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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)

DISCLOSEABLE TRANSACTION

The Board wishes to announce that on 31 January 2008, the Company and the Vendor entered into the Share Purchase Agreement, pursuant to which the Vendor agreed to sell and the Company agreed to purchase the Sale Shares, representing approximately 9.74% of the existing issued ordinary share capital of Mount Gibson, at AUD2.60 per Sale Share.

On the same day, the Company and the Vendor also entered into an Option Agreement pursuant to which the Company will be granted an option to acquire the Option Shares, representing approximately 9.98% of the existing issued ordinary share capital of Mount Gibson at an aggregate option price of AUD2.60 per Option Share, subject to the terms and conditions of the Option Agreement.

The transactions under the Acquisition and the Option are subject to conditions outlined below and constitute a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing, amongst other things, further details relating to the Acquisition and the Option will be despatched to the Shareholders as soon as practicable.

THE SHARE PURCHASE AGREEMENT

Date of the agreement

31 January 2008

Parties to the agreement

- (1) the Vendor, a company incorporated in Cyprus and is principally engaged in production of iron ore and steel; and
- (2) the Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Vendor and its ultimate beneficial owners are independent third parties not connected with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates.

Assets to be acquired

Pursuant to the Share Purchase Agreement, the Company will acquire 77,436,215 shares in the issued share capital of Mount Gibson. The Sale Shares represent approximately 9.74% of the existing issued ordinary share capital of Mount Gibson.

A brief summary of the financial information of Mount Gibson, extracted from the 2007 Annual Report of Mount Gibson is set out below:

	For the year ended 30 June 2007 AUD'000	For the year ended 30 June 2006 AUD'000
Consolidated profits before tax	60,974	19,124
Consolidated profits after tax	47,765	23,479

The audited consolidated total asset and net asset of Mount Gibson as at 30 June 2007 were approximately AUD692,500,000 and AUD454,309,000 respectively. The market value of Mount Gibson, based on the closing price of AUD2.62 per share of Mount Gibson on 25 January 2008, being the last trading day for the shares of Mount Gibson prior to entering into of the Share Purchase Agreement and the Option Agreement was AUD2,082,184,271.

Consideration

The consideration for the acquisition of the Sale Shares is AUD2.60 per Sale Share. The aggregate consideration of the Acquisition amounts to AUD201,334,159 (equivalent to HK\$1,379,138,989) and was determined after arm's length negotiation with reference to the closing market price of AUD2.62 per share of Mount Gibson on 25 January 2008, being the last trading day for the shares of Mount Gibson prior to entering into of the Share Purchase Agreement and the Option Agreement.

The consideration will be satisfied by internal resources of the Group and is payable in full in cash at the Share Purchase Completion.

Conditions

Completion of the Acquisition is conditional upon the fulfillment of the following conditions:

- (1) if, and to the extent, required by the Listing Rules, a resolution or resolutions (as the case may be) being passed at a meeting of the members of the Company approving:
 - (a) the terms of the Share Purchase Agreement and the acquisition of the Sale Shares by the Company; and
 - (b) the terms of the Option Agreement and the entering into of such agreement by the Company; and
- (2) the Treasurer of the Commonwealth of Australia:

- (a) ceasing to be empowered to make an order under Part II of the Foreign Acquisitions and Takeovers Act 1975 (Cwlth) in respect of the acquisitions contemplated by the Share Purchase Agreement and the Option Agreement; or
- (b) giving the Company advice in writing of a decision by the Treasurer of the Commonwealth Government of Australia that he has no objection to the acquisitions contemplated by the Share Purchase Agreement and the Option Agreement, without any condition that the Company reasonably considers to be unacceptable,

whichever first occurs.

If all of the conditions above have not been satisfied, or otherwise waived by the parties in writing, on or before 31 March 2008 (or such later date as may be agreed by the parties), then unless otherwise agreed by the parties in writing, the Share Purchase Agreement will terminate as from that date.

Completion

Subject to the satisfaction or waiver of the conditions of the Share Purchase Agreement, Share Purchase Completion will take place on the 5th Business Day after the Share Purchase Agreement has ceased to be conditional or as otherwise agreed by the parties in writing.

THE OPTION AGREEMENT

Date of the agreement

31 January 2008

Parties to the agreement

- (1) the Vendor; and
- (2) the Company.

Terms of the Option

Pursuant to the Option Agreement, the Vendor will grant an option to the Company to acquire the 79,333,682 shares in the issued share capital of Mount Gibson at any time during the Exercise Period at the Option Exercise Price of AUD2.341 per Option Share.

