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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)

**CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
FUND MANAGEMENT SERVICE AGREEMENT**

**CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 8 September 2017 in which it was announced that, among other things, the Company entered into the Existing Fund Management Service Agreement with Shougang Fund.

As the Existing Fund Management Service Agreement will expire on 31 December 2019, on 18 November 2019, the Company entered into the New Fund Management Service Agreement with Shougang Fund, the terms of which are substantially the same as the Existing Fund Management Service Agreement except for the duration, the pricing terms and proposed annual caps as set out below, to continue the continuing connected transactions thereunder.

**LISTING RULES IMPLICATIONS**

As at the date hereof, Shougang Group indirectly holds 46.06% of the total number of Shares in issue and is a connected person of the Company. Shougang Fund is a wholly-owned subsidiary of Shougang Group and indirectly holds 16.74% of the total number of Shares in issue, and hence a connected person of the Company. Therefore, the New Fund Management Service Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps under the New Fund Management Service Agreement are more than 5%, such transactions are subject to reporting, announcement, annual review and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, the term of an agreement for a continuing connected transaction of a listed issuer must not exceed three years except in special circumstances. As the term of the New Fund Management Service Agreement (being five years) and the fund management service agreements contemplated thereunder which may be entered into at any time during the term of the New Fund Management Service Agreement (being three to eight years) exceeds three years, the Company has appointed the Independent Financial Adviser to explain why the New Fund Management Service Agreement and the fund management service agreements contemplated thereunder require a term that is longer than three years and to confirm that it is normal business practice for agreements of similar nature to be of such duration.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee has been formed pursuant to the requirements of the Listing Rules to advise the Independent Shareholders on matters in relation to the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps). Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

#### **GM**

The GM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps). Shougang Group, through Shougang Fund and Shougang Holding, is interested in approximately 46.06% of the total number of Shares in issue as at the date of this announcement, and hence Shougang Group and its associates are required to abstain from voting at the GM in respect of the resolutions to approve the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps). As at the date of this announcement, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the relevant resolutions. The resolutions to be submitted will be passed by way of ordinary resolutions and voting will be taken by way of poll in accordance with the requirements of the Listing Rules.

A circular containing, among other things, detailed information about (i) the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps); (ii) the recommendations of the Independent Board Committee to the Independent Shareholders; and (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice convening the GM and the resolutions to be proposed at the GM, is expected to be despatched to the Shareholders on or before 29 November 2019 in accordance with the Listing Rules.

## CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 8 September 2017 in which it was announced that, among other things, the Company entered into the Existing Fund Management Service Agreement with Shougang Fund.

As the Existing Fund Management Service Agreement will expire on 31 December 2019, on 18 November 2019, the Company entered into the New Fund Management Service Agreement with Shougang Fund, the terms of which are substantially the same as the Existing Fund Management Service Agreement except for the duration, the pricing terms and proposed annual caps as set out below, to continue the continuing connected transactions thereunder.

## THE NEW FUND MANAGEMENT SERVICE AGREEMENT

Principal terms of the New Fund Management Service Agreement are set out below:

Date	:	18 November 2019
Parties	:	(1) the Company; and (2) Shougang Fund
Subject matter	:	Pursuant to the terms of the New Fund Management Service Agreement, the Company and/or its subsidiaries will provide private fund management services to Shougang Fund and/or its associates.
Pricing Terms	:	Pursuant to the terms of the New Fund Management Service Agreement, the provision of private fund management services shall be priced between either (i) 0.1% and 2% of the capital commitment or the capital contribution of the partnership each year (as determined under the respective partnership agreements) for urban renewal related funds; or (ii) 0.5% and 2% of the capital commitment or the capital contribution of the partnership each year (as determined under the respective partnership agreements) for any other types of funds; which was determined by reference to and in accordance with the prevailing marketing prices offered by the other private fund management companies for the same and similar scope of service, the cost of providing fund management service, and the maximum fund management fee as approved by the finance authorities in the PRC for certain funds (if applicable). In the event a fund managed by the Company or its subsidiaries (the “ <b>Participating Fund</b> ”) invests in another fund established under the New Fund Management Service Agreement as investor, the Participating Fund will not be charged management fees in respect of its portion of investment in the latter fund.

