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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

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On 14 February 2020 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber 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 the Subscriber under the Subscription Agreement amounts to HK\$450,000,000.

The Subscription Shares represent (i) approximately 4.528% of the existing total number of issued Shares of 33,127,883,902 Shares as at the date of this announcement; and (ii) approximately 4.332% of the enlarged total number of issued Shares of 34,627,883,902 Shares immediately following Completion, assuming that there will be no change in the total number of issued Shares (other than the issue of the Subscription Shares) between the date of this announcement and Completion.

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

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Date: 14 February 2020 (after trading hours)

Parties: (1) the Company, as issuer; and
(2) the Subscriber

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties, save that as at the date of this announcement, NWS Holdings, the company of which the Subscriber is its indirect wholly-owned subsidiary, is interested in 2,677,425,528 Shares, representing approximately 8.082% of the total number of issued Shares.

Subscription Shares

Pursuant to the Subscription Agreement, the Subscriber 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 4.528% of the existing total number of issued Shares of 33,127,883,902 Shares as at the date of this announcement; and
- (2) approximately 4.332% of the enlarged total number of issued Shares of 34,627,883,902 Shares immediately following Completion, assuming that there will be no change in the total number of issued Shares (other than the issue of the Subscription Shares) between the date of this announcement and Completion.

Subscription Price

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

- (1) a discount of approximately 15.49% to the closing price of HK\$0.355 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (2) a discount of approximately 13.54% to the average closing price of HK\$0.347 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Subscription Agreement; and
- (3) a discount of approximately 13.67% to the average closing price of HK\$0.348 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber 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 Subscriber will bring to the Group.

Taking into account the expenses of the Subscription in the amount of approximately HK\$200,000, the net price per Subscription Share will be approximately HK\$0.3.

Ranking of the Subscription Shares

The Subscription Shares shall be free from any liens, charges, encumbrances, option, warrant, preemptive right or security interest, adverse claims 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* in all respects among themselves and to other Shares in issue, including the right to receive all dividends and other distributions declared, made or paid at any time on or after the date of Completion.

Conditions Precedent

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 and at Completion (save for any temporary suspension or halt in trading pending the release of an announcement in connection with the 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 Subscription Agreement or any reasons in connection with the transactions contemplated under the Subscription Agreement;
- (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 and at 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 Agreement and the transactions contemplated thereunder (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 Agreement and the transactions contemplated thereunder (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 Agreement 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 Agreement on the business, operations, assets, liabilities (including contingent liabilities), financial condition or financial results of the Group taken as a whole.

The Subscriber 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 one month after the date of the Subscription Agreement (or such other time and date as the parties thereto may agree), the Subscription Agreement will be automatically terminated and lapse. The parties to the Subscription Agreement will be released from all rights, obligations and liabilities thereunder, and

shall not have any claim against each other for costs, damages, compensation or otherwise, save for any antecedent breach of the terms thereof.

Completion

Completion will take place on 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, the Company will allot and issue 1,500,000,000 Subscription Shares to the Subscriber, and the Subscriber will make payments either by delivery of a cashier's order or telegraphic transfer.

GENERAL MANDATE

The Subscription Shares 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 allotted and issued 1,500,000,000 Shares under the General Mandate, and the remaining balance of the General Mandate is 3,985,786,780 Shares. 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 33,127,883,902 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 issued Shares (other than the issue of the Subscription Shares) between the date of this announcement and Completion:

Name of Shareholder	As at the date of this announcement		Immediately after Completion	
	<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	12,727,237,198	38.419	12,727,237,198	36.754
ORIX Asia Capital Limited and its subsidiary	5,220,408,397	15.758	5,220,408,397	15.076
Soteria Financial Investment Company Limited	2,715,464,456	8.197	2,715,464,456	7.842
Rocket Parade Limited (<i>Note 1</i>)	2,677,425,528	8.082	2,677,425,528	7.732

