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首長四方（集團）有限公司*
SHOUGANG CONCORD GRAND (GROUP) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 730)

**CONNECTED TRANSACTION
FORMATION OF JOINT VENTURE**

Reference is made to the announcement of the Company dated 12 April 2018.

The Board announces that on 19 April 2018, Gold Cosmos, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Shougang Fund to establish the Joint Venture to engage in the business of supply chain financial management services.

Shougang Fund is a wholly-owned subsidiary of Shougang Group, which is the holding company of Shougang Holding, the controlling shareholder of the Company. Accordingly, Shougang Fund is a connected person of the Company and the establishment of the Joint Venture constitutes a connected transaction for the Company for the purpose of Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the Company's capital commitment under the Joint Venture Agreement are more than 0.1% but less than 5%, the entering into of the Joint Venture Agreement is subject to the reporting and announcement requirements and exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 12 April 2018.

On 19 April 2018, Gold Cosmos, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Shougang Fund for the establishment of the Joint Venture. The salient terms of the Joint Venture Agreement are as follows:

THE JOINT VENTURE AGREEMENT

Date

19 April 2018

Parties

- (1) Gold Cosmos, a wholly-owned subsidiary of the Company; and
- (2) Shougang Fund

Establishment of the Joint Venture

The parties agreed to establish the Joint Venture to engage in the business of supply chain financial management services. Subject to the registration of the establishment of the Joint Venture with the relevant PRC authorities, the Joint Venture will have a term of 30 years.

Capital Structure of the Joint Venture

The Joint Venture will have an initial registered capital of RMB100 million, which has been determined by the parties after arm's length negotiations by reference to the expected capital requirement of the Joint Venture. The registered capital will be contributed by the parties before 31 December 2018 as follows:

	Amount to be contributed RMB'000	Percentage interest in the Joint Venture
Gold Cosmos	10,000	10%
Shougang Fund	90,000	90%
Total	<u>100,000</u>	<u>100%</u>

Upon completion of the initial investment above, depending on the development of the Joint Venture and its funding requirement, the Group may, subject to compliance with the requirements of the Listing Rules and applicable laws and regulations, contribute further capital representing up to 70% of the then registered capital of the Joint Venture. The Company will comply with the requirements of the Listing Rules if it contributes further capital to the Joint Venture.

Management of the Joint Venture

The Joint Venture will establish a board of directors comprising three members, all of which will be nominated by Shougang Fund. The Joint Venture will also establish its own management team to manage the daily operation of the Joint Venture.

As the Group will only have a minority interest in the Joint Venture and will not have any representation on its board of directors at this time, the Group's investment in the Joint Venture will be equity accounted for in the financial statement of the Company.

REASONS FOR THE ESTABLISHMENT OF THE JOINT VENTURE

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of financial services and property investment and management.

Shougang Fund is a fast developing company that is principally engaged in the investment, management and advisory of non-securities business in the PRC.

The Board believes that the establishment of the Joint Venture with Shougang Fund would enable the Group to team up with a fast developing fund company in the Beijing-Hebei area to enhance the development of supply chain technology business of the Group. The Joint Venture would also present the Group with a financial management service platform to develop its supply chain finance business in the PRC and to facilitate the strategic advancement of the supply-side structural reform of the PRC.

The Directors (including the independent non-executive Directors) considered that the Joint Venture Agreement has been entered into on normal commercial terms, such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the establishment of the Joint Venture is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Shougang Fund is a wholly-owned subsidiary of Shougang Group, which is the holding company of Shougang Holding, the controlling shareholder of the Company. Accordingly, Shougang Fund is a connected person of the Company and the establishment of the Joint Venture constitutes a connected transaction for the Company for the purpose of Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the Company's capital commitment under the Joint Venture Agreement are more than 0.1% but less than 5%, the entering into of the Joint Venture Agreement is subject to the reporting and announcement requirements and exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

At the Board meeting held to approve the Joint Venture Agreement, Mr. Xu and Mr. Liu are considered to be interested in the transactions under the Joint Venture Agreement and have abstained from voting in respect of the resolutions proposed to approve the Joint Venture Agreement.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Board”	the board of directors of the Company;
“Company”	Shougang Concord Grand (Group) Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;

“Gold Cosmos”	Gold Cosmos Development Limited, a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Joint Venture”	the proposed joint venture company to be established by the Group and Shougang Fund;
“Joint Venture Agreement”	the agreement dated 19 April 2018 between Gold Cosmos and Shougang Fund in relation to the establishment of the Joint Venture;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	shareholders of the Company;
“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;
“Shougang Group”	首鋼集團有限公司 (Shougang Group Co., Ltd.*), a solely stated-owned enterprise established in the PRC;
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong and is the controlling shareholder of the Company, which through its wholly owned subsidiaries, holds approximately 50.54% of the issued share capital in the Company as at the date of this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By Order of the Board
Shougang Concord Grand (Group) Limited
Xu Liang
Chairman

Hong Kong, 19 April 2018

As at the date of this announcement, the board of directors of the Company comprises Mr. Xu Liang (Chairman), Mr. Liu Dongsheng (Managing Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Tam King Ching, Kenny (Independent Non-executive Director), Ms. Zhou Jianhong (Independent Non-executive Director), Mr. Yip Kin Man, Raymond (Independent Non-executive Director), Mr. Fei Jianjiang (Independent Non-executive Director) and Mr. Wan Siu Wah Wilson (Independent Non-executive Director).

* For identification purpose only