As disclosed in the Company's 2019 interim report, in the first half of 2019, the Group successfully introduced the National Council for Social Security Fund ("NSSF") as the limited partner which paid the largest single contribution, establishing the fund with scale of RMB6 billion. The NSSF attached importance to the sustainability and stability of the investment and adhered to the principle of "long-term investment, value investment and responsible investment", which is compatible with the Group's urban renewal business on income stability, risk level and investment term, and social effect. The Group has accumulated experience in managing urban renewal related funds, and with a bigger scale of such funds in aggregate, it allows the Group to achieve economies of scale and potentially a lower management fee percentage.

On the contrary, the provision of fund management service to other types of funds requires specialized management and industry-specific strategy for each type of fund to cater for their industry needs, the cost of managing those funds are expected to be relatively higher than urban renewal related funds. As such, the lower end of the price range for other types of funds is higher than urban renewal related funds.

The actual percentage of management fee will be determined with reference to (i) the operation cost of providing fund management service to each fund, (ii) the complexity of strategy required by each fund; and (iii) management fee agreed among parties to the partnerships after arm's length negotiation.

Term : Subject to the fulfilment of the conditions precedent, from 1 January 2020 to 31 December 2024.

Conditions Precedent : The obligations of the parties to the New Fund Management Service Agreement shall be conditional upon the relevant requirements under the Listing Rules having been satisfied, including approval of the Independent Shareholders at the GM on the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps).

If the conditions precedent to the New Fund Management Service Agreement is not fulfilled on or before 31 May 2020, or such other later date as may be agreed between the parties, the New Fund Management Service Agreement will terminate. In such case, the obligations of the parties shall be discharged and neither of the parties shall be liable for breach of agreement.

## Historical Amounts

The historical transaction amounts and annual caps for the three years ending 31 December 2019 relating to the transactions under the Existing Fund Management Service Agreement are set out below:

	<b>From the commencement date of the Existing Fund Management Service Agreement to 31 December 2017</b>	<b>For the year ended 31 December 2018</b>	<b>For the six months ended 30 June 2019</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Provision of private fund management services	Nil (2017 cap: 10,000,000)	78,934,000 (2018 cap: 180,000,000)	57,954,000 (2019 cap: 250,000,000)

## Proposed Annual Caps and Basis of Determination

The transaction amounts under the New Fund Management Service Agreement during the term of the agreement will not exceed the following annual caps:

	<b>For the year ending 31 December 2020</b>	<b>For the year ending 31 December 2021</b>	<b>For the year ending 31 December 2022</b>	<b>For the year ending 31 December 2023</b>	<b>For the year ending 31 December 2024</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Provision of private fund management services	358,000,000	551,000,000	701,000,000	851,000,000	924,000,000

The proposed annual caps have been calculated and determined with reference to (i) the historical transaction amounts under the Existing Fund Management Service Agreement; and (ii) the new partnership agreements that are expected to be entered into between the Company and/or its subsidiaries and Shougang Fund and/or its associates and the expected management fees thereunder.

In determining the estimated new partnership agreements for each of the years ending 31 December 2020 to 2024, the Group has considered the following factors:

- (i) new partnerships with concrete terms (including but not limited to identities of limited partners, investment direction, expected capital commitment and management fee) that have obtained the approval of the investment committee of the relevant member of the Group, pending the entering into of the formal partnership agreements;

- (ii) partnerships that are under discussion with potential limited partners with preliminary investment terms (including but not limited to investment direction, expected capital commitment and management fee) and are pending to be submitted to the investment committee of the relevant member of the Group for approval;
- (iii) additional new partnerships that are expected to be set up during the term of the New Fund Management Service Agreement, with their respective capital commitments and management fee levels estimated with reference to the terms of existing partnerships and the historical capital contribution of existing partnerships; and
- (iv) historical growth of the fund management business as reflected in the section headed “Historical Amounts” of this announcement.

The proposed annual caps are determined based on the following assumptions and factors:

- (i) the expected increase of funds size during the term of the New Fund Management Service Agreement;
- (ii) the level of management fee for the new partnerships under the New Fund Management Service Agreement is assumed to be 1.5%, which is estimated based on the median of management fee for each of the existing partnerships under the Existing Fund Management Service Agreement;
- (iii) the level of capital commitment for new partnerships to be established is assumed to be RMB10.0 billion each year from 2020 to 2024, which is estimated based on historical growth in total subscription scale of partnerships under the Existing Fund Management Service Agreement.

