



**首長國際企業有限公司**  
**SHOUGANG CONCORD INTERNATIONAL ENTERPRISES COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 697)

**PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

The Board intends to put forward a proposal to the Shareholders to increase the authorised share capital of the Company from HK\$1,000,000,000.00 to HK\$2,000,000,000.00 by the addition of HK\$1,000,000,000.00, divided into 5,000,000,000 new Shares which will rank pari passu with all existing Shares.

A circular containing, amongst others, details of the Capital Increase and the notice convening the Extraordinary General Meeting for, amongst others, approving the Capital Increase will be sent to the Shareholders as soon as practicable.

**1. THE CAPITAL INCREASE**

The Board intends to put forward a proposal to the Shareholders to increase the authorised share capital of the Company from HK\$1,000,000,000.00 to HK\$2,000,000,000.00 by the addition of HK\$1,000,000,000.00, divided into 5,000,000,000 new Shares which will rank pari passu with all existing Shares.

**2. REASON FOR THE CAPITAL INCREASE**

As at the date of this announcement, the authorised share capital of the Company was HK\$1,000,000,000.00, divided into 5,000,000,000 Shares, of which 3,527,775,025 Shares have already been issued.

Following Completion (as defined in the announcement of the Company dated 19 August 2004), 4,636,251,215 Shares will have been issued with only 363,748,785 Shares, representing approximately 7.3% of the authorised share capital of the Company left unissued and available for further allotment and issue by the Company.

In order to provide the Company with greater flexibility to raise fund by allotting and issuing Shares in the future, as and when necessary, the Directors will put forward the proposal for the Capital Increase at the Extraordinary General Meeting. The Directors consider that the Capital Increase is in the interest of the Company and the Shareholders as a whole.

**3. GENERAL**

The Capital Increase is subject to the approval by the Shareholders by way of an ordinary resolution at the Extraordinary General Meeting.

A circular containing, amongst others, details of the Capital Increase and the notice convening the Extraordinary General Meeting will be sent to the Shareholders as soon as practicable.

**4. DEFINITIONS**

"Board"	the board of Directors
"Capital Increase"	the proposal to increase the authorised share capital of the Company from HK\$1,000,000,000.00 to HK\$2,000,000,000.00
"Company"	Shougang Concord International Enterprises Company 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
"Directors"	the directors of the Company
"Extraordinary General Meeting"	the extraordinary general meeting of the Company to be convened to approve, amongst others, the Capital Increase
"Share(s)"	share(s) of HK\$0.20 each in the capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong

*As at the date of this announcement, Wang Qinghai (Chairman), Cao Zhong (Managing Director), Chen Zhouping (Deputy Managing Director), Zhang Wenhui (Deputy Managing Director), Tsoi Wai Kwong, Ip Tak Chuen, Edmond, Leung Shun Sang, Tony, Lai Kam Man, David (Independent Non-executive Director) and Choy Hok Man, Constance (Independent Non-executive Director) are the Directors.*

By order of the Board  
**SHOUGANG CONCORD INTERNATIONAL  
ENTERPRISES COMPANY LIMITED**

**Cao Zhong**  
*Managing Director*

Hong Kong, 30 August 2004