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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shougang Concord International Enterprises Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES
RE-ELECTION OF RETIRING DIRECTORS
APPOINTMENT OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice of annual general meeting of Shougang Concord International Enterprises Company Limited to be held at 11:20 a.m. on Friday, 18 May 2018 at The Residence, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong is set out on pages 18 to 22 of this circular. Whether or not you are able to attend the meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the meeting (i.e., at or before 11:20 a.m. on Wednesday, 16 May 2018 (Hong Kong Time)), or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

16 April 2018

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

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| “Annual General Meeting” | the annual general meeting of the Company to be held at 11:20 a.m. on Friday, 18 May 2018 at The Residence, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong or any adjournment thereof |
| “Audit Committee” | the audit committee of the Board, which was established in December 1998 |
| “Board” | the board of Directors |
| “close associate(s)” | has the same meaning as ascribed to it under the Listing Rules |
| “Companies Ordinance” | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time |
| “Company” | Shougang Concord International Enterprises Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange |
| “controlling shareholder” | has the same meaning as ascribed to it under the Listing Rules |
| “core connected person” | has the same meaning as ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Executive Committee” | the executive committee of the Board, which was established in February 2005 |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

DEFINITIONS

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|---------------------------|---|
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Latest Practicable Date” | 6 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange and any amendments thereto |
| “Nomination Committee” | the nomination committee of the Board, which was established in February 2005 |
| “PRC” | the People’s Republic of China but excluding, for the purpose of this circular, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan |
| “Remuneration Committee” | the remuneration committee of the Board, which was established in February 2005 |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of the Company |
| “Shareholder(s)” | the holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subsidiary(ies)” | subsidiary(ies) for the time being of the Company within the meaning of the Companies Ordinance |
| “Takeovers Code” | Code on Takeovers and Mergers |
| “%” | per cent. |

LETTER FROM THE BOARD



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)

Directors:

Zhao Tianyang (*Chairman*)
Li Shaofeng (*Vice Chairman*)
Liang Hengyi (*Managing Director*)
Shu Hong (*Deputy Managing Director*)
Leung Shun Sang, Tony (*Non-executive Director*)
Liu Jingwei (*Non-executive Director*)
Li Yinhui (*Non-executive Director*)
Kan Lai Kuen, Alice (*Independent Non-executive Director*)
Wong Kun Kim (*Independent Non-executive Director*)
Leung Kai Cheung (*Independent Non-executive Director*)
Zhang Quanling (*Independent Non-executive Director*)

Registered Office:

7th Floor
Bank of East Asia Harbour
View Centre
56 Gloucester Road
Wanchai
Hong Kong

16 April 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES
RE-ELECTION OF RETIRING DIRECTORS
APPOINTMENT OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

(1) INTRODUCTION

The purpose of this circular is to provide the Shareholders with details regarding the proposals for (i) granting of general mandates to the Directors to issue and buy back Shares; (ii) re-election of retiring Directors; and (iii) appointment of Directors, and to give the Shareholders notice of the Annual General Meeting. Such proposals will be dealt with at the Annual General Meeting.

LETTER FROM THE BOARD

(2) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the Annual General Meeting, separate ordinary resolutions will be proposed to renew the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding in aggregate 20% of the total number of Shares in issue at the date of passing of such resolution; (ii) to buy back Shares not exceeding 10% of the total number of Shares in issue at the date of passing of such resolution; and (iii) to add the aggregate number of the Shares bought back by the Company to the general mandate to the Directors to allot new Shares of up to 20% of the total number of Shares in issue.

The mandates to issue and buy back Shares granted at the annual general meeting held on 26 May 2017 will lapse at the conclusion of the Annual General Meeting. Resolutions Nos. 7 to 9 set out in the notice of Annual General Meeting will be proposed at the Annual General Meeting to renew these mandates. With reference to these resolutions, the Directors wish to state that they have no present intention to buy back any Shares or to issue any new Shares pursuant to the relevant mandates.

Based on 18,963,723,510 Shares in issue as at the Latest Practicable Date and assuming that there is no change to the number of issued Shares prior to the Annual General Meeting, subject to the passing of the relevant ordinary resolutions to approve the mandate to issue Shares at the Annual General Meeting, the Directors will be authorised to allot and issue up to a limit of 3,792,744,702 Shares under the general mandate to issue Shares.

