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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)

PLACING OF NEW SHARES

CONNECTED TRANSACTION: SUBSCRIPTION OF NEW SHARES BY A SUBSTANTIAL SHAREHOLDER

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

SUBSCRIPTION OF NEW SHARES

APPLICATION FOR THE WHITEWASH WAIVER

AND

RESUMPTION OF TRADING

Placing Agent



Placing of new Shares

On 29 November 2007, the Company entered into the Placing Agreement with the Placing Agent pursuant to which an aggregate of up to 100,000,000 new Shares will be placed by the Placing Agent on behalf of the Company on a best-effort basis at the price of HK\$1.03 per Share. The Placing is conditional upon the listing of, and permission to deal in, the Placing Shares being granted by the Listing Committee of the Stock Exchange. The Placing Shares will be issued under the General Mandate.

The First Subscription

Further, on 29 November 2007, the Company entered into the First Subscription Agreement with Shougang International pursuant to which the Company conditionally agreed to issue a total of 400,000,000 new Shares to Shougang International at the price of HK\$1.03 per Share.

Shougang International is a substantial shareholder of the Company. Accordingly, the First Subscription constitutes a connected transaction for the Company under the Listing Rules. Completion of the First Subscription Agreement is subject to, among other things, approval of Independent Shareholders and approval of the Whitewash Waiver at the EGM.

An independent board committee comprising the independent non-executive Directors will be formed to advise Independent Shareholders on the First Subscription Agreement and the Whitewash Waiver. An independent financial adviser will also be appointed to advise the independent board committee and the Independent Shareholders on such agreement and the Whitewash Waiver in accordance with the Listing Rules and Takeovers Code. An announcement will be made upon the appointment of the independent financial adviser by the Company.

A circular containing, among other things, further details of the First Subscription Agreement, the Whitewash Waiver, the letter from the independent board committee and the recommendation from the independent financial adviser on the terms of such agreement (together with a notice convening the EGM) and the Whitewash Waiver will be despatched to the shareholders of the Company as soon as practicable.

The Second Subscription

Further, on 29 November 2007, the Company entered into the Second Subscription Agreement with LKSFL pursuant to which the Company conditionally agreed to issue a total of 100,000,000 new Shares to LKSFL at the price of HK\$1.03 per Share. The Second Subscription Shares will be issued under the General Mandate.

Proposed increase in authorised share capital

The Company proposes to increase its authorised share capital from HK\$200,000,000 divided into 2,000,000,000 Shares to HK\$500,000,000 divided into 5,000,000,000 Shares by the creation of an additional 3,000,000,000 unissued Shares.

Whitewash Waiver

Assuming no further Shares will be issued by the Company prior to the completion of the First Subscription, upon completion of the First Subscription Agreement, Shougang International's interest in the Company will increase from 22.32% to 40.77% and the interests held by Shougang International and parties acting in concert with it will increase from 35.50% to 50.81% of the issued share capital of the Company as enlarged by the First Subscription Shares. Immediately after completion of the Placing and the First Subscription, assuming no further Shares will be issued by the Company prior to completion of the Placing and the First Subscription, Shougang International's interest in the Company will increase from 22.32% to 38.48% and the interests held by Shougang International and

parties acting in concert with it will increase from 35.50% to 47.97% of the issued share capital of the Company as enlarged by the Placing Shares and the First Subscription Shares. Immediately after completion of the Placing, the First Subscription and the Second Subscription, assuming no further Shares will be issued by the Company prior to completion of the Placing, the First Subscription and the Second Subscription, Shougang International's interest in the Company will increase from 22.32% to 36.44% and the interests held by Shougang International and parties acting in concert with it will increase from 35.50% to 45.42% of the issued share capital of the Company as enlarged by the Placing Shares, the First Subscription Shares and the Second Subscription Shares. Shougang International and parties acting in concert with it will, in the absence of the Whitewash Waiver, be obliged to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code as a result of the completion of the First Subscription. Shougang International will apply to the SFC for the Whitewash Waiver pursuant to Note 1 of the Notes on Dispensation from Rule 26 of the Takeovers Code on the basis that, among other things, the acquisition of Shares by Shougang International pursuant to the First Subscription Agreement is a cash subscription and the Whitewash Waiver shall be subject to the approval by the Independent Shareholders at the EGM on a vote taken by way of a poll whereby Shougang International, its associates and concert parties, including Shougang Holding, will abstain from voting.

