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首長四方(集團)有限公司*
SHOUGANG CONCORD GRAND (GROUP) LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 730)

**MAJOR AND CONNECTED TRANSACTION
SUPPLEMENTAL AGREEMENT TO
FINANCE LEASE AGREEMENT WITH
SHOUGANG GUIGANG**

Reference is made to the announcement of the Company dated 30 September 2014 in respect of the transactions contemplated under the Finance Lease Agreement entered into between South China Leasing and Shougang Guigang pursuant to which South China Leasing has agreed to provide finance lease to Shougang Guigang for a term of 3 years.

The Board announces that on 23 October 2014, South China Leasing as lessor and Shougang Guigang as lessee entered into the Supplemental Agreement to supplement the Finance Lease Agreement, pursuant to which South China Leasing and Shougang Guigang agreed that South China Leasing will be entitled to either terminate the Finance Lease Agreement or charge an additional fee in the event that the net finance lease interest income to be received by South China Leasing falls below 1.2% per annum. Save as disclosed above, the other key terms of the Finance Lease Agreement as set out in the Announcement remain unchanged.

A circular containing, among other things, (i) further details of the transactions contemplated under the Finance Lease Agreement (as supplemented by the Supplemental Agreement); (ii) recommendations from the Independent Board Committee; (iii) a letter of advice from the independent financial advisor to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the Special General Meeting will be despatched to the Shareholders on or before 31 October 2014.

Reference is made to the announcement of Shougang Concord Grand (Group) Limited (the “**Company**”) dated 30 September 2014 (the “**Announcement**”) in respect of the transactions contemplated under the Finance Lease Agreement entered into between South China Leasing and Shougang Guigang pursuant to which South China Leasing has agreed to provide finance lease to Shougang Guigang for a term of 3 years. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

THE SUPPLEMENTAL AGREEMENT

The Board announces that on 23 October 2014, South China Leasing as lessor and Shougang Guigang as lessee entered into the supplemental agreement (the “**Supplemental Agreement**”) to supplement the terms of the Finance Lease Agreement, pursuant to which South China Leasing and Shougang Guigang agreed that, in the event that the net finance lease interest income (calculated by reference to the difference in the interest rate (the “**Interest Difference**”) chargeable by the financing bank to South China Leasing and the interest rate of 6% per annum chargeable by South China Leasing to Shougang Guigang) to be received by South China Leasing falls below 1.2% per annum, South China Leasing will be entitled to either (a) terminate the finance lease granted under the Finance Lease Agreement or (b) receive an additional fee to be calculated at a specified rate (equivalent to the difference between 1.2% per annum and the Interest Difference) on the principal amount under the Finance Lease Agreement of RMB200,000,000 (equivalent to approximately HK\$253,164,557).

The additional fee will be payable annually during the term of the finance lease.

Save as disclosed above, the other key terms of the Finance Lease Agreement as set out in the Announcement remain unchanged.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Supplemental Agreement is being entered into to supplement the terms of the Finance Lease Agreement. The supplemented terms were arrived at after arm’s length negotiations and with reference to the prevailing market rate and to ensure that the terms of the finance lease granted to Shougang Guigang shall be no more favourable to Shougang Guigang than to other independent third parties. The entering into of the Supplemental Agreement to the Finance Lease Agreement will enable South China Leasing to earn a net finance lease interest income at a rate of not less than 1.2% per annum over the 3-year lease term.

LISTING RULES IMPLICATIONS

Despite the entering into of the Supplemental Agreement, as one or more of the applicable percentage ratios for the transactions contemplated under the Finance Lease Agreement exceed 25% but less than 100%, the transactions contemplated under the Finance Lease Agreement constitute and remain both non-exempt connected transactions and major transactions for the Company under the Listing Rules, and shall be subject to the reporting, announcement and Independent Shareholders’ approval requirements under the Listing Rules.

A circular containing, among other things, (i) further details of the transactions contemplated under the Finance Lease Agreement (as supplemented by the Supplemental Agreement); (ii) recommendations from the Independent Board Committee; (iii) a letter of advice from the independent financial advisor to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the Special General Meeting will be despatched to the Shareholders on or before 31 October 2014.

Unless otherwise specified in this announcement, translations of RMB into HK\$ are made in this announcement, for illustration only, at the rate of HK\$1.00 to RMB0.79. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rate or at all.

By Order of the Board
Shougang Concord Grand (Group) Limited
Li Shaofeng
Chairman

Hong Kong, 23 October 2014

As at the date of this announcement, the Board comprises Mr. Li Shaofeng (Chairman), Mr. Luo Zhenyu (Managing Director), Mr. Wang Tian (Deputy Managing Director), Mr. Wang Qinghua (Deputy Managing Director), Mr. Yuan Wenxin (Deputy Managing Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Tam King Ching, Kenny (Independent Non-executive Director), Ms. Zhou Jianhong (Independent Non-executive Director) and Mr. Yip Kin Man, Raymond (Independent Non-executive Director).

** For identification purpose only*