

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



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)

**(1) SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE**
**(2) CONNECTED TRANSACTION INVOLVING
SUBSCRIPTION OF NEW SHARES
UNDER SPECIFIC MANDATE**
**(3) SUBSCRIPTION OF CONVERTIBLE BONDS UNDER
SPECIFIC MANDATE**

**Financial Adviser to the Company in relation to the share subscription and
the CB Subscription under the Share Specific Mandate and
the CB Specific Mandate, respectively**



華泰金融控股(香港)有限公司
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 29 November 2019 (after trading hours), the Company entered into the Third Party Subscription Agreement with JD Fountain, pursuant to which JD Fountain has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 1,500,000,000 Subscription Shares at the Subscription Price of HK\$0.3 per Subscription Share. The total consideration payable by JD Fountain under the Third Party Subscription Agreement amounts to HK\$450,000,000.

CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On 29 November 2019 (after trading hours), the Company entered into the Connected Subscription Agreement with Shougang Holding, pursuant to which Shougang Holding has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 93,333,333 Subscription Shares at the Subscription Price of HK\$0.3 per Subscription Share. The total consideration payable by Shougang Holding under the Connected Subscription Agreement amounts to HK\$28,000,000.

SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 29 November 2019 (after trading hours), the Company entered into the CB Subscription Agreements with the CB Subscribers, pursuant to which the Company has conditionally agreed to issue, and the CB Subscribers have conditionally agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of HK\$1,231,685,000.

Completion of each of the Third Party Subscription Agreement, the Connected Subscription Agreement and the CB Subscription Agreements is subject to fulfilment of the conditions thereunder. As the Share Subscription and the CB Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 29 November 2019 (after trading hours), the Company entered into the Third Party Subscription Agreement with JD Fountain, pursuant to which JD Fountain has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 1,500,000,000 Subscription Shares at the Subscription Price of HK\$0.3 per Subscription Share. The total consideration payable by JD Fountain under the Third Party Subscription Agreement amounts to HK\$450,000,000.

Date: 29 November 2019 (after trading hours)

Parties: (1) the Company, as issuer; and
(2) JD Fountain, as subscriber

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

Subscription Shares

Pursuant to the Third Party Subscription Agreement, JD Fountain has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 1,500,000,000 Subscription Shares, representing:

- (1) approximately 5.47% of the existing total number of issued Shares of 27,428,933,903 Shares as at the date of this announcement;
- (2) approximately 5.19% of the enlarged total number of issued Shares of 28,928,933,903 Shares immediately following completion of the Third Party Subscription Agreement, assuming that no Shares will be issued other than the Subscription Shares thereunder;
- (3) approximately 5.17% of the enlarged total number of issued Shares of 29,022,267,236 Shares immediately following completion of the Share Subscription, assuming that no Shares will be issued other than the Subscription Shares; and
- (4) approximately 4.53% of the enlarged total number of issued Shares of 33,127,883,902 Shares immediately following completion of the Share Subscription, and the issue of the Conversion Shares upon full conversion of the Convertible Bonds, assuming that the Conversion Price is HK\$0.3 and no Shares will be issued other than the Subscription Shares and the Conversion Shares.

The Subscription Shares under the Third Party Subscription Agreement will be allotted and issued pursuant to the General Mandate, which has been granted to the Directors to allot and issue up to 5,485,786,780 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 under the Third Party Subscription Agreement, and the issue of the Subscription Shares under the Third Party Subscription Agreement is not subject to the approval of the Shareholders.

Conditions Precedent

Completion of the Third Party Subscription Agreement 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 of the Third Party Subscription Agreement (save for any temporary suspension or halt in trading pending the release of an announcement in connection with the Third Party Subscription Agreement), 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 Third Party Subscription Agreement or any reasons in connection with the transactions contemplated under the Third Party Subscription Agreement;

- (2) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Subscription Shares allotted and issued under the Third Party Subscription Agreement, and such approval not having been revoked before completion of the Third Party Subscription Agreement;
- (3) the compliance of any other requirements under the Listing Rules and all applicable laws, rules and regulations by each member of the Group in relation to the Third Party Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares thereunder);
- (4) the warranties, representations and undertakings given or made by the Company under the Third Party Subscription Agreement being true, correct and complete and not misleading when made and remaining and continuing to be true, correct and complete and not misleading as at the date of completion (except where the relevant warranty, representation or undertaking is stated to be expressed as at a different date);
- (5) there having been no circumstances which would give rise to any event, circumstance or effect or any combination of them which is, or which could reasonably be expected to be, materially adverse to the business, operations, business results or financial condition of the Group taken as a whole since the date of the Third Party Subscription Agreement; and
- (6) the delivery of the following documents to JD Fountain by the Company:
 - (i) certified copies of all consents and approvals that constitute the condition set forth in paragraph (2) above; and
 - (ii) a certified true copy of the resolutions of the Board which are in full force and effect, approving the Third Party Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares thereunder).

