

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



首長國際企業有限公司

Shougang concord international enterprises company limited

(Incorporated in Hong Kong with limited liability)

(the "Company")

CONNECTED TRANSACTIONS

The board of directors of the Company announces that tenancy agreements in respect of certain residential premises and offices have been renewed or entered into as detailed herebelow. The tenancy agreements constitute connected transactions for the Company under Rule 14.25(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(A) Tenancy Agreements for Residential Premises

(1) Date of Agreement: 7th January, 2002

Landlord: Shougang Holding (Hong Kong) Limited ("Shougang Holding"), a substantial shareholder of the Company

Tenant: Shougang Concord Services Limited ("Shougang Services"), a wholly-owned subsidiary of the Company

Premises: Flat E, 22/F., Hoi Tien Mansion, Taikoo Shing,

Hong Kong with an aggregate gross floor area of approximately 876 square feet

Term: 12 months commencing from 1st January, 2002 and expiring on 31st December, 2002

Rent: Monthly rental of HK\$20,000 (exclusive of rates and other charges) payable monthly in advance

(2) Date of Agreement: 7th January, 2002

Landlord: Shougang Holding

Tenant: Shougang Services

Premises: Flat 1816, Block P, Kornhill, Quarry Bay, Hong Kong with an aggregate gross floor area of approximately 620 square feet

Term: 12 months commencing from 1st January, 2002 and expiring on 31st December, 2002

Rent: Monthly rental of HK\$10,000 (exclusive of rates and other charges) payable monthly in advance

(3) Date of Agreement: 7th January, 2002

Landlord: Shougang Holding

Tenant: Shougang Concord Management Company Limited ("Shougang Management"), an indirectly wholly-owned subsidiary of the Company

Premises: Flat 2411, Block P, Kornhill, Quarry Bay, Hong Kong with an aggregate gross floor area of approximately 620 square feet

Term: 12 months commencing from 1st January, 2002 and expiring on 31st December, 2002

Rent: Monthly rental of HK\$10,000 (exclusive of rates and other charges) payable monthly in advance

(4) Date of Agreement: 7th January, 2002

Landlord: Shougang Holding

Tenant: Shougang Concord Shipping Services Limited ("Shougang Shipping"), an indirectly wholly-owned subsidiary of the Company

Premises: Flat 3303A, Hongway Garden, 8 New Market Street, Sheung Wan, Hong Kong with an aggregate gross floor area of approximately 545 square feet

Term: 12 months commencing from 1st January, 2002 and expiring on 31st December, 2002

Rent: Monthly rental of HK\$8,500 (exclusive of rates and other charges) payable monthly in advance

(B) Tenancy Agreements for Offices

(1) Date of Agreement: 7th January, 2002

Landlord: Wonderfine Development Limited ("Wonderfine"), an indirectly wholly-owned subsidiary of Shougang Holding

Tenant: Shougang Services

Premises: Portion of the 7th Floor of First Pacific Bank Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 3,485 square feet

Term: 12 months commencing from 1st January, 2002 and expiring on 31st December, 2002

- Rent: Monthly rental of HK\$52,275 (exclusive of rates and other charges) payable monthly in advance
- (2) Date of Agreement: 7th January, 2002
- Landlord: Wonderfine
- Tenant: Long Cosmos Investment Limited, an indirectly wholly-owned subsidiary of Shougang Concord Grand (Group) Limited ("Shougang Grand") which is held as to approximately 63% by the Company. The shares of Shougang Grand are listed on The Stock Exchange of Hong Kong Limited
- Premises: Portion of the 7th Floor of First Pacific Bank Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 3,015 square feet
- Term: 12 months commencing from 1st January, 2002 and expiring on 31st December, 2002
- Rent: Monthly rental of HK\$45,225 (exclusive of rates and other charges) payable monthly in advance
- (3) Date of Agreement: 7th January, 2002
- Landlord: Winluck Properties Limited ("Winluck"), an indirectly wholly-owned subsidiary of Shougang Holding
- Tenant: Shougang Management
- Premises: Portion of the 6th Floor of First Pacific Bank Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 1,886 square feet

- Term: 12 months commencing from 1st January, 2002 and expiring on 31st December, 2002
- Rent: Monthly rental of HK\$28,290 (exclusive of rates and other charges) payable monthly in advance
- (4) Date of Agreement: 7th January, 2002
- Landlord: Winluck
- Tenant: Shougang Shipping
- Premises: Portion of the 6th Floor of First Pacific Bank Centre, 56 Gloucester Road, Wanchai, Hong Kong with an aggregate gross floor area of approximately 1,728 square feet
- Term: 12 months commencing from 1st January, 2002 and expiring on 31st December, 2002
- Rent: Monthly rental of HK\$25,920 (exclusive of rates and other charges) payable monthly in advance

The total rental payable by the subsidiaries of the Company to Shougang Holding and its subsidiaries under the aforesaid tenancy agreements is HK\$2,402,520.

The aforesaid residential premises are used by the senior executives of the respective tenants as their quarters whilst the offices are used by the respective tenants and/or their respective groups as their offices. The terms of each 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 each of the tenancy agreements are fair and reasonable and it is in the interests of the Company to enter into the tenancy agreements.

The Company is an investment holding company and its subsidiaries and associated companies are principally engaged in the manufacture and sale of

steel products and metallic products, manufacture and sale of electrical, electronic and telecommunications products, property investment and management, and shipping.

As at the date hereof, Shougang Holding is interested in approximately 39% of the total issued share capital of the Company. In this regard, the aforesaid tenancy agreements constitute connected transactions for the Company under Rule 14.25(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company is required to disclose the details of the tenancy agreements by way of a press announcement and by inclusion in the next annual report of the Company.

By order of the Board

Shougang Concord International Enterprises Company Limited

Cao Zhong

Managing Director

7th January, 2002

"Please also refer to the published version of this announcement in the Hong Kong i-mail"