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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)

TOP-UP PLACING



Placing Agent

Pursuant to the Placing and Subscription Agreement dated 29 May 2007 entered into between China Gate, Shougang Holding, the Company and the Placing Agent, the Placing Agent has agreed to, on a fully underwritten basis, procure purchasers to acquire, and China Gate has agreed to sell, 200,000,000 existing Shares at the Placing Price of HK\$1.00 per Share.

The Placing Shares represent approximately 3.4% of the existing issued share capital of the Company and approximately 3.3% of the issued share capital of the Company as enlarged by the Subscription. The Placing Price represents (i) a discount of 4.76% to the closing price of HK\$1.05 per Share as quoted on the Stock Exchange on 29 May 2007, the last trading date immediately preceding the date of the Placing and Subscription Agreement; and (ii) a discount of approximately 0.79% of the average closing price of approximately HK\$1.008 per Share as quoted on the Stock Exchange for the last five trading days up to and including 29 May 2007. Pursuant to the Placing and Subscription Agreement, China Gate has also conditionally agreed to subscribe for the Subscription Shares at the Subscription Price. The Subscription Shares represent approximately 3.4% of the existing issued share capital of the Company and approximately 3.3% of the issued share capital of the Company as enlarged by the Subscription.

A. TOP-UP PLACING

Placing and Subscription Agreement

Date: 29 May 2007

Parties:

- (a) China Gate, a wholly-owned subsidiary of Shougang Holding, the controlling shareholder of the Company;
- (b) Shougang Holding (as the warrantor);
- (c) the Company; and
- (d) the Placing Agent, an independent third party and is not a connected person of each of the Company and Shougang Holding.

Placing Shares

200,000,000 existing Shares are to be placed, representing approximately 3.4% of the existing issued share capital of the Company and approximately 3.3% of the issued share capital of the Company as enlarged by the Subscription.

Placing Price

The Placing Price of HK\$1.00 per Share was arrived at after arm's length negotiations between the Company, China Gate and the Placing Agent. It represents: (i) a discount of 4.76% to the closing price of HK\$1.05 per Share as quoted on the Stock Exchange on 29 May 2007, being the last trading date immediately preceding the date of the Placing and Subscription Agreement; and (ii) a discount of approximately 0.79% of the average closing price of approximately HK\$1.008 per Share as quoted on the Stock Exchange for the last five trading days up to and including 29 May 2007. The Directors (including the independent non-executive Directors) are of the opinion that the Placing Price is fair and reasonable and in the interests of the Company and the shareholders as a whole.

Rights

The Placing Shares will be sold free of all liens, charges and encumbrances, and together with all rights attaching thereto, including the right to receive all dividends or other distributions declared, made or paid on or after completion of the Placing.

Independence of placee

The Placing Agent will procure as agent of China Gate purchasers for the Placing Shares. There will only be one placee, Credit Suisse (Hong Kong) Limited (the "Placee"), which and its ultimate beneficial owners are third parties independent of and not connected with the directors, chief executives or substantial shareholders of the Company and Shougang Holding or any of their respective subsidiaries or any of their respective associates. Credit Suisse (Hong Kong) Limited is part of the Credit Suisse Group, a global financial services company. It is not expected that the Placee will become a substantial shareholder of the Company immediately after the Placing.

Completion of the Placing

Completion of the Placing will be completed on 1 June 2007 (or such other date as the parties may agree in writing).

Subscription Shares

200,000,000 Subscription Shares will be subscribed by China Gate, representing approximately 3.4% of the existing issued share capital of the Company and approximately 3.3% of the issued share capital of the Company as enlarged by the Subscription.

Subscription Price

The Subscription Price is equivalent to the Placing Price of HK\$1.00 per Share. The Subscription Shares have a market value of approximately HK\$210 million based on the closing price of the Shares of HK\$1.05 on 29 May 2007. The net price of the Subscription Shares is approximately HK\$0.985 per Share.

General mandate to issue the Subscription Shares

The Subscription Shares will be issued pursuant to the general mandate granted by the shareholders of the Company to the Directors at the annual general meeting held on 26 May 2006.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Ranking

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the existing Shares in issue.

