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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 TRANSACTION TENANCY AGREEMENT

Reference is made to the announcement of the Company dated 23 December 2016. The Board announces that in order to cope with the expansion of Shougang Shipping Services, the Existing Tenancy Agreement would be terminated with effect from 1 April 2017 and the New Tenancy Agreement has been entered into between Shougang Shipping Services and Billioncorp, which will come into effect from 1 April 2017.

As Billioncorp is a wholly-owned subsidiary of Shougang Holding which in turn is the controlling shareholder of the Company, the transaction under the New Tenancy Agreement constitutes continuing connected transaction for the Company under the Listing Rules.

As the applicable percentage ratios in respect of the aggregate annual rent payable under the New Tenancy Agreement and the tenancy agreements as disclosed in the announcement of the Company dated 23 December 2016 (other than the Existing Tenancy Agreement) are more than 0.1% but less than 5%, the New Tenancy Agreement is subject to the reporting, announcement and annual review requirements under the Listing Rules, but is exempted from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

TERMINATION OF THE EXISTING TENANCY AGREEMENT

Reference is made to the announcement of the Company dated 23 December 2016. As disclosed, the Existing Tenancy Agreement had been entered into with the following principal terms:-

Existing Tenancy Agreement

Date of agreement : 23 December 2016

Landlord : Winluck

Tenant : Shougang Shipping Services

Premises	:	portion of the 6 th Floor of Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 1,000 square feet
Term	:	thirty-six (36) months commencing on 1 January 2017 and expiring on 31 December 2019
Rent	:	monthly rental of HK\$47,000 (exclusive of rates and management fee) payable monthly in advance on the first day of each and every calendar month
Use	:	As office of the Group

In order to cope with the expansion of Shougang Shipping Services, Shougang Shipping Services and Winluck has agreed to terminate the Existing Tenancy Agreement with effect from 1 April 2017. On the other hand, Shougang Shipping Services has entered into the New Tenancy Agreement with the following principal terms:-

New Tenancy Agreement

Date of agreement	:	23 March 2017
Landlord	:	Billioncorp
Tenant	:	Shougang Shipping Services
Premises	:	portion of the 5 th Floor of Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 1,629 square feet
Term	:	thirty-three (33) months commencing on 1 April 2017 and expiring on 31 December 2019
Rent	:	monthly rental of HK\$76,563 (exclusive of rates and management fee) payable monthly in advance on the first day of each and every calendar month
Use	:	As office of the Group

AGGREGATE ANNUAL RENT

The aggregate annual rent payable under the New Tenancy Agreement and the tenancy agreements as disclosed in the announcement of the Company dated 23 December 2016 (other than the Existing Tenancy Agreement) is HK\$4,887,156. As the applicable percentage ratios in respect of such aggregate annual rent payable are more than 0.1% but less than 5%, the New Tenancy Agreement is subject to the reporting, announcement and annual review requirements under the Listing Rules, but is exempted from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE NEW TENANCY AGREEMENT

Shougang Shipping Services has been using the premise under the Existing Tenancy Agreement as its office. In order to cope with the expansion of Shougang Shipping Services, Shougang Shipping Services would terminate the Existing Tenancy Agreement and has entered into the New Tenancy Agreement which is of a larger floor area.

The rent under the New Tenancy Agreement was reached on arm's length basis and determined with reference to (1) the rent under the Existing Tenancy Agreement; (2) the prevailing market rents for the same building; and (3) the prevailing property market conditions.

The Directors (including the independent non-executive Directors) consider that the New Tenancy Agreement is of normal commercial terms which are fair and reasonable and the entering into of the New Tenancy Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

GENERAL

The Group is principally engaged in trading of iron ore, steel and related products and mineral exploration.

Billioncorp is an investment holding company and is a wholly-owned subsidiary of Shougang Holding. As at the date of this announcement, Shougang Holding and its associates are interested in approximately 47.78% of the total number of shares of the Company in issue and is the controlling shareholder of the Company. Accordingly, the transaction under the New Tenancy Agreement constitutes continuing connected transaction for the Company under the Listing Rules.

Both Mr. Li Shaofeng and Mr. Ding Rucai, the executive Directors of the Company, are also directors of Shougang Holding. Each of Mr. Li Shaofeng and Mr. Ding Rucai has abstained from voting for the Board resolutions to approve the New Tenancy Agreement and the transaction contemplated thereunder. Mr. Shu Hong, an executive Director of the Company, also abstained from voting on the Board resolutions to approve the New Tenancy Agreement and the transaction contemplated thereunder voluntarily. The remaining Directors have no material interest in the New Tenancy Agreement.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules;
“Billioncorp”	Billioncorp Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Shougang Holding;
“Board”	the board of Directors;

“Company”	Shougang Concord International Enterprises Company Limited, a company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Existing Tenancy Agreement”	the tenancy agreement dated 23 December 2016 between Shougang Shipping Services and Winluck in respect of portion of the 6 th Floor of Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Tenancy Agreement”	the tenancy agreement dated 23 March 2017 between Shougang Shipping Services and Billioncorp in respect of portion of the 5 th Floor of Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong;
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company;
“Shougang Shipping Services”	Shougang Concord Shipping Services Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Winluck”	Winluck Properties Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Shougang Holding; and
“%”	per cent.

By Order of the Board
**Shougang Concord International
Enterprises Company Limited**
Li Shaofeng
Managing Director

Hong Kong, 23 March 2017

As at the date of this announcement, the Board comprises Mr. Zhang Bingcheng (Chairman), Mr. Li Shaofeng (Managing Director), Mr. Ding Rucai (Deputy Managing Director), Mr. Shu Hong (Deputy Managing Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Ms. Kan Lai Kuen, Alice (Independent Non-executive Director), Mr. Wong Kun Kim (Independent Non-executive Director) and Mr. Leung Kai Cheung (Independent Non-executive Director).