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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)

DISCLOSEABLE TRANSACTION

DISPOSAL OF 0.24% OF EQUITY INTEREST IN XINYU IRON

Reference is made to the announcement of the Company dated 31 January 2008 (the “Announcement”) and the circular of the Company dated 21 February 2008 (the “Circular”) in relation to the discloseable transaction – disposal of 0.32% of equity interest in Xinyu Iron (the “First Disposal”). The Board is pleased to announce that the Group has further disposed of 3,295,618 shares of Xinyu Iron, representing approximately 0.24% of the entire issued share capital of Xinyu Iron (the “Second Disposal”) in the open market from 1 February 2008 to 22 September 2008, for a consideration of approximately RMB50,436,000, equivalent to approximately HK\$55,073,000. Before the Second Disposal, Vicwah Metal holds approximately 1.69% equity interest in Xinyu Iron. After the Second Disposal, Vicwah Metal’s interests in Xinyu Iron have further reduced to approximately 1.46%.

The Consideration for the Second Disposal is based on the prevailing market prices of the shares of Xinyu Iron at the time of the Second Disposal.

As the Consideration for the Second Disposal represents more than 5% of one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules, the Second Disposal constitutes a discloseable transaction of the Company and is subject to the requirements of reporting and announcement under the Listing Rules. The aggregation of the First and Second Disposals also constitute a discloseable transaction only. A circular containing details of the Second Disposal will be despatched to the Shareholders as soon as practicable.

BACKGROUND

The Board is pleased to announce that the Group has further disposed of 3,295,618 shares of Xinyu Iron, representing approximately 0.24% of the entire issued share capital of Xinyu Iron (the “Second Disposal”) from 1 February 2008 to 22 September 2008, in the open market for the Consideration of approximately RMB50,436,000, equivalent to approximately HK\$55,073,000. After the Second Disposal, Vicwah Metal’s interests in Xinyu Iron have further reduced to approximately 1.46% (equivalent to 20,285,745 shares). The Second Disposal constitutes a discloseable transaction of the Company as the Consideration of the Second Disposal represents more than 5% of one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules. The aggregation of the First and Second Disposals also constitute a discloseable transaction only.

DISPOSED OF EQUITY INTEREST IN XINYU IRON

3,295,618 shares of Xinyu Iron, representing approximately 0.24% of the entire issued share capital of Xinyu Iron, being approximately 0.24% of the equity interest in Xinyu Iron in which Vicwah Metal had been disposed in the open market. After the Second Disposal, Vicwah Metal holds 20,285,745 shares of Xinyu Iron, representing approximately 1.46% of the entire issued share capital of Xinyu Iron.

CONSIDERATION

The Consideration received by Vicwah Metal for the Second Disposal amounted to approximately RMB50,436,000 (equivalent to approximately HK\$55,073,000).

The Second Disposal was carried out in the open market of the Shanghai Stock Exchange. The Consideration was determined by the prevailing market prices as quoted on the Shanghai Stock Exchange at the time of the Second Disposal.

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the counterparty and the ultimate beneficial owner(s) of the counterparties are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

INFORMATION ON XINYU IRON

Xinyu Iron is a joint stock limited company, incorporated in the PRC, whose shares are listed on the Shanghai Stock Exchange. It is principally engaged in the manufacturing of iron, ferrosilicon, steel, pre-stressed concrete strands and wires. The shares of Xinyu Iron in issue before the First Disposal and Xinhua Metal Share Placement and Shareholder's Asset Injection Plan consist of 193,220,374 shares of RMB1.00 each, approximately 14.49% of which are held by Vicwah Metal. The shares of Xinyu Iron in issue after the Xinhua Metal Share Placement and Shareholder's Asset Injection Plan consists of 1,393,429,509 shares of RMB1.00 each, approximately 2% of which are held by Vicwah Metal.

Previously Xinyu Iron is defined as an associate of the Group in the opinion of the Board. After the completion of Xinhua Metal Share Placement and Shareholder's Asset Injection Plan, the Group's interest in Xinyu Iron was diluted from 14.49% to 2%. The Directors are of the opinion that the Group ceases to have significant influence over Xinyu Iron and therefore the Group's interest in Xinyu Iron is reclassified as an available-for-sale investment in the consolidated balance sheet.

