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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)

(the “Company”)

CONNECTED TRANSACTIONS

The board of directors of the Company announces that on 6th January, 2003, tenancy agreements in respect of certain residential premises and offices have been renewed or entered into as detailed herebelow. The tenancy agreements constitute connected transactions for the Company under Rule 14.25(1) of the Listing Rules.

The board of directors of the Company announces that tenancy agreements in respect of certain residential premises and offices have been renewed or entered into as detailed herebelow:

(A) Tenancy Agreements for Residential Premises

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|-----|--------------------|--|
| (1) | Date of Agreement: | 6th January, 2003 |
| | Landlord: | Shougang Holding (Hong Kong) Limited (“Shougang Holding”), a substantial shareholder of the Company |
| | Tenant: | Shougang Concord Services Limited (“Shougang Services”), a wholly-owned subsidiary of the Company |
| | Premises: | Flat E, 22/F., Hoi Tien Mansion, Taikoo Shing, Hong Kong with an aggregate gross floor area of approximately 876 square feet |
| | Term: | 12 months commencing from 1st January, 2003 and expiring on 31st December, 2003 |
| | Rent: | Monthly rental of HK\$16,500 (exclusive of rates and other charges) payable monthly in advance |
| | | |
| (2) | Date of Agreement: | 6th January, 2003 |
| | Landlord: | Shougang Holding |
| | Tenant: | Shougang Services |
| | Premises: | Flat 1816, Block P, Kornhill, Quarry Bay, Hong Kong with an aggregate gross floor area of approximately 620 square feet |
| | Term: | 12 months commencing from 1st January, 2003 and expiring on 31st December, 2003 |
| | Rent: | Monthly rental of HK\$8,800 (exclusive of rates and other charges) payable monthly in advance |

- (3) Date of Agreement: 6th January, 2003
Landlord: Shougang Holding
Tenant: Shougang Services
Premises: Flat 1401, Block N, Kornhill, Quarry Bay, Hong Kong with an aggregate gross floor area of approximately 620 square feet
Term: 12 months commencing from 1st January, 2003 and expiring on 31st December, 2003
Rent: Monthly rental of HK\$8,800 (exclusive of rates and other charges) payable monthly in advance
- (4) Date of Agreement: 6th January, 2003
Landlord: Shougang Holding
Tenant: Shougang Concord Shipping Services Limited (“Shougang Shipping”), an indirect wholly-owned subsidiary of the Company
Premises: Flat 3303A, Hongway Garden, 8 New Market Street, Sheung Wan, Hong Kong with an aggregate gross floor area of approximately 545 square feet
Term: 12 months commencing from 1st January, 2003 and expiring on 31st December, 2003
Rent: Monthly rental of HK\$7,700 (exclusive of rates and other charges) payable monthly in advance
- (5) Date of Agreement: 6th January, 2003
Landlord: Linksky Limited, an indirect wholly-owned subsidiary of Shougang Concord Grand (Group) Limited (“Shougang Grand”) which is an associate of Shougang Holding. The shares of Shougang Grand are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)
Tenant: Shougang Services
Premises: Flat 2602, Block N, Kornhill, Quarry Bay, Hong Kong with an aggregate gross floor area of approximately 582 square feet
Term: 12 months commencing from 1st January, 2003 and expiring on 31st December, 2003
Rent: Monthly rental of HK\$8,200 (exclusive of rates and other charges) payable monthly in advance

(B) Tenancy Agreements for Offices

- (1) Date of Agreement: 6th January, 2003
Landlord: Wonderfine Development Limited (“Wonderfine”), an indirect wholly-owned subsidiary of Shougang Holding
Tenant: Shougang Services
Premises: Portion of the 7th Floor of Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 4,024 square feet
Term: 12 months commencing from 1st January, 2003 and expiring on 31st December, 2003
Rent: Monthly rental of HK\$56,300 (exclusive of rates and other charges) payable monthly in advance

- (2) Date of Agreement: 6th January, 2003
Landlord: Wonderfine
Tenant: Shougang Concord Management Company Limited, an indirect wholly-owned subsidiary of the Company
Premises: Portion of the 7th Floor of Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 1,456 square feet
Term: 12 months commencing from 1st January, 2003 and expiring on 31st December, 2003
Rent: Monthly rental of HK\$20,400 (exclusive of rates and other charges) payable monthly in advance
- (3) Date of Agreement: 6th January, 2003
Landlord: Wonderfine
Tenant: Shougang Shipping
Premises: Portion of the 7th Floor of Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 1,021 square feet
Term: 12 months commencing from 1st January, 2003 and expiring on 31st December, 2003
Rent: Monthly rental of HK\$14,300 (exclusive of rates and other charges) payable monthly in advance
- (4) Date of Agreement: 6th January, 2003
Landlord: Good News Investment Limited, an indirect wholly-owned subsidiary of the Company
Tenant: Santai Corporate Services Limited, a wholly-owned subsidiary of Shougang Concord Technology Holdings Limited (“Shougang Technology”) which is an associate of Shougang Holding. The shares of Shougang Technology are listed on the Stock Exchange
Premises: Workshops 4, 5, 8, 9 and 15-18 on the 10th Floor of Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong with an aggregate gross floor area of approximately 15,335 square feet
Term: 12 months commencing from 1st January, 2003 and expiring on 31st December, 2003
Rent: Monthly rental of HK\$66,000 (exclusive of rates and other charges) payable monthly in advance

Under the aforesaid tenancy agreements, the total rental payable by the subsidiaries of the Company to Shougang Holding and its subsidiaries is HK\$1,692,000, and the total rental receivable by a subsidiary of the Company from an associate of Shougang Holding is HK\$792,000.

The aforesaid residential premises are used by the senior executives of the respective tenants as their quarters whilst the offices are used by the respective tenants and/or their respective groups as their offices. The terms of each of the tenancy agreements were reached on an arms-length with reference to the prevailing market rents for the adjacent properties quoted by certain property agents. The board of directors of the Company, including the independent non-executive directors, is of the opinion that the terms of each of the tenancy agreements are fair and reasonable and it is in the interests of the Company to enter into the tenancy agreements.

The Company is an investment holding company and its subsidiaries and associated companies are principally engaged in the manufacture and sale of steel products and metallic products, property investment and shipping.

As at the date hereof, Shougang Holding is interested in approximately 39% of the total issued share capital of the Company while Shougang Grand is held as to approximately 52% by Shougang Holding and Shougang Technology is held as to approximately 46% by Shougang Grand. Pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), Shougang Holding is regarded as a substantial shareholder of the Company while both Shougang Grand and Shougang Technology are regarded as associates of Shougang Holding. As the total rentals involved is less than 3% of the consolidated net tangible assets of the Company, the aforesaid tenancy agreements constitute connected transactions for the Company under Rule 14.25(1) of the Listing Rules. The Company is required to disclose the details of the tenancy agreements by way of a press announcement and by inclusion in the next annual report of the Company.

By order of the Board
**Shougang Concord International
Enterprises Company Limited**
Cao Zhong
Managing Director

Hong Kong, 6th January, 2003

Please also refer to the published version of this announcement in The Standard.