



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)
 ("Shougang International")



首長四方(集團)有限公司*
SHOUGANG CONCORD GRAND
(GROUP) LIMITED

(Incorporated in Bermuda with limited liability)
 (Stock Code: 730)
 ("Shougang Grand")



首長寶佳集團有限公司
SHOUGANG CONCORD CENTURY
HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
 (Stock Code: 103)
 ("Shougang Century")



首長科技集團有限公司
SHOUGANG CONCORD TECHNOLOGY
HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
 (Stock Code: 521)
 ("Shougang Technology")

CONNECTED TRANSACTIONS

The board of directors of each of Shougang International, Shougang Grand, Shougang Century and Shougang Technology announces that on 3rd January, 2006, certain tenancy agreements in respect of residential premises and offices have been entered into or renewed. Such tenancy agreements constitute connected transactions for Shougang International, Shougang Grand, Shougang Century and/or Shougang Technology under the Listing Rules and are subject to the reporting and announcement requirements pursuant to Rule 14A.32 of the Listing Rules.

The boards of directors of Shougang International, Shougang Grand, Shougang Century and Shougang Technology announce that certain tenancy agreements in respect of residential premises and offices have been entered into or renewed as detailed herebelow:-

TENANCY AGREEMENTS FOR RESIDENTIAL PREMISES

(a) Date of agreement: 3rd January, 2006

Landlord: Shougang Holding (Hong Kong) Limited ("Shougang Holding"), a substantial shareholder of each of Shougang International, Shougang Grand, Shougang Century and Shougang Technology

Tenant: Shougang Concord Services Limited ("Shougang Services"), a direct wholly-owned subsidiary of Shougang International

Premises: Flat E, 22nd Floor, 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, 2006 and expiring on 31st December, 2006

Rent: Monthly rental of HK\$19,000 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance

Use: As quarter for the senior executive(s) of Shougang International

(b) Date of agreement: 3rd January, 2006

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, 2006 and expiring on 31st December, 2006

Rent: Monthly rental of HK\$10,000 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance

Use: As quarter for the senior executive(s) of Shougang International

(c) Date of agreement: 3rd January, 2006

Landlord: Shougang Holding

Tenant: Shougang Services

Premises: Flat 2411, 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, 2006 and expiring on 31st December, 2006

- Rent: Monthly rental of HK\$10,000 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance
- Use: As quarter for the senior executive(s) of Shougang International
- (d) Date of agreement: 3rd January, 2006
- Landlord: Shougang Holding
- Tenant: Shougang Services
- Premises: Flat 1906B, Hongway Garden, 8 New Market Street, Sheung Wan, Hong Kong with an aggregate gross floor area of approximately 508 square feet
- Term: One year commencing from 1st January, 2006 and expiring on 31st December, 2006
- Rent: Monthly rental of HK\$8,000 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance
- Use: As quarter for the senior executive(s) of Shougang International
- (e) Date of agreement: 3rd January, 2006
- Landlord: Shougang Concord Management Company Limited ("Shougang Management"), an indirect wholly-owned subsidiary of Shougang International
- Tenant: Shougang International Trade (Hong Kong) Limited, a direct wholly-owned subsidiary of Shougang Holding
- Premises: Flat A2, 8th Floor, Pearl City Mansion, Nos. 22-36 Paterson Street, Causeway Bay, Hong Kong with an aggregate gross floor area of approximately 600 square feet
- Term: One year commencing from 1st January, 2006 and expiring on 31st December, 2006
- Rent: Monthly rental of HK\$12,600 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance
- Use: As quarter for the senior executive(s) of the tenant
- (f) Date of agreement: 3rd January, 2006
- Landlord: Linksky Limited, an indirect wholly-owned subsidiary of Shougang Grand
- Tenant: Gold Regal Limited ("Gold Regal"), a direct wholly-owned subsidiary of Shougang Century
- Premises: Flat 1612, Block Q, Kornhill, Quarry Bay, Hong Kong with an aggregate gross floor area of approximately 756 square feet
- Term: One year commencing from 1st January, 2006 and expiring on 31st December, 2006
- Rent: Monthly rental of HK\$10,800 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance
- Use: As quarter for the senior executive(s) of Shougang Century
- (g) Date of agreement: 3rd January, 2006
- Landlord: Shougang Holding
- Tenant: Gold Regal
- Premises: Flat 1906A, Hongway Garden, 8 New Market Street, Sheung Wan, Hong Kong with an aggregate gross floor area of approximately 508 square feet
- Term: One year commencing from 1st January, 2006 and expiring on 31st December, 2006
- Rent: Monthly rental of HK\$8,000 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance
- Use: As quarter for the senior executive(s) of Shougang Century
- (h) Date of agreement: 3rd January, 2006
- Landlord: Shougang Holding
- Tenant: Santai Corporate Services Limited ("Santai Services"), a direct wholly-owned subsidiary of Shougang Technology
- 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, 2006 and expiring on 31st December, 2006

Rent: Monthly rental of HK\$8,600 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance

Use: As quarter for the senior executive(s) of Shougang Technology

All of the above residential premises are currently used by the executives of Shougang International, Shougang Century or Shougang Technology.

