



SHOUGANG CONCORD CENTURY HOLDINGS LIMITED

首長寶佳集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 103)

XINHUA METAL SHARE REFORM PLAN

Reference is made to Shougang Century's announcement in relation to the Xinhua Metal Share Reform Plan dated 28 March 2006.

The Non-freely Transferable Shareholders have proposed to revise Xinhua Metal Share Reform Plan which had not obtained the approval from the relevant shareholders of Xinhua Metal on 11 April 2006.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

This announcement is made with reference to the Xinhua Metal Share Reform Plan dated 28 March 2006 (the "Announcement") and is made pursuant to Rule 13.09(1) of the Listing Rules. Unless otherwise specified, terms and expressions used in this announcement shall have the same meanings as those specified in the Announcement.

The Board hereby announces that Shougang Century's indirect wholly-owned subsidiary, Vicwah Metal (a minority shareholder holding non-freely transferable shares of Xinhua Metal), has no choice but to agree with the other Non-freely Transferable Shareholders to proceed with the amendment to the proposal of the Xinhua Metal Share Reform Plan for the conversion of non-freely transferable shares of Xinhua Metal into shares freely transferable on the Shanghai Stock Exchange for the purpose of compliance with the prevailing share segregation reform of the securities market of the PRC. The amendments to the Xinhua Metal Share Reform Plan are as follows:

Amendments to the Xinhua Metal Share Reform Plan

Following discussion with various parties, the Non-freely Transferable Shareholders including Xinyu Iron & Steel Co., Ltd. 新余鋼鐵有限責任公司 (the controlling shareholder), Jiangxi International Trust & Investment Co., Ltd. 江西國際信託投資股份有限公司, Jiangxi Metallurgical Trading Company 江西省冶金供銷公司 and Vicwah Metal propose to amend the Xinhua Metal Share Reform Plan. The Non-freely Transferable Shareholders will offer 3.3 non-freely transferable shares (the "Amended Share Reform Plan") instead of 3 non-freely transferable shares to the freely transferable shareholders of Xinhua Metal for every 10 freely transferable shares held by such holders of freely transferable shares. As such, the Non-freely Transferable Shareholders have to transfer an aggregate of 18,532,800 non-freely transferable shares of Xinhua Metal to freely transferable shareholders.

The shareholdings structure of Xinhua Metal before and after implementation of the Amended Share Reform Plan is set out below:

	Name of Shareholders	Before implementation of Amended Share Reform Plan		After implementation of Amended Share Reform Plan	
		No. of shares held	%	No. of shares held	%
1.	Xinyu Iron & Steel Co., Ltd. 新余鋼鐵有限責任公司	84,390,681	43.68	72,979,683	37.77
2.	Vicwah Metal	32,378,824	16.76	28,000,678	14.49
3.	Jiangxi International Trust & Investment Co., Ltd. 江西國際信託投資股份有限公司	19,427,293	10.05	16,800,407	8.69
4.	Jiangxi Metallurgical Trading Company 江西省冶金供銷公司	863,576	0.45	746,806	0.39
5.	Freely transferable shareholders	56,160,000	29.06	74,692,800	38.66
	Total	193,220,374	100.00	193,220,374	100.00

In addition to the undertakings given by the Non-freely Transferable Shareholders mentioned in the Announcement, Xinhua Metal is also obliged to undertake to attain a net profit for the year of 2006 which shall be an increase of more than 50% over the net profit for the year of 2005.

The votes of the freely transferable shareholders of Xinhua Metal in respect of the Amended Share Reform Plan may be cast on the internet during the three trading days from 8 September 2006 to 12 September 2006 and at a physical general meeting to be held on 12 September 2006.

Save as disclosed above, other conditions and terms of the Amended Share Reform Plan contained in the Announcement remain unchanged.

Impact on Shougang Century

The Amended Share Reform Plan may or may not proceed subject to the same conditions mentioned in the Announcement. If the Amended Share Reform Plan proceeds (on the basis of 3.3 shares for every 10 shares), Shougang Century's interest in Xinhua Metal will be diluted from 16.76% to 14.49% and based on the carrying value of interest in Xinhua Metal as shown in Shougang Century's 2005 annual report, the share of the interest in Xinhua Metal by Shougang Century may decrease from HK\$48,234,000 to HK\$42,426,000, representing a decrease in value of interest of approximately HK\$5,808,000 to the accounts of Shougang Century. This decrease represents approximately 0.60% of Shougang Century's audited total asset value as at 31 December 2005 as disclosed in its 2005 annual report. Notwithstanding, the 14.49% of non-freely transferable shares of Xinhua Metal held by Shougang Century shall be gradually converted into freely transferable shares of Xinhua Metal, which will provide Shougang Concord with more flexibility in dealing with the interest in Xinhua Metal in the long run. In the event that there is any substantial change on the Amended Share Reform Plan and material impact on Shougang Century, the Board will keep the market informed by way of announcement in compliance with the requirements of the Listing Rules.

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

Hong Kong, 28 August 2006

As at the date of this announcement, the Board comprises the following directors:

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. Yip Kin Man, Raymond (Independent Non-executive Director), Mr. Law, Yui Lun (Independent Non-executive Director) and Mr. Chu, Kwok Tsu Gilbert (Independent Non-executive Director).

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.