Name of Shareholder	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate % shareholding</i>	<i>Number of Shares</i>	<i>Approximate % shareholding</i>
The Subscriber (<i>Note 1</i>)	-	-	1,500,000,000	4.332
Liang Hengyi (<i>Note 2</i>)	3,880,000	0.012	3,880,000	0.011
Liu Jingwei (<i>Note 2</i>)	2,876,000	0.009	2,876,000	0.008
Wang Xin (<i>Note 2</i>) (together with his spouse)	1,200,000	0.004	1,200,000	0.003
Other Shareholders	<u>9,779,392,323</u>	<u>29.520</u>	<u>9,779,392,323</u>	<u>28.241</u>
Total	<u><u>33,127,883,902</u></u>	<u><u>100.000</u></u>	<u><u>34,627,883,902</u></u>	<u><u>100.000</u></u>

Note 1: Each of Rocket Parade Limited and the Subscriber is an indirect wholly-owned subsidiary of NWS Holdings.

Note 2: Liang Hengyi, Liu Jingwei and Wang Xin are Directors.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a life insurance company incorporated in Bermuda with limited liability, and an indirect wholly-owned subsidiary of NWS Holdings whose shares are listed on the Stock Exchange with stock code 659. NWS Group is principally engaged in (i) the development of, investment in and/or operation of roads, commercial aircraft leasing, construction and insurance; and (ii) the investment in and/or operation of environmental and logistics projects, facilities and transport.

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 SUBSCRIPTION

With the rapid development of China's economy over the last forty years, the auto industry has developed rapidly, and China's car ownership has been growing constantly and still has large growth potential. The shortage of parking spaces and quality parking services have become prominent day by day. The Group is deeply aware that the parking industry will face significant transformation. How to provide efficient and convenient parking services to car owners and to fill the huge parking space shortage in the PRC are urgent issues to be solved.

Focusing on the development opportunities in the parking industry, the Group has devoted all its efforts to the research and development of parking products, and constantly carried out iterative improvement. It has achieved breakthroughs in different product forms such as three-dimensional parking, among others. As disclosed in the Company's announcement dated 29 January 2020, the Group's regional static traffic solutions have been implemented in Baoding, Hebei Province, the PRC. Regional static traffic solutions have always been one of the Group's key products and have been previously implemented in Yanqing District and Daxing District in Beijing, Tangshan in Hebei Province, and Qinhuai District in Nanjing. The acquisition of Baoding City-level projects signifies that the Group's regional static traffic solutions product is becoming more mature and reproducible. For different types of traffic conditions in different cities, the Company has the capability to speedily introduce mature static intelligent traffic solutions and provide comfortable and convenient travel services including parking service for the public.

In addition, the Group is also devoting itself to the real estate development of 新首鋼高端產業綜合服務區 (New Shougang High-end Industry Comprehensive Service Park (“**Shougang Park**”)). The fund managed by the Group won the bid for the land use rights of certain prescribed land in Shougang Park through its project company in December 2019. As an important urban renewal project, the Shougang Park project is positioned as an international 5A-Class modern intelligent office building. The Group will cooperate with internationally renowned industrial park development companies to attract high-quality tenants including global technology unicorn companies and multinational large-scale enterprise groups.

The Group adheres to the goal of becoming the best parking asset operation and management company and urban renewal fund management company in the PRC and will continue to expand its investments in these industries and expand its market share. The expansion of the Group's businesses requires abundant capital. The Company has considered different forms of fund-raising, namely rights issue, open offer and debt financing. Compared with the above-mentioned forms, the Company is more inclined to obtain equity financing from strategic investors who will bring synergistic effects to the Group's main businesses.

The parking and urban renewal business can generate anti-cycle stable cash flow and stable dividend, which conforms to the Subscriber's strategy. The Share Subscription will bring the capital and resources required for the Group's development, which will contribute to better investment return for the Shareholders.

The Directors (excluding Mr. Ho Gilbert Chi Hang who, by virtue of his being an executive director of NWS Holdings and a non-executive director of the Subscriber, has abstained from voting in respect of the Board resolutions proposed to approve the Subscription) consider that the terms and conditions of the Subscription Agreement (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 Subscription Agreement are estimated to be approximately HK\$450,000,000 and HK\$449,800,000, respectively.