If approved by the Shareholders at the Annual General Meeting, the general mandate to issue Shares will continue in force until the earlier of (i) the conclusion of the next annual general meeting of the Company following the passing of the resolution referred to herein; or (ii) the revocation or variation of the general mandate to issue Shares by an ordinary resolution of the Shareholders in general meeting.

The explanatory statement, required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to buy back the Shares (the “Share Buy-back Mandate”) is set out in the Appendix to this circular which contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

LETTER FROM THE BOARD

(3) RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 93 of the articles of association of the Company, Mr. Zhao Tianyang, Mr. Liang Hengyi, Mr. Liu Jingwei, Dr. Li Yinhui and Ms. Zhang Quanling will be subject to, and offer themselves for, re-election at the Annual General Meeting of the Company. In accordance with article 102(A) of the Company's articles of association, Mr. Leung Shun Sang, Tony and Ms. Kan Lai Kuen, Alice will retire at the Annual General Meeting, and both of them will not offer themselves for re-election due to their other engagements.

Details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out as follows:

Mr. Zhao Tianyang, aged 37, holds a bachelor degree in science, a master degree in economics from Peking University and an executive master of business administration (EMBA) degree from Cheung Kong Graduate School of Business. Mr. Zhao was appointed an Executive Director and the Chairman of the Board in January 2018 and is the chairman of each of the Executive Committee and the Nomination Committee. Mr. Zhao joined Shougang Group Co., Ltd. ("Shougang Group") in December 2011. He is the assistant to general manager of Shougang Group, a director of Shougang Holding (Hong Kong) Limited ("Shougang Holding"), the general manager of Beijing Shougang Fund Co., Ltd. ("Shougang Fund") and the assistant to the supervisor of the corporate bond regulatory department of The China Securities Regulatory Commission. Both Shougang Holding and Shougang Fund are wholly-owned subsidiaries of Shougang Group. Each of Shougang Group, Shougang Holding and Shougang Fund is a substantial shareholder of the Company within the meaning of Part XV of the SFO. Prior to joining Shougang Group, Mr. Zhao worked in Beijing Municipal Commission of Development and Reform and in Peking University. Mr. Zhao does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years. Save as disclosed above, he does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Zhao has extensive experience in company operation and management, investment and capital operation.

A service agreement was entered into between Mr. Zhao and a wholly-owned subsidiary of the Company for a term commencing on 6 January 2018 and ending on 31 December 2019. Under the service agreement, Mr. Zhao is entitled to a salary and discretionary bonus as may be determined by the Board or its delegated committee(s) from time to time. Mr. Zhao declined any salary from the Group voluntarily.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Zhao did not have any interests in the Shares.

LETTER FROM THE BOARD

In relation to the proposed re-election of Mr. Zhao as a Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Liang Hengyi, aged 44, holds a master degree in economics and a doctor of philosophy degree in management, and is a senior economist. Mr. Liang was appointed an Executive Director and the Managing Director of the Company in January 2018 and is a member of the each of the Executive Committee and the Nomination Committee. Mr. Liang was the managing director of Shougang Fund, a wholly-owned subsidiary of Shougang Group. He also served as the general manager of non-fare business unit of Beijing Infrastructure Investment Co., Ltd., the general manager of Beijing Capital Investment Rail Transit Assets Management Company and the president of Beijing Urban Underground Space Development and Construction Co., Ltd. Mr. Liang does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years. Save as disclosed above, he does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

A service agreement was entered into between Mr. Liang and a wholly-owned subsidiary of the Company for a term commencing on 6 January 2018 and ending on 31 December 2019. Under the service agreement, Mr. Liang is entitled to a salary and discretionary bonus as may be determined by the Board or its delegated committee(s) from time to time. For the financial year 2018, Mr. Liang's monthly salary is HK\$220,000. Such salary was determined by the Remuneration Committee with reference to Mr. Liang's experience and duties as well as the then prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Liang did not have any interests in the Shares.

