 2019

Parties

- (1) Shouyuan, as transferor
- (2) The Fund Company, as transferee

Subject Matter

Shouyuan agreed to transfer and the Fund Company agreed to acquire the committed capital contribution to the Partnership in the amount of RMB10,000, representing approximately 95.24% equity interest in the Partnership, at nil consideration.

The consideration was determined after arm's length negotiations between the parties with reference to the facts that (i) Shouyuan has not made any actual capital contribution to the Partnership and (ii) the Partnership was newly established and has not commenced operation.

Upon completion of the Equity Transfer Agreement, the Partnership shall be held by Jingji Capital, as general partner, and the Fund Company, as limited partner, as to approximately 4.76% and 95.24%, respectively. As such, the Partnership shall cease to be a subsidiary of the Company.

RESTATED PARTNERSHIP AGREEMENT

On 8 May 2019, Jingji Capital (an indirect wholly-owned subsidiary of the Company) entered into the Restated Partnership Agreement with the Fund Company in relation to the Partnership.

The principal terms of the Restated Partnership Agreement are as follows:

Date

8 May 2019

Parties

- (1) Jingji Capital, as general partner
- (2) The Fund Company, as limited partner

Term and Objective of the Partnership

The term of the Partnership shall be long-term. The objective of the Partnership shall be generating revenue from carrying out corporate management consulting, corporate management and technical services activities.

Profit Distribution

The profit of the Partnership shall be distributed between the partners as separately agreed by the partners. The loss of the Partnership shall be borne by the partners in proportionate to their respective committed capital contribution to the Partnership or as separately agreed by the partners.

Capital Contribution to the Partnership

Pursuant to the Restated Partnership Agreement, Jingji Capital's committed capital contribution to the Partnership shall increase from RMB500 to RMB60,000,000 and the Fund Company's committed capital contribution to the Partnership shall increase from RMB10,000 to RMB1,540,000,000. The respective committed capital contribution to the Partnership was determined after arm's length negotiations between the parties with reference to the potential investment opportunities and future capital requirements of the Partnership.

The total committed capital contribution to the Partnership shall be as follows:

	Before increase in committed capital pursuant to the Restated Partnership Agreement			After increase in committed capital pursuant to the Restated Partnership Agreement		
	Amount to be contributed (RMB)	% interest in the Partnership (approximate)	Nature of holding	Amount to be contributed (RMB)	% interest in the Partnership	Nature of holding
Jingji Capital	500	4.76%	General Partner	60,000,000	3.75%	General Partner
The Fund Company	10,000	95.24%	Limited Partner	1,540,000,000	96.25%	Limited Partner
Total	10,500	100.00%		1,600,000,000	100.00%	

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AGREEMENT AND THE RESTATED PARTNERSHIP AGREEMENT

The Partnership was established by Jingji Capital, as general partner, and Shouyuan, as limited partner, on 2 February 2019. Immediately prior to the entering into of the Equity Transfer Agreement, the Partnership was held by Jingji Capital and Shouyuan as to approximately 4.76% and 95.24%, respectively. The Partnership was accounted as a subsidiary of the Company.

Upon completion of the Equity Transfer Agreement, the Partnership shall be held by Jingji Capital, as general partner, and the Fund Company, as limited partner, as to approximately 4.76% and 95.24%, respectively. As such, the Partnership shall cease to be a subsidiary of the Company. Following the entering into of the Restated Partnership Agreement, the Partnership shall be held by Jingji Capital, as general partner, and the Fund Company, as limited partner, as to 3.75% and 96.25%, respectively.

As at the date of this announcement, no amount has been actually contributed to the Partnership and the Partnership does not have any assets. The Partnership has not commenced operation and no profit or revenue has been recorded.

The introduction of the Fund Company as limited partner of the Partnership and increase of its committed capital contribution to the Partnership to RMB1.54 billion will enhance confidence of potential investors in participating in the investments of the Partnership. Meanwhile, the increase of Jingji Capital's committed capital contribution as general partner to the Partnership to RMB60 million demonstrates its commitment and strength in the urban renewal and comprehensive service industries and will lay a solid foundation for future fund raising of the Partnership.

INFORMATION ON THE PARTIES

The Group mainly focuses on the management and operations of car parking assets and management of private funds that are oriented towards urban redevelopment.

Jingji Capital, a wholly-owned subsidiary of the Company, is a company established in the PRC with limited liability and is principally engaged in the provision of private fund management services in the PRC.

