
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your securities of Shougang Concord Century Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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SHOUGANG CONCORD CENTURY HOLDINGS LIMITED

首長寶佳集團有限公司

(incorporated in Hong Kong with limited liability)

**CONNECTED AND DISCLOSEABLE TRANSACTION
DISPOSAL OF 63% INTERESTS IN
SHANXI SHENGJIA REAL ESTATE DEVELOPING CO., LTD.**

Independent financial adviser to the Independent Board Committee



REXCAPITAL (HONG KONG) LIMITED

A letter from REXCAPITAL (Hong Kong) Limited containing its advice to the Independent Board Committee in connection with the connected and discloseable transaction is set out on pages 9 to 13 of this circular.

Notice of an extraordinary general meeting of the Company to be held at 6th Floor, First Pacific Bank Centre, 51-57 Gloucester Road, Wanchai, Hong Kong, on Friday, 28 September, 2001 at 11:00 a.m. is set out on pages 17 to 18 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy to the Company's share registrars, Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

30 August, 2001

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DEFINITIONS

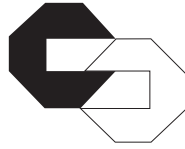
“Agreement”	the agreement dated 10 August, 2001 between the Vendor and the Purchaser for the sale and purchase of 63% of the equity interest in Shanxi Shengjia;
“associates”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“Company”	Shougang Concord Century Holdings Limited, a company incorporated in Hong Kong on 11 June, 1991 with limited liability, the shares of which are listed on the Stock Exchange;
“Consideration”	the aggregate amount of RMB13,860,000 being the consideration for the sale and purchase of 63% of the equity interest in Shanxi Shengjia pursuant to the Agreement;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal by the Vendor of 63% of the equity interest in Shanxi Shengjia to the Purchaser on the terms of the Agreement;
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at 6th Floor, First Pacific Bank Centre, 51-57 Gloucester Road, Wanchai, Hong Kong, on Friday, 28 September, 2001 at 11:00 a.m., notice of which is set out in this circular;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board comprising Messrs. Lai Kam Man and Yip Kin Man, Raymond;
“Latest Practicable Date”	29 August, 2001 being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Purchaser”	Shanxi Changda International Trade Co., Ltd., an enterprise established in the PRC;

DEFINITIONS

“Rexcapital”	REXCAPITAL (Hong Kong) Limited, an investment adviser registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong);
“SDI Ordinance”	the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong);
“Share(s)”	shares of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Shanxi Shengjia”	Shanxi Shengjia Real Estate Developing Co., Ltd., a sino-foreign equity joint venture established in the PRC whose equity interest is currently owned by the Vendor and 晉盛 in the ratio of 88:12;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Bogay Investment Limited, a company incorporated in Hong Kong which is a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollars;
“RMB”	Renminbi, the lawful currency of the PRC; and
“晉盛”	山西省晉盛貿易公司, an enterprise established in the PRC.

In this circular, the translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1.00 to RMB1.06.

LETTER FROM THE BOARD



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

(incorporated in Hong Kong with limited liability)

Directors:

Su Genqiang (*Chairman*)
Tong Yihui
Leung Shun Sang, Tony
Li Shaofeng
Xu Xianghua
Tang Kwok Kau
Yip Kin Man, Raymond*
Lai Kam Man*

Registered Office:

6th Floor, First Pacific Bank Centre
51-57 Gloucester Road
Wanchai
Hong Kong

* *Independent non-executive Directors*

30 August, 2001

To the Shareholders

Dear Sir or Madam,

CONNECTED AND DISCLOSEABLE TRANSACTION DISPOSAL OF 63% INTERESTS IN SHANXI SHENGJIA REAL ESTATE DEVELOPING CO., LTD.

INTRODUCTION

The Board announced on 13 August, 2001 that the Vendor and the Purchaser had entered into the Agreement pursuant to which the Vendor agreed to sell 63% of the equity interest in Shanxi Shengjia to the Purchaser for a consideration of RMB13,860,000 (approximately HK\$13,080,000).

As the Purchaser is 45% owned by 晉盛, the joint venture partner in Shanxi Shengjia, which holds 12% equity interest in Shanxi Shengjia, the Purchaser is considered to be a connected person for the purposes of the Listing Rules.

Completion of the Disposal is conditional, amongst other things, upon obtaining the approval of the Disposal by the Shareholders at the Extraordinary General Meeting.