The Group will continue to reduce its iron ore trading business and focus on developing and expanding its car parking assets operation and management and fund management business. To this end, the Company has been negotiating with potential limited partners for entering into partnerships continuously, and identifying appropriate investors in the funds. The current investors of the funds established between the Group and Shougang Fund and/or its associates include major financial institutions and various provincial and municipal government fund investment agencies.

In the coming three to five years, the Company intends to enter into partnership agreements for urban renewal funds which focus on redevelopment and renewal of old industrial zones in 新首鋼高端產業綜合服務區 (New Shougang High-end Industry Comprehensive Service Park\*) (“**Shougang Park**”) in Beijing.

Shougang Park is one of the few areas in the city district of Beijing that allows large-scale and centralized development, covering an area of up to 8.63 square kilometers for redevelopment. Shougang Park will also provide support and infrastructures for the forthcoming Winter Olympic Games 2022 to be held in Beijing. It is expected that Shougang Park will require a high amount of capital injection to support its development and operation in the coming five years. To grasp the business opportunities in Shougang Park, the Company has been setting up and will continue to set up more urban renewal funds which support and serve the industrial transformation and revitalization of Shougang Park.

Further, the size and operational scale of urban renewal funds managed by the Company have continued to grow from 2017 and 2019, and have attracted more strategic investors and new partners to invest and participate in the funds. Coupled with the economic benefits brought about by the Winter Olympic Games 2022, the Company's fund management business is expected to increase continuously in the next five years or more.

At the same time, the Company has implemented its strategic planning in the city of Beijing, Northeast China, Southwest China and the Pearl River Delta region on urban renewal. The Company will continue to coordinate with local government departments on supporting and developing local regions through establishing funds in the aspects of smart parking, urban renewal and medical care, and high-end manufacturing, which further supports the expansion of the fund management business of the Company and the increase in fund management fee income.

### ***Details of Fund Investments***

#### **Existing partnership agreements**

There are currently 17 existing partnership agreements subsisting during the term of the New Fund Management Service Agreement with a term of 6 to 10 years; ten of which are urban-renewal related type of funds and seven of which are other types of funds. The total capital contribution of the funds range from RMB 3 million to RMB 6 billion.

Should the Independent Shareholders' approval for the New Fund Management Service Agreement is not obtained upon the expiry of the Existing Fund Management Service Agreement, the Company will comply with applicable connected transaction requirements under Chapter 14A of the Listing Rules where necessary.

#### **New partnership agreements**

The Company are in the course of negotiating two partnership agreements with a term of 5 to 8 years, all of which are urban-renewal related types of funds with their main investments in city betterment and developing new economic sectors and industries. Their capital contribution is expected to range from RMB 0.6 billion to RMB 2.02 billion.



It is expected the Company will enter into fund management service agreements with funds with a total capital contribution of RMB10 billion per year during the term of the New Fund Management Service Agreement.

If any fund management service agreement entered into under the New Fund Management Service Agreement exceeds the term of the latter, the Company shall, upon the expiry of the New Fund Management Service Agreement, further comply with all applicable requirements under the Listing Rules, including reporting, disclosure and Independent Shareholders' approval.

If the relevant Independent Shareholders' approval is not obtained by the expiry of the New Fund Management Service Agreement, the Company shall employ other means to comply with the Listing Rules, failing which the Company and/or its associates will terminate the provision of fund management service by obtaining consents from Shougang Fund and/or its associates, and in accordance with the terms of the relevant agreement. In the event such termination gives rise to any contractual damages, the amount of which is expected to be no more than the management fee receivable under the relevant agreement.

### **Duration of the New Fund Management Service Agreement**

Pursuant to Rule 14A.52 of the Listing Rules, the term of an agreement for a continuing connected transaction of a listed issuer must not exceed three years except in special circumstances. As the term of the New Fund Management Service Agreement (being five years) and the fund management service agreements contemplated thereunder which may be entered into at any time during the term of the New Fund Management Service Agreement (being three to eight years) exceeds three years, the Company has appointed the Independent Financial Adviser to explain why the New Fund Management Service Agreement and the fund management service agreements contemplated thereunder require a term that is longer than three years and to confirm that it is normal business practice for agreements of similar nature to be of such duration.

