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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)

**(1) CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION:
SUBSCRIPTION OF
NEW SHOUGANG CENTURY SHARES**

AND

(2) RESUMPTION OF TRADING

Subscription of new Shougang Century Shares

On 29 November 2007, the Company entered into the Subscription Agreement with Shougang Century pursuant to which Shougang Century conditionally agreed to issue a total of 400,000,000 new Shougang Century Shares to the Company at the price of HK\$1.03 per Subscription Share.

Shougang Holding and its associates hold an aggregate of approximately 35.5% (including the 22.3% interests held by the Company) of the issued share capital of Shougang Century. As Shougang Holding and its associates hold an aggregate of approximately 40.7% of the issued share capital of the Company and is the controlling shareholder of the Company, the Subscription constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. The Subscription also constitutes a discloseable transaction for the Company under the Listing Rules. Completion of the Subscription Agreement is subject to, among other things, approval of the Independent Shareholders at the EGM of the Company.

Assuming no further shares will be issued by Shougang Century prior to the completion of the Subscription and upon completion of the Subscription Agreement, the interests in Shougang Century held by the Company will increase from 22.3% to 40.8% and the interests held by the Company together with the parties acting in concert with it will increase from 35.5% to 50.8%. The Company and parties acting in concert with it will, in the absence of the Whitewash Waiver, be obliged to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code as a result of the completion of the Subscription. The Company will apply to the SFC for the Whitewash Waiver pursuant to Note 1 of the Notes on Dispensation from Rule 26 of the Takeovers Code on the basis that, among other things, the acquisition of Shougang Century Shares by the Company pursuant to the Subscription Agreement is a cash subscription and the Whitewash Waiver shall be subject to the approval by the Shougang Century Independent Shareholders at the EGM of Shougang Century on a vote taken by way of a poll whereby the Company, its associates and concert parties, including Shougang Holding, will abstain from voting.

An independent board committee comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the Subscription Agreement. An independent financial adviser will also be appointed to advise the independent board committee and the Independent Shareholders on such agreement in accordance with the Listing Rules.

A circular containing, among other things, further details of the Subscription Agreement, the letter from the independent board committee and the recommendation from the independent financial adviser on the terms of such agreement (together with a notice convening the EGM of the Company) will be despatched to the Shareholders as soon as practicable.

Resumption of Trading

Trading in Shares was suspended from 9:30 a.m. on 29 November 2007 at the request of the Company pending the issue of this announcement and an application has been made to the Stock Exchange for the resumption in Shares with effect from 9:30 a.m. on 3 December 2007.

SUBSCRIPTION AGREEMENT DATED 29 NOVEMBER 2007

Parties : (1) Shougang Century as the issuer.

(2) The Company as the subscriber.

The Company is a substantial shareholder of Shougang Century, holding approximately 22.3% of the issued share capital of Shougang Century as at the date of this announcement.

Number of Shougang Century Shares to be issued : 400,000,000 Shougang Century Shares, representing (i) approximately 31.1% of the existing issued share capital of Shougang Century; and (ii) approximately 23.7% of the issued share capital of Shougang Century as enlarged by the Subscription, assuming no new Shougang Century Shares will be issued prior to the completion of the Subscription.

Application will be made by Shougang Century to the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares.

Subscription Price : HK\$1.03 per Subscription Share. The aggregate Subscription Price of HK\$412 million shall be payable in cash upon completion of the Subscription Agreement.

The Subscription Price was agreed after arm's length negotiations with reference primarily to the average closing price of the Shougang Century Shares for the last five trading days before the Subscription Agreement and represents (i) a discount of approximately 6.4% to the closing price of HK\$1.1 per Shougang Century Share as quoted on the Stock Exchange on 28 November 2007, being the last trading day of the Shougang Century Shares immediately prior to the issue of this announcement; and (ii) a discount of approximately 6.0% to the average closing price of approximately HK\$1.096 per Shougang Century Share as quoted on the Stock Exchange for the last five trading days immediately before the date of the Subscription Agreement.

Ranking : The Subscription Shares, when fully paid, will rank *pari passu* in all respects with the Shougang Century Shares in issue at the time of issue and allotment of the Subscription Shares.