JD Fountain may at any time by notice in writing to the Company waive the conditions set out above (save for the conditions set out in paragraphs (1) to (3) above which are not waivable). If the above conditions are not fulfilled or waived (as the case may be) before the date falling one month after the date of the Third Party Subscription Agreement (or such other time and date as the parties thereto may agree), the Third Party Subscription Agreement will be automatically terminated and lapse. The parties to the Third Party Subscription Agreement will be released from all rights, obligations and liabilities thereunder, and shall not have any claim against each other, save for any antecedent breach of the terms thereof.

Completion

Completion of the Third Party Subscription Agreement will take place no later than the tenth business day after the last condition has been satisfied or waived, or such other date as the parties may agree in writing. At completion of the Third Party Subscription Agreement, the Company will allot and issue 1,500,000,000 Subscription Shares to JD Fountain (or its nominee, which is a wholly-owned subsidiary of JD Fountain, as appropriate), and JD Fountain will make payments either by delivery of a cashier's order or telegraphic transfer.

SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

On 29 November 2019 (after trading hours), the Company entered into the Connected Subscription Agreement with Shougang Holding, pursuant to which Shougang Holding has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 93,333,333 Subscription Shares at the Subscription Price of HK\$0.3 per Subscription Share. The total consideration payable by Shougang Holding under the Connected Subscription Agreement amounts to HK\$28,000,000.

Date: 29 November 2019 (after trading hours)

Parties: (1) the Company, as issuer; and
(2) Shougang Holding, as subscriber

Shougang Holding is a substantial shareholder of the Company, holding approximately 29.321% of the total number of issued Shares as at the date of this announcement.

Subscription Shares

Pursuant to the Connected Subscription Agreement, Shougang Holding has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 93,333,333 Subscription Shares, representing:

- (1) approximately 0.34% of the existing total number of issued Shares of 27,428,933,903 Shares as at the date of this announcement;
- (2) approximately 0.32% of the enlarged total number of issued Shares of 29,022,267,236 Shares immediately following completion of the Share Subscription, assuming that no Shares will be issued other than the Subscription Shares; and
- (3) approximately 0.28% of the enlarged total number of issued Shares of 33,127,883,902 Shares immediately following completion of the Share Subscription, and the issue of the Conversion Shares upon full conversion of the Convertible Bonds, assuming that the Conversion Price is HK\$0.3 and no Shares will be issued other than the Subscription Shares and the Conversion Shares.

The Subscription Shares under the Connected Subscription Agreement will be allotted and issued pursuant to the Share Specific Mandate to be sought at the GM.

Conditions Precedent

Completion of the Connected Subscription Agreement 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 of the Connected Subscription Agreement (save for any temporary suspension or halt in trading pending the release of any announcement or circular in connection with the Connected Subscription Agreement or any temporary suspension or halt in trading for not more than five consecutive business days after the date of the Connected Subscription Agreement), 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 Connected Subscription Agreement or any reasons in connection with the transactions contemplated under the Connected Subscription Agreement;
- (2) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Subscription Shares allotted and issued under the Connected Subscription Agreement, and such approval not having been revoked before completion of the Connected Subscription Agreement;
- (3) the compliance of any other requirements under the Listing Rules and all applicable laws, rules and regulations by each member of the Group in relation to the Connected Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares thereunder);
- (4) the Independent Shareholders having passed all necessary resolutions in the GM granting the Share Specific Mandate relating to the allotment and issue of the Subscription Shares under the Connected Subscription Agreement and approving, among other things, the Connected Subscription Agreement and the transactions contemplated thereunder (including but not limited to the issue and allotment of the Subscription Shares thereunder);
- (5) the warranties, representations and undertakings given or made by the Company under the Connected Subscription Agreement being true, correct and complete and not misleading when made and remaining and continuing to be true, correct and complete and not misleading as at the date of completion (except where the relevant warranty, representation or undertaking is stated to be expressed as at a different date);
- (6) there having been no circumstances which would give rise to any event, circumstance or effect or any combination of them which is, or which could reasonably be expected to be, materially adverse to the business, operations, business results or financial condition of the Group taken as a whole since the date of the Connected Subscription Agreement; and
- (7) the delivery of the following documents to Shougang HK by the Company:
 - (i) certified copies of all consents and approvals that constitute the condition set forth in paragraph (2) above; and

- (ii) a certified true copy of the resolutions of the Board which are in full force and effect, approving the Connected Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares thereunder).

Shougang Holding may at any time by notice in writing to the Company waive the conditions set out above (save for the conditions set out in paragraphs (1) to (4) above which are not waivable). If the above conditions are not fulfilled or waived (as the case may be) before the date falling six months after the date of the Connected Subscription Agreement (or such other time and date as the parties thereto may agree), the Connected Subscription Agreement will be automatically terminated and lapse. The parties to the Connected Subscription Agreement will be released from all rights, obligations and liabilities thereunder, and shall not have any claim against each other, save for any antecedent breach of the terms thereof.

