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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)

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 19 March 2019 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 3,384,043,134 Subscription Shares at the Subscription Price of HK\$0.25 per Subscription Share.

The Subscription Shares represent (i) approximately 14.07% of the existing total number of issued Shares of 24,044,890,769 Shares as at the date of this announcement; and (ii) approximately 12.34% of the enlarged total number of issued Shares of 27,428,933,903 Shares immediately following Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and Completion.

The gross proceeds and net proceeds from the issue of the Subscription Shares are estimated to be approximately HK\$846,010,783.50 and HK\$845,410,783.50, respectively. The Company intends to use the net proceeds for general working capital, further financing the Group's businesses in management and operations of car parking assets and management of private funds that are oriented towards urban redevelopment, as well as for funding other potential investments by the Group in the future.

**Completion of each of the Subscription Agreements are not inter-conditional but it is intended that completion of all the Subscription Agreements will take place simultaneously.**

**Completion is subject to fulfilment of the conditions under the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

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### **The Subscription Agreement I**

**Date:** 19 March 2019 (after trading hours)

**Parties:** (1) the Company, as issuer; and  
(2) HOPU, as subscriber.

**Subscription Shares:** 2,715,464,456 Subscription Shares

**Subscription Price:** HK\$0.25 per Subscription Share

HOPU is a company incorporated in the British Virgin Islands and is principally engaged in the business of investing in private companies in China or global enterprises with China presence. It is indirectly wholly-owned by HOPU USD Master Fund III, L.P., a China-focused private equity fund founded in 2008 with offices in Beijing, Shenzhen, Hong Kong and Singapore. The general partner of HOPU USD Master Fund III, L.P. is HOPU Investments Co. III Ltd.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, HOPU, HOPU USD Master Fund III, L.P. and its general partner and the ultimate beneficial owner of the general partner are Independent Third Parties.

## **The Subscription Agreement II**

**Date:** 19 March 2019 (after trading hours)

**Parties:** (1) the Company, as issuer; and  
(2) Red Avenue, as subscriber.

**Subscription Shares:** 120,000,000 Subscription Shares

**Subscription Price:** HK\$0.25 per Subscription Share

Red Avenue is a company incorporated in Hong Kong and is principally engaged in the business of investment and chemical trade. The ultimate beneficial owner of Red Avenue is Ms. Ning Zhang. Ms. Ning Zhang is the Chairman of Red Avenue New Materials Group Co., Ltd., the shares of which are listed on Shanghai Stock Exchange (SSE Stock Code: 603650).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Red Avenue and its ultimate beneficial owner are Independent Third Parties.

## **The Subscription Agreement III**

**Date:** 19 March 2019 (after trading hours)

**Parties:** (1) the Company, as issuer; and  
(2) Matrix Partners, as subscriber.

**Subscription Shares:** 548,578,678 Subscription Shares

**Subscription Price:** HK\$0.25 per Subscription Share

Matrix Partners is a company incorporated in Hong Kong and is 90.58% owned by Matrix Partners China V, L.P., which is an exempted limited partnership organised and existing under the laws of the Cayman Islands. The general partner of Matrix Partners China V, L.P. is Matrix China Management V, L.P.. The general partner of Matrix China Management V, L.P. is Matrix China V GP GP, Ltd.

Matrix Partners is principally engaged in the business of investment.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Matrix Partners, Matrix Partners China V, L.P. and its general partner and the ultimate beneficial owner of the general partner are Independent Third Parties.

## **Subscription Shares**

Pursuant to the Subscription Agreements, HOPU, Red Avenue and Matrix Partners have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 3,384,043,134 Subscription Shares, representing:

- (1) approximately 14.07% of the existing total number of issued Shares of 24,044,890,769 Shares as at the date of this announcement; and
- (2) approximately 12.34% of the enlarged total number of issued Shares of 27,428,933,903 Shares immediately following Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and Completion.

## **Subscription Price**

The Subscription Price of HK\$0.25 per Subscription Share represents:

- (1) a premium of approximately 8.23% over the closing price of HK\$0.231 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements;
- (2) a premium of approximately 8.79% over the average closing price of HK\$0.2298 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Subscription Agreements; and
- (3) a premium of approximately 9.84% over the average closing price of HK\$0.2276 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Subscription Agreements.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers with reference to the prevailing market price of the Shares.

Taking into account the expenses of the Subscriptions in the amount of approximately HK\$600,000, the net price per Subscription Share will be approximately HK\$0.2498.

## **Ranking of the Subscription Shares**

The Subscription Shares shall be free from any liens, charges, encumbrances, option, warrant, pre-emptive right or security interest or third-party right whatsoever and together with all rights attaching to them as at the date of Completion, with rights which rank *pari passu* to the Shares in issue, including the right to receive all dividends declared, made or paid on or after the date of Completion.