TENANCY AGREEMENTS FOR OFFICES

(1) Date of agreement: 3rd January, 2006

Landlord: Good News Investment Limited, an indirect wholly-owned subsidiary of Shougang International

Tenant: Santai Services

Premises: Workshops 4, 5, 8, 9 and 15-18, 10th Floor, 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, 2006 and expiring on 31st December, 2006

Rent: Monthly rental of HK\$76,000 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance

Use: As office of the tenant and its group

(2) Date of agreement: 3rd January, 2006

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 5,865 square feet

Term: One year commencing from 1st January, 2006 and expiring on 31st December, 2006

Rent: Monthly rental of HK\$105,500 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance

Use: As office of the tenant and its group

(3) Date of agreement: 3rd January, 2006

Landlord: Wonderfine

Tenant: Shougang Concord Shipping Services Limited, an indirect wholly-owned subsidiary of Shougang International

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 962 square feet

Term: One year commencing from 1st January, 2006 and expiring on 31st December, 2006

Rent: Monthly rental of HK\$17,300 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance

Use: As office of the tenant and its group

(4) Date of agreement: 3rd January, 2006

Landlord: Winluck Properties Limited ("Winluck"), an indirect wholly-owned subsidiary of Shougang Holding

Tenant: Shougang Management

Premises: Portion of the 6th Floor of Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 1,445 square feet

Term: One year commencing from 1st January, 2006 and expiring on 31st December, 2006

Rent: Monthly rental of HK\$26,000 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance

Use: As office of the tenant and its group

- (5) Date of agreement: 3rd January, 2006
- Landlord: Winluck
- Tenant: Long Cosmos Investment Limited, an indirect wholly-owned subsidiary of Shougang Grand
- Premises: Portion of the 6th Floor of Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 6,412 square feet
- Term: One year commencing from 1st January, 2006 and expiring on 31st December, 2006
- Rent: Monthly rental of HK\$115,400 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance
- Use: As office of the tenant and its group
- (6) Date of agreement: 3rd January, 2006
- Landlord: Billioncorp Development Limited, an indirect wholly-owned subsidiary of Shougang Holding
- Tenant: Gold Regal
- Premises: Portion of the 5th Floor of Bank of East Asia Harbour View Centre, 51-57 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 6,000 square feet
- Term: One year commencing from 1st January, 2006 and expiring on 31st December, 2006
- Rent: Monthly rental of HK\$108,000 (exclusive of rates and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance
- Use: As office of the tenant and its group

All of the above offices are currently used by Shougang International, Shougang Grand, Shougang Century or Shougang Technology or their respective group members.

As at the date hereof, Shougang International, Shougang Grand, Shougang Century and Shougang Technology are held as to approximately 58%, 41%, 42% and 42% respectively by Shougang Holding together with its subsidiaries. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Shougang Holding is regarded as a substantial shareholder of each of Shougang International, Shougang Grand, Shougang Century and Shougang Technology while each of Shougang International, Shougang Grand, Shougang Century and Shougang Technology is regarded as an associate of Shougang Holding.

The above residential tenancy agreements (a), (b), (c), (d) and (e) and the office tenancy agreements (1), (2), (3) and (4) constitute connected transactions for Shougang International. Under such tenancy agreements, the total annual rent payable by subsidiaries of Shougang International to Shougang Holding and its subsidiaries is HK\$2,349,600, and the total annual rent receivable by subsidiaries of Shougang International from a subsidiary and an associate of Shougang Holding is HK\$1,063,200. As the total consideration involved in such tenancy agreements is more than 0.1% but less than 2.5% threshold as provided in Rule 14A.32(1) of the Listing Rules, Shougang International is required to disclose the details of such tenancy agreements by way of a press announcement and by inclusion in its next annual report.

The above residential tenancy agreement (f) and the office tenancy agreement (5) constitute connected transactions for Shougang Grand. Under such tenancy agreements, the total annual rent payable by a subsidiary of Shougang Grand to a subsidiary of Shougang Holding is HK\$1,384,800, and the total annual rent receivable by a subsidiary of Shougang Grand from an associate of Shougang Holding is HK\$129,600. As the total consideration involved in such tenancy agreements is more than 2.5% but less than 25% threshold and the total consideration is less than HK\$10,000,000 as provided in Rule 14A.32(2) of the Listing Rules, Shougang Grand is required to disclose the details of such tenancy agreements by way of a press announcement and by inclusion in its next annual report.

The above residential tenancy agreements (f) and (g) and the office tenancy agreement (6) constitute connected transactions for Shougang Century and the total annual rent payable under such tenancy agreements by a subsidiary of Shougang Century to Shougang Holding and one of its subsidiaries and an associate of Shougang Holding is HK\$1,521,600. As the total consideration involved in such tenancy agreements is more than 0.1% but less than 2.5% threshold as provided in Rule 14A.32(1) of the Listing Rules, Shougang Century is required to disclose the details of such tenancy agreements by way of a press announcement and by inclusion in its next annual report.