The Company intends to use the net proceeds from the Subscription as follows:

- (1) approximately HK\$269.9 million, or 60% of the net proceeds, will be used to invest in the Group's car parking business, part of which will be used for the Group's existing capital injection commitment, rental deposit and construction expenditure, and the remaining will be used for the development of new car parking assets, especially in transportation hubs,

which the Group hopes will further expand its leading advantage in this segment;

- (2) approximately HK\$112.4 million, or 25% of the net proceeds, will be used to invest in the Group's fund management business; and
- (3) approximately HK\$67.5 million, or 15% of the net proceeds, will be used as general working capital and to seize business opportunities.

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>
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 China V, L.P. (" Matrix Partners V "), Matrix Partners China V-A, L.P. (" 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
29 November 2019	Issue of 1,500,000,000 Shares to JD Fountain Technology (Hong Kong) Limited	Approximately HK\$449.8 million	<ol style="list-style-type: none"> (1) approximately 60% will be used to invest in the Group's car parking business, part of which will be used for the Group's existing capital injection commitment, rental deposit and construction expenditure, and the remaining will be used for the development of new car parking assets, especially in transportation hubs, which the Group hopes will further expand its leading advantage in this segment; (2) approximately 25% will be used to invest in the Group's fund management business; and (3) the remaining 15% will be used as general working capital and to seize business opportunities

<u>Date of announcement</u>	<u>Fund raising activities</u>	<u>Net proceeds</u>	<u>Proposed use of the net proceeds</u>
17 January 2020	<ul style="list-style-type: none"> • Issue of 93,333,333 Shares to Shougang Holding (Hong Kong) Limited • Issue of convertible bonds in the aggregate principal amount of HK\$1,231,685,000 to Mountain Tai Peak I Investment Limited (a wholly-owned subsidiary of ORIX Asia Capital Limited), Matrix Partners V and Matrix Partners V-A 	Approximately HK\$1,256.3 million	<p>(1) approximately HK\$753.8 million, or 60% of the net proceeds, will be used to invest in the Group’s car parking business, part of which will be used for the Group’s existing capital injection commitment, rental deposit and construction expenditure, and the remaining will be used for the development of new car parking assets, especially in transportation hubs, which the Group hopes will further expand its leading advantage in this segment;</p> <p>(2) approximately HK\$314.1 million, or 25% of the net proceeds, will be used to invest in the Group’s fund management business; and</p> <p>(3) approximately HK\$188.4 million, or 15% of the net proceeds, will be used as general working capital and to seize business opportunities</p>

As at the date of this announcement, approximately HK\$503 million has been used to pay for part of the Group’s committed capital injection and rental deposit and expenses for the Group’s business in management and operations of car parking assets. The residual proceeds have not been utilised, and the Group 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\$112 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.

GENERAL

Completion is subject to fulfilment of the conditions thereunder. As the 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;
“Business Day”	any day (excluding a Saturday or Sunday or public holiday in Hong Kong or the PRC or a day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which banks are generally open for business in Hong Kong and the PRC;
“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 Subscription;
“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 5,485,786,780 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;
“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;
“NWS Group”	NWS Holdings together with its subsidiaries;
“NWS Holdings”	NWS Holdings Limited, the issued shares of which are listed on the Stock Exchange (stock code: 659);

“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);
“Subscriber”	FTLife Insurance Company Limited, a company incorporated in Bermuda with limited liability;
“Subscription”	subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement;
“Subscription Agreement”	the conditional subscription agreement dated 14 February 2020 entered into between the Company as issuer and the Subscriber for the subscription of 1,500,000,000 Subscription Shares at the Subscription Price;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$0.3 per Subscription Share;
“Subscription Shares”	an aggregate of 1,500,000,000 Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement; and
“%”	per cent.

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

Hong Kong, 14 February 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 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 purposes only*