Completion

Completion of the Connected Subscription Agreement will take place no later than the tenth business day after the last condition has been satisfied or waived, or such other date as the parties may agree in writing. At completion of the Connected Subscription Agreement, the Company will allot and issue 93,333,333 Subscription Shares to Shougang Holding, and Shougang Holding will make payment either by delivery of a cashier's order or telegraphic transfer.

Completion of each of the Third Party Subscription Agreement and the Connected Subscription Agreement are not inter-conditional.

SUBSCRIPTION PRICE AND SUBSCRIPTION SHARES

Subscription Price

The Subscription Price of HK\$0.3 per Subscription Share represents:

- (1) a discount of approximately 13.04% to the closing price of HK\$0.345 per Share as quoted on the Stock Exchange on the date of the Third Party Subscription Agreement and the Connected Subscription Agreement;
- (2) a discount of approximately 15.25% to the average closing price of HK\$0.354 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Third Party Subscription Agreement and the Connected Subscription Agreement; and
- (3) a discount of approximately 16.20% to the average closing price of HK\$0.358 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Third Party Subscription Agreement and the Connected Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Company and the Share Subscribers with reference to the historical price trend and trading volume of the Shares, the existing capital market conditions, the funding needs and financial and trading prospects of the Group's car parking assets operation and management and private fund management businesses, taking into account the synergistic effects, potential cooperation opportunities and development prospects that the Share Subscribers will bring to the Group.

Taking into account the expenses of the Share Subscription in the amount of approximately HK\$741,000, the net price per Subscription Share will be approximately HK\$0.3.

Subscription Shares

The Subscription Shares shall be free from any interest, claim or equity of any person (including any right to acquire, option or right of pre-emption or conversion) or any mortgage, charge, pledge, lien, encumbrances, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement, or any agreement to create any of the above, and with full legal and beneficial title, and together with all rights attaching to them as at the date of completion of the relevant share subscription agreement, with rights which rank *pari passu* to the Shares in issue, including the right to vote, to receive all distributions and dividends declared, made or paid on or after the date of completion of the relevant share subscription agreement.

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.

SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 29 November 2019 (after trading hours), the Company entered into the CB Subscription Agreements with the CB Subscribers, pursuant to which the Company has conditionally agreed to issue, and the CB Subscribers have conditionally agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of HK\$1,231,685,000.

The CB Subscription Agreements

Date: 29 November 2019 (after trading hours)

Parties:

- | | |
|--------------------------------|--|
| CB Subscription Agreement I: | (1) the Company, as issuer; and |
| | (2) ORIX Asia, as subscriber |
| CB Subscription Agreement II: | (1) the Company, as issuer; and |
| | (2) Matrix Partners V, as subscriber |
| CB Subscription Agreement III: | (1) the Company, as issuer; and |
| | (2) Matrix Partners V-A, as subscriber |

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the CB Subscribers and each of their ultimate beneficial owner(s) are Independent Third Parties. As at the date of this announcement, each of ORIX Asia, Matrix Partners V and Matrix Partners V-A holds 1,503,741,731, 496,902,567 and 51,676,111 Shares, representing approximately 5.482%, 1.812% and 0.188% of the total number of issued Shares, respectively.

Principal amount of the Convertible Bonds

Pursuant to the CB Subscription Agreements, each of the CB Subscribers conditionally agreed to subscribe for Convertible Bonds as follows:

	Principal amount of Convertible Bonds to be subscribed for (HK\$)
CB Subscribers	
ORIX Asia	1,115,000,000
Matrix Partners V	105,693,000
Matrix Partners V-A	10,992,000
Total	<u>1,231,685,000</u>

Conditions precedent

Completion of the CB Subscription Agreements shall be subject to and conditional upon, among others:

- (1) approval by way of ordinary resolutions at the GM in respect of the transactions contemplated under the CB Subscription Agreements and the related transaction documents including the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares, and the granting of authority to the Board to deal with all related matters under a specific mandate, and each such approval and authorisation remaining valid and effective;
- (2) the Listing Committee having granted the approval for the listing of and the permission to deal in all the Conversion Shares, and such approval remains valid and effective;
- (3) all authorisations (if any) which are required for the entering into or the performance of the obligations under the CB Subscription Agreements by the parties thereto having been obtained, all filings with any government authority and other relevant third party which are required for the entering into and the implementation of the CB Subscription Agreements having been made, all such authorisations remaining in full force and effect and there being no statement, notification or intimation of an intention to revoke or not to renew any such authorisation having been made;
- (4) no law having been enacted, adopted or issued by any government authority, and no order or judgment of any court or governmental, statutory or regulatory body having been issued or made prior to completion of the CB Subscription Agreements (and no legal or regulatory requirements remaining to be satisfied), in each case which has the effect of making unlawful or otherwise prohibiting the CB Subscription or any transactions contemplated by the CB Subscription Agreements or the related transaction documents;