In relation to the proposed re-election of Mr. Liang as a Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

Mr. Liu Jingwei, aged 50, graduated from the School of Economics of Beijing Forestry University in 1989 and from Shanghai Advanced Institute of Finance with a master degree in 2016. He is a PRC Certified Public Accountant and a member of the registration committee of the Beijing Institute of Certified Public Accountants. Mr. Liu was appointed a Non-executive Director of the Company in January 2018 and is a member of Audit Committee. Mr. Liu currently serves as a senior partner of Shinewing Certified Public Accountants and is an external director of Shougang Group. Shougang Group is a substantial shareholder of the Company within the meaning of Part XV of the SFO. He is an independent non-executive director of China Nonferrous Mining Corporation Limited, a Hong Kong listed company, an independent director of Shanghai Yaohua Pilkington Glass Group Co., Ltd., a company listed on the Shanghai Stock Exchange, and an independent director of Guiyang Longmaster Information & Technology Co., Ltd. (貴陽朗瑪信息技術股份有限公司), a company listed on the Shenzhen Stock Exchange. Mr. Liu was an independent director of Jinxi Axle Company Limited, a company listed on the Shanghai Stock Exchange from September 2010 to March 2017 and was an independent director of Xuzhou Kerong Environmental Resources Co., Ltd. (徐州科融環境資源股份有限公司), a company listed on the Shenzhen Stock Exchange from August 2016 to April 2017. Save as disclosed above, Mr. Liu does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

An engagement letter was entered into with Mr. Liu for a term commencing on 6 January 2018 and ending on 31 December 2019. Under the engagement letter, Mr. Liu is entitled to a director's fee as may be determined by the Board from time to time. For the financial year 2018, the director's fee of Mr. Liu is HK\$250,000 for a full year which will be paid in proportion to the actual length of services provided by Mr. Liu. Such director's fee was determined by the Board with reference to Mr. Liu's experience and duties as well as the then prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Liu did not have any interests in the Shares.

In relation to the proposed re-election of Mr. Liu as a Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

Dr. Li Yinhui, aged 50, obtained a bachelor degree in arts (history) and a doctorate degree in world economy from the Jilin University in 1991 and 2001 respectively, and a master degree in business administration from the Nanjing University in 1997. He completed his postdoctoral research in China Centre for International Economic Exchanges in 2016. Dr. Li was appointed a Non-executive Director of the Company in January 2018 and is a member of each of the Audit Committee and the Remuneration Committee. Dr. Li is a non-executive director and the chairman of China Fire Safety Enterprise Group Limited, a Hong Kong listed company, and is the vice-president of China International Marine Containers (Group) Co., Ltd., a company listed on both Shenzhen and the Stock Exchange. Save as disclosed above, Dr. Li does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Dr. Li has extensive experience in managing large-scale enterprises.

An engagement letter was entered into with Dr. Li for a term commencing on 6 January 2018 and ending on 31 December 2019. Under the engagement letter, Dr. Li is entitled to a director's fee as may be determined by the Board from time to time. For the financial year 2018, the director's fee of Dr. Li is HK\$310,000 for a full year which will be paid in proportion to the actual length of services provided by Dr. Li. Such director's fee was determined by the Board with reference to Dr. Li's experience and duties as well as the then prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Dr. Li did not have any interests in the Shares.

In relation to the proposed re-election of Dr. Li as a Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

Ms. Zhang Quanling, aged 44, holds a bachelor degree in arts. Ms. Zhang was appointed an Independent Non-executive Director of the Company in January 2018 and is a member of each of the Nomination Committee and the Remuneration Committee. Ms. Zhang joined China Central Television in 1997 and has hosted the famous programmes such as "Oriental Horizon", "Focus Interview". She participated in numerous news live coverage and was awarded the Golden Microphone Awards, the Golden Eagle Awards, the Fan Changjiang Journalism Award, the most prestigious journalism award in China, and the 19th top ten Outstanding Chinese Youths. Ms. Zhang currently is the founding partner of Ziniu Fund. Ms. Zhang does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Ms. Zhang has extensive experience in news media, brand building and strategic planning.

