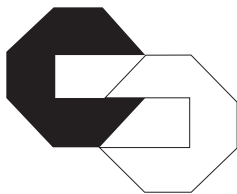
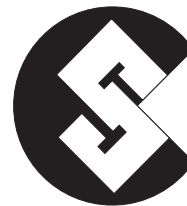


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**首長寶佳集團有限公司**  
**SHOUGANG CONCORD CENTURY**  
**HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*  
("Shougang Century")  
(Stock Code: 103)



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

*(Incorporated in Hong Kong with limited liability)*  
("Shougang Technology")  
(Stock Code: 521)

**CONTINUING CONNECTED TRANSACTIONS**  
**EXEMPT FROM THE INDEPENDENT SHAREHOLDERS'**  
**APPROVAL REQUIREMENTS**

Both Meta International and Hing Cheong enter into Transactions with Santai Manufacturing in the ordinary course of businesses of the respective companies. The Transactions are to take place on a continuing basis and constitute continuing connected transactions for each Shougang Century and Shougang Technology under rule 14A.34 of the Listing Rules. The Transactions are exempt from independent shareholders' approval requirements but subject to reporting and announcement requirements as set out in rules 14A.45 to 14A.47 of the Listing Rules. So long as the Transactions constitute connected transactions for each Shougang Century and Shougang Technology, each Shougang Century and Shougang Technology will comply with the relevant requirements as set out in the Listing Rules accordingly.

**DEFINITIONS**

"Hing Cheong"

Hing Cheong Metals (China & Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of Shougang Century. It is engaged in processing and trading of copper and brass products

"Meta International"

Meta International Limited, a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of Shougang Century. It is engaged in processing and trading of copper and brass products

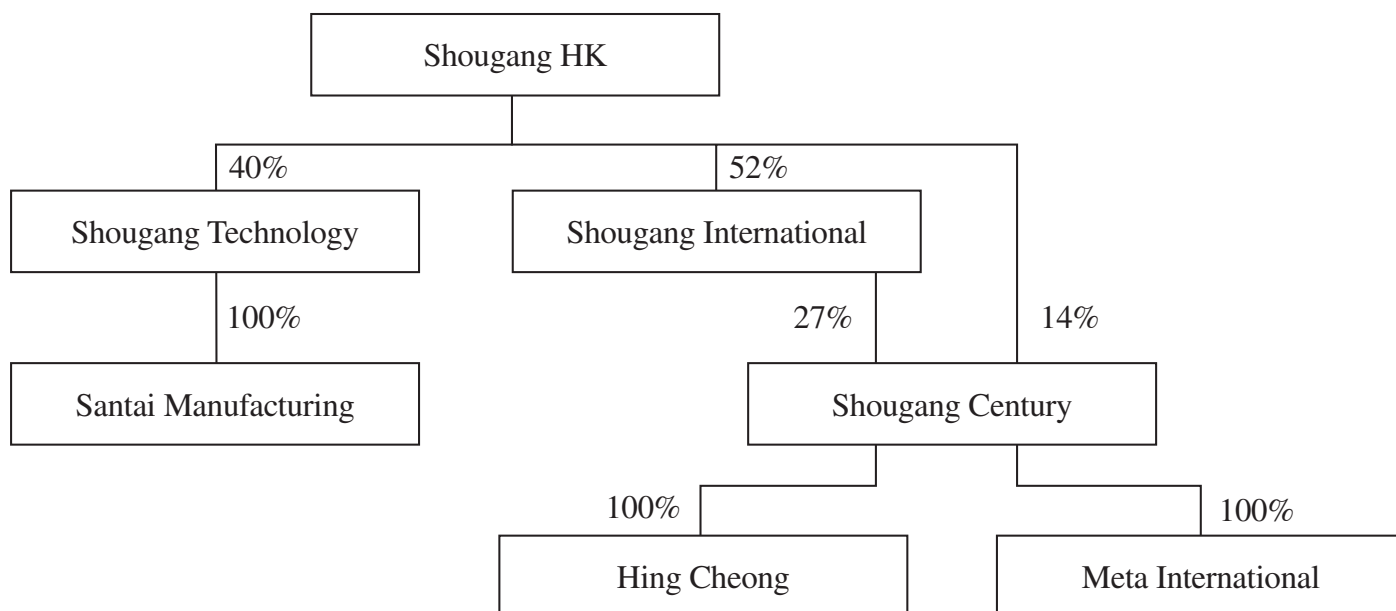
|                          |  |
|--------------------------|--|
| “Santai Manufacturing”   | Santai Manufacturing Limited, a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of Shougang Technology. It is engaged in trading of raw materials for the manufacture of telephone accessories and power cords |
| “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 HK”            | Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and is a substantial shareholder of each Shougang International, Shougang Century and Shougang Technology   |
| “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. It is a substantial shareholder of Shougang Century                              |
| “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   |
| “Transactions”           | Hing Cheong and Meta International sold, and Santai Manufacturing purchased, copper sheets and brass sheets  |

## **THE TRANSACTIONS**

Both Hing Cheong and Meta International entered into the Transactions with Santai Manufacturing in the ordinary course of businesses of the respective companies. Santai Manufacturing is engaged in trading of raw materials for the manufacture of telephone accessories and power cords while Hing Cheong and Meta International are 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, Hing Cheong and Meta International 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 and Meta International are wholly owned subsidiaries of Shougang Century. As at the date hereof, Shougang Technology is held as to approximately 40% by Shougang HK. On the other hand, Shougang Century is held as to approximately 14% and approximately 27% by Shougang HK and Shougang International (which is in turn held as to approximately 52% by Shougang HK) respectively.



