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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 IN PURSUANCE OF RULE 13.18

On 1 February 2006, the Company entered into the Facility Agreement with the Banks. The Company announces certain particulars of the Facility Agreement in accordance with the requirements under Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By a dual currency facility agreement dated 1 February 2006 (the “**Facility Agreement**”) entered into between a number of banks (the “**Banks**”) and Shougang Concord International Enterprises Company Limited (the “**Company**”), facility in the amounts of HK\$163,800,000 and US\$129,000,000 (equivalent to an aggregate of approximately US\$150,000,000) (the “**Facility**”) is made available by the Banks to the Company subject to and in accordance with the terms and conditions therein contained. The Facility is a term loan facility which shall be repaid by the Company by instalments with the last instalment due on the date falling 60 months after the date of the Facility Agreement, subject to early repayment on the date following 36 months after the date of the Facility Agreement upon the relevant Bank(s) giving not less than 6 months’ prior notice.

Under the Facility Agreement, each of the following will constitute an event of default upon which the Facility will, among others, become immediately due and payable: (i) Shougang Holding (Hong Kong) Limited (“**Shougang Holding**”), the current controlling shareholder of the Company holding (together with its associates) approximately 58% of the total issued share capital of the Company, ceases to be the single largest beneficial shareholder of the Company; (ii) Shougang Holding ceases to have management control in the Company; (iii) Shougang Holding ceases to be

a wholly-owned subsidiary of Shougang Corporation (首鋼總公司) (“**Shougang Corp**”), a company incorporated in the People’s Republic of China and the holding company of Shougang Holding; and (iv) Shougang Corp ceases to have management control in Shougang Holding.

The Company intends to apply all amounts borrowed by it under the Facility Agreement towards financing the working capital requirements of the Company and its subsidiaries.

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

Hong Kong, 2 February 2006

As at the date of this announcement, the board of directors of the Company comprises 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.