Conditions precedent : Completion of the Subscription Agreement is conditional upon:

- (1) the approval by the Shougang Century Independent Shareholders of the Subscription Agreement, the Whitewash Waiver and the transactions contemplated thereunder having been obtained at the EGM of Shougang Century;
- (2) the grant of the Whitewash Waiver by the Executive (as defined in the Takeovers Code);
- (3) the Listing Committee of the Stock Exchange granting its approval to the listing of, and permission to deal in, the

Subscription Shares; and

- (4) the approval by the Independent Shareholders of the Subscription Agreement and the transactions contemplated thereunder having been obtained at the EGM of the Company.

None of the above conditions can be waived and if the above conditions are not fulfilled on or before 31 March 2008 (or such other date as may be agreed between the parties in writing), then the Subscription Agreement and all rights and obligations of the parties thereunder will cease and terminate.

Completion date : the third business day immediately after the date upon which the conditions precedent set out above shall have been satisfied (or such other date as may be agreed in writing between Shougang Century and the Company).

REASONS FOR THE SUBSCRIPTION AND FINANCIAL IMPACT OF THE SUBSCRIPTION

The Company will finance the Subscription by internal resources. The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) believe that the Subscription and the terms of the Subscription Agreement are in the interest of the Company and the Shareholders as a whole as it can strengthen its control over Shougang Century. The Directors believe that Shougang Century can further contribute to the profitability of the Group having taken into account of the business prospect of Shougang Century. Immediately upon completion of the Subscription, the total assets and the total liabilities of the Group will remain unchanged. The Company considers that there will not be any material effect on the earnings of the Group immediately upon completion of the Subscription Agreement. The Company will continue to account for its investment in Shougang Century as an associate upon completion of Subscription.

INFORMATION OF SHOUGANG CENTURY

Shougang Century is a company incorporated in Hong Kong and whose shares are listed on the main board of the Stock Exchange. The principal activities of Shougang Century and its subsidiaries are manufacturing of steel cords and processing and trading of copper and brass products.

The financial information of Shougang Century for the two financial years ended 31 December 2005 and 2006 and for the six months ended 30 June 2007 are summarised as follows:

	Six months ended 30 June 2007 (Unaudited) <i>HK\$'000</i>	Year ended 31 December 2006 (Audited) <i>HK\$'000</i>	Year ended 31 December 2005 (Audited) <i>HK\$'000</i>
Revenue	343,967	678,923	592,889
Profit before taxation	27,970	83,283	68,218
Profit after taxation	24,004	76,031	62,228
Net assets at period/year end	1,002,685	957,354	693,753

INFORMATION OF THE COMPANY

The Company is a company incorporated in Hong Kong and whose shares are listed on the main board of the Stock Exchange. The principal business of the Group is manufacturing, sale and trading of steel products, shipping operations and electricity generation. The Company is held as to approximately 40.7% by Shougang Holding which in turn, through its associates, holds an aggregate of 35.5% (including the 22.3% interest held by the Company) of the issued share capital of Shougang Century at the date of this announcement.

EFFECTS ON SHAREHOLDING

The effects of the Subscription on the shareholding of Shougang Century are as follows:

	As at the date of this announcement	Approximately % of the issued share capital as at the date of this announcement	Immediately after completion of the Subscription and assuming no new Shougang Century Shares will be issued prior to the completion of the Subscription	Approximately % of the issued share capital
the Company ^(Note 1)	286,655,179	22.3	686,655,179	40.8
Shougang Holding ^(Note 2)	169,228,000	13.2	169,228,000	10.0
Sub-total ^(Note 3):	455,883,179	35.5	855,883,179	50.8
Tang Cornor Kwok Kau ^(Note 4)	2,496,000	0.2	2,496,000	0.1
NV Bekaert S.A.	250,000,000	19.5	250,000,000	14.9
Public	575,967,377	44.8	575,967,377	34.2
Total:	1,284,346,556	100.00	1,684,346,556	100.00

Note:

- 1. Such shareholding includes the shares held by the Company through its wholly-owned subsidiaries.*
- 2. Such shareholding includes the shares held by Shougang Holding and its associates but excludes the shares held by the Company through its wholly-owned subsidiaries. Such shareholding includes 155,358,000 shares held by the wholly-owned subsidiaries of Shougang Holding and 13,870,000 shares held by a wholly-owned subsidiary of Shougang Concord Grand (Group) Limited which in turn is held as to approximately 42.6% by Shougang Holding.*
- 3. The Company and Shougang Holding are parties acting in concert in respect of the Shougang Century Shares and the sub-total represents the entire shareholding of the Company and the parties acting in concert with it in Shougang Century.*
- 4. Mr. Tang Cornor Kwok Kau is a director of Shougang Century. The shares are beneficially owned by Mr. Tang and in which 200,000 shares are also jointly owned by his wife.*