- (5) with respect to the obligations of the CB Subscribers to effect completion of the CB Subscription Agreements only, the listing of the Shares not having been revoked and the Shares continuing to be listed on the Stock Exchange before completion of the CB Subscription Agreements (save for any temporary suspension or halt in trading pending the release of an announcement or circular in connection with the CB Subscription Agreements or any temporary suspension or halt in trading for not more than five consecutive business days after the date of the CB 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 CB Subscription Agreements and the related transaction documents or any reasons in connection with the transactions contemplated under the CB Subscription Agreements and the related transaction documents;
- (6) with respect to the obligations of the CB Subscribers to effect completion of the CB Subscription Agreements only, Shougang Group, the controlling shareholder of the Company, holding (whether directly or indirectly), the beneficial interest of not less than 12,633,903,865 Shares as at the date of completion;
- (7) with respect to the obligations of the CB Subscribers to effect completion of the CB Subscription Agreements only, save as disclosed in writing to the CB Subscribers, there not having occurred any change, circumstance or effect or any combination of them which is, or which could reasonably be expected to be, materially adverse to the business, operations, business results or financial condition of the Group taken as a whole since the date of the CB Subscription Agreements;
- (8) with respect to the obligations of the CB Subscribers to effect completion of the CB Subscription Agreements only, there not having occurred any breach of, or any event rendering untrue or inaccurate, any representation, warranty and undertaking under the CB Subscription Agreements in any material respect as of the date of completion (except where the relevant representation, warranty or undertaking is stated to be expressed as of a different date); and
- (9) with respect to the obligations of the Company to effect completion of the CB Subscription Agreements only, there not having occurred any breach of, or any event rendering untrue or inaccurate, any representation, warranty and undertaking provided by the CB Subscribers in the CB Subscription Agreements in any material respect as of the date of completion.

Under the CB Subscription Agreements, the CB Subscribers may waive (in whole or in part, whether conditionally or unconditionally) any of the conditions precedent (except for paragraphs (1) to (4) above) by notice in writing to the Company, and the Company may waive (in whole or in part, whether conditionally or unconditionally) the condition precedent set out in paragraph (9) above by notice in writing to the CB Subscribers.

If the conditions precedent set out in paragraphs (1) to (8) above have not been fulfilled (or, as the case may be, waived) by the date falling six months after the date of the CB Subscription Agreements (or such later date as the Company and the relevant CB Subscriber may agree in writing from time to time), the CB Subscribers may (by written notice to the Company) terminate the CB Subscription Agreements whereupon the CB Subscription Agreements shall lapse immediately and be of no further effect save for the rights, remedies and liabilities of the parties which have accrued before termination. If the conditions precedent set out in paragraphs (1) to (4) and (9) have not been fulfilled (or, as the case may be, waived) by the date falling six months after the date of the CB Subscription Agreements (or such later date as the Company and the relevant CB Subscriber may agree in writing from time to time), the Company may (by written notice to the CB Subscribers) terminate the CB Subscription Agreements whereupon the CB Subscription Agreements shall lapse immediately and be of no further effect save for the rights, remedies and liabilities of the parties which have accrued before termination.

COMPLETION

Completion of the CB Subscription Agreements will take place on the fifth business day after the last condition precedent is satisfied or waived (other than any condition precedent which is expressed to be fulfilled on or as at the date of completion, but subject to the fulfillment or waiver of such condition precedent), or such other date as the parties may agree in writing. The Company shall issue the Convertible Bonds to the CB Subscribers at completion of the CB Subscription Agreements.

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

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are summarised below:

Issuer:	The Company
Principal Amount:	HK\$1,231,685,000
Maturity Date:	The date falling on the second anniversary of the issue date of the Convertible Bonds
Interest:	The Convertible Bonds will carry no interest
Conversion Price:	The initial Conversion Price shall be HK\$0.3 per Conversion Share (subject to adjustments)

The Conversion Price of HK\$0.3 represents:

- (1) a discount of 13.04% to the closing price of HK\$0.345 per Share as quoted on the Stock Exchange on the date of the CB Subscription Agreements;

- (2) a discount of approximately 15.25% to the average closing price per Share of approximately HK\$0.354 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the CB Subscription Agreements; and
- (3) a discount of approximately 16.20% to the average closing price per Share of approximately HK\$0.358 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the CB Subscription Agreements.

