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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 25% ENTIRE EQUITY INTEREST IN SHANGHAI SHENJIA

The Board announces that on 8 July 2009, Everlite, an indirect wholly owned subsidiary of the Company, entered into the Agreement with the Purchaser pursuant to which Everlite agreed to dispose of 25% of the entire equity interest in Shanghai Shenjia to the Purchaser for a consideration of RMB40,000,000 (equivalent to approximately HK\$45,360,000) (before deducting relevant regulatory tax charge arising on the Disposal and transaction expenses). Upon completion of the Disposal, the Group will cease to have any interest in Shanghai Shenjia.

The Consideration for the Disposal shall be satisfied in cash within 10 Working Days upon completion of the change in the ownership of the equity interest and such ownership change will be completed within two months from the date of execution of the Agreement.

The Disposal constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

THE AGREEMENT

Date: 8 July 2009

Vendor: Everlite Century Limited, an indirect wholly owned subsidiary of the Company.

Purchaser: Baosteel Group Shanghai Ergang Co., Ltd., a company incorporated in the PRC with limited liability, and is the substantial shareholder with 75% shareholding interest in Shanghai Shenjia. It is principally engaged in the manufacturing of wire rods and metal products.

DISPOSAL OF 25% ENTIRE EQUITY INTEREST IN SHANGHAI SHENJIA

Pursuant to the Agreement, Everlite has agreed to dispose of 25% of the entire equity interest in Shanghai Shenjia to the Purchaser, on and subject to the terms of the Agreement.

CONSIDERATION

The consideration for the Disposal amounted to RMB40,000,000 (equivalent to approximately HK\$45,360,000) (before deducting relevant regulatory tax charge arising on the Disposal and transaction expenses). The Consideration will be settled by cash on the Completion Date.

The Consideration was determined after arm's length negotiations between Everlite and the Purchaser with reference to the net asset value of Shanghai Shenjia.

The Consideration represents a premium of 73.2% to the amount of RMB23,093,000 (equivalent to approximately HK\$26,186,000) representing 25% of the net asset value of Shanghai Shenjia as shown in the audited consolidated financial statements of the Company for the year ended 31 December 2008.

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser (the substantial shareholder of Shanghai Shenjia) and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company and are not connected persons of the Company.

CONDITIONS

Completion shall be conditional upon the following conditions being satisfied within two months from the date of execution of the Agreement:

- (i) the passing of Board resolution of the Company approving the Agreement;
- (ii) change in the ownership of the equity interest be approved by the State Administration for Industry and Commerce or relevant regulatory authorities; and
- (iii) the obtaining by all parties concerned of all necessary consents, approvals or waivers to effect the signing and completion of the Agreement.

COMPLETION

Completion shall take place within 10 Working Days following the date on which the conditions of the Agreement have been fulfilled.

Upon completion of the Disposal, the Group will cease to have any interest in Shanghai Shenjia.

INFORMATION OF SHANGHAI SHENJIA

Shanghai Shenjia is a sino-foreign equity joint venture incorporated in the PRC. It is principally engaged in the manufacturing of pre-stressed concrete strands and wires. The equity interest in Shanghai Shenjia is currently owned by Everlite and the Purchaser in the ratio of 25% and 75% respectively.

SUMMARY OF FINANCIAL RESULTS OF SHANGHAI SHENJIA

Based on the audited financial statements of Shanghai Shenjia for the year ended 31 December 2008, the net asset value as at 31 December 2008 was approximately RMB108,962,000 (equivalent to approximately HK\$123,600,000).

The loss/profit before and after taxation (adjusted in accordance with Hong Kong Financial Reporting Standards) for the years ended 31 December 2008 and 2007 of Shanghai Shenjia respectively were as follows:

	For the year ended 31 December 2008	For the year ended 31 December 2007
	(Audited)	(Audited)
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/Profit before taxation	(6,187)	14,876
(Loss)/Profit after taxation	(6,369)	12,120

The loss before and after taxation for the year ended 31 December 2008 of Shanghai Shenjia under the PRC accounting standards were RMB2,851,000 and RMB3,177,000 respectively.