LETTER FROM THE BOARD

The Independent Board Committee has been formed to consider the terms of the Agreement and to advise the Shareholders thereon. Rexcapital has been appointed as the independent financial adviser to advise the Independent Board Committee in this respect.

The purpose of this circular is to give you further information on the Disposal, to set out the advice of Rexcapital to the Independent Board Committee and the recommendation of the Independent Board Committee in respect of the Disposal and to give notice to the Shareholders to convene the Extraordinary General Meeting to consider and, if thought fit, to approve the Disposal.

THE AGREEMENT

Pursuant to the Agreement, the Vendor has agreed to sell 63% of the total equity interest in Shanxi Shengjia, out of the 88% equity interest which it now owns, to the Purchaser at a consideration of RMB13,860,000 (approximately HK\$13,080,000).

The parties to the Agreement are the Purchaser and the Vendor, a wholly-owned subsidiary of the Company.

Completion of the Disposal is conditional upon the following conditions being fulfilled by the parties:

1. the approval of the Disposal by Shareholders by the passing of an ordinary resolution at the Extraordinary General Meeting approving the Disposal; and
2. the obtaining of all relevant authorisations, consents, or approvals of government or regulatory authority required for the completion of the Agreement.

Completion of the Disposal will take place after the conditions of the Agreement have been fulfilled and is expected to be in October 2001.

ASSET BEING DISPOSED OF

The asset being disposed of is 63% of the equity interest in Shanxi Shengjia.

Shanxi Shengjia is engaged in the business of real estate development in the PRC and it currently has some residential properties (approximately 3,200 square metres gross floor area) for sale in Taiyuan, Shanxi. It is a sino-foreign equity joint venture established in the PRC with a registered capital of RMB19,000,000 (approximately HK\$17,920,000) and a total investment of RMB19,000,000 (approximately HK\$17,920,000). The equity interest in Shanxi Shengjia is currently owned in the following proportion:

Joint venture party	Percentage of equity interest
The Vendor	88%
晉盛	12%

LETTER FROM THE BOARD

Assuming completion of the Disposal, the equity interest in Shanxi Shengjia after the Disposal will be owned in the following proportion:

Joint venture party	Percentage of equity interest
The Vendor	25%
晉盛	12%
The Purchaser	63%

The audited net tangible asset value of Shanxi Shengjia as at 31 December, 2000 was RMB20,930,000 (approximately HK\$19,745,000). The unaudited net tangible asset value of Shanxi Shengjia as at 30 June, 2001 was RMB21,010,000 (approximately HK\$19,820,000).

The audited net profit of Shanxi Shengjia before and after taxation for the year ended 31 December, 2000 were approximately RMB2,532,000 (approximately HK\$2,389,000) and approximately RMB1,695,000 (approximately HK\$1,599,000) respectively, whereas the audited net profit of Shanxi Shengjia before and after taxation for the year ended 31 December, 1999 were approximately RMB1,186,000 (approximately HK\$1,119,000) and RMB1,322,000 (approximately HK\$1,247,000) respectively.

CONSIDERATION

The total consideration for the 63% equity interest in Shanxi Shengjia being disposed of is RMB13,860,000, to be satisfied in cash.

The aggregate amount of the Consideration represents a premium of 4.7% to the amount of RMB13,236,000 (approximately HK\$12,487,000) representing 63% of the net tangible asset value of Shanxi Shengjia as shown in the unaudited accounts of Shanxi Shengjia as at 30 June, 2001.

The Consideration was arrived at after arm's-length negotiations between the Vendor and the Purchaser. The Consideration was determined with reference to the net tangible asset value of Shanxi Shengjia as shown in the unaudited accounts of Shanxi Shengjia as at 30 June, 2001.

PAYMENT TERMS

Under the Agreement, the first instalment of the Purchaser's payment of the Consideration, in the amount of RMB1,000,000 (approximately HK\$943,000), shall be paid by the Purchaser within five days from the date of the Agreement, and the Vendor has already received such payment.

The second instalment of the Purchaser's payment of the Consideration, in the amount of RMB12,860,000 (approximately HK\$12,130,000), shall be paid by the Purchaser within three months upon the change in the ownership of the equity interest in Shanxi Shengjia after the Disposal has been approved by the Shareholders by the passing of an ordinary resolution at a general meeting to be convened and held to approve the Disposal, and by the relevant governmental authorities in the PRC.

