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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)

CONVERSION OF CONVERTIBLE BONDS

Reference is made to the announcements of Shougang Concord International Enterprises Company Limited (the “**Company**”) dated 29 November 2019 and 17 January 2020, and the circular of the Company dated 23 December 2019 (the “**Circular**”) in relation to, among other things, the CB Subscription Agreements. Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 17 January 2020, the Company received a conversion notice from each of Matrix Partners V and Matrix Partners V-A in relation to the exercise of the conversion rights attaching to the Convertible Bonds to convert the Convertible Bonds in the principal amount of HK\$105,693,000 and HK\$10,992,000, respectively, at the Conversion Price of HK\$0.3 per Conversion Share (the “**Conversion**”). Accordingly, on 20 January 2020, 352,310,000 and 36,640,000 Conversion Shares (the “**Conversion Shares**”), representing approximately 1.214% and 0.126% of the total number of issued Shares immediately before the Conversion and approximately 1.198% and 0.125% of the total number of issued Shares as enlarged by the issue of the Conversion Shares, were allotted to Matrix Partners V and Matrix Partners V-A, respectively, in accordance with the terms and conditions of the Convertible Bonds. Upon completion of the Conversion, the aggregate outstanding principal amount of the Convertible Bonds will be reduced to HK\$1,115,000,000.

The Conversion Shares shall rank *pari passu* with, and carry the same rights in all aspects (including the rights to dividends) as, the other Shares in issue as at the date of the allotment and among themselves in all respects.

The shareholding structure of the Company immediately before and after the Conversion and the issue of the Conversion Shares is set out below:

Name of Shareholder	Immediately before the Conversion and the issue of the Conversion Shares		Immediately after the Conversion and the issue of the Conversion Shares	
	Number of Shares	Approximate % shareholding	Number of Shares	Approximate % shareholding
Shougang Group and its subsidiaries (including Shougang Holding)	12,727,237,198	43.853	12,727,237,198	43.273
Soteria Financial Investment Company Limited	2,715,464,456	9.356	2,715,464,456	9.233
Rocket Parade Limited	2,677,425,528	9.225	2,677,425,528	9.103
ORIX Asia and its subsidiary	1,503,741,731	5.181	1,503,741,731	5.113
JD Fountain Technology (Hong Kong) Limited	1,500,000,000	5.168	1,500,000,000	5.100
Matrix Partners V	496,902,567	1.712	849,212,567	2.887
Matrix Partners V-A	51,676,111	0.178	88,316,111	0.300
Liang Hengyi (<i>Note</i>)	3,880,000	0.013	3,880,000	0.013
Liu Jingwei (<i>Note</i>)	2,876,000	0.010	2,876,000	0.010
Wang Xin (<i>Note</i>) (together with his spouse)	1,200,000	0.004	1,200,000	0.004
Other Shareholders	7,341,863,645	25.300	7,341,863,645	24.964
Total	29,022,267,236	100.000	29,411,217,236	100.000

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

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

Hong Kong, 20 January 2020

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 Yin-hui, 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.