Conditions of the Subscription

Completion of the Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (b) completion of the Placing.

None of the above conditions can be waived and the Subscription cannot be completed unless all the above conditions are fulfilled.

Completion of the Subscription

Completion of the Subscription shall take place on the second Business Day following the fulfilment of all of the above conditions precedent, or such other date as the Company and China Gate may agree in writing. It is intended that completion of the Subscription will take place no later than 14 days after the date of the Placing and Subscription Agreement, which is 12 June 2007.

B. CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholdings of the Company before and after the Placing and Subscription are summarised as follows:

Shareholder	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Shougang Holding and its associates	2,730,726,686	46.6	2,530,726,686	43.2	2,730,726,686	45.0
Argepa S. A. and its associates	929,000,000	15.8	929,000,000	15.8	929,000,000	15.3
Cheung Kong (Holdings) Limited and its associates	455,401,955	7.8	455,401,955	7.8	455,401,955	7.5
Credit Suisse (Hong Kong) Limited	–	–	200,000,000	3.4	200,000,000	3.3
Other public shareholders	1,749,728,573	29.8	1,749,728,573	29.8	1,749,728,573	28.9
Total	<u>5,864,857,214</u>	<u>100.0</u>	<u>5,864,857,214</u>	<u>100.0</u>	<u>6,064,857,214</u>	<u>100.0</u>

Note: Assuming no new Shares will be issued save for the Subscription Shares.

C. REASON FOR THE PLACING AND THE SUBSCRIPTION

The Placing and the Subscription are effected to enable the Company to raise funds while broaden the shareholder's base and the capital base of the Company. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the shareholders as a whole are concerned.

The net proceeds from the Subscription are estimated to be approximately HK\$197 million. Such proceeds will be used as general working capital of the Group.

D. CAPITAL RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not carried out any capital raising activity during the past 12 months.

E. GENERAL

The Group is principally engaged in the manufacture, sale and trading of steel products, shipping operations and electricity generation.

DEFINITIONS

"associates"	has the meaning ascribed to it under the Listing Rules
"Business Day"	a day (other than a Saturday, Sunday or public holiday) on which banks are open for general business in Hong Kong
"China Gate"	China Gate Investments Limited, a wholly-owned subsidiary of Shougang Holding
"Company"	Shougang Concord International Enterprises Company Limited, a company incorporated in Hong Kong, the securities of which are listed on the main board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange and any amendments thereto
"Placing"	the placing of the Placing Shares pursuant to the Placing and Subscription Agreement
"Placing Agent"	CITIC Securities Corporate Finance (HK) Limited, a corporation licensed to carry on Types 1 and 6 of the regulated activities under the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)

“Placing and Subscription Agreement”	the placing and subscription agreement dated 29 May 2007 between China Gate, Shougang Holding, the Company and the Placing Agent
“Placing Price”	HK\$1.00 per Placing Share
“Placing Shares”	200,000,000 existing Shares
“PRC”	the People’s Republic of China and for the purpose of this announcement shall exclude Hong Kong, the Macau Special administrative Region and Taiwan
“Shares”	ordinary shares of HK\$0.20 each in the share capital of the Company
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong, the controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the conditional subscription by China Gate of the Subscription Shares pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$1.00 per Share, the equivalent of the Placing Price
“Subscription Shares”	200,000,000 new Shares to be subscribed by China Gate pursuant to the Placing and Subscription Agreement
“subsidiary”	has the meaning ascribed to it in section 2(4) of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

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

Cao Zhong
Managing Director

Hong Kong, 29 May 2007

As at the date of this announcement, the Board comprises Mr. Wang Qinghai (Chairman), Mr. Cao Zhong (Managing Director), Mr. Chen Zhouping (Deputy Managing Director), Mr. Zhang Wenhui (Deputy Managing Director), Mr. Luo Zhenyu (Deputy Managing Director), Mr. Ip Tak Chuen, Edmond (Non-executive Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Ms. Kan Lai Kuen, Alice (Independent Non-executive Director), Mr. Wong Kun Kim (Independent Non-executive Director) and Mr. Leung Kai Cheung (Independent Non-executive Director).

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