LETTER FROM THE BOARD

An engagement letter was entered into with Ms. Zhang for a term commencing on 6 January 2018 and ending on 31 December 2019. Under the engagement letter, Ms. Zhang is entitled to a director's fee as may be determined by the Board from time to time. For the financial year 2018, the director's fee of Ms. Zhang is HK\$230,000 for a full year which will be paid in proportion to the actual length of services provided by Ms. Zhang. Such director's fee was determined by the Board with reference to Ms. Zhang's experience and duties as well as the then prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Ms. Zhang does not have any interests in the Shares.

In relation to the proposed re-election of Ms. Zhang as a Director, there is no information which is discloseable nor is/was she involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

Ms. Zhang, being an Independent Non-executive Director of the Company, has provided a confirmation of her independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee and the Board are satisfied that Ms. Zhang has the required character, integrity and experience to continue fulfilling the role of an Independent Non-executive Director and consider Ms. Zhang to be independent. Furthermore, given the extensive knowledge and experience of Ms. Zhang, the Nomination Committee and the Board believe that her re-election as a Director is in the best interests of the Company and the Shareholders, and therefore recommend the Shareholders to re-elect Ms. Zhang as a Director. A separate resolution will be proposed for her re-election at the Annual General Meeting.

(4) APPOINTMENT OF DIRECTORS

In accordance with article 105 of the articles of association of the Company, the Company proposes to appoint Dr. Wang Xin, Mr. Choi Fan Keung Vic and Mr. Deng Yougao as independent non-executive Directors, subject to the Shareholders' approval by way of separate ordinary resolutions to be proposed at the Annual General Meeting.

Details of the Directors proposed to be appointed at the Annual General Meeting are set out as follows:

Dr. Wang Xin, aged 40, is an associate professor of accounting at the Faculty of Business and Economics, the University of Hong Kong ("HKU"). Dr. Wang joined HKU in 2011 and was awarded a tenured position by HKU due to his excellent academic performance in 2014. Before he joined HKU, Dr. Wang worked at the Chinese University of Hong Kong from 2006 to 2011.

LETTER FROM THE BOARD

Dr. Wang received his Ph.D. degree in accounting from Duke University in 2006 and obtained a bachelor degree and a Master degree in accounting from Tsinghua University in 1999 and 2001 respectively.

He has research interests in the fields of executive compensation, financial disclosure quality, corporate governance and insider trading. His papers were published on various world-leading academic journals, such as Journal of Accounting and Economics, The Accounting Review, Contemporary Accounting Research and Review of Accounting Studies.

Dr. Wang teaches the course of Management Accounting for the IMBA program. Dr. Wang has teaching experience in several accounting courses, including Introductory Financial Accounting, and Intermediate Financial Accounting I and II. He also teaches (as one of co-instructors) the Ph.D. course of Research Methods for Business Studies.

Dr. Wang has been appointed as an independent non-executive director of China First Chemical Holdings Limited, a Hong Kong listed company with stock code 2121, since 2015.

Save as disclosed above, Dr. Wang does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Dr. Wang has confirmed his independence pursuant to Rule 3.13 of the Listing Rules.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Dr. Wang does not have any interests in the Shares.

Subject to Shareholders' approval of Dr. Wang's appointment, Dr. Wang will enter into an engagement letter with the Company for a term commencing from the conclusion of the Annual General Meeting (18 May 2018) and ending on 31 December 2019. As a Director, Dr. Wang will subject to retirement by rotation and re-election at the annual general meetings in accordance with the articles of association of the Company. Under the engagement letter, Dr. Wang is entitled to a director's fee as may be determined by the Board from time to time. Dr. Wang will be entitled to a director's fee of HK\$330,000 for a full year which will be paid in proportion to the actual length of services provided by Dr. Wang. Such director's fee was determined by the Board with reference to Dr. Wang's experience and duties as well as the then prevailing market conditions.

LETTER FROM THE BOARD

In relation to the proposed appointment of Dr. Wang as an independent non-executive Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 1.51(2) (h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Choi Fan Keung Vic, aged 53, has over 30 years of experience in compliance management, prevention and control of commercial crime and investigation. Mr. Choi has served as the General Counsel of Marlin Investment Company Limited since May 2017. From January 2016 to May 2017, Mr. Choi was appointed as the General Counsel of the Group of Imperial Pacific International Holdings Limited, a Hong Kong listed company with stock code 1076. From 2006 to 2014, Mr. Choi served as Deputy Head of Compliance, Area Compliance Officer in China and Head of Compliance with HSBC Bank (China) Co. Ltd., where he managed over 160 compliance officers and was responsible for regulatory compliance and prevention and control of financial crime in over 60 cities in China.

