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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTIES

The Board is pleased to announce that on 9 October 2017, the Vendor (a direct wholly-owned subsidiary of the Company), the Purchasers and the Agent entered into the Provisional Sale and Purchase Agreements, pursuant to which the Vendor agreed to sell the Properties to the Purchasers at an aggregate consideration of HK\$28,000,000.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Provisional Sale and Purchase Agreements is/are more than 5% but less than 25%, the disposal of the Properties on an aggregated basis constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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A summary of the salient terms of the Provisional Sale and Purchase Agreements is set out below:

THE PROVISIONAL SALE AND PURCHASE AGREEMENTS

Save for the particulars of the Property, the consideration for the sale and purchase thereof and the Purchaser, the terms of the three Provisional Sale and Purchase Agreements are substantially the same.

Date: 9 October 2017

Parties: Hing Cheong (as the Vendor)

Tam Bros & Sis (as the Purchaser in respect of the Provisional Sale and Purchase Agreement for Workshop 3), Extra Billion (as the Purchaser in respect of the Provisional Sale and Purchase Agreement for Lorry Parking Space) and Yau Man (as the Purchaser in respect of the Provisional Sale and Purchase Agreement for Workshop 2)

Hong Yip (as the Agent)

Hing Cheong is a direct wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchasers, the Agent and their ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

Subject matter

Pursuant to each of the Provisional Sale and Purchase Agreements, the Vendor agreed to sell and the Purchaser agreed to purchase the Properties upon the terms contained therein. The Vendor and the Purchasers will thereafter enter into the Formal Sale and Purchase Agreements on or before 20 October 2017.

The Properties include two workshops on the ground floor of TCL Tower located at No. 8 Tai Chung Road, Tsuen Wan, New Territories and a lorry parking space at the basement of the same building.

Each of the Properties will be sold on "as is" basis.

Consideration

The aggregate consideration for the sale and purchase of the Properties is HK\$28,000,000, which was determined after arm's length negotiations between the Vendor and the Purchasers with reference to (i) the prevailing market price of the adjacent properties quoted by certain property agents; and (ii) the value assessed by an independent qualified valuer engaged by Hing Cheong's principal bank.

The Directors (including the independent non-executive Directors) are of the view that the disposal of the Properties, including the consideration, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to the Provisional Sale and Purchase Agreements, the consideration shall be payable by the Purchasers to the Vendor in the following manner:

- (i) an initial deposit of an aggregate of HK\$1,400,000 has been paid by the Purchasers to the Vendor's solicitors as stakeholder upon signing of the Provisional Sale and Purchase Agreements;
- (ii) a further deposit of an aggregate of HK\$1,400,000 will be paid by the Purchasers to the Vendor's solicitors as stakeholder upon signing of the Formal Sale and Purchase Agreements; and
- (iii) the remaining balance of the consideration of HK\$25,200,000 will be paid by the Purchasers to the Vendor's solicitors upon completion of the disposals under the Formal Sale and Purchase Agreements.

Completion of the sale and purchase of the Properties will take place on or before 11 December 2017.

There is no condition imposed on the disposal of the Properties. Completion of the sale and purchase of the Properties are not inter-conditional upon each other.

INFORMATION ON THE COMPANY AND THE PARTIES TO THE PROVISIONAL SALE AND PURCHASE AGREEMENTS

The Company

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing of steel cord and the processing and trading of copper and brass products.

Hing Cheong

Hing Cheong is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company. It is principally engaged in the processing and trading of copper and brass products.

Tam Bros & Sis, Extra Billion and Yau Man

Each of Tam Bros & Sis, Extra Billion and Yau Man is a company incorporated in Hong Kong with limited liability and is principally engaged in vehicle repair. Tam Bros & Sis, Extra Billion and Yau Man are related companies.

Hong Yip

Hong Yip is a company incorporated in Hong Kong with limited liability and is principally engaged in provision of property agency services.