Resumption of trading

Trading in Shares was suspended from 9:42a.m. on 29 November 2007 at the request of the Company pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in Shares with effect from 9:30a.m. on 3 December 2007.

PLACING AGREEMENT DATED 29 NOVEMBER 2007

Parties : (1) The Company as the issuer.
(2) CITIC Securities Corporate Finance (HK) Limited as the placing agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and its subsidiaries.

Placees : The placees will be independent of the Company and connected persons of the Company and its subsidiaries. It is not expected that any placees will become a substantial shareholder of the Company immediately after the Placing.

Description of Places : Keywise Greater China Opportunities Master Fund. It is an exempt company incorporated with limited liability under the laws of the Cayman Islands. The principal activity of the fund is investment holding. Keywise Greater China Opportunities Master Fund will subscribe 60,000,000 Placing Shares pursuant to the Placing Agreement. Keywise Greater China Opportunities Master Fund and its beneficial owners are independent of and not acting in concert with Shougang International and Shougang Holding with respect to the Shares.

The funds under management by Value Partners Limited. Value Partners Limited is a company incorporated under the laws of the British Virgin Islands with limited liability whose principal business is fund management. Value Partners Limited will procure the funds under its management to subscribe 40,000,000 Placing Shares pursuant to the Placing Agreement. The funds under management by Value Partners Limited and Value Partners Limited and their beneficial owners are independent of and not acting in concert with Shougang International and Shougang Holding with respect to the Shares.

Number of Shares to be placed : Up to a maximum of 100,000,000 new Shares, representing (i) approximately 7.79% of the existing issued share capital of the Company; (ii) approximately 7.22% of the issued share capital of the Company as enlarged by the Placing; (iii) approximately 5.60% of the issued share capital of the Company as enlarged by the Placing and the First Subscription; (iv) approximately 5.31% of the issued share capital of the Company as enlarged by the Placing, the First Subscription and the Second Subscription, assuming the outstanding share options of the Company are not exercised. The Placing will be conducted on a best-effort basis.

The Placing Shares will be issued under the General Mandate which has not been utilised by the Company prior to the date of this announcement.

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Placing Shares.

Placing Price : HK\$1.03 per Placing Share. The aggregate Placing Price of HK\$103,000,000 (assuming that all the Placing Shares could be successfully placed out) shall be payable in cash upon completion of the Placing Agreement.

The Placing Price was agreed after arm's length negotiations with reference primarily to the average closing price of the Shares for the last five trading days before the Placing Agreement and represents (i) a discount of approximately 6.36% to the closing price of HK\$1.10 per Share as quoted on the Stock Exchange on 28 November 2007, being the last trading day of the Shares immediately prior to the issue of this announcement; and (ii) a discount of approximately 6.02% to the average closing price of approximately HK\$1.096 per Share as quoted on the Stock Exchange for the last five trading days immediately before the date of the Placing Agreement.

The estimated expenses for the Placing are approximately HK\$1,600,000, comprising placing commission, and other professional fees and expenses.

Assuming that all the Placing Shares could be successfully placed out, the net price to the Company of each Placing Share is approximately HK\$1.014 per Share.

- Placing commission : 1.5% of the aggregate Placing Price.
- Ranking : The Placing Shares, when fully paid, will rank *pari passu* in all respects with the Shares in issue at the time of issue and allotment of the Placing Shares.
- Termination of the Placing Agreement : The Placing Agreement contains *force majeure* provisions entitling the Placing Agent to terminate its placing obligations thereunder on the occurrence of certain events, which include any adverse material effect in the business or financial conditions of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing, prior to the completion date. If the Placing Agent exercises such rights to so terminate the Placing, the Placing will not proceed. **Shareholders and investors are advised to exercise caution in dealing in the Shares.**
- Condition precedent : The Placing is conditional upon, among other things, the listing of, and permission to deal in, the Placing Shares being granted by the Listing Committee of the Stock Exchange, which condition shall be fulfilled within 20 days from the date of the Placing Agreement.
- Expected completion date : The third business days after the date upon which the conditions precedent set out above shall have been satisfied (or such other date as may be agreed in writing between the Company and the Placing Agent). Further announcement will be made regarding the result of the Placing.

