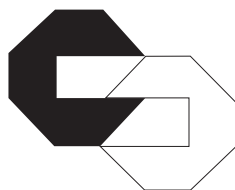


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# SHOUGANG CONCORD CENTURY HOLDINGS LIMITED

## 首長寶佳集團有限公司

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

### CONTINUING CONNECTED TRANSACTION TENANCY AGREEMENTS

The board of directors of the Company announces that on 3 January 2007, certain tenancy agreements in respect of residential premises and office have been entered into or renewed as detailed herebelow. Such tenancy agreements constitute a continuing connected transaction for the Company. Pursuant to Rule 14A.34 of the Listing Rules, as the aggregate annual rent payable under such tenancy agreements, being HK\$1,749,600, is less than 2.5% of each of the applicable percentage ratios (other than the profits ratio), the Company is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements.

The board of directors of the Company announces that certain tenancy agreements in respect of the residential premises and office have been entered into or renewed as detailed herebelow:

#### TENANCY AGREEMENTS FOR RESIDENTIAL PREMISES

- (1) Date of agreement: 3 January 2007
- Landlord: Shougang Holding (Hong Kong) Limited ("Shougang Holding"), a substantial shareholder of each of the Company and Shougang Concord Grand (Group) Limited ("Shougang Grand")
- Tenant: Gold Regal Limited ("Gold Regal"), a wholly-owned subsidiary of the Company
- Premises: Flat 1906A, Hongway Garden, 8 New Market Street, Sheung Wan, Hong Kong with an aggregate gross floor area of approximately 508 square feet
- Lease Term: Three years commencing from 1 January 2007 and expiring on 31 December 2009
- Rent: Monthly rental of HK\$8,000 (exclusive of rates, management fees and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance
- Annual rent payable: HK\$96,000
- Use: A quarter for the senior executive(s) of the Company

- (2) Date of agreement: 3 January 2007
- Landlord: Linksky Limited, an indirect wholly-owned subsidiary of Shougang Grand
- Tenant: Gold Regal
- Premises: Flat 1612, Block Q, Kornhill, Quarry Bay, Hong Kong with an aggregate gross floor area of approximately 756 square feet
- Lease Term: Three years commencing from 1 January 2007 and expiring on 31 December 2009
- Rent: Monthly rental of HK\$11,800 (exclusive of rates, management fees and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance
- Annual rent payable: HK\$141,600
- Use: A quarter for the senior executive(s) of the Company

The above residential premises are currently used by the executives of the Company. The annual rent of the above (1) and (2) residential premises for the financial year ended 31 December 2006 was HK\$96,000 and HK\$129,600 respectively.

#### **TENANCY AGREEMENT FOR OFFICE**

- Date of agreement: 3 January 2007
- Landlord: Billioncorp Development Limited, an indirect wholly-owned subsidiary of Shougang Holding
- Tenant: Gold Regal
- Premises: Portion of the 5th Floor of Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 6,000 square feet
- Lease Term: Three years commencing from 1 January 2007 and expiring on 31 December 2009
- Rent: Monthly rental of HK\$126,000 (exclusive of rates, management fees and other charges payable to independent third parties not connected with Shougang Holding or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates in respect of the use of the premises during the term) payable monthly in advance
- Annual rent payable: HK\$1,512,000
- Use: As office of the tenant and its group

The above office is currently used by the Company and its group members. The annual rent of the said office for the financial year ended 31 December 2006 was HK\$1,296,000.

#### **CONTINUING CONNECTED TRANSACTION**

As the date hereof, the Company is held as to approximately 35.73% by Shougang Holding and its controlled corporations (as defined under the Securities and Futures Ordinance (“SFO”)) as recorded in the register under the SFO. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), Shougang Holding is regarded as a substantial shareholder of the Company. While Shougang Grand is held as to approximately 41% by the associates of Shougang Holding, Shougang Grand and its subsidiaries are regarded as the associate of the substantial shareholder of the Company under the Listing Rules.

The above residential tenancy agreements (1) and (2) and the office tenancy agreement constitute a continuing connected transaction for the Company and the aggregate annual rent payable under such tenancy agreements by a subsidiary of the Company to Shougang Holding and one of its subsidiaries and an associate of Shougang Holding is HK\$1,749,600. As the annual aggregate consideration involved in such tenancy agreements is less than 2.5% of the relevant applicable percentage ratios (other than the profits ratio) under Rule 14A.34 of the Listing Rules, the Company is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements. Details of the said tenancy agreements will be included in the annual report and accounts of the Company in accordance with Rule 14A.46 of the Listing Rules.

The terms of the tenancy agreements were reached on an arms-length basis with reference to the prevailing market rents for the adjacent properties quoted by certain property agents. The board of directors of the Company, including the independent non-executive directors, is of the opinion that the terms of the said tenancy agreements are agreed on normal commercial terms and are fair and reasonable and it is the interests of the Company to enter into the said tenancy agreements.

The respective maximum aggregate annual values of the said continuing connected transaction for the financial years ending 31 December 2007 to 2009 is HK\$1,749,600 respectively.

#### **INFORMATION ON THE COMPANY AND THE LANDLORDS**

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

Shougang Holding is an investment holding company and its subsidiaries are principally engaged in manufacturing, sale and trading of steel products, trading of iron ores, property investment and provision of management services.

Shougang Grand is an investment holding company and its subsidiaries are principally engaged in property investment and management, cultural mass media and provision of financial services.

By order of the board  
**Shougang Concord Century Holdings Limited**  
**Tang Cornor Kwok Kau**  
*Deputy Managing Director*

Hong Kong, 4 January 2007

As at the date of this announcement, the board of directors 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. Geert Johan Roelens, 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).*