LETTER FROM THE BOARD

REASONS FOR THE TRANSACTION

The Company is an investment holding company and its principal subsidiaries are engaged in the manufacturing of steel cord and processing and trading of copper and brass products.

Shanxi Shengjia, as mentioned above, is involved in the business of real estate development in the PRC. The Company intends to concentrate on its core business of manufacturing of steel cord and processing and trading of copper and brass products and to streamline its business. In line with this strategy, the Company will reduce its interest in Shanxi Shengjia from 88% to 25% through the Disposal which will further improve its cash flow position.

The Directors expect that the Group will record a gain before applicable taxation of approximately HK\$750,000 arising as a result of the Disposal.

The Directors intend to continue to look for other opportunities to dispose of its remaining 25% in the equity interest of Shanxi Shengjia after completion of the Disposal.

The proceeds of the Disposal will be used as general working capital of the Company.

APPROVAL BY THE SHAREHOLDERS

The net profit (after deducting all charges except taxation and excluding extraordinary items) of Shanxi Shengjia exceeds 15% of the net profit (after deducting all charges except taxation and excluding extraordinary items) of the Company as shown in its latest published audited accounts for the year ended 31 December, 2000. The Disposal therefore constitutes a discloseable transaction of the Company under the Listing Rules.

In addition, as the Purchaser is 45% owned by 晉盛, the joint venture partner in Shanxi Shengjia, which holds 12% equity interest in Shanxi Shengjia, is a connected person of the Company for the purposes of the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction for the Company. The Vendor may only proceed with the Disposal with the approval of the Shareholders passed at the Extraordinary General Meeting. As far as the Directors are aware, none of the Purchaser, its shareholders and their respective associates (as defined in the Listing Rules) holds any share in the Company. As none of the Shareholders are connected persons interested in the Disposal, no Shareholder will be required to abstain from voting on the resolution approving the Disposal at the Extraordinary General Meeting.

RECOMMENDATIONS

The Directors consider the terms of the Disposal to be fair and reasonable so far as the Shareholders are concerned.

As set out in its letter to the Shareholders, on the advice of Rexcapital, the Independent Board Committee is of the view that the terms of the Disposal are fair and reasonable so far as the Shareholders are concerned, and recommends the Shareholders to vote in favour of the ordinary resolution to approve the Disposal at the Extraordinary General Meeting.

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING

Set out on pages 17 to 18 of this circular is a notice convening the Extraordinary General Meeting to be held at 6th Floor, First Pacific Bank Centre, 51-57 Gloucester Road, Wanchai, Hong Kong on Friday, 28 September, 2001 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution to approve the Disposal.

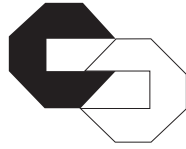
A form of proxy for use at the Extraordinary General Meeting is enclosed. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy to the Company's share registrars, Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee, the letter from Rexcapital, the notice of the Extraordinary General Meeting and to the additional information set out in the appendix to this circular.

Yours faithfully,
Shougang Concord Century Holdings Limited
Li Shaofeng
Deputy Managing Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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

(incorporated in Hong Kong with limited liability)

CONNECTED AND DISCLOSEABLE TRANSACTION
DISPOSAL OF 63% INTERESTS IN
SHANXI SHENGJIA REAL ESTATE DEVELOPING CO., LTD.

30 August, 2001

To the Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 30 August, 2001 of Shougang Concord Century Holdings Limited (the “Circular”), of which this letter forms part. Terms defined in the Circular have the same meanings in this letter unless the content requires otherwise.

We have been appointed to make recommendations to the Shareholders as to whether the terms of the Agreement are fair and reasonable so far as the interests of the Shareholders taken as a whole are concerned.

We wish to draw your attention to the letter of advice from Rexcapital containing its opinion regarding the Agreement as set out on pages 9 to 13 of the Circular. Having considered the advice given by Rexcapital, we are of the opinion that the Agreement is in the interests of the Company and the Shareholders as a whole and that the terms of the Agreement are fair and reasonable so far as the Shareholders are concerned. Accordingly, we recommend the Shareholders to vote in favour of the ordinary resolution to approve the Disposal at the Extraordinary General Meeting.

Yours faithfully,

Lai Kam Man and Yip Kin Man, Raymond
Independent Board Committee

LETTER FROM REXCAPITAL

Set out below is a letter from REXCAPITAL prepared for the purpose of inclusion into this circular.