APPLICATION FOR WHITEWASH WAIVER

Assuming no further shares will be issued by Shougang Century prior to the completion of the Subscription and upon completion of the Subscription Agreement, the interests in Shougang Century held by the Company will increase from 22.3% to 40.8% and the interests held by the Company together with the parties acting in concert with it will increase from 35.5% to 50.8%. The Company and parties acting in concert with it will, in the absence of the Whitewash Waiver, be obliged to make a mandatory general offer for all the Shougang Century Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code. The Company will apply to the SFC for the Whitewash Waiver pursuant to Note 1 of the Notes on Dispensation from Rule 26 of the Takeovers Code on the basis that, among other things, the acquisition of Shougang Century Shares by the Company pursuant to the Subscription Agreement is a cash subscription and the Whitewash Waiver shall be subject to the approval by the Shougang Century Independent Shareholders at the EGM of Shougang Century on a vote taken by way of a poll whereby the Company, its associates and concert parties, including Shougang Holding, will abstain from voting.

There is no dealings in the securities of Shougang Century by the Company and its concert parties during the six months prior to the date of this announcement and including the date of this announcement. Except as disclosed in the section headed “Effects on Shareholding” above, the Company and its concert parties do not hold any other securities, or derivatives in respect of the securities in Shougang Century.

GENERAL

Shougang Holding and its associates hold an aggregate of approximately 35.5% (including the 22.3% interests held by the Company) of the issued share capital of

Shougang Century. As Shougang Holding and its associates hold an aggregate of approximately 40.7% of the issued share capital of the Company and is the controlling shareholder of the Company, the Subscription constitutes a connected transaction for the Company under Rule 14A.13(1)(b)(i) of the Listing Rules. The Subscription also constitutes a discloseable transaction for the Company under the Listing Rules. Completion of the Subscription Agreement is subject to, among other things, approval of the Independent shareholders at the EGM of the Company.

An independent board committee comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the Subscription Agreement. An independent financial adviser will also be appointed to advise the independent board committee and the Independent Shareholders on such agreement in accordance with the Listing Rules.

A circular containing, among other things, further details of the Subscription Agreement, the letter from the independent board committee and the recommendation from the independent financial adviser on the terms of such agreement (together with a notice convening the EGM of the Company) will be despatched to the Shareholders as soon as practicable.

RESUMPTION OF TRADING

Trading in Shares was suspended from 9:30 a.m. on 29 November 2007 at the request of the Company pending the issue of this announcement and an application has been made to the Stock Exchange for the resumption in Shares with effect from 9:30 a.m. on 3 December 2007.

DEFINITIONS

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Shougang Concord International Enterprises Company Limited (stock code: 697), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	extraordinary general meeting
“Executive”	has the meaning ascribed to it in the Takeovers Code
“Group”	the company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Shougang Century”	Shougang Concord Century Holdings Limited (stock code: 103), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Shougang Century Independent Shareholders”	shareholders of Shougang Century (other than the Company and its associates and the parties acting in concert with it) who are not required to abstain from voting on the resolution to be proposed at the EGM of Shougang Century to approve the Subscription Agreement and the Whitewash Waiver under the Listing Rules and the Takeovers Code
“Shougang Century Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of Shougang Century
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“Independent Shareholders”	Shareholders (other than Shougang Holding and its associates) who are not required to abstain from voting on the resolution to be proposed at the EGM of the Company to approve the Subscription Agreement under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 400,000,000 new Shougang Century Shares by the Company pursuant to the Subscription Agreement dated 29 November 2007
“Subscription Agreement”	the subscription agreement dated 29 November 2007 between the Company and Shougang Century under which 400,000,000 new Shougang Century Shares shall be issued and allotted to the Company at the price of HK\$1.03 per Subscription Share

“Subscription Price”	HK\$1.03 per Subscription Share
“Subscription Share(s)”	400,000,000 new Shougang Century Shares to be subscribed by the Company pursuant to the Subscription Agreement
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers
“Whitewash Waiver”	a waiver from the Executive (as defined in the Takeovers Code) pursuant to Note 1 on the Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Company and parties acting in concert with it to make a mandatory general offer for all the Shougang Century Shares not already owned or agreed to be acquired by the Company or parties acting in concert with it which would otherwise arise as a result of completion of the Subscription Agreement

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

Hong Kong, 30 November 2007

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.