For 24 months after the lock-up period of 12 months (the "Lock-up Period") upon the shares of Xinyu Iron becoming freely transferable shares, Vicwah Metal is entitled to further dispose of not more than 10% of the entire issued share capital of Xinyu Iron at the time of the Xinhua Metal Share Reform Plan.

As at the date hereof, the closing price of Xinyu Iron is RMB5.45 (equivalent to HK\$6.21) per share.

SUMMARY OF FINANCIAL RESULTS OF XINYU IRON

The profit before and after taxation (adjusted in accordance with Hong Kong Financial Reporting Standards) for the years ended 31 December 2007 and 2006 of Xinyu Iron respectively were as follows:

	For the Year Ended 31 December 2007*	For the Year Ended 31 December 2006
	(Audited)	(Audited)
	<i>RMB '000</i>	<i>RMB '000</i>
Profit before taxation	51,112	76,256
Profit after taxation	50,149	65,220

*Up to the date of Xinyu Iron is reclassified as an available-for-sale investment

The profit before and after taxation for the year ended 31 December 2007 of Xinyu Iron under the PRC accounting standards were RMB437,974,000 and RMB307,018,000 respectively.

The Group's share of profit before and after taxation of Xinyu Iron for the two financial years ended 31 December 2007 and 2006 were as follows :

	For the Year Ended 31 December 2007*	For the Year Ended 31 December 2006
	(Audited)	(Audited)
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Share of profit before taxation	7,566	11,853
Share of profit after taxation	7,423	9,952

* Up to the date of Xinyu Iron is reclassified as an available-for-sale investment

The carrying value of the Group's equity interests in Xinyu Iron as at 31 December 2007 and 2006 were as follows:

	At 31 December 2007	At 31 December 2006
	(Audited)	(Audited)
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
The Group's equity interests in Xinyu Iron	357,657	49,148

The carrying value of the Group's equity interest in Xinyu Iron as at 31 December 2007 was approximately RMB14.00 per share.

The basis of valuation of the Group's equity interests in Xinyu Iron is accounted for as an available-for-sale investment and measured at fair value.

USE OF PROCEEDS AND FINANCIAL EFFECT OF THE SECOND DISPOSAL

The net sale proceeds of the Second Disposal after deducting all necessary charges for the Second Disposal are intended to be used for general working capital purposes.

The carrying value of the total equity interests of Xinyu Iron in the consolidated balance sheet of the Company was approximately HK\$49,148,000, which is measured at equity accounting and HK\$357,657,000, which is measured at fair value as at 31 December 2006 and 2007 respectively. It is estimated that upon completion of the Second Disposal, the Group will record an unaudited net gain of approximately HK\$44,071,000. The gain is calculated as the Consideration less the carrying value of the 3,295,618 shares of Xinyu Iron disposed of and other relevant taxes, expenses and charges, plus the attributable portion of the increase in fair value included in the investment revaluation reserve of the Group.

REASONS FOR AND BENEFITS OF THE SECOND DISPOSAL

The entire equity interest in Xinyu Iron was non-freely transferable shares which were converted to freely transferable shares after the Xinhua Metal Share Reform Plan was approved by the Ministry of Commerce of the People's Republic of China and completed on 24 October 2006. Details of the Xinhua Metal Share Reform Plan are set out in the Announcements of the Company dated 28 March, 28 August and 30 August, and 19 October 2006. As at 24 October 2007, the Lock-up Period has released and the shares of Xinyu Iron held by Vicwah Metal (up to 5% of the entire issued share capital of Xinyu Iron at the time of the Xinhua Metal Share Reform Plan) can be freely traded in the Shanghai Stock Exchange.

