



首長科技集團有限公司
SHOUGANG CONCORD TECHNOLOGY
HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)



首長寶佳集團有限公司
SHOUGANG CONCORD CENTURY
HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

CONTINUING CONNECTED TRANSACTIONS

Santai Manufacturing and Hing Cheong entered into numerous transactions since January 2002 whereby Santai Manufacturing purchased, and Hing Cheong sold, copper sheets and brass sheets. Such transactions constituted connected transactions under the Listing Rules but so far are considered as de minimus and are exempt from reporting requirements under the Listing Rules. In view that such transactions are to take place on a continuing basis, each Shougang Technology and Shougang Century has applied to the Stock Exchange for a conditional waiver from strict compliance with Rule 14.25(1) of the Listing Rules subject to the conditions as set out hereunder. Brief details of such transactions will be disclosed in the annual reports of Shougang Technology and Shougang Century.

PARTIES

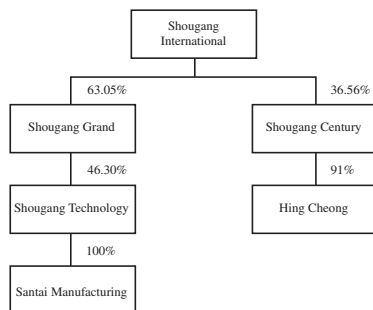
“Hing Cheong”	Hing Cheong Metals (China & Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and is an indirect 91% owned subsidiary of Shougang Century
“Santai Manufacturing”	Santai Manufacturing Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Shougang Technology
“Shougang Century”	Shougang Concord Century Holdings Limited, a company incorporated in Hong Kong with limited liability and its shares are listed on the Stock Exchange
“Shougang Grand”	Shougang Concord Grand (Group) Limited, a company incorporated in Bermuda with limited liability and its shares are listed on the Stock Exchange
“Shougang International”	Shougang Concord International Enterprises Company Limited, a company incorporated in Hong Kong with limited liability and its shares are listed on the Stock Exchange
“Shougang Technology”	Shougang Concord Technology Holdings Limited, a company incorporated in Hong Kong with limited liability and its shares are listed on the Stock Exchange

THE TRANSACTIONS

Since January 2002, Santai Manufacturing and Hing Cheong entered into numerous transactions whereby Santai Manufacturing purchased, and Hing Cheong sold, copper sheets and brass sheets (the “Transactions”). Santai Manufacturing is engaged in trading of raw materials for the manufacture of telephone accessories and power cords while Hing Cheong is engaged in processing and trading of copper and brass products. The Transactions are conducted in the ordinary and usual course of business of the companies concerned and are on normal commercial terms. The respective directors, including independent non-executive directors of Shougang Technology and Shougang Century, consider that it is in the respective interests of Santai Manufacturing and Hing Cheong to enter into, and continue with, the Transactions as the Transactions will facilitate the operations of the relevant companies and the Transactions are fair and reasonable so far as the respective shareholders of Shougang Technology and Shougang Century are concerned.

CONNECTION BETWEEN THE PARTIES

Santai Manufacturing is a wholly-owned subsidiary of Shougang Technology while Hing Cheong is an indirect 91% owned subsidiary of Shougang Century. As at the date hereof, Shougang Technology is held as to approximately 46.30% by Shougang Grand which is held as to approximately 63.05% by Shougang International. On the other hand, Shougang Century is held as to approximately 36.56% by Shougang International.



In view of the foregoing, the Transactions constitute connected transactions under the Listing Rules.

WAIVER APPLICATION

As at the date hereof, the aggregate amount for the Transactions did not exceed HK\$1,000,000 and accordingly the Transactions are exempt from reporting requirements under the Listing Rules. Nevertheless, the boards of directors of each Shougang Technology and Shougang Century expect the amount for the Transactions, when in aggregation, for the financial year ending 31st December, 2002 and each successive financial year will exceed HK\$1,000,000 but will not exceed the higher of either HK\$10,000,000 or 3% of the respective book value of the net tangible

assets of Shougang Technology and Shougang Century. Pursuant to Rule 14.25(1) of the Listing Rules, the Transactions will have to be disclosed by way of press announcement and inclusion in the annual report of each Shougang Technology and Shougang Century.

In view that the Transactions are to take place on a continuing basis, it is onerous to issue a press announcement in relation to each Transaction when such requirements arise. Each Shougang Technology and Shougang Century has applied to the Stock Exchange for a conditional waiver from strict compliance with Rule 14.25(1) of the Listing Rules for the Transactions subject to the following conditions:

- (a) the Transactions shall be:
 - (i) entered into in the ordinary and usual course of business of the relevant members of Shougang Technology and Shougang Century;
 - (ii) conducted either (A) on normal commercial terms; or (B) if there is no available comparison, on terms that are fair and reasonable so far as the respective shareholders of Shougang Technology and Shougang Century, taken a whole, are concerned; and
 - (iii) entered into either (A) in accordance with the terms of the agreements governing such Transactions; or (B) if there are no such agreements, on terms that are no less favourable than terms available to or from independent third parties;
- (b) the amount of the Transactions for each financial year will not exceed the higher of either HK\$10,000,000 or 3% of the respective book value of the net tangible assets of Shougang Technology and Shougang Century;
- (c) brief details of the Transactions will be disclosed as required under Rule 14.25(1)(A) to (D) of the Listing Rules in the next and each successive annual reports of Shougang Technology and Shougang Century together with a statement of the opinion of the respective independent non-executive directors and the auditors of Shougang Technology and Shougang Century referred to in paragraphs (d) and (e) below;
- (d) the respective independent non-executive directors of Shougang Technology and Shougang Century shall review annually the Transactions and confirm in the respective annual reports of Shougang Technology and Shougang Century that such Transactions were conducted in the manner as stated in paragraphs (a) and (b) above;
- (e) the respective auditors of Shougang Technology and Shougang Century shall annually review the Transactions and shall provide the respective boards of directors with a letter (the “Auditors’ Letter”) (with a copy to the Stock Exchange) in respect of each relevant financial year, during which the Transactions were conducted, stating that:
 - (i) the Transactions have received the approval of the boards of directors concerned;
 - (ii) the Transactions have been entered into in accordance with the terms of the agreements governing such Transactions;
 - (iii) the consideration has not exceeded the annual limit set out in paragraph (b) above; and
 - (iv) the Transactions have been entered into in accordance with the respective pricing policies of Shougang Technology and Shougang Century, as stated in the respective financial statements of Shougang Technology and Shougang Century;

and where for whatever reason, the auditors concerned decline to accept the engagement or are unable to provide the Auditors’ Letter, the directors of the company concerned shall contact the Listing Division of the Stock Exchange immediately.

GENERAL INFORMATION

Shougang Technology is an investment holding company and its subsidiaries are principally engaged in the manufacture and sale of telephone cords and accessories, power cords, adaptors and electronic products, printed circuit boards, high precision components for computers and the provision of freight forwarding and delivery services. Shougang Century is an investment holding company and its subsidiaries are principally engaged in the manufacturing of steel cords, processing and trading of copper and brass products, manufacturing of pre-stressed concrete strands and wires, and property investment. So long as the Transactions constitute connected transactions under the Listing Rules, each Shougang Technology and Shougang Century will comply with the conditions under which the waiver is granted.

By order of the Board
SHOUGANG CONCORD TECHNOLOGY
HOLDINGS LIMITED
Cao Zhong
Chairman

By order of the Board
SHOUGANG CONCORD CENTURY
HOLDINGS LIMITED
Cao Zhong
Chairman

Hong Kong, 8th May, 2002