REXCAPITAL (HONG KONG) LIMITED

A MEMBER OF THE REXCAP GROUP

30 August, 2001

*The independent board committee of
Shougang Concord Century Holdings Limited*

Dear Sir,

CONNECTED AND DISCLOSEABLE TRANSACTION DISPOSAL OF 63% INTERESTS IN SHANXI SHENGJIA REAL ESTATE DEVELOPING CO., LTD.

We refer to our appointment to advise the Independent Board Committee as regards the Disposal, details of which are set out in the letter from the Board (the “Letter”) contained in the circular to the shareholders of the Company dated 30 August, 2001 (the “Circular”), of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

As the Purchaser is 45% owned by 晉盛, the joint venture partner of the Company in Shanxi Shengjia, which holds 12% equity interest in Shanxi Shengjia and thus is a connected person of the Company under the Listing Rules. Accordingly, the Disposal constitutes a connected transaction for the Company and is conditional on independent shareholders’ approval at the extraordinary general meeting pursuant to Rule 14.26 of the Listing Rules. As the Purchaser, its shareholders and their respective associates do not hold any Shares and none of the Shareholders are connected persons interested in the Disposal, no Shareholder is required to abstain from voting at the Extraordinary General Meeting. The Disposal also constitutes a discloseable transaction of the Company under the Listing Rules. In this connection, the Circular containing, inter alia, the information relating to the Disposal and the Agreement, the recommendation from the Independent Board Committee and this advice letter, is despatched to the Shareholders.

In formulating our recommendation, we have relied upon the information and representations as provided to us by the Company and the Directors. We have assumed that all such information and facts and any representations made to us are true, accurate and complete at the time when they were made and continue to be so as at the date hereof. We have also assumed that all information, opinions and representations contained or referred to in the Circular are accurate and we have relied on the same. We have sought and received information from the Directors that all relevant information has been supplied to us and that no material facts have been omitted and we are not aware of any facts or circumstances which would render the information provided and the representations made to us untrue, inaccurate or misleading.

LETTER FROM REXCAPITAL

We consider we have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs of the Group.

THE DISPOSAL

Pursuant to the Agreement, the Vendor has conditionally agreed to dispose of 63% of the equity interest in Shanxi Shengjia to the Purchaser for a cash consideration of RMB13,860,000 (or equivalent to approximately HK\$13,080,000). As at the Latest Practicable Date, Shanxi Shengjia is owned as to 88% by the Vendor and as to 12% by 晉盛. Following completion of the Disposal, Shanxi Shengjia will be owned as to 25% by the Vendor, as to 12% by 晉盛 and as to 63% by the Purchaser.

The audited net profit of Shanxi Shengjia before and after taxation for the year ended 31 December, 2000 were approximately RMB2,532,000 (equivalent to approximately HK\$2,389,000) and approximately RMB1,695,000 (equivalent to approximately HK\$1,599,000) respectively, whereas the audited net profit of Shanxi Shengjia before and after taxation for the year ended 31 December, 1999 were approximately RMB1,186,000 (equivalent to approximately HK\$1,119,000) and RMB1,322,000 (equivalent to approximately HK\$1,247,000) respectively.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion, we have taken into consideration the following principal factors and reasons:

Background of and Reasons for the Disposal

The Company is an investment holding company and its principal subsidiaries are engaged in the manufacturing of steel cord and processing and trading of copper and brass products. As stated in the Company's 1999 and 2000 annual reports, the Group has adopted the strategy to concentrate on its core operations and gradually dispose of other non-core businesses. During the past two years, the Group had discontinued and/or disposed of the businesses of, among others, processing of electrical wires and accessories, trading and processing of metallic ores and trading of industrial chemical products.

Shanxi Shengjia was set up as a sino-foreign equity joint venture by the Group and its joint venture partners in the PRC in 1992. Since Shanxi Shengjia is engaged in real estate development in the PRC which, in the view of the Directors, does not form part of the Group's core business, the Directors consider the Disposal a furtherance of the Group's stated business strategy to streamline its non-core operations. Moreover, the Directors believe that the Purchaser has abundant expertise in the PRC property market, particularly in the Shanxi province where Shanxi Shengjia operates, and could have valuable contribution to the future development of Shanxi Shengjia.

We consider the Disposal consistent with the Group's business development strategy to focus on its principal lines of business.

