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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 31st December, 2003, tenancy agreements in respect of certain residential premises and offices have been renewed 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 as detailed herebelow:

(A) Tenancy Agreements for Residential Premises

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|-----|--------------------|---|
| (1) | Date of agreement: | 31st December, 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: | One year commencing from 1st January, 2004 and expiring on 31st December, 2004 |
| | Rent: | Monthly rental of HK\$14,500 (exclusive of rates and other charges payable to independent third parties in respect of the use of the premises during the term) payable monthly in advance |
| | Use: | As quarters for the senior executive(s) of the tenant |
| (2) | Date of agreement: | 31st December, 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: | One year commencing from 1st January, 2004 and expiring on 31st December, 2004 |
| | Rent: | Monthly rental of HK\$8,000 (exclusive of rates and other charges payable to independent third parties in respect of the use of the premises during the term) payable monthly in advance |
| | Use: | As quarters for the senior executive(s) of the tenant |

- (3) Date of agreement: 31st December, 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: One year commencing from 1st January, 2004 and expiring on 31st December, 2004
Rent: Monthly rental of HK\$8,000 (exclusive of rates and other charges payable to independent third parties in respect of the use of the premises during the term) payable monthly in advance
Use: As quarters for the senior executive(s) of the tenant
- (4) Date of agreement: 31st December, 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: One year commencing from 1st January, 2004 and expiring on 31st December, 2004
Rent: Monthly rental of HK\$7,300 (exclusive of rates and other charges payable to independent third parties in respect of the use of the premises during the term) payable monthly in advance
Use: As quarters for the senior executive(s) of the tenant

(B) Tenancy Agreements for Offices

- (1) Date of agreement: 31st December, 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: One year commencing from 1st January, 2004 and expiring on 31st December, 2004
Rent: Monthly rental of HK\$56,300 (exclusive of rates and other charges payable to independent third parties in respect of the use of the premises during the term) payable monthly in advance
Use: As office of the tenant
- (2) Date of agreement: 31st December, 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: One year commencing from 1st January, 2004 and expiring on 31st December, 2004
Rent: Monthly rental of HK\$20,400 (exclusive of rates and other charges payable to independent third parties in respect of the use of the premises during the term) payable monthly in advance
Use: As office of the tenant

- (3) Date of agreement: 31st December, 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: One year commencing from 1st January, 2004 and expiring on 31st December, 2004
Rent: Monthly rental of HK\$14,300 (exclusive of rates and other charges payable to independent third parties in respect of the use of the premises during the term) payable monthly in advance
Use: As office of the tenant
- (4) Date of agreement: 31st December, 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 of Hong Kong Limited (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: One year commencing from 1st January, 2004 and expiring on 31st December, 2004
Rent: Monthly rental of HK\$62,000 (exclusive of rates and other charges payable to independent third parties in respect of the use of the premises during the term) payable monthly in advance
Use: As office of the tenant

Under the aforesaid tenancy agreements, the total rental payable by the subsidiaries of the Company to Shougang Holding and its subsidiaries is HK\$1,545,600, and the total rental receivable by a subsidiary of the Company from an associate of Shougang Holding is HK\$744,000.

The terms of each of the tenancy agreements were reached on an arms-length basis with reference to the prevailing market rents provided by independent property agents and represent no less favourable to the group than rentals available on the market for the adjacent properties. 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 agreed on normal commercial terms and 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, shipping and electricity generation.

As at the date hereof, the Company is held as to approximately 45% by Shougang Holding while Shougang Technology is held as to approximately 24% by Shougang Holding and approximately 31% by Shougang Concord Grand (Group) Limited, a 52% subsidiary of Shougang Holding, respectively. 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 Shougang Technology is regarded as an associate 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

31st December, 2003

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