The above residential tenancy agreement (h) and the office tenancy agreement (1) constitute connected transactions for Shougang Technology and the total annual rent payable under such tenancy agreements by a subsidiary of Shougang Technology to Shougang Holding and its associate is HK\$1,015,200. As the total consideration involved in such tenancy agreements is more than 0.1% but less than 2.5% threshold as provided in Rule 14A.32(1) of the Listing Rules, Shougang Technology is required to disclose the details of such tenancy agreements by way of a press announcement and by inclusion in its next annual report.

The aggregate annual rental under all of the abovementioned tenancy agreements is HK\$6,422,400. The terms of each of the tenancy agreements were reached on arm's-length basis with reference to the prevailing market rents for the adjacent properties quoted by certain property agents. The board of directors of each of Shougang International, Shougang Grand, Shougang Century and Shougang Technology, 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 each of Shougang International, Shougang Grand, Shougang Century and Shougang Technology to enter into the relevant tenancy agreements.

Shougang Holding is an investment holding company and its subsidiaries are principally engaged in manufacturing, sale and trading of steel products, trading of iron ores, property investment and provision of management services.

Shougang International is an investment holding company and its subsidiaries are principally engaged in the business of manufacture, sale and trading of steel products, manufacture and installation of kitchen and laundry equipment, shipping operations and electricity generation.

Shougang Grand is an investment holding company and its subsidiaries are principally engaged in property investment and management, provision of financial services and provision of cultural recreation content.

Shougang Century is an investment holding company and its subsidiaries are principally engaged in the manufacturing of steel cords and the processing and trading of copper and brass products.

Shougang Technology is an investment holding company and its subsidiaries are principally engaged in the manufacture and sale of photomask, telephone accessories, power cords, adaptors and electronic products, printed circuit boards and high precision metal components.

By order of the Board
**SHOUGANG CONCORD INTERNATIONAL
ENTERPRISES COMPANY LIMITED**
Cao Zhong
Managing Director

By order of the Board
**SHOUGANG CONCORD CENTURY
HOLDINGS LIMITED**
Cao Zhong
Chairman

By order of the Board
**SHOUGANG CONCORD GRAND
(GROUP) LIMITED**
Cao Zhong
Vice Chairman

By order of the Board
**SHOUGANG CONCORD TECHNOLOGY
HOLDINGS LIMITED**
Cao Zhong
Chairman

Hong Kong, 3rd January, 2006

As at the date of this announcement, the respective boards of Shougang International, Shougang Grand, Shougang Century and Shougang Technology comprise the following directors:

Shougang International

Mr. Wang Qinghai (Chairman), Mr. Cao Zhong (Managing Director), Mr. Chen Zhouping (Deputy Managing Director), Mr. Luo Zhenyu (Deputy Managing Director), Mr. Ip Tak Chuen, Edmond, Mr. Leung Shun Sang, Tony, Ms. Choy Hok Man, Constance, Ms. Kan Lai Kuen, Alice (Independent Non-executive Director), Mr. Kwan Bo Ren, Dick (Independent Non-executive Director) and Mr. Wong Kun Kim (Independent Non-executive Director)

Shougang Grand

Mr. Wang Qinghai (Chairman), Mr. Cao Zhong (Vice Chairman), Mr. Chen Zheng, Mr. Wang Tian, Ms. Cheng Xiaoyu, Mr. Yuan Wenxin, Mr. Leung Shun Sang, Tony, Ms. Choy Hok Man, Constance, Mr. Tam King Ching, Kenny (Independent non-executive Director), Mr. Hui Hung, Stephen (Independent non-executive Director) and Ms. Zhou Jianhong (Independent non-executive Director)

Shougang Century

Mr. Cao Zhong (Chairman), Mr. Li Shaofeng (Managing Director), Mr. Tong Yihui (Deputy Managing Director), Mr. Leung Shun Sang, Tony, Mr. Tang Cornor Kwok Kau (Deputy Managing Director), Mr. Yip Kin Man, Raymond (Independent Non-executive Director), Mr. Law, Yui Lun (Independent Non-executive Director) and Mr. Chu, Kwok Tsu Gilbert (Independent Non-executive Director)

Shougang Technology

Mr. Cao Zhong (Chairman), Mr. Zhang Wenhui (President), Mr. Tzu San Te, Mr. Tse Chun Sing, Mr. Chen Jang Fung, Mr. Leung Shun Sang, Tony, Mr. Chan Wah Tip, Michael, Ms. Choy Hok Man, Constance, Ms. Kan Lai Kuen, Alice (Independent Non-executive Director), Mr. Kwan Bo Ren, Dick (Independent Non-executive Director) and Mr. Wong Kun Kim (Independent Non-executive Director)

** For identification purpose only*

Please also refer to the published version of this announcement in South China Morning Post - Classified.