LETTER FROM REXCAPITAL

Consideration

The Directors confirm that the Consideration has been arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to the net asset value of Shanxi Shengjia as shown in the unaudited consolidated accounts of the Company as at 30 June, 2001 which amounted to approximately RMB21,010,000 (equivalent to approximately HK\$19,820,000). We consider the adoption of the net asset value of Shanxi Shengjia as the basis of reference in determining the Consideration acceptable as net asset value is commonly used as a valuation basis for companies engaged in property development and/or investment.

We note that the Consideration represents a premium of approximately 4.7% to the amount of RMB13,236,000 (equivalent to approximately HK\$12,487,000) representing 63% of the unaudited net asset value of Shanxi Shengjia as at 30 June, 2001. We further compare the Consideration against the amount of approximately RMB13,186,000 (equivalent to approximately HK\$12,440,000), representing 63% of the audited net asset value of Shanxi Shengjia as at 31 December, 2000 and note that the Consideration represents a premium of approximately 5.1%.

In assessing the fairness and reasonableness of the Consideration, we have also made reference to the relationship between the share prices and the net asset values of ten Hong Kong listed companies (the "Market Comparables") which are principally engaged in the business of real estate development and investment in the PRC.

The following table sets out such relationships:

Company Names	Premium/(Discount) of share price to net asset value <i>(Note)</i>
Beijing North Star Company Limited (588)	(41.9)%
China Overseas Land & Investment Limited (688)	(19.2)%
China Resources Beijing Land Limited (1109)	(22.2)%
Dynamic Holdings Limited (29)	(47.3)%
Evergo China Holdings Limited (631)	(82.3)%
Henderson China Holdings Limited (246)	(78.4)%
Hopson Development Holdings Limited (754)	(43.7)%
Lai Fung Holdings Limited (1125)	(96.4)%
New World China Land Limited (917)	(76.5)%
Winsan (China) Investment Group Company Limited (85)	(59.1)%

Note: The calculation of the percentage was based on the latest published annual accounts of the relevant companies and the closing price per share as at the date of the Agreement on 10 August, 2001.

LETTER FROM REXCAPITAL

As at 10 August, 2001, being the date of the Agreement, the share of the Market Comparables traded at a discount to their respective net asset values within a range from approximately 19.2% to 96.4%.

In view of the foregoing and after taking into account the lack of transferability of Shanxi Shengjia's shares in an open market, we are of the opinion that the Consideration is fair and reasonable so far as the Company and the Shareholders are concerned.

Financial Effects

1. Profitability

The Directors estimate that the Disposal will generate a net profit after taxation of approximately HK\$390,000 for the Group. On the other hand, the net profit of Shanxi Shengjia for the year ended 31 December, 2000 amounted to approximately RMB1,695,000 (equivalent to approximately HK\$1,599,000). The consolidated net profit of the Group for the same period amounted to approximately HK\$4,739,000.

Assuming the Disposal were completed as at 1 January, 2000, the pro forma consolidated net profit of the Group for the year ended 31 December, 2000 would have been approximately HK\$4,122,000 after taking into account the share of 25% profits of Shanxi Shengjia and gain on the Disposal, which is approximately 13% less than the figure as disclosed in the Group's latest annual report.

The Directors are of the view that the Group's operating results for the past two years had been affected by the restructuring of its business. The Directors believe the Group has taken necessary and effective measures to restructure the Group's businesses, including the discontinuation and/or disposal of its businesses of processing of electrical wires and accessories, trading of industrial chemical products and ceasing the business of trading and processing of metallic ores and metals as mentioned in the year 2000 annual report. The impact of such efforts has started to contribute to the Group's operating results. The Group had achieved a net profit attributable to shareholders of approximately HK\$4,739,000 during the year ended 31 December, 2000, as compared to the loss of approximately HK\$65,616,000 in the previous year. The Directors expect the performance of the Group's core businesses would continue to improve and the reduction of profit contribution from Shanxi Shengjia subsequent to the Disposal would not have any significant adverse impact on the Group's future results.

2. Net Tangible Assets Value

As at 31 December, 2000, the audited net asset value of Shanxi Shengjia was approximately RMB20,930,000 (equivalent to approximately HK\$19,745,000), representing approximately 5.5% of the Group's consolidated net tangible asset value. Following completion of the Disposal, Shanxi Shengjia will become a jointly controlled entity of the Group and will be accounted for in the consolidated accounts of the Group by using equity accounting method. Assuming the Disposal were completed as at 1 January, 2000, the pro forma net tangible asset value of the Group as at 31 December, 2000 would be increased by approximately HK\$279,000 as a result of the Disposal.