Mr. Choi has extensive experience in legal practice and, crime investigation and prosecution. Mr. Choi worked at Clifford Chance and Herbert Smith from 2002 to 2006 and was specialized in compliance, anti-money laundering, anti-fraud and corporate finance and other advisory work. Mr. Choi served in the Hong Kong Police Force from 1984 to 2001 and was a Senior Inspector from 1989 to 2001.

Mr. Choi is a solicitor of the High Court of Hong Kong. Mr. Choi obtained a bachelor degree, postgraduate certificate in Laws and a master degree from the University of Hong Kong in 1997, 1998 and 2001 respectively and is member of the Association of Certified Fraud Examiners.

Save as disclosed above, Mr. Choi does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Choi has confirmed his independence pursuant to Rule 3.13 of the Listing Rules.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Choi does not have any interests in the Shares.

LETTER FROM THE BOARD

Subject to Shareholders' approval of Mr. Choi's appointment, Mr. Choi will enter into an engagement letter with the Company for a term commencing from the conclusion of the Annual General Meeting (18 May 2018) and ending on 31 December 2019. As a Director, Mr. Choi will be subject to retirement by rotation and re-election at the annual general meetings in accordance with the articles of association of the Company. Under the engagement letter, Mr. Choi is entitled to a director's fee as may be determined by the Board from time to time. Mr. Choi will be entitled to a director's fee of HK\$310,000 for a full year which will be paid in proportion to the actual length of services provided by Mr. Choi. Such director's fee was determined by the Board with reference to Mr. Choi's experience and duties as well as the then prevailing market conditions.

In relation to the proposed appointment of Mr. Choi as an independent non-executive Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 1.51(2) (h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Deng Yougao, aged 51, is the chairman of the board and the general manager of Shenzhen City Weishi Chengzhang Investment Management Co., Ltd. (深圳市唯實成長投資管理有限公司). Mr. Deng has also been appointed as a supervisor of Shanghai Xinyi Darongxun Electronic Shares Co., Ltd. (上海市心意答融訊電子股份有限公司), a company listed on the National Equities Exchange and Quotations System with stock code 836587, since 2015, a supervisor of Shenzhen Qianhai Shi Xin Technology Co., Ltd. (深圳市前海識心科技有限公司) since 2018 and an independent non-executive director of Success Dragon International Holdings Limited, a Hong Kong listed company with stock code 1182, since 2018.

Mr. Deng was a director and the deputy general manager of Shenzhen Coolead Energy Polytron Technologies Inc. (深圳市嘉力達節能科技股份有限公司) from 2012 to 2016, and was the deputy chairman and the chairman of the board of Shenzhen Nantian Electric Power Co., Ltd. (深圳南天電力有限公司) from 2004 to 2008. Mr. Deng served as director, secretary of the board of directors and in other senior management roles at Shenzhen Hongkai Group Company Limited (深圳市鴻基(集團)股份有限公司), a company listed on the Shenzhen Stock Exchange with stock code 000040 and now known as Tunghsu Azure Renewable Energy Co., Ltd. (東旭藍天新能源股份有限公司), from 1994 to 2004.

Mr. Deng obtained a master degree in Business Economics from the Institute of Finance and Economics of Jiangxi (江西財經學院), now known as Jiangxi University of Finance and Economics (江西財經大學), in 1994 and a bachelor degree in Shipbuilding Engineering from Harbin Shipbuilding Engineering Institute (哈爾濱船舶工程學院), now known as Harbin Engineering University (哈爾濱工程大學), in 1988.

LETTER FROM THE BOARD

Save as disclosed above, Mr. Deng does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Deng has confirmed his independence pursuant to Rule 3.13 of the Listing Rules.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Deng does not have any interests in the Shares.

