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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)

**INSIDE INFORMATION  
MEMORANDUM OF UNDERSTANDING IN RELATION TO INVESTMENT  
IN CONSTRUCTION PROJECT**

This announcement is made by Shougang Concord Century Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (the “**Inside Information Provisions**”) (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

**BACKGROUND**

References are made to the announcements of the Company dated 14 February 2018 and 12 March 2018 (the “**Announcements**”) in relation to, among others, the Group’s acquisition of the land use rights of three parcels of land with area of brownfield sites reaching 237,855 square meters, which are located at the west side of its factory plant, situated at 1 Dong Fang Road, Tengzhou Economic Development Zone, Shandong Province, the People’s Republic of China (the “**Lands**”) for use as steel cord plant site in view to expand the Group’s production capacity, and the rescission notice (the “**Rescission Notice**”) issued by Tengzhou Municipal State-owned Land Resources Bureau (滕州市國土資源局) in late November 2017 regarding the rescission of confirmation letter in respect of successful bidding of state-owned land for construction (《國有建設用地掛牌出讓成交確認書》) regarding the Lands in the state of being idle and the possible surrender of the Lands by the Group.

**PROPOSED INVESTMENT**

As disclosed in the Announcements, after receipt of the Rescission Notice, the Group had carried out negotiations with the governmental authorities in Tengzhou. On 12 April 2019, the parties reached a preliminary consensus on the maintenance of the land use rights of the Lands by the Group, and the Company and the Management Committee of Tengzhou Economic Development Zone (滕州經濟開發區管理委員會) (the “**Committee**”) entered into a non-legally binding framework memorandum of

understanding (the “MOU”) in relation to the investment in the construction project to be carried out on the Lands. The Committee is a governmental organization in Tengzhou Economic Development Zone. To the best knowledge, information and belief of the board of directors of the Company, having made all reasonable enquiry, the Committee is independent of the Group.

Pursuant to the MOU, the Company shall invest in construction of the production lines with an annual capacity of 100,000 tonnes steel cords (of which the construction project of production lines with annual capacity of 20,000 tonnes of brass wires (half-products or work in progress of steel cords) is an integral part) on the Lands (the “**Proposed Investment**”). The construction project shall commence in the first half of 2019 and be carried out by phases according to the market conditions and the financial capacity of the Company from time to time. The Committee shall assist the Company in the construction progress, such as handling relevant procedures for the construction, facilitating in the construction of infrastructure of the project such as water, electricity and roads, and assisting in application of governmental policy support and applicable support funds.

## **GENERAL**

As at the date of this announcement, the terms and conditions of the Proposed Investment are still being negotiated and no legally binding formal agreement has been entered into. Should the Company enter into a formal agreement or the MOU is terminated or lapsed or if there are any material developments with respect to the Proposed Investment and any contemplated notifiable transaction, the Company will make further announcement(s) in accordance with the Listing Rules and/or the Inside Information Provisions as and when appropriate.

**The Proposed Investment is subject to the entering into of a legal binding formal agreement by the parties. As such, the Proposed Investment may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 12 April 2019

*As at the date of this announcement, the board of directors of the Company 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).*