In assessing the reasons why the duration of the New Fund Management Service Agreement and the fund management service agreements contemplated thereunder should be longer than three years, the Independent Financial Adviser has relied on the information set out in this announcement, and has taken into account the following factors considered by the management of the Company:

- (a) strict compliance with the three-year requirements in respect of the fund management services will be unduly burdensome to the Group, taking into account the nature of the services required, the business and operation needs, and the potential disruption to the business operations caused by discontinuance of such services, and any unnecessary administration costs to the Company for the renewal of the New Fund Management Service Agreement by limiting its term to three years or less and/or any potential delay of renewal of the New Fund Management Service Agreement as a result of further negotiation between the parties during the agreement renewal process;



- (b) the long-term arrangement for fund management services (including the New Fund Management Service Agreement and the fund management service agreements contemplated thereunder) reflects the essential feature of the relatively long-term investment and divestment duration of private funds in the industry; and the partnerships had been established in a manner consistent with the past and established approaches of private funds in terms of duration;
- (c) the long-term arrangement protects the interests of the Company, the Shareholders and the investors in the partnerships by minimizing the disruption to the partnerships and the loss of management fee income from the partnerships;
- (d) the five-year period for the New Fund Management Service Agreement allows the Company to, when computing the annual caps, take into account the management fee income for pre-existing partnerships and include reasonable estimation on new partnerships to be entered into and managed within the term of the New Fund Management Service Agreement with reference to the fund size of the pre-existing partnerships; and
- (e) considering the characteristics of the private fund industry and the investment objectives of respective private fund, in particular, that the existing agreements under the Existing Fund Management Service Agreement have a term of 6 to 10 years, the management ability of fund managers and the stability of providing management services weigh heavily on an investor's decision to invest in a fund. Therefore, investors will generally not accept any unaligned fund management period and fund duration which may negatively affect their return.

In considering whether it is normal business practice for contracts of a similar nature to the New Fund Management Service Agreement to have a term of such duration, the Independent Financial Adviser has:

- (a) identified announcements issued by other companies listed on the Stock Exchange within approximately one year from the date of the New Fund Management Service Agreement, which involved fund formation with connected persons and fund management service provided to such funds by the entering into of partnership agreements which stipulated, among others, definite initial duration for fund management service and payment of fund management fee (the “**Comparable Agreements**”), which the Independent Financial Adviser considered to be appropriate to reflect the recent market practices on agreements of similar nature;
- (b) noted that (i) six out of the seven Comparable Agreements carry a term/duration of five years or more, suggesting that it is not uncommon for agreements of similar nature to have a term/duration of three years or more; and (ii) the term/duration of the Comparable Agreements ranged from three years to eight years, with the proposed term of the New Fund Management Service Agreement and the fund management service agreements contemplated thereunder falling within such range.

Based on the above considerations, the Independent Financial Adviser is of the opinion that (a) a term of longer than three years is required for the New Fund Management Service Agreement and the fund management service agreements contemplated thereunder; and (b) it is normal business practice for contracts of this type of transactions to be of such duration.

## **REASONS AND BENEFITS OF ENTERING INTO THE NEW FUND MANAGEMENT SERVICE AGREEMENT**

As disclosed in the Company's 2019 interim report, urban renewal-oriented private fund management business is a core part of the Company's business. Such business witnessed exponential growth, and the scale of new fund management business was RMB13.9 billion in the first half of 2019. The significant increase of fund management scale brought impressive management fee income. The fund managed by the Company and/or its subsidiaries are subscribed by more investors as the team manages the underlying assets of the funds meticulously.

With the steady growth in the number and size of funds under management, the Group expects that in the foreseeable future, the management fee income and return on investment from the provision of private fund management services will achieve a sustainable and rapid growth. The entering into of the New Fund Management Service Agreement demonstrates the Company's commitment to further develop its private fund management business and will enable the Group to continue to provide long-term private fund management service to Shougang Fund and/or its associates without unnecessary disruptions to the Group's business.