The Conversion Price was arrived at based on arm's length negotiations between the parties with reference to the historical price trend and trading volume of the Shares, the existing capital market conditions, the funding needs and financial and trading prospects of the Group's car parking assets operation and management and private fund management businesses, taking into account the CB Subscribers' past investments in the Company which made great contribution to the Company's transformation and development, and the development prospects that the CB Subscribers will bring to the Group

Adjustment Events:

The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events, including the consolidation, subdivision and reclassification of Shares, capitalisation of profits or reserves, and payment of distributions

Conversion Shares:

Based on the initial Conversion Price and assuming full conversion of the Convertible Bonds at the initial Conversion Price, the Convertible Bonds will be convertible into 4,105,616,666 Conversion Shares, representing

- (1) approximately 14.97% of the total number of issued Shares of 27,428,933,903 Shares as at the date of this announcement; and
- (2) approximately 12.39% of the enlarged total number of issued Shares of 33,127,883,902 Shares immediately following completion of the Share Subscription, and upon full conversion of the Convertible Bonds, assuming no Shares will be issued other than the Subscription Shares and the Conversion Shares after the date of this announcement

The allotment and issuance of the Conversion Shares are subject to the granting of the CB Specific Mandate by the Shareholders at the GM

Conversion Period:	The period commencing from the issue date of the Convertible Bonds and expiring on the close of business on the earlier of: (i) the maturity date of the Convertible Bonds; or (ii) if the Convertible Bonds shall have been called for redemption prior to the maturity date, the close of business on the date which falls five business days prior to the date fixed for redemption thereof, provided that a Bondholder shall not be able to exercise its conversion right with respect to such conversion where solely as a result of, and to the extent that, the issue of Conversion Shares to the Bondholder upon such particular conversion, (x) the Company would cease to satisfy the public float requirement under the Listing Rules, or (y) a general offer obligation under the Hong Kong Code on Takeovers and Mergers in respect of the Shares would arise
Mandatory Conversion:	The Bondholders shall convert the Convertible Bonds if the closing prices of the Shares as quoted on the Stock Exchange in at least ten trading days out of any 20 consecutive trading days are higher than or equal to 115% of the prevailing Conversion Price during the conversion period
Transfer Restrictions:	The Convertible Bonds and the Conversion Shares shall not be transferred to a specific list of restricted transferees of the Company at any time
Redemption:	<p>Unless previously redeemed, converted and cancelled, the Company shall redeem all the Convertible Bonds then outstanding at the principal amount of such Convertible Bonds on the maturity date of the Convertible Bonds</p> <p>The Majority Bondholder(s) may exercise their redemption rights by written notice to the Company declaring that the outstanding amounts in respect of all the Convertible Bonds are immediately due and repayable if any of the events of default occurs</p>
Ranking:	Conversion Shares issued upon exercise of conversion rights attached to the Convertible Bonds shall rank <i>pari passu</i> with, and carry the same rights in all aspects (including the rights to dividends) as, the other Shares then in issue
Listing:	The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 27,428,933,903 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Third Party Subscription Agreement, assuming that no Shares will be issued other than the Subscription Shares thereunder; (iii) immediately after completion of the Share Subscription, assuming that no Shares will be issued other than the Subscription Shares; and (iv) immediately after completion of the Share Subscription, and upon full conversion of the Convertible Bonds, assuming that the Conversion Price is HK\$0.3 and no Shares will be issued other than the Subscription Shares and the Conversion Shares:

Name of Shareholder	As at the date of this announcement		Immediately after completion of the Third Party Subscription Agreement		Immediately after completion of the Share Subscription		Immediately after completion of the Share Subscription, and the allotment and issue of the Conversion Shares in full upon exercise of the conversion rights under the Convertible Bonds	
	Number of Shares	Approximate % shareholding	Number of Shares	Approximate % shareholding	Number of Shares	Approximate % shareholding	Number of Shares	Approximate % shareholding
Shougang Group and its subsidiaries (including Shougang Holding)	12,633,903,865	46.060	12,633,903,865	43.672	12,727,237,198	43.853	12,727,237,198	38.419
Soteria Financial Investment Company Limited	2,715,464,456	9.900	2,715,464,456	9.387	2,715,464,456	9.356	2,715,464,456	8.197
Rocket Parade Limited	2,677,425,528	9.761	2,677,425,528	9.255	2,677,425,528	9.225	2,677,425,528	8.082
ORIX Asia	1,503,741,731	5.482	1,503,741,731	5.198	1,503,741,731	5.181	5,220,408,397	15.758
JD Fountain	–	–	1,500,000,000	5.185	1,500,000,000	5.168	1,500,000,000	4.528
Matrix Partners V	496,902,567	1.812	496,902,567	1.718	496,902,567	1.712	849,212,567	2.563
Matrix Partners V-A	51,676,111	0.188	51,676,111	0.179	51,676,111	0.178	88,316,111	0.267
Liang Hengyi (Note)	3,880,000	0.014	3,880,000	0.013	3,880,000	0.013	3,880,000	0.012
Liu Jingwei (Note)	2,876,000	0.010	2,876,000	0.010	2,876,000	0.010	2,876,000	0.009
Wang Xin (Note) (together with his spouse)	1,200,000	0.004	1,200,000	0.004	1,200,000	0.004	1,200,000	0.004
Other Shareholders	7,341,863,645	26.769	7,341,863,645	25.379	7,341,863,645	25.300	7,341,863,645	22.161
Total	27,428,933,903	100.000	28,928,933,903	100.000	29,022,267,236	100.000	33,127,883,902	100.000