The Option Shares represent approximately 9.98% of the existing issued ordinary share capital of Mount Gibson.

Option Price

The Company is required to pay an Option Fee of AUD20,547,423.63 (approximately HK\$140,749,851.87), equivalent to AUD0.259 per Option Share, at the Share Purchase Completion. The Option Fee was determined after arm's length negotiation at approximately 10% of the closing market price of AUD2.62 per share of Mount Gibson on 25 January 2008, which is comparable to the normal initial deposit paid for acquisition of assets. However, if the conditions to the Share Purchase Agreement are not satisfied or waived, the Share Purchase Completion will not occur and the Option Fee will not be paid. The Option Exercise Price is AUD2.341 per Option Share, which together with the Option Fee is equivalent to the aggregate option price of AUD2.60 per Option Share, which was determined after arm's length negotiation with reference to the closing market

price of AUD2.62 per share of Mount Gibson on 25 January 2008, being the last trading day for the shares of Mount Gibson prior to entering into of the Share Purchase Agreement and the Option Agreement.

The Company will comply with the relevant requirements of the Listing Rules upon the exercise of the Option.

Conditions of the Option Agreement

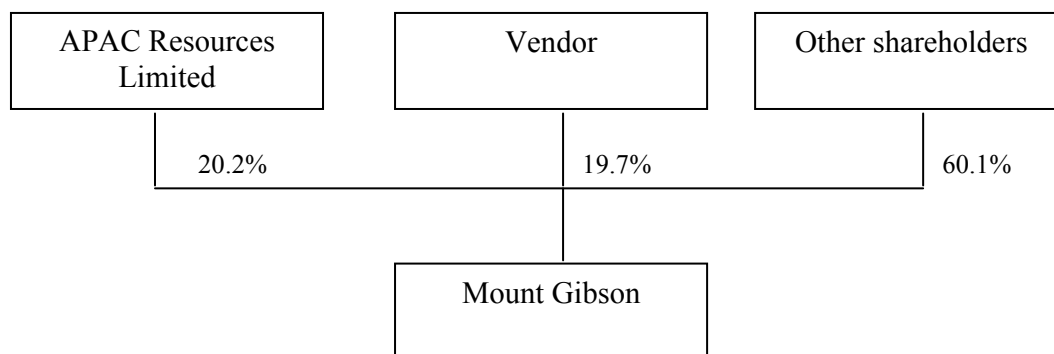
The granting of the Option is conditional on the Share Purchase Completion.

Mount Gibson

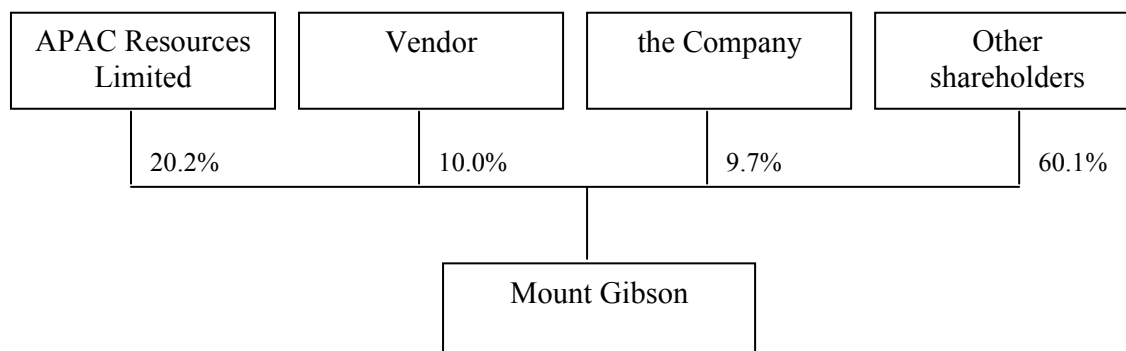
Established in Perth in 1996, Mount Gibson is a public company incorporated in Australia, the ordinary shares of which are listed on the Australian Stock Exchange. Mount Gibson owns and operates the 3 Mtpa Talling Peak iron ore mine in the Midwest region of Western Australia, and the 4 Mtpa Koolan Island iron ore mine just off the Kimberley coast of Western Australia. It also owns the Extension Hill DSO (Direct Shipping Ore) Hematite Project in the Mount Gibson Range in Western Australia.

