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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)
(Stock code: 697)

ANNOUNCEMENT

The Directors of the Company is pleased to announce that the Letter of Intent was entered into amongst the Company, Shougang Corporation, Shouqin and Hyundai relating to the Proposed Transactions. **As the Proposed Transactions may or may not take place, shareholders of the Company and public investors are advised to exercise extreme caution when dealing in the shares of the Company.**

The directors (the "Directors") of the Shougang Concord International Enterprises Company Limited (the "Company") is pleased to announce that on 27 December 2005, a letter of intent (the "Letter of Intent") was entered into amongst the Company, Shougang Corporation, Qinhuangdao Shouqin Metal Materials Co., Ltd ("Shouqin") and Hyundai Heavy Industries Co., Ltd ("Hyundai") relating to (1) a possible investment by Hyundai in Shouqin; and (2) proposed sales by Shouqin of hot rolled steel plates to Hyundai and/or its affiliates (collectively the "Proposed Transactions"). The Proposed Transactions are subject to, among others, completion of a due diligence review on Shouqin by Hyundai. The parties intend to complete the due diligence as soon as practicable.

As at the date of this announcement, Shouqin is held as to 96% by the Company and 4% by Shougang Corporation. Shouqin is engaged in the manufacture and sale of steel plates.

As at the date of this announcement, no material terms in relation to the Proposed Transactions have been agreed upon. **As the Proposed Transactions may or may not take place, shareholders of the Company and public investors are advised to exercise extreme caution when dealing in the shares of the Company.**

In accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Company wishes to inform the public of the Proposed Transactions. The Company will keep the market informed by way of announcement in compliance with the requirements of the Listing Rules as and when any binding agreement in relation to the Proposed Transactions has been signed.

Save as disclosed above, the Company is not aware of any negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, nor is the board of directors of the Company aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

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

Hong Kong, 5 January 2006

As at the date of this announcement, the Directors are 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).

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