THE FIRST SUBSCRIPTION AGREEMENT DATED 29 NOVEMBER 2007

Parties : (1) The Company as the issuer.

(2) Shougang International as the subscriber.

Shougang International is a substantial shareholder of the Company, holding approximately 22.32% of the issued share capital of the Company as at the date of this announcement.

Number of Shares to be issued : 400,000,000 Shares, representing (i) approximately 31.14% of the existing issued share capital of the Company; and (ii) approximately 22.42% of the issued share capital of the Company as enlarged by the Placing and the First Subscription, (iii) approximately 21.23% of the issued share capital of the Company as enlarged by the Placing, the First Subscription and the Second Subscription, assuming the outstanding share options of the Company are not exercised.

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the First Subscription Shares.

Subscription Price : HK\$1.03 per Subscription Share. The aggregate Subscription Price of HK\$412,000,000 shall be payable in cash upon completion of the First Subscription Agreement.

The Subscription Price was agreed after arm's length negotiations with reference primarily to the average closing price of the Shares for the last five trading days before the First Subscription Agreement and represents (i) a discount of approximately 6.36% to the closing price of HK\$1.10 per Share as quoted on the Stock Exchange on 28 November 2007, being the last trading day of the Shares immediately prior to the issue of this announcement; and (ii) a discount of approximately 6.02% to the average closing price of approximately HK\$1.096 per Share as quoted on the Stock Exchange for the last five trading days immediately before the date of the First Subscription Agreement.

Ranking : The First Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue at the time of issue and allotment of the First Subscription Shares.

Conditions precedent : Completion of the First Subscription Agreement is conditional upon:

1. the approval by the Independent Shareholders of the First Subscription Agreement, the Whitewash Waiver and the transactions contemplated thereunder having been obtained at the EGM;
2. the grant of the Whitewash Waiver by the Executive (as defined in the Takeovers Code);
3. the Listing Committee of the Stock Exchange granting its approval to the listing of, and permission to deal in, the First Subscription Shares; and
4. the approval by the independent shareholders of Shougang International of the First Subscription Agreement and the transactions contemplated thereunder having been obtained at the extraordinary general meeting of Shougang International.

The above conditions cannot be waived by the parties to the First Subscription Agreement. If the above conditions are not fulfilled on or before 31 March 2008 (or such other date as may be agreed between the parties in writing), then the First Subscription Agreement and all rights and obligations of the parties thereunder will cease and terminate.

Expected completion date : The third business day immediately after the date upon which the Company advises Shougang International that the conditions precedent set out above shall have been satisfied (or such other date as may be agreed in writing between the Company and Shougang International) in writing.

APPLICATION FOR WHITEWASH WAIVER

Assuming no further Shares will be issued by the Company prior to the completion of the First Subscription, upon completion of the First Subscription Agreement, Shougang International's interest in the Company will increase from 22.32% to 40.77% and the interests held by Shougang International and parties acting in concert with it will increase from 35.50% to 50.81% of the issued share capital of the Company as enlarged by the First Subscription Shares. Immediately after completion of the Placing and the First Subscription, assuming no further Shares will be issued by the Company prior to completion of the Placing and the First Subscription, Shougang International's interest in the Company will increase from 22.32% to 38.48% and the interests held by Shougang International and parties acting in concert with it will increase from 35.50% to 47.97% of the issued share capital of the Company as enlarged by the Placing Shares and the First Subscription Shares. Immediately after completion of the Placing, the First Subscription and the Second Subscription, assuming no further Shares will