The Fund Company is a company established in the PRC with limited liability and is established to support the development of 新首鋼高端產業綜合服務區 (New Shougang High-end Industry Comprehensive Service Park*). It is principally engaged in investments in (i) companies with high-quality real estate projects with industrial resources, construction and operation capabilities; (ii) companies with industrial carrier projects with properties or building and operation rights; and (iii) other smart parking, medical and health, incubation and development of emerging industries and cultural and sports projects in line with the positioning of Shougang old industrial zone.

IMPLICATIONS UNDER THE LISTING RULES

The Fund Company is owned by Shougang Group, Shougang Fund and Jingji Capital as to approximately 37.04%, 61.73% and 1.23%, respectively. Shougang Fund is a wholly-owned subsidiary of Shougang Group. Shougang Group, through its subsidiaries (including Shougang Fund), is interested in approximately 46.06% of the total number of Shares in issue as at the date of this announcement and is a controlling shareholder of the Company. As such, the Fund Company is an associate of the substantial shareholder of the Company. Accordingly, the entering into of the Equity Transfer Agreement and the Restated Partnership Agreement constitute connected transactions of the Company for the purpose of Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (other than profit ratio) in respect of the Equity Transfer Agreement are less than 0.1%, the entering into of the Equity Transfer Agreement constitutes a fully exempt connected transaction for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions contemplated under the Restated Partnership Agreement and the Previous Capital Commitment Increase were entered into with parties who are connected with one another and within a 12-month period, the Restated Partnership Agreement and the Previous Capital Commitment Increase are required to be aggregated for the calculation of the relevant percentage ratios.

As one or more of the applicable percentage ratios (other than profit ratio) in respect of the Restated Partnership Agreement and the Previous Capital Commitment Increase, on an aggregate basis, are more than 0.1% but all are less than 5%, the entering into of the Restated Partnership Agreement constitutes a connected transaction for the Company and is subject to the announcement and reporting requirements but is exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

At the Board meeting, 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 relevant resolutions proposed to approve the Equity Transfer Agreement and the Restated Partnership Agreement and the transactions contemplated thereunder.

The Directors (including the independent non-executive Directors but excluding the Directors who have abstained from voting on the relevant Board resolutions) consider that the terms of the Equity Transfer Agreement and the Restated Partnership Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of directors of the Company;
“Company”	Shougang Concord International Enterprises Company Limited (stock code: 697), a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Director(s)”	the directors of the Company;
“Equity Transfer Agreement”	the equity transfer agreement dated 7 May 2019 between Shouyuan and the Fund Company in relation to the transfer of the committed capital contribution to the Partnership in the amount of RMB10,000, representing approximately 95.24% equity interest in the Partnership;
“Fund Company”	北京首鋼產業轉型基金有限公司 (Beijing Shougang Industry Transformation Fund Co., Ltd.*), a limited liability company established in the PRC;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Jingji Captial”	京冀協同發展示範區（唐山）基金管理有限公司 (Beijing-Hebei Co-development Exhibition Zone (Tangshan) Fund Management Co., Ltd.*), a limited liability company established in the PRC and a wholly owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Partnership”	北京首璟豐泰管理諮詢中心（有限合夥）(Beijing Shoujing Fengtai Management Consulting Centre (Limited Partnership)*), a limited partnership established in the PRC;
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, does not include Hong Kong, Macau Special Administrative Region and Taiwan;
“Previous Capital Commitment Increase”	the increase in committed capital contribution to Shoushi Partnership from RMB10,000,000 to RMB70,000,000 pursuant to the the restated partnership agreement dated 14 December 2018 between Shougang Fund, Shoushi Company and Shouyuan in respect of Shoushi Partnership as disclosed in the announcement of the Company dated 14 December 2018;

“Restated Partnership Agreement”	a new partnership agreement dated 8 May 2019 among Jingji Capital as general partner and the Fund Company as limited partner in relation to the Partnership;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	the ordinary share(s) of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Shougang Group”	首鋼集團有限公司 (Shougang Group CO., Ltd.*), a solely stated-owned company established in the PRC;
“Shougang Fund”	北京首鋼基金有限公司 (Beijing Shougang Fund Co., Ltd.*), a limited liability company established in the PRC and a substantial shareholder of the Company;
“Shoushi Company”	北京首獅管理諮詢有限公司 (Beijing Shoushi Management Advisory Co., Ltd.*), a limited liability company established in the PRC and a non wholly-owned subsidiary of the Company;
“Shoushi Partnership”	北京首獅銘智瑾信經濟諮詢企業 (有限合夥) (Beijing Shoushi Ming Zhi Jin Xin Economic Consulting Firm (Limited Partnership)*), a limited partnership established in the PRC;
“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;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	Percentage.

* *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
**Shougang Concord International
Enterprises Company Limited**
Zhao Tianyang
Chairman

Hong Kong, 8 May 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 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.