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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 16 December 2011, the Borrower entered into the Loan Agreement with the Bank. The Company announces the covenants relating to specific performance of the controlling shareholder under the Loan 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 loan agreement dated 16 December 2011 (the “**Loan Agreement**”) entered into between Nanyang Commercial Bank (China) Limited, Qingdao Branch (the “**Bank**”) and Qinhuangdao Shouqin Metal Materials Co., Ltd. (the “**Borrower**”), a 76% indirectly owned subsidiary of Shougang Concord International Enterprises Company Limited (the “**Company**”), the Bank would make available to the Borrower, inter alia, a loan in an amount of RMB280,000,000 (the “**Loan**”) in accordance with the terms and conditions contained therein. The Loan shall be repaid by the Borrower on the final maturity day being the date which is falling 1 year after the date of first drawdown of the Loan. The Borrower shall apply the Loan towards purchasing of raw materials.

Shougang Corporation, a company incorporated in the People’s Republic of China and the holding company of Shougang Holding (Hong Kong) Limited (“**Shougang Holding**”) which in turn is the controlling shareholder of the Company, acts as a guarantor for all liabilities of the Borrower in respect of the Loan under the Loan Agreement. Shougang Corporation undertakes that during the term of the Loan, (i) it will hold not less than 51% interests in Beijing Shougang Company Limited; (ii) it will beneficially own not less than 35% of the issued share capital of the Company; and (iii) its net asset value will not be less than RMB15,000,000,000. Breach of any of the above undertakings will constitute an event of default upon which the Loan will become immediately due and payable.

As at the date of this announcement, Shougang Holding and its associates beneficially own approximately 48% of the issued share capital of the Company.

The Company will comply with continuing disclosure requirements pursuant to Rule 13.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board
**Shougang Concord International
Enterprises Company Limited**
Li Shaofeng
Managing Director

16 December 2011

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Qinghai (Chairman), Mr. Cao Zhong (Vice Chairman), Mr. Li Shaofeng (Managing Director), Mr. Zhang Wenhui (Deputy Managing Director), Mr. Chen Zhouping (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).