## Conditions

Completion is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (1) the listing of the Shares not having been revoked and the Shares continuing to be listed on the Stock Exchange before Completion (save for any temporary suspension or halt in trading pending the release of an announcement in connection with the Subscription Agreements), the Stock Exchange or the Securities and Futures Commission not having expressed that it will raise any objection against the listing status of the Shares or require the trading of Shares to be suspended due to the transactions contemplated under the Subscription Agreements or any reasons in connection with the transactions contemplated under the Subscription Agreements;
- (2) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Subscription Shares, and such approval not having been revoked before Completion;
- (3) the compliance of any other requirements under the Listing Rules and all applicable laws, rules and regulations by the Company in relation to the Subscription Agreements and the transactions contemplated under the Subscription Agreements (including but not limited to the allotment and issue of the Subscription Shares);
- (4) the Board having passed all necessary resolutions in approving the Subscription Agreements and the transactions contemplated under the Subscription Agreements (including but not limited to the allotment and issue of the Subscription Shares);
- (5) the representations and warranties given by the Company under the Subscription Agreements being true, correct and complete and not misleading when made and remaining true, correct and complete and not misleading as at the date of Completion; and
- (6) there having been no circumstances which would give rise to a material adverse effect since the date of the Subscription Agreements on the business, operations, assets, liabilities (including contingent liabilities), financial condition or financial results of the Group taken as a whole.

The Subscribers may waive the conditions set out in paragraphs (5) and (6) above. If the above conditions are not fulfilled or waived (as the case may be) on or before the date falling one month after the date of the Subscription Agreements (or such later date as the parties to the Subscription Agreements may agree), the Subscription Agreements will be automatically terminated and lapse. The parties to the Subscription Agreements will be released from all rights, obligations and liabilities under the Subscription Agreements, and shall not have any claim against each other, save for any antecedent breach of the terms thereof.

## **Completion**

Completion will take place on the tenth Business Day after the last of the conditions has been satisfied or waived (as the case may be), or such other date as the parties to the Subscription Agreements may agree in writing.

**Completion of each of the Subscription Agreements are not inter-conditional but it is intended that completion of all the Subscription Agreements will take place simultaneously.**

## **GENERAL MANDATE**

The Subscription Shares will be allotted and issued by the Company pursuant to the General Mandate, which has been granted to the Directors to allot and issue up to 3,792,744,702 Shares, representing 20% of the total number of Shares in issue as at the date of the AGM.

As at the date of this announcement, the Company has not allotted or issued any Share under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares, and the issue of the Subscription Shares is not subject to the approval of the Shareholders.

## **APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES**

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares.

## **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the date of this announcement, the Company has 24,044,890,769 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and Completion:

<b>Name of Shareholder</b>	<b>As at the date of this announcement</b>		<b>Immediately after Completion</b>	
	<i>Number of Shares</i>	<i>Approximate % shareholding</i>	<i>Number of Shares</i>	<i>Approximate % shareholding</i>
首鋼集團有限公司 (Shougang Group Co., Ltd.*) and its subsidiaries	12,633,903,865	52.543	12,633,903,865	46.061
HOPU	–	–	2,715,464,456	9.900
Rocket Parade Limited	2,677,425,528	11.135	2,677,425,528	9.761
ORIX Asia Capital Limited	1,503,741,731	6.254	1,503,741,731	5.482
Matrix Partners	–	–	548,578,678	2.000
Red Avenue	–	–	120,000,000	0.438
Liang Hengyi ( <i>Note</i> )	3,880,000	0.016	3,880,000	0.014
Liu Jingwei ( <i>Note</i> )	1,680,000	0.007	1,680,000	0.006
Wang Xin ( <i>Note</i> ) (together with his spouse)	1,200,000	0.005	1,200,000	0.004
Other Shareholders	7,223,059,645	30.040	7,223,059,645	26.334
<b>Total</b>	<b>24,044,890,769</b>	<b>100.000</b>	<b>27,428,933,903</b>	<b>100.00</b>

*Note: Liang Hengyi, Liu Jingwei and Wang Xin are Directors.*

## **INFORMATION ON THE GROUP**

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

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS**

The Directors believe that the Subscriptions will broaden the Shareholders base and enhance the profile of the Company given that the Subscribers are professional institutional investors, and increase the trading liquidity of the Shares.

HOPU has abundant industry resources, investment and fund-raising experiences. As a shareholder, HOPU can add value to the Group in the following aspects: (1) HOPU has strong relationships with numerous large enterprises, which is beneficial to the Group for future cooperation with such enterprises in related areas; (2) HOPU's extensive experience in large-scale transactions can facilitate the Group to carry out major acquisitions in the future; (3) HOPU has a strong network of reputable international investors, which is a complement to the Group's domestic resources; (4) HOPU is well connected and has long-term relationships with multiple large real estate companies in China, which can contribute to the Group's acquisition in the parking space; and (5) HOPU has invested in a series of logistics-related companies, which can also benefit the Group's expansion of revenue from non-parking business.