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

INFORMATION ON THE SHARE SUBSCRIBERS AND THE CB SUBSCRIBERS

Shougang Holding

Shougang Holding is a company incorporated in Hong Kong with limited liability and its principal business is investment holding. Shougang Holding is a substantial shareholder of the Company and a wholly-owned subsidiary of Shougang Group which is the controlling shareholder of the Company.

JD Fountain

JD Fountain is an investment holding company incorporated in Hong Kong and a wholly-owned subsidiary of 京東數字科技控股有限公司 (Jingdong Digital Technology Holdings Limited*, “**JD Digits**”) which is a leading digital technology company. JD Digits aims to connect the finance industry and the real economy through digital technology, boosting the influence of the internet, enhancing digital and smart industry development, fostering the development of the real economy and creating greater social value. With its cutting-edge technologies and expertise in big data, artificial intelligence, the Internet of Things and blockchain technology, JD Digits has been involved in various fields including finance, urban computing, agriculture, campus services and digital marketing. In the future, JD Digits will enter more real economy sectors and explore more deeply their current business patterns and future developing trends.

ORIX Asia

ORIX Asia is an investment holding company incorporated in Hong Kong and is a wholly-owned subsidiary of ORIX Corporation, a leading global financial institution which is dual-listed in both New York and Japan. ORIX Asia is a leading principal investment firm focusing on diversified investments including private equity, fund of funds, restructuring of PRC state-owned enterprises and structured financing. Its investment partners are global leading financial institutions and industrial forerunners.

Matrix Partners V

Matrix Partners V is an exempted limited partnership organised and existing under the laws of the Cayman Islands. The general partner of Matrix Partners V 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 V is principally engaged in the business of investment.

Matrix Partners V-A

Matrix Partners V-A is an exempted limited partnership organised and existing under the laws of the Cayman Islands and is principally engaged in the business of investment.

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 SHARE SUBSCRIPTION AND THE CB SUBSCRIPTION

With the efforts of its management team, the Group continues to strengthen its advantages in the businesses of management and operations of car parking assets and management of funds that are oriented towards urban redevelopment. The Share Subscription and the CB Subscription reserve and supplement funds for the rapid development of the Group's main businesses and the increase in the Group's market share. Compared with rights issue, open offer and debt financing, the Group is more inclined to obtain equity financing from strategic investors through the Share Subscription and the CB Subscription, which is more advantageous to the Group, as in addition to bringing funds, strategic investors also bring synergistic effects to the Group's main businesses, thereby better promoting the overall development of the Company's main businesses.

In the core cities of the PRC, the imbalance between the supply and demand of parking spaces is becoming increasingly notable. According to publicly available data, the shortage of parking spaces in the six districts of Beijing alone is as high as 850,000. At the same time, the utilisation efficiency of existing parking spaces is low and the quality of parking services is barely satisfactory. Accordingly, the parking industry in the PRC has vast market capacity and room for improvement. The car parks under the management of the Group are diverse in nature. Following the acquisition of management rights for the parking lot/building of Beijing Capital International Airport and the parking lot of Shanghai Pudong International Airport this year, the Group has taken the lead nationwide in the management of parking spaces for transportation hubs. The parking business of the Group also involves self-built parking buildings on urban nodes, parking lots/buildings in core commercial office areas and urban roadside parking lots, among others. The Group focuses on the development of urban node self-built parking buildings with the aim to replicate urban node self-built parking buildings in core cities of the PRC. The Group also conducts continuous system research and development and upgrade of parking operation and service models, and makes increasing investments in parking technology, thereby enabling the Group to establish an efficient, safe and unified parking operation and management model that is committed to comprehensively improving the efficiency and quality of parking services. The abovementioned parking products will be comprehensively promoted in the first- and second-tier cities targeted by the Group to fill the huge gap between supply and demand for parking spaces and improve the utilisation efficiency and experience of existing parking spaces.

China's economy is in the development stage of rebuilding and updating existing properties. The scale of existing properties in core cities is accumulating rapidly, and the market potential for urban renewal is huge. Relying on the high-quality resource endowment of 新首鋼高端產業綜合服務區(New Shougang High-end Industry Comprehensive Service Park*), the Group actively participated in the transformation and development of high-quality properties through setting up real estate funds, accumulated rich industrial experience, and introduced the National Social Security Fund as an important investor in its real estate funds this year. The Group will seize urban renewal market opportunities in core cities in the PRC with a view to acquiring more high-quality projects in the future.