LETTER FROM REXCAPITAL

3. *Cash Flow Position*

We have been advised by the Directors that Shanxi Shengjia has been self-sufficient in financing its operations. The Directors expect Shanxi Shengjia to remain financially independent following the Disposal and do not anticipate any imminent need for its shareholders, including the Group, to provide any funding to support its working capital needs. On the other hand, the Disposal will provide an additional cash inflow of approximately RMB13,860,000 (equivalent to approximately HK\$13,080,000) to the Group which the Directors presently intend to apply for general working capital purpose.

4. *Gearing Ratio*

As at 31 December, 2000, the date of latest published audited accounts of the Group, the gearing ratio (defined as total bank debts divided by shareholders' equity) of the Group was approximately 14.3%. The Directors confirmed that Shanxi Shengjia has no outstanding bank debts and as such the gearing ratio of the Group would not be affected as a result of the Disposal.

RECOMMENDATION

Having considered the principal factors and reasons as mentioned above, we are of the opinion that the Disposal is in the interests of the Company and the terms thereof are fair and reasonable so far as the Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the Extraordinary General Meeting in respect of the Disposal.

Yours faithfully,
For and on behalf of
REXCAPITAL (Hong Kong) Limited
Philip Chau
Director

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests of the Directors and chief executives of the Company in the securities of the Company and its associated corporations (within the meaning of the SDI Ordinance) which have been notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including the interests which they were deemed or taken to have under section 31 or Part I of the Schedule to the SDI Ordinance) or which are required, pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

Interests in the share capital of Shougang Concord International Enterprises Company Limited (“Shougang International”), the controlling shareholder of the Company which currently holds approximately 36.6% of the issued share capital of the Company:

Name of director	Nature of Interest	Number of shares
Lai Kam Man	Personal	250,000

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had any interest in the securities of the Company or any associated corporations which were required to be notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including the interests which they were deemed or taken to have under section 31 of, or Part I of the Schedule to, the SDI Ordinance) or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies or which are required, pursuant to section 29 of the SDI Ordinance, to be entered in the register referred to therein.

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 16(1) of the SDI Ordinance, the following persons were interested in 10% or more of the issued share capital of the Company:

Name	Number of Shares
Shougang Holding (Hong Kong) Limited (“Shougang HK”) (<i>Note 1</i>)	279,797,400
Shougang International (<i>Note 2</i>)	279,797,400
Fair Union Holdings Limited (“Fair Union”)	279,797,400
Richson Limited (“Richson”) (<i>Note 3</i>)	144,984,400

Notes:

1. Shougang HK was deemed to be interested in those Shares by virtue of its controlling interest of 39.2% in Shougang International.
2. Shougang International was deemed to be interested in those Shares by virtue of its 100% shareholding in Fair Union.
3. Richson is a wholly-owned subsidiary of Fair Union and the interest in the 144,984,400 Shares is included in the interest in 279,797,400 Shares reported by Fair Union.

Save as disclosed herein, the Directors and the chief executive of the Company are not aware of any person, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group as at the Latest Practicable Date.

LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

MATERIAL CHANGE

The Directors are not aware of any material adverse change in the financial or trading positions of the Group since 31 December, 2000 (the date to which the latest published audited consolidated accounts of the Group were made up).

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contracts with the Company or any other member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

CONSENT

Rexcapital has given and has not withdrawn its written consent to the issue of this circular with copy of its letter and references to its name included herein in the form and context in which it appears.

MISCELLANEOUS

- (a) No Director is materially interested in any contract or arrangement subsisting as at the date hereof which is significant in relation to the business of the Group taken as a whole;
- (b) Since 31 December, 2000, the date to which the latest published audited accounts of the Group have been made up, none of the Directors or Rexcapital has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group;
- (c) Rexcapital does not have any shareholding in the Company or in any of its subsidiaries and/or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in the Company or in any of its subsidiaries;
- (d) The secretary of the Company is Chan Lai Yee who is an associate member of The Hong Kong Institute of Company Secretaries;
- (e) The share registrars of the Company is Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Hong Kong; and
- (f) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the registered office of the Company at 6th Floor, First Pacific Bank Centre, 51-57 Gloucester Road, Wanchai, Hong Kong from the date of this circular up to and including 28 September, 2001.