The Group's share of loss/profit before and after taxation of Shanghai Shenjia for the two financial years ended 31 December 2008 and 2007 respectively were as follows:

	For the year ended 31 December 2008	For the year ended 31 December 2007
	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of (loss)/profit before taxation	(1,770)	3,680
Share of (loss)/profit after taxation	(1,820)	3,015

USE OF PROCEEDS

The Group will record an unaudited net gain from the Disposal of approximately HK\$26,260,000. The gain is calculated as the Consideration less the carrying value of the net assets of the 25% entire equity interest in Shanghai Shenjia as at 31 December 2008 and the relevant regulatory tax charge arising on the Disposal and transaction expenses, plus the attributable portion of the exchange differences included in the translation reserve of the Group.

The carrying value of the Group's equity interest in Shanghai Shenjia as at 31 December 2008 and 2007 were as follows:

	At 31 December 2008	At 31 December 2007
	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
The Group's equity interest in Shanghai Shenjia	26,186	39,467

The basis of valuation of the Group's equity interests in Shanghai Shenjia is accounted for by using the equity method of accounting.

The net sale proceeds of the Disposal after deducting all necessary charges for the Disposal are intended to be used for general working capital purposes, in particular for steel cord business.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As Shanghai provincial government has implemented structural adjustment programme in accordance with relevant statutory requirements for energy conservation and emissions reduction policy, Shanghai Shenjia therefore is required to cease operating its production line and relocate its plant. The relocation will incur a considerable amount of expenses to Shanghai Shenjia and the Board believes that Shanghai Shenjia will not be able to continue to make contribution to the Group in the next few years. In view of the uncertain and billowy future of Shanghai Shenjia, the Board believes that it is in the interest of the Group to dispose of the entire equity interest of Shanghai Shenjia, which is a jointly controlled entity of the Group and use the net proceeds to further develop its core business, steel cord manufacturing.

The Board expects that the Group will have an unaudited gain arising from the Disposal. The Directors are of the opinion that the terms of the Disposal (including the Consideration) are fair and reasonable and that the 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, Everlite, to hold 25% equity interest in Shanghai Shenjia. Everlite is an investment holding company for mainly holding equity interest in Shanghai Shenjia.

GENERAL

The Disposal constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

“Agreement”	the Equity Interest Transfer Agreement dated 8 July 2009 entered into between Everlite and the Purchaser relating to the Disposal
“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
“Completion Date”	within 10 Working Days after the conditions for the Agreement have been fulfilled
“Consideration”	the consideration for the Disposal, being a sum of RMB40,000,000, equivalent to approximately HK\$45,360,000
“Directors”	the directors of the Company

“Disposal”	the disposal by Everlite of 25% of the entire equity interest in Shanghai Shenjia to the Purchaser on the terms of the Agreement
“Everlite”	Everlite Century Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly owned subsidiary of the Company
“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
“Purchaser”	Baosteel Group Shanghai Ergang Co., Ltd., a company incorporated in the PRC with limited liability, and is the substantial shareholder with 75% shareholding interest in Shanghai Shenjia. It is principally engaged in the manufacturing of wire rods and metal products
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Shenjia”	Shanghai Shenjia Metal Products Co. Ltd., a sino-foreign equity joint venture incorporated in the PRC with registered capital of US\$10,000,000 and a total investment of US\$20,000,000. The equity interest is currently owned by Everlite and the Purchaser in the ratio of 25% and 75% respectively
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Working Day(s)”	any working day in the PRC which are generally open for business excluding Saturdays and Sundays
“%”	per cent

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

Hong Kong, 8 July 2009

For the purposes of this announcement, amounts in Renminbi were translated into Hong Kong

dollars at the exchange rate of RMB1.00 : HK\$1.134.

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).