In view of the foregoing, the Transactions constitute connected transactions for each Shougang Century and Shougang Technology under the Listing Rules.

## PROPOSED ANNUAL CAPS

The Transactions will extend over a period of time and will take place on a continuing basis. The aggregate amount of the Transactions from January to April 2004 was approximately HK\$844,000. The normal and usual payment term for the Transactions was 60 days. For the purpose of complying with the relevant requirements of the Listing Rules, each Hing Cheong, Meta International, both are engaged in processing and trading of copper and brass products and Santai Manufacturing, which is engaged in trading of raw materials for the manufacture of telephone accessories and power cords, have projected the aggregate amount of the Transactions and proposed the following annual cap

for the Transactions for each of the three financial years ending 31 December 2004, 2005 and 2006 respectively:

|  | <b>Projected figures<br/>for the Transactions<br/>for the financial year<br/>ending 31 December</b> |                         |                         |
|--|---|-------------------------|-------------------------|
|  | <b>2004</b>   | <b>2005</b>             | <b>2006</b>             |
| Turnover ( <i>tonnes</i> )                         | 190   | 200                     | 210                     |
| Average Selling Price<br>per tonne ( <i>HK\$</i> ) | 25,000  | 25,000                  | 25,000                  |
| Total amount of<br>Turnover ( <i>HK\$</i> )        | 4,750,000   | 5,000,000               | 5,250,000               |
| Comprises of:                                      | <i>HK\$</i>   | <i>HK\$</i>             | <i>HK\$</i>             |
| Hing Cheong (20%)                                  | 950,000   | 1,000,000               | 1,050,000               |
| Meta International (80%)                           | 3,800,000   | 4,000,000               | 4,200,000               |
| <b>Proposed annual cap</b>                         | <b><u>4,750,000</u></b>   | <b><u>5,000,000</u></b> | <b><u>5,250,000</u></b> |

The projected figures are based on the following assumptions and factors:

1. the turnover to Santai Manufacturing in the range of 180 to 190 tonnes per annum for the past three years with annual growth of 5% in view of the optimistic growth of economy which will bring forth an increase in demand and supply of copper and brass products for the forthcoming years;
2. expected prevailing LME (London Metals Exchange) three-month copper price which had reached the peak at US\$3,029, equivalent to approximately HK\$23,626 per tonne in April 2004 since 1994;
3. the average selling price of HK\$24,800 per tonne in the first quarter of 2004 and with reference to LME three-month copper price; and
4. the respective amount of turnover of Hing Cheong and Meta International to Santai Manufacturing in the first quarter of 2004.

For the comparison purpose, the average selling price was approximately HK\$27,400 per tonne in April 2004 and the aggregate amount for the Transactions for the past three years from 2001 to 2003 is shown hereunder:

|  | <b>2001</b> | <b>2002</b> | <b>2003</b> |
|--|-------------|-------------|-------------|
| Turnover ( <i>tonnes</i> )                         | 185         | 189         | 182         |
| Average Selling Price<br>per tonne ( <i>HK\$</i> ) | 23,000      | 19,000      | 20,000      |
| Total amount of<br>Turnover ( <i>HK\$</i> )        | 4,255,000   | 3,591,000   | 3,640,000   |

The boards of directors of each Shougang Technology and Shougang Century expect the aggregate amount of the Transactions for each of the three financial years ending 31 December 2006 will not exceed the higher of either HK\$10,000,000 or 2.5% of each of the percentage ratios calculated pursuant to rule 14.07 of the Listing Rules. Accordingly, the Transactions will constitute continuing connected transactions under rule 14A.34 of the Listing Rules for each Shougang Technology and Shougang Century and will be subject to the reporting and announcement requirements set out in rules 14A.45 to 14A.47.

## **GENERAL INFORMATION**

Shougang Technology is an investment holding company and its subsidiaries are principally engaged in manufacturing and sale of photomasks, telephone accessories, power cords, adaptors and electronic products, printed circuit boards and high precision metal parts. 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 and manufacturing of pre-stressed concrete strands and wires. So long as the Transactions constitute continuing connected transactions under rule 14A.34 of the Listing Rules, each Shougang Technology and Shougang Century will comply with the reporting and announcement requirements set out in rules 14A.45 to 14A.47.

By order of the Board  
**Shougang Concord Century**  
**Holdings Limited**  
**Li Shaofeng**  
*Managing Director*

By order of the Board  
**Shougang Concord Technology**  
**Holdings Limited**  
**Cao Zhong**  
*Chairman*

Hong Kong, 4 May 2004

As at the date of this announcement, the respective boards of Shougang Century and Shougang Technology comprise of the following directors:

### **Shougang Century**

Mr. Cao Zhong (Chairman), Mr. Li Shaofeng (Managing Director), Mr. Tong Yihui (Deputy Managing Director), Mr. Leung Shun Sang, Tony, Mr. Tang Cornor Kwok Kau (Deputy Managing Director), Mr. Lai Kam Man (Independent Non-executive Director) and Mr. Yip Kin Man, Raymond (Independent Non-executive Director).

### **Shougang Technology**

Mr. Cao Zhong (Chairman), Mr. Yu Jian (President), Mr. Luo Zhenyu (Vice President), Mr. Yuan Wenxin, Mr. Tse Chun Sing, Mr. Chen Jang Fung, Mr. Leung Shun Sang, Tony, Mr. Chan Wah Tip, Michael (Independent Non-executive Director), Mr. Liu Wei (Independent Non-executive Director) and Ms. Choy Hok Man, Constance (Independent Non-executive Director).