INFORMATION OF THE PROPERTIES

The Properties include two workshops on the ground floor of TCL Tower located at No. 8 Tai Chung Road, Tsuen Wan, New Territories and a lorry parking space at the basement of the same building. One workshop is currently used as office of Hing Cheong and the other workshop and lorry parking space are leased for rental income.

The carrying value of the Properties as at 30 June 2017 as shown in the unaudited consolidated financial statements of the Group for the six months ended 30 June 2017 was approximately HK\$14.5 million. An unaudited estimated gain of approximately HK\$13.1 million (after deducting relevant transaction costs and expenses of approximately HK\$400,000 for the disposals) representing the premium of the consideration over the carrying value of the Properties as at 30 June 2017) is expected to accrue to the Group upon completion. The actual gain arising from the disposal of the Properties will be calculated by deducting the carrying value of the Properties at the date of completion of the disposals thereof from the net consideration.

Two out of the three Properties (that is, Workshop 3 and Lorry Parking Space) were rented out for the period between 1 December 2016 and 31 December 2021 for Workshop 3 and for the period between 1 February 2017 and 31 January 2019 for Lorry Parking Space. The monthly rent for the lease of Workshop 3 is HK\$30,723 during the tenure of the lease with a 10% upward adjustment during the fourth year and a further 8% upward adjustment during the fifth year. The lease is subject to a rent-free period between 1 December and 31 December 2016. The monthly rent for the lease of Lorry Parking Space is HK\$5,300 during the tenure of the lease.

REASONS FOR THE DISPOSAL OF THE PROPERTIES

Taking into account the recent prevailing property market conditions in commercial properties in Hong Kong, the Board is of the view that the disposal of the Properties provides a good opportunity for the Group to realise the investment in the Properties at a gain and the proceeds from the disposals will further enhance the financial position of the Group. The proceeds from the disposal of the Properties are intended to be applied as general working capital and repayment of debts of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Provisional Sale and Purchase Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Provisional Sale and Purchase Agreements is/are more than 5% but less than 25%, the disposal of the Properties on an aggregated basis constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Agent” or “Hong Yip”	Hong Yip Properties Agency Limited, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“Company”	Shougang Concord Century Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 103)
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extra Billion”	Extra Billion Investment Ltd., a company incorporated in Hong Kong with limited liability
“Formal Sale and Purchase Agreements”	the formal sale and purchase agreements to be entered into between the Vendor and the Purchasers in relation to the sale and purchase of the Properties
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lorry Parking Space”	Lorry Parking Space No. L3 on the Basement, TCL Tower, No. 8 Tai Chung Road, Tsuen Wan, New Territories

“PRC”	the People’s Republic of China, which, for the purpose of this announcement, does not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Properties”	Workshop 2, Workshop 3 and the Lorry Parking Space
“Provisional Sale and Purchase Agreements”	the three provisional sale and purchase agreements all dated 9 October 2017 among the Vendor, the Purchasers and the Agent in relation to the sale and purchase of the Properties
“Purchasers”	Tam Bros & Sis, Extra Billion and Yau Man, and “Purchaser” means any one of them
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tam Bros & Sis”	Tam Bros & Sis Ltd., a company incorporated in Hong Kong with limited liability
“Vendor” or “Hing Cheong”	Hing Cheong Metals (China & Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“Workshop 2”	Workshop 2 on G/F, TCL Tower, No. 8 Tai Chung Road, Tsuen Wan, New Territories
“Workshop 3”	Workshop 3 on G/F, TCL Tower, No. 8 Tai Chung Road, Tsuen Wan, New Territories
“Yau Man”	Yau Man Investment Ltd., a company incorporated in Hong Kong with limited liability
“%”	per cent.

By order of the Board
Shougang Concord Century Holdings Limited
Li Shaofeng
Chairman

Hong Kong, 9 October 2017

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

Mr. Li Shaofeng (Chairman), Mr. Yang Kaiyu (Managing Director), Mr. Su Fanrong (Executive Deputy Managing Director), Mr. Leung Shun Sang, Tony (Non-executive 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).