The Company intends to further expand strategic cooperation with HOPU and its affiliates in a wide range of areas after the subscription, such as forming partnerships in parking facility investments and urban renewal development. The Directors consider that such a further strengthened relationship can bring great values and accelerate the Company's expansion. With the resource advantages of HOPU, it can help the Group obtain high-quality parking resources and expand its fund management businesses.

Ms. Ning Zhang is the Chairman of Red Avenue New Materials Group Co., Ltd, an A-share listed company. The business layout of Red Avenue New Materials Group Co., Ltd. is based on the Yangtze River Delta region. It has abundant social and industrial resources in the region, which is beneficial to the Group's access to high-quality parking assets and urban renewal resources in the region.

Matrix Partners has made great achievements in its investment in the Internet Economy, including many benchmarking companies of different subdivision industry. Matrix Partners can cooperate with the Group in improving the operational efficiency and mining the value of operational data to improve customers' experience.

The Directors consider that the terms and conditions of the Subscription Agreements (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **USE OF PROCEEDS**

The gross proceeds and net proceeds from the issue of the Subscription Shares are estimated to be approximately HK\$846,010,783.50 and HK\$845,410,783.50, respectively. The Company intends to use the net proceeds for general working capital, further financing the Group's businesses in management and operations of car parking assets and management of private funds that are oriented towards urban redevelopment, as well as for funding other potential investments by the Group in the future.

#### **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

Save for the fund raising activities mentioned below, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.



<u>Date of announcement</u>	<u>Fund raising activities</u>	<u>Net proceeds</u>	<u>Proposed use of the net proceeds</u>
24 July 2018	<ul style="list-style-type: none"> <li>Issue of 2,800,000,000 Shares and 600,000,000 Shares to Jingxi Holdings Limited and Rocket Parade Limited, respectively, under specific mandate (the “<b>Connected Subscription</b>”)</li> <li>Issue of 1,503,741,731 Shares to ORIX Asia Capital Limited under specific mandate (the “<b>Previous Subscription</b>”)</li> </ul>	Approximately HK\$1,218.2 million	<p>(i) the entire net proceeds from the Previous Subscription and 50% of the net proceeds from the Connected Subscription to invest in the Group’s car parking business and operations; and</p> <p>(ii) 50% of the net proceeds from the Connected Subscription to develop 新首鋼高端產業綜合服務區 (New Shougang High-end Industry Comprehensive Service Park*)</p>

As at the date of this announcement, the Company has not utilised any of the proceeds from the Connected Subscription and the Previous Subscription and intends to apply such proceeds as disclosed in the announcement of the Company.

## GENERAL

**Completion is subject to fulfilment of the conditions under the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“AGM”	the annual general meeting of the Company convened on 18 May 2018;
“Board”	the board of Directors;

“Business Day”	any day (excluding a Saturday or Sunday or public holiday in Hong Kong or the PRC) on which banks are generally open for business in Hong Kong, the PRC, the United States and Singapore;
“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;
“Completion”	completion of the Subscriptions;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot and issue up to 3,792,744,702 Shares, being 20% of the total number of Shares in issue as at the date of the AGM;
“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 PRC;
“HOPU”	Soteria Financial Investment Company Limited, a company incorporated in the British Virgin Islands with limited liability;
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Matrix Partners”	Matrix Partners China V Hong Kong Limited, a company incorporated in Hong Kong with limited liability;

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Red Avenue”	Red Avenue Investment Group Limited, a company incorporated in Hong Kong with limited liability;
“Share(s)”	ordinary share(s) of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribers”	collectively, HOPU, Red Avenue and Matrix Partners;
“Subscription Agreements”	collectively, the Subscription Agreement I, the Subscription Agreement II and the Subscription Agreement III;
“Subscription Agreement I”	the conditional subscription agreement dated 19 March 2019 entered into between the Company as issuer and HOPU as the subscriber for the subscription of 2,715,464,456 Shares at the Subscription Price;
“Subscription Agreement II”	the conditional subscription agreement dated 19 March 2019 entered into between the Company as issuer and Red Avenue as the subscriber for the subscription of 120,000,000 Shares at the Subscription Price;
“Subscription Agreement III”	the conditional subscription agreement dated 19 March 2019 entered into between the Company as issuer and Matrix Partners as the subscriber for the subscription of 548,578,678 Shares at the Subscription Price;
“Subscriptions”	subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements;
“Subscription Price”	HK\$0.25 per Subscription Share;
“Subscription Shares”	an aggregate of 3,384,043,134 Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements; and

“%”

per cent.

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

Hong Kong, 19 March 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.*

\* *for identification purpose only*