Based on the abovementioned business development requirements, sufficient funds will need to be invested in the Group's operation development. The strategic investors subscribing for the Subscription Shares and Convertible Bonds agree with the Group's business development direction and strategy, and are optimistic about the Group's development prospects in car parking and urban redevelopment. The fund and synergistic effects that the strategic investors bring will contribute to better investment return for all the Shareholders.

The Directors (excluding (i) Mr. Zhao Tianyang, Mr. Xu Liang and Mr. Liang Hengyi (who, have abstained from voting in respect of the relevant Connected Subscription at the Board meeting) and (ii) the independent non-executive Directors who will form their views in respect of the Connected Subscription, Connected Subscription Agreement and the transactions contemplated thereunder after considering the advice of the independent financial adviser) consider that the terms and conditions of the Connected Subscription Agreement are in the interests of the Group and the Shareholders as a whole. The independent non-executive Directors (who have established Independent Board Committee) will express their views on terms of the Connected Subscription after considering the advice of the independent financial adviser to be contained in the circular.

The Directors (excluding Mr. Li Hao (who, by virtue of his connection with ORIX Asia, has abstained from voting in respect of the CB Subscription at the relevant board meeting)) consider that the terms and conditions of the Third Party Subscription Agreement (including the Subscription Price) and the CB Subscription Agreements (including the Conversion 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 Third Party Subscription Agreement are estimated to be approximately HK\$450,000,000 and HK\$449,804,000, respectively. The gross proceeds and net proceeds from the Connected Subscription Agreement are estimated to be approximately HK\$28,000,000 and HK\$27,455,000, respectively. The gross proceeds and net proceeds from the CB Subscription are estimated to be approximately HK\$1,231,685,000 and HK\$1,228,826,000, respectively. Accordingly, the aggregate gross proceeds and net proceeds from the Share Subscription and the CB Subscription are HK\$1,709,685,000 and HK\$1,706,085,000, respectively.

The Company intends to use the net proceeds from the Share Subscription and the CB Subscription for further expanding the Group's businesses in management and operation of car parking assets and urban renewal-oriented private fund management, as well as for 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.

Date of announcement	Fund raising activities	Net proceeds	Proposed use of the net proceeds
19 March 2019	Issue of 2,715,464,456, 496,902,567, 51,676,111 and 120,000,000 Shares to Soteria Financial Investment Company Limited, Matrix Partners V, Matrix Partners V-A and Red Avenue Investment Group Limited, respectively	Approximately HK\$845.4 million	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

As at the date of this announcement, the Company has not utilised any of the proceeds from the abovementioned fund raising activities and intends to apply such proceeds (i) to pay for part of the Group's committed capital injection and rental deposit and expenses for its business in management and operations of car parking assets in the aggregate amount of approximately HK\$615 million; and (ii) to pay for part of the Group's committed capital injection for its private fund management business in the aggregate amount of approximately HK\$1,843 million.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Shougang Group indirectly holds 46.060% of the total number of Shares in issue and is a connected person of the Company. Shougang Holding is a wholly-owned subsidiary of Shougang Group and indirectly holds 29.321% of the total number of Shares in issue, and hence a connected person of the Company. Therefore, Shougang Holding's subscription of Subscription Shares under the Connected Subscription Agreement constitutes a connected transaction for the Company and is subject to the announcement, reporting and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

Connected Subscription Agreement

The Company will seek approval from the Independent Shareholders at the GM for the Connected Subscription Agreement (including the grant of the Share Specific Mandate) and the transactions contemplated thereunder. Shougang Group, through its subsidiaries (including Shougang Holding), is interested in approximately 46.060% 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 resolution to approve the Connected Subscription Agreement (including the grant of the Share Specific Mandate) and the transactions contemplated thereunder. 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 Independent Board Committee comprising all the independent non-executive Directors have been formed to advise the Independent Shareholders on the Connected Subscription Agreement (including the grant of the Share Specific Mandate) and the transactions contemplated thereunder. Lego Corporate Finance Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

CB Subscription

Conversion Shares will be allotted and issued pursuant to the CB Specific Mandate upon conversion of the Convertible Bonds. The Company will seek approval from the Shareholders at the GM for the CB Subscription Agreements (including the grant of the CB Specific Mandate) and the transactions contemplated thereunder. As at the date of this announcement, each of ORIX Asia, Matrix Partners V and Matrix Partners V-A holds 1,503,741,731, 496,902,567 and 51,676,111 Shares, representing approximately 5.482%, 1.812% and 0.188% of the total number of issued Shares, respectively. ORIX Asia, Matrix Partners V and Matrix Partners V-A and their respective associates are regarded to have a material interest in the CB Subscription Agreements and will abstain from voting at the GM. 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.