The asset management market in China is competitive, and for a fund to be successful, one greatest challenge will be attracting investor capital. The participation of Shougang Fund and/or its associates in the funds managed by the Company and/or its subsidiaries will provide confidence to other investors and allow such funds to raise more capital from external investors. With the Group's ever-growing experience and commitment in providing quality long-term private fund management service, and the promising long-term return on the funds managed by the Company and/or its subsidiaries, the entering into of the New Fund Management Service Agreement will be beneficial to the Group and its development of fund management businesses.

The Directors (excluding the independent non-executive Directors who will form their views after considering the advice of the Independent Financial Adviser) consider that the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps), are made on normal commercial terms and in the ordinary and usual course of business of the Company and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date hereof, Shougang Group indirectly holds 46.06% of the total number of Shares in issue and is a connected person of the Company. Shougang Fund is a wholly-owned subsidiary of Shougang Group and indirectly holds 16.74% of the total number of Shares in issue, and hence a connected person of the Company. Therefore, the New Fund Management Service Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps under the New Fund Management Service Agreement are more than 5%, such transactions are subject to reporting, announcement, annual review and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Zhao Tianyang, Mr. Xu Liang and Mr. Liang Hengyi, by virtue of their connection with Shougang Group, have abstained from voting on the Board resolutions approving the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps). Save as disclosed, none of the Directors has any material interest in the New Fund Management Service Agreement and the transactions contemplated thereunder.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee has been formed pursuant to the requirements of the Listing Rules to advise the Independent Shareholders on matters in relation to the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps). Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **GM**

The GM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps). Shougang Group, through Shougang Fund and Shougang Holding, is interested in approximately 46.06% of the total number of Shares in issue as at the date of this announcement, and hence Shougang Group and its associates are required to abstain from voting at the GM in respect of the resolutions to approve the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps). As at the date of this announcement, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the relevant resolutions. The resolutions to be submitted will be passed by way of ordinary resolutions and voting will be taken by way of poll in accordance with the requirements of the Listing Rules.

A circular containing, among other things, detailed information about (i) the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps); (ii) the recommendations of the Independent Board Committee to the Independent Shareholders; and (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice convening the GM and the resolutions to be proposed at the GM, is expected to be despatched to the Shareholders on or before 29 November 2019 in accordance with the Listing Rules.

## 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.

Shougang Fund is principally engaged in the investment, management and advisory of non-securities businesses.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Shougang Concord International Enterprises Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (stock code: 697)
“connected person”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Existing Fund Management Service Agreement”	the private fund management service agreement dated 8 September 2017 entered into between the Company and Shougang Fund in respect of the provision of private fund management services by the Company and/or its subsidiaries to Shougang Fund and/or its associates
“GM”	the general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps)
“Group”	the Company and its subsidiaries

“Independent Board Committee”	the independent board committee, comprising all the independent non-executive Directors, namely Dr. Wang Xin, Mr. Choi Fan Keung Vic, Mr. Deng Yougao, Ms. Zhang Quanling and Dr. Qiao Yongyuan, which has been formed to advise the Independent Shareholders on matters in relation to the New Fund Management Service Agreement and the transactions contemplated thereunder (including the proposed annual caps)
“Independent Shareholders”	any Shareholders other than Shougang Group and its associates;
“Independent Financial Adviser”	means Lego Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong), which has been appointed as the independent financial adviser to advise the Independent Board Committee and Independent Shareholders in respect of the New Fund Management Service Agreement, and being the independent financial adviser appointed for the purpose of Rule 14A.52 of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Fund Management Service Agreement”	the private fund management service agreement dated 18 November 2019 entered into between the Company and Shougang Fund in respect of the provision of private fund management services by the Company and/or its subsidiaries to Shougang Fund and/or its associates
“percentage ratios”	the percentage ratios calculated according to Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, and does not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“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 wholly-owned subsidiary of Shougang Group, and a substantial shareholder of the Company
“Shougang Group”	首鋼集團有限公司 (Shougang Group Co., Ltd.*), a state-owned enterprise established in the PRC, the holding company of Shougang Holding and Shougang Fund
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Shougang Group, and a substantial shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiar(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

\* *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, 18 November 2019

*As at the date of this announcement, the Board comprises Mr. Zhao Tianyang (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, Ms. Zhang Quanling and Dr. Qiao Yongyuan as Independent Non-executive Directors.*