Subject to Shareholders' approval of Mr. Deng's appointment, Mr. Deng will enter into an engagement letter with the Company for a term commencing from the conclusion of the Annual General Meeting (18 May 2018) and ending on 31 December 2019. As a director of the Company, Mr. Deng will subject to retirement by rotation and re-election at the annual general meetings in accordance with the articles of association of the Company. Under the engagement letter, Mr. Deng is entitled to a director's fee as may be determined by the Board from time to time. Mr. Deng will be entitled to a director's fee of HK\$270,000 for a full year which will be paid in proportion to the actual length of services provided by Mr. Deng. Such director's fee was determined by the Board with reference to Mr. Deng's experience and duties as well as the then prevailing market conditions.

In relation to the proposed appointment of Mr. Deng as an independent non-executive Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 1.51(2) (h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

(5) ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out in this circular. At the Annual General Meeting, in addition to the ordinary businesses of the meeting, resolutions will be proposed to approve the general mandates for the issue and buy back by the Company of its own Shares. In accordance with the requirements of the Listing Rules, all votes at the Annual General Meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands.

LETTER FROM THE BOARD

A form of proxy for the Annual General Meeting is enclosed herewith. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event not later than 48 hours before the time appointed for holding the Annual General Meeting (i.e., at or before 11:20 a.m. on Wednesday, 16 May 2018 (Hong Kong Time)), or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting (as the case may be) should you so wish.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the relevant resolutions to be proposed at the Annual General Meeting.

(6) RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

(7) RECOMMENDATION

The Directors consider that the proposals for (i) granting of general mandates to the Directors to issue and buy back Shares; (ii) re-election of retiring Directors; and (iii) appointment of Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the Annual General Meeting in respect thereof.

Yours faithfully,

For and on behalf of

Shougang Concord International Enterprises Company Limited

Zhao Tianyang

Chairman

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Share Buy-back Mandate.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHAREHOLDERS' APPROVAL

All proposed buy-back of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by special approval of a particular transaction. The Company's sole listing is on the Stock Exchange.

2. SOURCE OF FUNDS

Buying back of Shares must be funded out of funds legally available for the purpose in accordance with the articles of association of the Company and the Companies Ordinance. The Companies Ordinance provides that a company may make a payment in respect of a share buy-back out of the company's distributable profits and/or the proceeds of a fresh issue of shares made for the purpose of the buy-back to such extent allowable under the Companies Ordinance.

3. EXERCISE OF THE SHARE BUY-BACK MANDATE

The Shares proposed to be bought back by the Company must be fully paid up. Under the Listing Rules, the total number of shares which a company is authorised to buy back on the Stock Exchange is shares representing up to a maximum of 10% of the total number of Shares in issue as at the date of the resolution granting such general mandate. Exercise in full of the Share Buy-back Mandate, on the basis of 18,963,723,510 Shares in issue as at the Latest Practicable Date and assuming there is no change to the number of issued Shares prior to the Annual General Meeting, could result in up to 1,896,372,351 Shares, which represents 10% of the total number of Shares in issue as at the Latest Practicable Date, being bought back by the Company during the period from the passing of the resolution granting the Share Buy-back Mandate up to the conclusion of the next annual general meeting of the Company or the expiration of the period within the next annual general meeting of the Company as required by the applicable laws of Hong Kong to be held, or when revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever occurs first.

4. REASONS FOR THE BUY-BACK

Although the Directors have no present intention of buying back any Shares, they believe that it is in the best interests of the Company and the Shareholders to have a general authority from Shareholders to enable the Directors to buy-back Shares on the market. Such buy back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such buy-back will benefit the Company and the Shareholders.

5. FUNDING OF THE BUY-BACK

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the articles of association of the Company and the applicable laws of Hong Kong.

The exercise in full of the Share Buy-back Mandate might have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in its most recent published audited accounts for the year ended 31 December 2017. However, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company.