According to the latest available information of Mount Gibson published on the website of the Australian Securities Exchange (and assuming no ordinary shares are issued by Mount Gibson thereafter and assuming also no change in shareholdings by the other shareholders set out below), the shareholding structure of the Mount Gibson before and after the Share Purchase Completion are as follows:

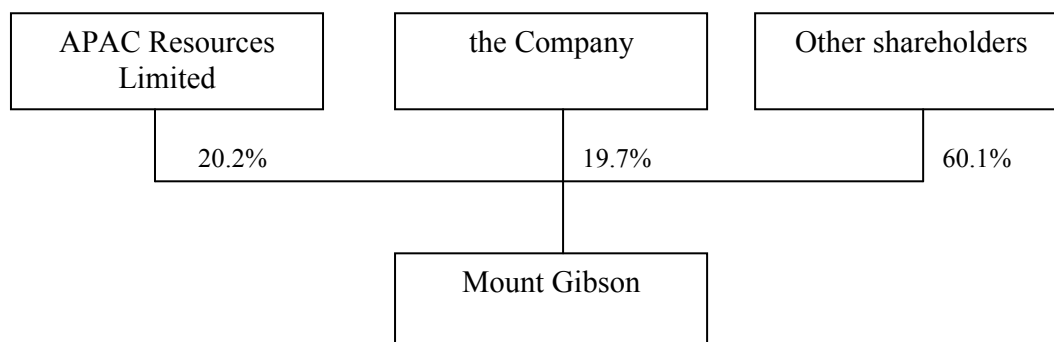
Before the Share Purchase Completion



After the Share Purchase Completion



After the Share Purchase Completion and exercise of the Option Shares



Investment in Mount Gibson will be classified as financial assets at fair value in the accounts of the Company, after the Share Purchase Completion and after the Share Purchase Completion and exercise of the Option Shares pursuant to the Option Agreement, respectively.

Reason for the transaction

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

In order to strengthen the Group's position in the manufacture and sale of steel products in the PRC, the Board believes that the investment in Mount Gibson, which holds mining tenements to iron ore, is in the interest of the Shareholders as it would secure a long-term and stable source of supply of raw materials for the Group's steel manufacturing operation.

The Directors (including the independent non-executive Directors) consider that the Share Purchase Agreement and the Option Agreement have been made on normal commercial terms and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the entering into of the Share Purchase Agreement and the Option Agreement is in the interest of the Company and the Shareholders as a whole.

GENERAL

The transactions contemplated under the Acquisition and the Option constitute a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing, amongst other things, further details relating to the Acquisition and the Option will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Acquisition”	the acquisition of the Sale Shares by the Company from the Vendor in accordance with the terms of the Share Purchase Agreement
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“AUD” Australian dollar, the lawful currency of Australia

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day other than a Saturday, Sunday or public holidays on which banks are open for business in the cities of Melbourne, London, Moscow and Hong Kong
“Company”	Shougang Concord International Enterprises Company Limited, a company incorporated in Hong Kong, the securities of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Exercise Period”	the period starting on the date that is 368 days after the Share Purchase Completion and ending on the day falling 398 days after that day
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mount Gibson”	Mount Gibson Iron Limited, an Australian company the shares of which are listed on the Australian Securities Exchange
“mtpa”	million tones per annum
“Option”	the option granted by the Vendor to the Company to purchase the Option Shares in accordance with the terms of the Option Agreement
“Option Agreement”	the agreement dated 31 January 2008, entered into between the Vendor and the Company in respect of the Option
“Option Exercise Price”	AUD2.341 per Option Share (as may be adjusted under the terms of the Option Agreement), being the price the Company has to pay to the Vendor for the exercise of the Option under the Option Agreement
“Option Fee”	a fee equivalent to AUD0.259 per Option Share payable by the Company to the Vendor at the Share Purchase Completion
“Option Shares”	79,333,682 ordinary shares in the issued share capital of Mount Gibson to be sold by the Vendor to the Company in accordance with the terms of the Option Agreement
“PRC”	the People’s Republic of China
“Sale Shares”	77,436,215 ordinary shares in the issued share capital of Mount Gibson to be sold by the Vendor to the Company in accordance with

	the terms of the Share Purchase Agreement
“Shareholder(s)”	holder(s) of Shares
“Share Purchase Completion”	completion of the Acquisition
“Share Purchase Agreement”	the agreement dated 31 January 2008, entered into between the Vendor and the Company in respect of the Acquisition
“Shares”	ordinary shares of HK\$0.20 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Gazmetall Holdings (Cyprus) Limited, a company incorporated in Cyprus
“%”	per cent.

For illustration purposes, amounts in AUD in this announcement have been translated into HK\$ at AUD1 = HK\$6.85.

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

Hong Kong, 31 January 2008

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).