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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 TRANSACTION PROVISION OF LOAN

On 20 June 2018, Shouzhong, a non-wholly-owned subsidiary of the Company, and BSCMCL entered into the Loan Agreement, pursuant to which Shouzhong will provide the Loan to BSCMCL.

Shougang Group, through its subsidiaries, is interested in approximately 51.856% of the total number of Shares in issue as at the date of this announcement and is a substantial shareholder and a connected person of the Company. Since Shougang Group, through Shougang Fund, indirectly holds 50.625% equity interest in BSCMCL, BSCMCL constitutes an associate of Shougang Group, and is therefore a connected person of the Company. Accordingly, the entering into of the Loan Agreement constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the Loan, when aggregated with the Previous Loan, is more than 0.1% but less than 5%, the provision of the Loan to BSCMCL is subject to the reporting and announcement requirements and exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios of the Previous Loan is less than 0.1%, the Previous Loan constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and was fully exempt from Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

LOAN AGREEMENTS BETWEEN SHOUZHONG AND BSCMCL

On 20 June 2018, Shouzhong, a non-wholly-owned subsidiary of the Company, and BSCMCL entered into the Loan Agreement. The principal terms of the Loan Agreement are as follows:

Date:	20 June 2018
Parties:	Shouzhong, as the lender; and BSCMCL, as the borrower
Principal amount:	RMB20 million
Term:	6 months, beginning from 20 June 2018 and ending on 19 December 2018
Interest rate:	6.5% per annum
Repayment:	The principal and interest of the Loan is payable at the end of the term
Early repayment:	BSCMCL may make early repayment, with the interest payable to be based on the actual duration of the funds loaned and the outstanding principal for the corresponding period. BSCMCL does not bear any liability to compensate Shouzhong for early repayment
Use of proceeds:	The proceeds shall be used for BSCMCL's daily operations and purposes as approved by BSCMCL's shareholders' meeting. If BSCMCL does not follow the requirements of the Loan Agreement in using the proceeds, Shouzhong has the right to recover the Loan at any time, and to demand BSCMCL to bear liability for default in the amount of 1% of the principal amount of the Loan

On 19 March 2018, Shouzhong, a non-wholly-owned subsidiary of the Company, and BSCMCL entered into the Previous Loan Agreement for the principal amount of RMB1.55 million at the interest rate of 6.5% per annum.

REASONS FOR AND BENEFITS OF PROVISION OF THE LOAN

The terms of the Loan Agreement, including the interest rate applicable, were agreed by the parties after arm's length negotiations, having taken into account the prevailing market interest rates and practices. The Loan will help to secure the normal and stable operation of BSCMCL.

The entering into of the Loan Agreement is in the ordinary and usual course of business of the Group. At the Board meeting held to approve the Loan Agreement, Mr. Zhao Tianyang, Mr. Li Shaofeng, Mr. Xu Liang and Mr. Liang Hengyi had abstained from voting on the resolutions to approve the aforementioned matters, as they considered that they might be interested in the transactions contemplated thereunder.

Other Directors (including the independent non-executive Directors) considered the Loan Agreement to be on normal commercial terms or better and in the ordinary and usual course of business of the Group, that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that entering into the Loan Agreement is in the interests of the Company and the Shareholders as a whole.

Listing rules implications

Shougang Group, through its subsidiaries, is interested in approximately 51.856% of the total number of Shares in issue as at the date of this announcement and is a substantial shareholder and a connected person of the Company. Since Shougang Group, through Shougang Fund, indirectly holds 50.625% equity interest in BSCMCL, BSCMCL constitutes an associate of Shougang Group, and is therefore a connected person of the Company. Accordingly, the entering into of the Loan Agreement constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules.

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As each of the applicable percentage ratios of the Previous Loan is less than 0.1%, the Previous Loan constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and was fully exempt from Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

Information on the Group and Shouzhong

The Group is principally engaged in (i) the business of car parking facilities and investment operation in the PRC with a focus on smart car parking market; (ii) the business of provision of private fund management services in the PRC; and (iii) trading of iron ore, steel and related products.

The Group is interested in approximately 97% of the registered capital of Shouzhong and the balance of the registered capital of Shouzhong is owned as to approximately 3% by 北京堅石同心管理諮詢中心 (Beijing Jianshi Tongxin Management Consultancy Centre*, a limited Partnership), an independent third party not connected with the Company and its connected persons.

Shouzhong is principally engaged in the business of car parking facilities investment and operation in the PRC with a focus on public car parks with high traffic flow, such as airports, railway stations and hospitals. Shouzhong provides a full range of services involving the design, architecture, operation management of smart car parking facilities and provision of integrated or customized solutions and services.

Information on BSCMCL

BSCMCL is owned as to 48.125% by Shouzhong, 50.625% by Shougang Fund and the remaining 1.25% by a third party independent of the Company and its connected persons.

BSCMCL is principally engaged in the management of motor vehicle public parking and other business related to parking management and services, and is committed to becoming the best car park manager in China.

DEFINITIONS

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

“%”	per cent;
“Board”	the board of Directors;
“BSCMCL”	北京首中停車管理有限公司(Beijing Shouzhong Car Parking Management Company Limited*), a limited liability company established in the PRC;
“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;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan made by Shouzhong to BSCMCL pursuant to the Loan Agreement;
“Loan Agreement”	the loan agreement dated 20 June 2018 between Shouzhong and BSCMCL for the principal amount of RMB20 million;
“Loan Agreements”	the Loan Agreement and the Previous Loan Agreement;

“PRC”	the People’s Republic of China and for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Previous Loan”	the loan made by Shouzhong to BSCMCL pursuant to the Previous Loan Agreement;
“Previous Loan Agreement”	the loan agreement dated 19 March 2018 between Shouzhong and BSCMCL for the principal amount of RMB1.55 million;
“Shareholder(s)”	holder(s) of the Shares;
“Shares”	ordinary shares 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 and a wholly-owned subsidiary of Shougang Group;
“Shougang Group”	首鋼集團有限公司(Shougang Group Co., Ltd.*), a solely state-owned enterprise established in the PRC;
“Shouzhong”	首中投資管理有限公司(Shouzhong Investment Management Company Limited*), a limited liability company established in the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules.

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

Hong Kong, 20 June 2018

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 and Mr. Ho Gilbert Chi Hang 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*