Circular

A circular containing, among other things, (i) further details of the Connected Subscription Agreement and the transactions contemplated thereunder; (ii) the recommendations of the Independent Board Committee to the Independent Shareholders; (iii) the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) further details of the CB Subscription Agreements and the Convertible Bonds; and (v) a notice convening the GM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Completion of each of the Third Party Subscription Agreement, the Connected Subscription Agreement and the CB Subscription Agreements is subject to fulfilment of the conditions thereunder. As the Share Subscription and the CB Subscription 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 28 May 2019;
“Board”	the board of Directors;
“Bondholder(s)”	holder(s) of the Convertible Bonds;

“CB Specific Mandate”	the specific mandate to be sought from the Shareholders at the GM to allot and issue the Conversion Shares;
“CB Subscribers”	collectively, ORIX Asia, Matrix Partners V and Matrix Partners V-A, each a “ CB Subscriber ”;
“CB Subscription”	the subscription of Convertible Bonds under the CB Subscription Agreements;
“CB Subscription Agreement I”	the conditional subscription agreement dated 29 November 2019 entered into between the Company and ORIX Asia in relation to the subscription of Convertible Bonds in the principal amount of HK\$1,115,000,000;
“CB Subscription Agreement II”	the conditional subscription agreement dated 29 November 2019 entered into between the Company and Matrix Partners V in relation to the subscription of Convertible Bonds in the principal amount of HK\$105,693,000;
“CB Subscription Agreement III”	the conditional subscription agreement dated 29 November 2019 entered into between the Company and Matrix Partners V-A in relation to the subscription of Convertible Bonds in the principal amount of HK\$10,992,000;
“CB Subscription Agreements”	collectively, CB Subscription Agreement I, CB Subscription Agreement II and CB Subscription Agreement III;
“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;
“connected persons”	has the meaning ascribed thereto in the Listing Rules;
“Connected Subscription Agreement”	the conditional subscription agreement dated 29 November 2019 entered into between the Company as issuer and Shougang Holding as the subscriber for the subscription of 93,333,333 Shares at the Subscription Price;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Conversion Price”	the conversion price of the Convertible Bonds, initially being HK\$0.3 per Conversion Share (subject to adjustments);
“Conversion Shares”	Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds;
“Convertible Bonds”	the zero coupon convertible bonds in the aggregate principal amount of HK\$1,231,685,000 to be issued by the Company to the CB Subscribers pursuant to the CB Subscription Agreements;

“Director(s)”	the director(s) of the Company;
“Financial Adviser”	Huatai Financial Holdings (Hong Kong) Limited, the financial adviser to the Company in relation to the share subscription and the CB Subscription under the Share Specific Mandate and the CB Specific Mandate, respectively;
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot and issue up to 5,485,786,780 Shares, being 20% of the total number of Shares in issue as at the date of the AGM;
“GM”	the general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Connected Subscription Agreement (including the grant of the Share Specific Mandate) and the transactions contemplated thereunder, and the CB Subscription Agreements (including the grant of the CB Specific Mandate) and the transactions contemplated thereunder;
“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;
“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 in relation to the Connected Subscription Agreement (including the grant of the Share Specific Mandate) and the transactions contemplated thereunder;
“Independent Shareholders”	Shareholders other than Shougang Group and its associates;
“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;
“JD Fountain”	JD Fountain Technology (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability;

“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for considering applications for listing and the granting of listing on the Main Board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Majority Bondholder(s)”	a Bondholder or Bondholders together holding more than 50% of the aggregate principal amount of the Convertible Bonds outstanding at the relevant time;
“Matrix Partners V”	Matrix Partners China V, L.P., an exempted limited partnership organised and existing under the laws of the Cayman Islands;
“Matrix Partners V-A”	Matrix Partners China V-A, L.P., an exempted limited partnership organised and existing under the laws of the Cayman Islands;
“ORIX Asia”	ORIX Asia Capital Limited, a company incorporated in Hong Kong;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Share(s)”	ordinary share(s) of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the GM to allot and issue Subscription Shares under the Connected Subscription Agreement;
“Share Subscribers”	collectively, Shougang Holding and JD Fountain;
“Share Subscription”	the subscription of Subscription Shares under the Connected Subscription Agreement and the Third Party Subscription Agreement;
“Shougang Group”	首鋼集團有限公司 (Shougang Group Co., Ltd.*), a state-owned enterprise established in the PRC, and a controlling shareholder of the Company;
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of Shougang Group, and a substantial shareholder of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscription Price”	HK\$0.3 per Subscription Share;
“Subscription Shares”	an aggregate of 1,593,333,333 Shares to be subscribed by the Share Subscribers pursuant to the Third Party Subscription Agreement and the Connected Subscription Agreement;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Third Party Subscription Agreement”	the conditional subscription agreement dated 29 November 2019 entered into between the Company as issuer and JD Fountain as the subscriber for the subscription of 1,500,000,000 Shares at the Subscription Price;
“%”	per cent.

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

Hong Kong, 29 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.

* for identification purpose only