- the Agreement; and
- the letter of consent from Rexcapital referred to in this appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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

(incorporated in Hong Kong with limited liability)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Shougang Concord Century Holdings Limited (the “Company”) will be held at 6th Floor, First Pacific Bank Centre, 51-57 Gloucester Road, Wanchai, Hong Kong at 11:00 a.m. on Friday, 28 September, 2001 for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

“THAT

- (A) the sale and purchase agreement (the “Agreement”) dated 10 August, 2001 between Bogay Investment Limited (the “Vendor”), a wholly-owned subsidiary of the Company and Shanxi Changda International Trade Co., Ltd. (the “Purchaser”) pursuant to which the Vendor has agreed to sell (the “Disposal”) and the Purchaser has agreed to purchase 63% of the total equity interest in Shanxi Shengjia Real Estate Developing Co., Ltd. (a 88% owned indirect subsidiary of the Company), for a consideration of RMB13,860,000 to be satisfied in cash, and the Disposal and all the transactions contemplated in the Agreement be and are hereby approved; and
- (b) the directors of the Company be and are hereby authorised to do all acts and things which in their opinion are necessary in connection with the Agreement.”

By order of the Board

Shougang Concord Century Holdings Limited

Li Shaofeng

Deputy Managing Director

Hong Kong, 30 August, 2001

Registered office:

6th Floor, First Pacific Bank Centre

51-57 Gloucester Road

Wanchai

Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. A form of proxy for use at the meeting is enclosed.
- (2) In order to be valid, the form of proxy must be deposited with the Company's share registrars, Tengis Limited, at 4th Floor, Hutchison House, 10 Harcourt Road, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (3) In the case of joint holders of a share, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he was solely entitled thereto; but if more than one such joint holders be present at the meeting personally or by proxy, that one of such holders whose name stands first in the register of members of the Company shall alone be entitled to vote in respect of that share.



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

(incorporated in Hong Kong with limited liability)

Proxy Form for Extraordinary General Meeting
(or at any adjournment thereof)

I/We ¹ _____
of _____
being the registered holder(s) of ² _____ shares of HK\$0.10 each
in the capital of Shougang Concord Century Holdings Limited (the "Company") hereby appoint ³ the Chairman of
the Meeting or _____
of _____ as my/our
proxy to attend and act for me/us and on my/our behalf at the Extraordinary General Meeting (the "Meeting") of the
Company (or at any adjournment thereof) to be held at 6th Floor, First Pacific Bank Centre, 51-57 Gloucester Road,
Wanchai, Hong Kong on Friday, 28 September, 2001 at 11:00 a.m., for the purpose of considering and, if thought
fit, passing the resolution as set out in the Notice convening the Meeting and at such Meeting, or at any adjournment
thereof, to vote for me/us and in my/our name(s) as indicated below in respect of the said resolution or, if no such
indication is given, as my/our proxy thinks fit.

ORDINARY RESOLUTION	FOR ⁴	AGAINST ⁴
To approve the ordinary resolution as set out in the Notice convening the Extraordinary General Meeting.		

Dated this _____ day of _____ 2001

Signature ⁵ _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**. The names of all joint holders should be stated.
2. Please insert the number of shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
3. If any proxy other than Chairman of the Meeting is appointed, strike out "the Chairman of the Meeting or" and insert the name and address of the proxy desired in the space provided.
4. **IMPORTANT: IF YOU WISH TO VOTE FOR THE RESOLUTION, PLACE A "TICK" IN THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST THE RESOLUTION, PLACE A "TICK" IN THE BOX MARKED "AGAINST".** Failure to complete the boxes will entitle your proxy to cast your vote at his discretion.
5. This form of proxy must be signed by you or your attorney duly authorised in writing, or in the case of a corporation, must be either under its common seal or under the hand of an officer, attorney or other person so authorised.
6. In order to be valid, this form of proxy, together with any power of attorney or other attorney (if any) under which it is signed, or a notarially certified copy of such power of authority, must be returned to the Company's share registrars, Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting or at any adjournment thereof.
7. In the case of joint holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto. But if more than one of such joint holders is present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
8. Any alteration made to this form of proxy must be initialled by the person who signs it.
9. The proxy need not be a member of the Company.
10. Completion of this form will not preclude members from attending and voting in person should they wish to do so.