The Directors consider that the Second Disposal represents a good opportunity for the Company to realize the investment in Xinyu Iron. On such basis, the Directors are of the opinion that the terms of the Second Disposal (including the Consideration) are fair and reasonable and that the Second Disposal is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY

The Group is principally engaged in the manufacturing of steel cords and trading and processing of copper and brass products. The Company through its indirect wholly owned subsidiary, Vicwah Metal to hold approximately 14.49% equity interest in Xinyu Iron before the First Disposal and Xinhua Metal Share Placement and Shareholder's Asset Injection Plan. After Xinhua Metal Share Placement and Shareholder's Asset Injection Plan, Vicwah Metal holds approximately 2% equity interest in Xinyu Iron. After the First Disposal and Xinhua Metal Share Placement and Shareholder's Asset Injection Plan, Vicwah Metal's interests in Xinyu Iron have further reduced from approximately 2% to approximately 1.69%. Vicwah Metal is an investment holding company for mainly holding equity interest in Xinyu Iron.

GENERAL

The Second Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Company will re-comply with the relevant provisions of the Listing Rules if any of the subsequent disposal of the shares of Xinyu Iron to the Second Disposal triggers a disclosure requirement.

A circular containing, among other things, further details of the Second Disposal will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

“Board”	the Board of directors of the Company
“Company”	Shougang Concord Century Holdings Limited, a company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange
“Consideration”	the consideration (after deducting the related stamp duty and brokerage costs) for the Second Disposal, being a sum of approximately RMB50,436,000, equivalent to approximately HK\$55,073,000

“Directors”	the directors of the Company
“First Disposal”	the disposal of 4,419,316 shares in the issued share capital of Xinyu Iron with a par value of RMB1.00, representing approximately 0.32% equity interest in the issued share capital of Xinyu Iron, by Vicwah Metal in the open market of the Shanghai Stock Exchange from 24 October 2007 to 31 January 2008
“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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Second Disposal”	the disposal of 3,295,618 shares in the issued share capital of Xinyu Iron with a par value of RMB1.00, representing approximately 0.24% equity interest in the issued share capital of Xinyu Iron, by Vicwah Metal in the open market of the Shanghai Stock Exchange from 1 February 2008 to 22 September 2008
“Vicwah Metal”	Vicwah Metal Products Company Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly owned subsidiary of the Company
“Xinyu Iron”	Xinyu Iron & Steel Co., Ltd. 新余鋼鐵股份有限公司 (formerly known as Xinhua Metal Products Co., Ltd.), a joint stock limited company incorporated in the PRC, whose shares are listed on the Shanghai Stock Exchange
“Xinhua Metal Share Reform Plan”	the proposal for the conversion of 3.3 non-freely transferable shares for every 10 freely transferable shares held by such freely transferable shareholders of Xinyu Iron

“Xinhua Metal Share Placement and Shareholder’s Asset Injection Plan”

the asset injection and shares subscription agreement dated 10 May 2007 between Xinyu Iron and 新余鋼鐵有限責任公司 (Xinyu Iron & Steel Co., Ltd.) under which Xinyu Iron issued and allotted 1,000,209,135 new shares to 新余鋼鐵有限責任公司 (Xinyu Iron & Steel Co., Ltd.) on 31 October 2007, at the price of RMB6.71 per share of Xinyu Iron; and the asset injection and shares subscription agreement dated 10 May 2007 between Xinyu Iron and several strategic investors, China Asset Management Co., Ltd. (華夏基金管理有限公司), 張家港沙景寬厚板有限公司, 上海瑞熹聯實業有限公司, China Southern Fund Management Co., Ltd. (南方基金管理有限公司), Baosteel Group Corporation (寶鋼集團有限公司), 中船重工財務有限責任公司, Zhongtai Trust & Investment Co., Ltd. (中泰信托投資有限責任公司) and Zhejiang Hangmin Keer Textile Co., Ltd. (浙江航民科爾紡織有限公司) under which Xinyu Iron issued and allotted 200,000,000 new shares to the abovesaid companies on 3 December 2007, at the price of RMB10 per share of Xinyu Iron, and the total number of shares in issue of Xinyu Iron was subsequently increased to 1,393,429,509 shares

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

Hong Kong, 23 September 2008

For the purposes of this announcement, amounts in Renminbi were translated into Hong Kong dollars at the exchange rate of RMB1.00 : HK\$1.14.

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 (Non-executive Director), Mr. Tang Cornor Kwok Kau (Deputy Managing Director), Mr. Geert Johan Roelens (Executive Director), 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).