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## SHOUGANG CONCORD CENTURY HOLDINGS LIMITED

首長寶佳集團有限公司

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 103)

### COMPLETION OF ISSUE OF HK\$150,000,000 4% CONVERTIBLE BONDS DUE 2022 (EXTENDABLE TO 2024) UNDER SPECIFIC MANDATE

The Board is pleased to announce that all the conditions precedent under the Subscription Agreement have been fulfilled. Completion of the Subscription Agreement took place and the Convertible Bonds in the principal amount of HK\$150,000,000 were issued to the Subscriber on 11 February 2019.

References are made to the notice of the GM (the “**GM Notice**”) and the circular (the “**Circular**”) both dated 11 January 2019 of Shougang Concord Century Holdings Limited (the “**Company**”). Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

### COMPLETION OF ISSUE OF CONVERTIBLE BONDS

The Board is pleased to announce that all conditions precedent under the Subscription Agreement have been fulfilled. Completion of the Subscription Agreement took place and the Convertible Bonds in the principal amount of HK\$150,000,000 were issued to Jingxi Holdings, on 11 February 2019.

The approval for the listing of, and permission to deal in, the Conversion Shares upon the exercise of the Convertible Bonds has been granted by the Listing Committee.

To the best of the Director’s knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, Jingxi Holdings is a wholly-owned subsidiary of Shougang Fund, which is in turn a wholly-owned subsidiary of Shougang Group. As at the date of this announcement, Shougang Group is a controlling Shareholder interested in an aggregate of 906,719,179 Shares, representing approximately 47.15% of the total number of issued Shares. Therefore, Jingxi Holdings is a connected person of the Company.

The net proceeds from the Subscription, after deducting the costs and expenses of approximately HK\$1 million, are approximately HK\$149,000,000 and are expected to be used as follows: (i) as to approximately HK\$37.3 million for repaying interest-bearing borrowings with higher interest rate of the Group (excluding borrowings provided by Shougang HK and its related party(ies)); (ii) as to approximately HK\$110.0 million for funding the capital investment for the TESC Phase II Project subject to the construction cost and time needed to supplement the production need for both Tengzhou Eastern and Jiaxing Eastern; and (iii) as to approximately HK\$1.7 million, being the remaining proceeds for supplementing general working capital.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,922,900,556 Shares in issue. Set out below are the shareholding structures of the Company as at the date of this announcement and immediately after full conversion of the Convertible Bonds into the Conversion Shares, assuming there is no other change in the existing shareholdings of the Company and the total number of issued Shares until the full conversion of the Convertible Bonds:

| Name of Director or Shareholder                              | As at the date of this announcement |              | Immediately after full exercise of the Conversion Rights attaching to the Convertible Bonds (Note 2) |              |
|--|-------------------------------------|--------------|--|--------------|
|  | Number of Shares                    | Approx. %    | Number of Shares   | Approx. %    |
| <b>Director</b>  |                                     |              |  |              |
| Tang Cornor Kwok Kau   | 10,000,000                          | 0.52         | 10,000,000   | 0.42         |
| <b>Controlling and substantial Shareholders</b>              |                                     |              |  |              |
| Shougang Group and its controlled corporations (Notes 1 & 2) | 906,719,179                         | 47.15        | 1,361,264,633  | 57.26        |
| Bekaert Combustion Technology B.V.                           | 250,000,000                         | 13.00        | 250,000,000  | 10.52        |
| Public Shareholders  | 756,181,377                         | 39.33        | 756,181,377  | 31.80        |
| <b>Total</b>   | <b>1,922,900,556</b>                | <b>100.0</b> | <b>2,377,446,010</b>   | <b>100.0</b> |

*Notes:*

1. Shougang Group is the ultimate holding company of Shougang HK, it is deemed to be interested in the 6,456,000 Shares held by Shougang HK and by virtue of the SFO, it is deemed to be interested in the 126,984,000 Shares and the 74,254,000 Shares held by Able Legend Investments Limited (“**Able Legend**”) and Prime Success Investments Limited (“**Prime Success**”) respectively as Able Legend and Prime Success are Shougang HK’s wholly owned subsidiaries and Shougang Group is deemed to be interested in the 12,370,000 Shares held by Lyre Terrace Management Limited, a subsidiary of Shougang Concord Grand (Group) Limited (Stock code: 730) (“**Shougang Grand**”) as Shougang Group is the ultimate holding company of Shougang Grand. Shougang Group is also deemed to be interested in the 135,721,936 Shares held by Fair Union Holdings Limited (“**Fair Union**”), the 148,537,939 Shares held by Richson Limited (“**Richson**”) and the 402,395,304 Shares held by Casula Investments Limited (“**Casula**”) whereas Richson and Casula are wholly-owned by Fair Union and Fair Union is wholly owned by Shougang Concord International Enterprises Company Limited (Stock code: 697) (“**Shougang International**”) as Shougang Group is the ultimate holding company of Shougang International. On 21 November 2018, Shougang HK and Shougang International entered into a sale and purchase agreement whereby Shougang HK agreed to acquire the entire issued share capital of Fair Union from Shougang International. Upon completion of the said share transfer (which has not taken place as at the date of this announcement), Shougang International will cease to hold any share of Fair Union and thus any direct or indirect interest in the Shares. Fair Union will become a wholly-owned subsidiary of Shougang HK and the interest in the Shares held by Shougang HK will remain unchanged at approximately 47.15%. For details, please refer to the announcement of the Company and the announcement of Shougang International both dated 21 November 2018.
2. The shareholdings of the Company set out in the above table are for illustration purpose only. As one of the Conversion Restrictions is that any exercise of the Conversion Rights shall not trigger any mandatory offer obligation under Rule 26 of the Takeovers Code, Jingxi Holdings will not be able to exercise its Conversion Rights to the extent that the voting rights held by Shougang Group and its associates shall increase by more than 2% within any 12 month period pursuant to the 2% creeper rule under Rule 26.1 of the Takeovers Code.

By order of the Board  
**Shougang Concord Century Holdings Limited**  
**Su Fanrong**  
*Chairman and Managing Director*

Hong Kong, 11 February 2019

*As at the date of this announcement, the Board comprises the following Directors:*

*Mr. Su Fanrong (chairman and managing Director), Mr. Tang Cornor Kwok Kau (deputy managing Director), Mr. Liao Jun (non-executive Director), Mr. Yip Kin Man, Raymond (independent non-executive Director), Mr. Law, Yui Lun (independent non-executive Director) and Mr. Lam Yiu Kin (independent non-executive Director).*