be issued by the Company prior to completion of the Placing, the First Subscription and the Second Subscription, Shougang International's interest in the Company will increase from 22.32% to 36.44% and the interests held by Shougang International and parties acting in concert with it will increase from 35.50% to 45.42% of the issued share capital of the Company as enlarged by the Placing Shares, the First Subscription Shares and the Second Subscription Shares. Shougang International and parties acting in concert with it will, in the absence of the Whitewash Waiver, be obliged to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code. Shougang International will apply to the SFC for the Whitewash Waiver pursuant to Note 1 of the Notes on Dispensation from Rule 26 of the Takeovers Code on the basis that, among other things, the acquisition of Shares by Shougang International pursuant to the Subscription Agreement is a cash subscription and the Whitewash Waiver shall be subject to the approval by the Independent Shareholders at the EGM on a vote taken by way of a poll whereby Shougang International, its associates and concert parties, including Shougang Holding, will abstain from voting.

There is no dealings in the securities of the Company by Shougang International and its concert parties during the six months prior to the date of this announcement and including the date of this announcement. Except as disclosed in the section headed "Effects on Shareholding" below, Shougang International and its concert parties do not hold any other securities, or derivatives in respect of the securities in the Company.

THE SECOND SUBSCRIPTION AGREEMENT DATED 29 NOVEMBER 2007

Parties : (1) The Company as the issuer.
(2) LKSFL as the subscriber.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, LKSFL and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company and its subsidiaries and is independent of and not acting in concert with Shougang International and Shougang Holding with respect to the Shares.

Number of Shares to be issued : 100,000,000 Shares, representing (i) approximately 7.78% of the existing issued share capital of the Company; (ii) approximately 5.60% of the issued share capital of the Company as enlarged by the Placing and the First Subscription; (iii) approximately 5.30% of the issued share capital of the Company as enlarged by the Placing, the First Subscription and the Second Subscription, assuming the outstanding share options of the Company are not exercised.

The Subscription Shares will be issued under the General Mandate.

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Second Subscription Shares.

Subscription Price : HK\$1.03 per Subscription Share. The aggregate Subscription Price of HK\$103,000,000 shall be payable in cash upon completion of the Second Subscription Agreement.

The Subscription Price was agreed after arm's length negotiations with reference primarily to the average closing price of the Shares for the last five trading days before the Second Subscription Agreement and represents (i) a discount of approximately 6.36% to the closing price of HK\$1.10 per Share as quoted on the Stock Exchange on 28 November 2007, being the last trading day of the Shares immediately prior to the issue of this announcement; and (ii) a discount of approximately 6.02% to the average closing price of approximately HK\$1.096 per Share as quoted on the Stock Exchange for the last five trading days immediately before the date of the Second Subscription Agreement.

The net price to the Company of each Second Subscription Share is approximately HK\$1.028 per Share.

Ranking : The Second Subscription Shares, when fully paid, will rank *pari passu* in all respects with the Shares in issue at the time of issue and allotment of the Second Subscription Shares.

Conditions precedent : Completion of the Second Subscription Agreement is conditional upon:

1. the Listing Committee of the Stock Exchange granting its approval to the listing of, and permission to deal in, the Second Subscription Shares;
2. completion of the First Subscription Agreement; and
3. the approval by the shareholders of the Company of the increase in the authorised share capital of the Company from HK\$200,000,000 divided into 2,000,000,000 Shares to HK\$500,000,000 divided into 5,000,000,000 Shares having been obtained at the EGM.

If the above conditions are not fulfilled on or before 31 March 2008 (or such other date as may be agreed between the parties in writing), then the Second Subscription Agreement and all rights and obligations of the parties thereunder will cease and terminate.

Expected completion date : The third business day immediately after the date upon which the Company advises LKSFL that the conditions precedent set out above shall have been satisfied (or such other date as may be agreed in writing between the Company and LKSFL) in writing. Completion of the Second Subscription Agreement will take place concurrently with completion of the First Subscription Agreement.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 2,000,000,000 Shares, of which 1,284,346,556 Shares have been issued and fully paid or credited as fully paid. In order to provide the Group with flexibility in its future expansion and growth by means of issuing new Shares and fund-raising activities as the Directors may consider appropriate from time to time, the Directors propose to increase the authorised share capital of the Company to HK\$500,000,000 divided into 5,000,000,000 Shares by the creation of an additional 3,000,000,000 unissued Shares. The increase in the authorised share capital of the Company is conditional upon the passing of an ordinary resolution by the shareholders of the Company at the EGM and no shareholder of the Company is required to abstain from voting for such resolution.

REASONS FOR THE PLACING AND THE SUBSCRIPTIONS AND THE USE OF PROCEEDS

The Company intends to apply the net proceeds of the Placing and the Subscriptions of approximately HK\$615,500,000 for expediting the progress of the expansion of production capacity of steel cord business of the Group, reducing finance cost and general working capital of the Group. The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) believe that the Placing and the Subscriptions are in the interests of the Company and its shareholders as a whole, represent a good opportunity for the Company to raise capital and broaden its shareholders and capital base. Besides, they also strengthen the financial position of the Company.

INFORMATION OF THE COMPANY

The Company is a company incorporated in Hong Kong and whose Shares are listed on the main board of the Stock Exchange. The principal activities of the Group are manufacturing of steel cords and processing and trading of copper and brass products.

The consolidated financial information of the Company for the two financial years ended 31 December 2005 and 2006 and for the six months ended 30 June 2007 are summarised as follows:

	Six months ended 30 June 2007	Year ended 31 December 2006	Year ended 31 December 2005
	(Unaudited)	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	343,967	678,923	592,889
Profit before taxation	27,970	83,283	68,218
Profit after taxation	24,004	76,031	62,228
Net assets at period/year end	1,002,685	957,354	693,753

INFORMATION OF SHOUGANG INTERNATIONAL

Shougang International is a company incorporated in Hong Kong and whose shares are listed on the main board of the Stock Exchange. The principal business of Shougang International is manufacturing, sale and trading of steel products, shipping operations and electricity generation. Shougang International is held as to approximately 40.70% by Shougang Holding which in turn, through its associates, holds an aggregate of 35.50% (including the 22.32% held by Shougang International) of the issued share capital of the Company at the date of this announcement.

INFORMATION OF LKSFL

LKSFL was set up in 1980 to co-ordinate donations towards medical, education, cultural and other community welfare projects in a systemic manner. LKSFL and other private charitable foundations established by Mr. Li Ka Shing have supported numerous charitable activities with grants, sponsorships and commitments of over HK\$8.5 billion. LKSFL is a “charitable body” within the meaning of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong).

EFFECTS ON SHAREHOLDING

The effects of the Placing and the Subscriptions on the shareholding of the Company are as follows:

	No. of Shares held as at the date of this Announcement	Approximately % of the issued share capital	No. of Shares held immediately after completion of the Placing (assuming the Placing Shares are fully placed) but before completion of the First Subscription and the Second Subscription and assuming the outstanding share options of the Company are not exercised	Approximately % of the issued share capital	No. of Shares held immediately after completion of the Placing (assuming the Placing Shares are fully placed) and the First Subscription before completion of the Second Subscription and assuming the outstanding share options of the Company are not exercised	Approximately % of the issued share capital	No. of Shares held immediately after completion of the Placing (assuming the Placing Shares are fully placed), the First Subscription and the Second Subscription and assuming the outstanding share options of the Company are not exercised	Approximately % of the issued share capital	No. of Shares held immediately after completion of the Placing (assuming the Placing Shares are fully placed), the First Subscription and the Second Subscription and assuming the outstanding share options of the Company are not exercised	Approximately % of the issued share capital
Shougang International (Note 1)	286,655,179	22.32	286,655,179	20.71	686,655,179	38.48	686,655,179	36.44	686,655,179	32.66
Shougang Holding (Note 2)	169,228,000	13.18	169,228,000	12.22	169,228,000	9.49	169,228,000	8.98	169,228,000	8.05
Sub-total of Shougang International and its concert parties:	455,883,179	35.50	455,883,179	32.93	855,883,179	47.97	855,883,179	45.42	855,883,179	40.71
<i>Directors</i>										
Cao Zhong	-	-	-	-	-	-	-	-	65,002,000	3.09
Li Shaofeng	-	-	-	-	-	-	-	-	38,266,000	1.82
Tong Yihui	-	-	-	-	-	-	-	-	45,920,000	2.18
Leung Shun Sang, Tony	-	-	-	-	-	-	-	-	12,244,000	0.58
Tang Cornor Kwok Kau (Note 3)	2,496,000	0.19	2,496,000	0.18	2,496,000	0.14	2,496,000	0.13	3,496,000	0.17
Yip Kin Man, Raymond	-	-	-	-	-	-	-	-	1,016,000	0.05
Law, Yui Lun	-	-	-	-	-	-	-	-	1,016,000	0.05
Sub-total:	2,496,000	0.19	2,496,000	0.18	2,496,000	0.14	2,496,000	0.13	166,960,000	7.94
NV Bekaert SA ("Bekaert")	250,000,000	19.47	250,000,000	18.06	250,000,000	14.01	250,000,000	13.27	250,000,000	11.90
The funds under management by Value Partners Limited (Note 4)	12,580,000	0.98	52,580,000	3.80	52,580,000	2.95	52,580,000	2.79	52,580,000	2.50
Keywise Greater China Opportunities Master Fund (Note 4)	-	-	60,000,000	4.33	60,000,000	3.36	60,000,000	3.19	60,000,000	2.85
LKSFL (Note 4)	-	-	-	-	-	-	100,000,000	5.30	100,000,000	4.76
Other public shareholders	563,387,377	43.86	563,387,377	40.70	563,387,377	31.57	563,387,377	29.90	616,867,377	29.34
Total:	1,284,346,556	100.00	1,384,346,556	100.00	1,784,346,556	100.00	1,884,346,556	100.00	2,102,290,556	100.00

Note: (1) Such shareholding includes the Shares held by Shougang International through its wholly-owned subsidiaries.

(2) Such shareholding includes the Shares held by Shougang Holding and its associates but excludes the Shares held by Shougang International through its wholly-owned subsidiaries. Such shareholding includes 155,358,000 Shares held by the wholly-owned subsidiaries of Shougang Holding and 13,870,000 Shares held by a wholly-owned subsidiary of Shougang Concord Grand (Group) Limited which in turn is held as to approximately 42.6% by Shougang Holding.

- (3) *Those Shares are beneficially owned by Tang Cornor Kwok Kau and in which of 200,000 Shares are also jointly owned by his wife.*
- (4) *The funds under management by Value Partners Limited, Keywise Greater China Opportunities Master Fund and LKSFL are / will be public shareholders of the Company upon completion of the Placing and the Subscriptions.*

The Company will ensure that there will be a sufficient public float of the Shares in accordance with the Listing Rules following completion of the Placing and the First Subscription.

FUND-RAISING EXERCISE BY THE COMPANY DURING THE PAST 12 MONTHS

The Company has issued and allotted 250,000,000 new Shares to NV Bekaert SA (“**Bekaert**”) at the subscription price at HK\$0.65 per Share pursuant to the subscription agreement dated 22 September 2006 as supplemented by a supplemental agreement dated 27 September 2006 (the “**Bekaert Subscription**”). The subscription agreement was completed on 15 December 2006. The gross proceeds obtained from the Bekaert Subscription were in the amount of HK\$162,500,000. The net proceeds of approximately HK\$161,000,000, after deducting the payment of all costs and expenses relating to such subscription, were used entirely for direct and indirect expansion of the existing steel cord business of Jiaying Eastern Steel Cord Co., Ltd. (“**JESC**”) with the aim of increasing its annual production capacity to the range of between 60,000 tons and 80,000 tons. The Company currently indirectly holds 100% of the equity interest in JESC. There is no change of the intended use of the proceeds outlined above.

On 22 September 2006, the Company also entered into the placing agreement with First Shanghai Securities Limited as the placing agent in relation to the placing of the 50,000,000 Shares at the placing price of HK\$0.65 per Share. However, on 4 October 2006, the Company and the placing agent terminated the obligations of both parties under the placing agreement.

LISTING RULES IMPLICATIONS

Shougang International is a substantial shareholder of the Company, accordingly, the First Subscription constitutes a connected transaction for the Company under the Listing Rules. Completion of the First Subscription Agreement is subject to, among other things, approval of the Independent Shareholders and the approval of the Whitewash Waiver at the EGM.

GENERAL

An independent board committee comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the First Subscription Agreement and the Whitewash Waiver. An independent financial adviser will also be appointed to advise the independent board committee and the Independent Shareholders on such agreement and the Whitewash Waiver in accordance with the Listing Rules and Takeovers Code. An announcement will be made upon the appointment of the independent financial adviser by the Company.

A circular containing, among other things, further details of the First Subscription Agreement, the Whitewash Waiver, the letter from the independent board committee and the recommendation from the independent financial adviser on the terms of such agreement (together with a notice convening the EGM) and the Whitewash Waiver will be despatched to the shareholders of the Company as soon as practicable.

RESUMPTION OF TRADING

Trading in Shares was suspended from 9:42a.m. on 29 November 2007 at the request of the Company pending the issue of this announcement and application has been made to the Stock Exchange for the resumption of trading in Shares with effect from 9:30a.m. on 3 December 2007.

DEFINITIONS

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Shougang Concord Century Holdings Limited (Stock Code: 103), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving the First Subscription
“First Subscription”	the subscription of 400,000,000 new Shares by Shougang International pursuant to the First Subscription Agreement
“First Subscription Agreement”	the subscription agreement dated 29 November 2007 between Shougang International and the Company under which 400,000,000 new Shares shall be issued and allotted to Shougang International at the price of HK\$1.03 per Share
“First Subscription Shares”	400,000,000 new Shares to be subscribed by Shougang International pursuant to the First Subscription Agreement
“General Mandate”	general mandate granted to the Directors pursuant to the resolution passed by the Company’s shareholders at its annual general meeting held on 6 June 2007 which authorised the Directors to issue up to 255,213,311 new Shares prior to the Company’s next annual general meeting
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Shareholders”	shareholders of the Company (other than Shougang International, its concert parties and its associates) who are not required to abstain from voting on the resolution to be proposed at the EGM to approve the First Subscription Agreement and the Whitewash Waiver under the Listing Rules and the Takeovers Code
“LKSFL”	Li Ka Shing Foundation Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of up to a maximum of 100,000,000 new Shares at the Placing Price pursuant to the Placing Agreement dated 29 November 2007
“Placing Agent”	CITIC Securities Corporate Finance (HK) Limited
“Placing Agreement”	the placing agreement dated 29 November 2007 between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$1.03 per Placing Share
“Placing Shares”	up to a maximum of 100,000,000 new Shares to be placed pursuant to the Placing
“Second Subscription”	the subscription of 100,000,000 new Shares by LKSFL pursuant to the Second Subscription Agreement
“Second Subscription Agreement”	the subscription agreement dated 29 November 2007 between the Company and LKSFL under which 100,000,000 new Shares shall be issued and allotted to LKSFL at the price of HK\$1.03 per Share
“Second Subscription Shares”	100,000,000 new Shares to be subscribed by LKSFL pursuant to the Second Subscription Agreement
“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“Shougang International”	Shougang Concord International Enterprises Company Limited (Stock Code: 697), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	the First Subscription and the Second Subscription
“Subscription Price”	HK\$1.03 per Share
“Subscription Shares”	the First Subscription Shares and the Second Subscription Shares
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers
“Whitewash Waiver”	a waiver from the Executive (as defined in the Takeovers Code) pursuant to Note 1 on the Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of Shougang International and parties acting in concert with it to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by Shougang International or parties acting in concert with it which would otherwise arise as a result of completion of the First Subscription Agreement

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

Hong Kong, 30 November 2007

As at the date of this announcement, the board of Directors comprises 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. Chan Chung Chun (Independent Non-executive Director).

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.