6. GENERAL

- (a) None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates has any present intention, in the event that the Share Buy-back Mandate is approved by the Shareholders to sell the Shares to the Company or its Subsidiaries.
- (b) The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.
- (c) If on exercise of the power to buy back Shares pursuant to the Share Buy-back Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for purposes of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Shougang Group, through its subsidiaries held approximately 61.88% of the total number of Shares in issue. In the event that the Share Buy-back Mandate is exercised in full and no further Shares are issued during the proposed buy-back period, the total number of Shares held by the subsidiaries of Shougang Group will increase to approximately 68.75% of the total number of Shares in issue, and will not give rise to an obligation to make a mandatory general offer under the Takeovers Code.

- (d) The Company has not bought back any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date and will not buy back its Shares if public float is less than 25%.
- (e) No core connected person has notified the Company that he or she has a present intention to sell Shares to the Company, and no core connected person has undertaken not to sell any of Shares held by him or her to the Company, in the event that the Share Buy-back Mandate is approved by the Shareholders.
- (f) The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months were as follows:

| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
|---|-------------------------------|------------------------------|
| 2017 | | |
| April | 0.270 | 0.244 |
| May | 0.255 | 0.239 |
| June | 0.270 | 0.240 |
| July | 0.290 | 0.242 |
| August | 0.320 | 0.265 |
| September | 0.305 | 0.228 |
| October | 0.243 | 0.226 |
| November | 0.246 | 0.226 |
| December | 0.231 | 0.208 |
| 2018 | | |
| January | 0.247 | 0.222 |
| February | 0.255 | 0.213 |
| March | 0.244 | 0.210 |
| April (up to the Latest Practicable Date) | 0.222 | 0.213 |

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shougang Concord International Enterprises Company Limited (the “Company”) will be held at 11:20 a.m. on Friday, 18 May 2018 at The Residence, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong for the following purposes:

1. To receive the report of the directors and the audited financial statements for the year ended 31 December 2017.
2. To re-elect the following retiring directors as directors of the Company (each as a separate resolution):
 - (a) Mr. Zhao Tianyang
 - (b) Mr. Liang Hengyi
 - (c) Mr. Liu Jingwei
 - (d) Dr. Li Yinhui
 - (e) Ms. Zhang Quanling
3. To appoint Dr. Wang Xin as an independent non-executive director.
4. To appoint Mr. Choi Fan Keung Vic as an independent non-executive director.
5. To appoint Mr. Deng Yougao as an independent non-executive director.
6. To re-appoint auditor and to authorise the directors to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) any scrip dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the total number of shares of the Company in issue as at the date of passing this resolution; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws or rules to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or any class thereof (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any territories outside Hong Kong).”

8. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors during the Relevant Period of all the powers of the Company to buy back issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited, and that the exercise by the directors of all the powers of the Company to buy back such shares subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and it is hereby generally and unconditionally approved;
- (b) in addition, the approval in paragraph (a) above shall authorise the directors on behalf of the Company during the Relevant Period to procure the Company to buy back its shares at a price determined by the directors;
- (c) the aggregate number of shares bought back or agreed conditionally or unconditionally to be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this resolution, and the authority pursuant to paragraph (a) shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws or rules to be held; and
- (iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company in general meeting.”

9. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolution no. 8 as set out in the notice convening this meeting of which this resolution forms part, the aggregate number of shares of the Company which are bought back by the Company pursuant to and in accordance with the said resolution no. 8 shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to and in accordance with resolution no. 7 as set out in the notice convening this meeting of which this resolution forms part.”

By Order of the Board
Shougang Concord International Enterprises Company Limited
Leung Yuen Chee Sara
Company Secretary

Hong Kong, 16 April 2018

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) With respect to Resolution 2 above, Mr. Zhao Tianyang, Mr. Liang Hengyi, Mr. Liu Jingwei, Dr. Li Yinhui and Ms. Zhang Quanling will retire from office at the above meeting pursuant to the articles of association of the Company and, being eligible, offer themselves for re-election at the above meeting.
- (2) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
- (3) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
- (4) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting (i.e., at or before 11:20 a.m. on Wednesday, 16 May 2018 (Hong Kong Time)), or any adjourned meeting thereof (as the case may be).
- (5) The register of members of the Company will be closed from Monday, 14 May 2018 to Friday, 18 May 2018 (both days inclusive) to determine the entitlement to attend and vote at the above meeting. During such period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 11 May 2018 for registration.
- (6) Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (7) Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereof.