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首長國際企業有限公司

**SHOUGANG CONCORD INTERNATIONAL
ENTERPRISES COMPANY LIMITED**

(Incorporated in Hong Kong with limited liability)
(Stock Code: 697)

**SUBSCRIPTION OF SHARES
RESUMPTION OF TRADING**

The Board announces that the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber will subscribe for the Subscription Shares at HK\$0.53 per Share, raising proceeds of HK\$492,370,000. The Subscription Shares represent approximately 18.8% of the Company's existing issued share capital or approximately 15.8% of the Company's enlarged share capital immediately after Completion.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 2:30 p.m. on 10 February 2006, pending the issue of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 15 February 2006.

THE SUBSCRIPTION

Date of the Subscription Agreement: 13 February 2006

Parties to the Subscription Agreement:

Issuer: the Company

Subscriber: Carlo Tassara International S.A.

The Subscriber is a company incorporated in Luxembourg and is an active investor in the European stock markets. Its main interests are in the industrial, telecommunication, energy and insurance sectors. It is a subsidiary of Carlo Tassara S.p.A., an Italian company that is active in holding shares in banks and other listed companies in Europe, and through its subsidiary, Metalcam S.p.A., produces special steel forgings for the international market. Carlo Tassara S.p.A. is beneficially owned, directly or indirectly, by Zygmunt Zaleski Stichting, certain members of the Zaleski family, certain members of the Tassara family and Mr. M. Mario Cocchi.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of the Subscriber and its beneficial shareholders is an independent third party not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates.

Subscription

The Company and the Subscriber have entered into the Subscription Agreement pursuant to which the Subscriber has agreed to subscribe for the Subscription Shares, representing approximately 18.8% of the Company's existing issued share capital or approximately 15.8% of the Company's enlarged share capital immediately after Completion, at an issue price of HK\$0.53 per Share, raising proceeds of HK\$492,370,000, or net proceeds of approximately HK\$492,000,000 (equivalent to a net subscription price of HK\$0.5296 per Share) after deducting expenses. The Subscription Shares have a market value of HK\$538,820,000, based on the closing price of HK\$0.58 per Share as at 10 February 2006, the last trading date of the Shares prior to the date of the Subscription Agreement. The Subscription Price under the Subscription represents approximately a 8.6% discount to the closing price of the Shares of HK\$0.58 on 10 February 2006, the last trading day of the Shares on the Stock Exchange prior to the date of the Subscription Agreement, and approximately a 10.8% discount to the average closing price of the Shares of HK\$0.594 for the five trading days prior to the date of the Subscription Agreement, respectively. As the Subscription Price represents approximately 1.77 times of the net tangible asset value of HK\$0.30 per Share, based on the audited accounts of the Company for the year ended 31 December 2004, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Condition of the Subscription Agreement

Completion of the Subscription is conditional upon the Stock Exchange having granted the listing of and the permission to deal in the Subscription Shares.

If the condition set out above is not fulfilled by 30 April 2006, or such later date as may be agreed by the parties, the Subscription Agreement will terminate and cease to be of any effect.

Completion

Completion will take place on the 15th Business Day upon the fulfillment of the condition listed above (or such later date as the parties may mutually agree in writing).

Mandate to issue the Subscription Shares

The Subscription Shares are to be issued under the general mandate granted to the Directors pursuant to the resolution of the Shareholders passed on 13 June 2005.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue upon Completion, including the right to any dividends or distributions after Completion.

Restrictions on disposal

The Subscriber has undertaken to the Company that it will not sell, transfer or otherwise dispose of any of the Subscription Shares within 12 months from the date of the Subscription Agreement (the “**First Period**”). The Subscriber may dispose of up to 232,250,000 Shares, representing 25% of the Subscription Shares, within 12 months after the expiry of the First Period (the “**Second Period**”). The Subscriber may dispose of up to 464,500,000 Shares (including any Shares disposed in the Second Period), representing 50% of the Subscription Shares, within 12 months after the expiry of the Second Period (the “**Third Period**”). There is no restriction on the transfer of the Subscription Shares after the expiry of the Third Period.

The Company may refuse to register any transfers made by the Subscriber if the transfer is in the opinion of the Company made by the Subscriber in breach of the above conditions.

REASON FOR THE SUBSCRIPTION AND USE OF PROCEEDS OF THE SUBSCRIPTION

During the 12-month period prior to the date of this announcement, the Company has not raised any capital from any subscription of Shares. In light of the recent increases in interest rates, the Directors consider that the Subscription represents a good opportunity for the Company to raise fund without incurring high interest costs whilst broadening the capital bases of the Company.

As at the date of this announcement, the Company intends to apply all of the net proceeds of HK\$492,000,000 as working capital of the Company. Should suitable investment opportunities that are in line with the Company's businesses and strategies be identified in future, the Company may consider applying some of the proceeds of the Subscription in these investments. The Directors will keep the market informed by way of announcement in compliance with the Listing Rules as and when any investments have been identified or entered into. **Shareholders should be aware that investment opportunities may or may not arise, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

The Directors (including the independent non-executive Directors) consider the terms of the Subscription Agreement have been made on normal commercial terms and are fair and reasonable and the Subscription is in the interest of the Company and the Shareholders as a whole.

CHANGES TO THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) as at the date of this announcement; and (b) upon Completion, assuming no new Share has been issued other than those to be issued in relation to the Subscription, is as follow:

	Number of Shares held as at the date of this announcement	Approximate % of total issued share capital as at the date of this announcement	Number of Shares held upon Completion	Approximate % of total issued share capital upon Completion
Shougang Holding and its associates	2,820,926,686	57.2%	2,820,926,686	48.1%
Cheung Kong and its associates	455,401,955	9.2%	455,401,955	7.8%
Subscriber	-	-	929,000,000	15.8%
Other Shareholders	1,657,728,573	33.6%	1,657,728,573	28.3%
Total	<u>4,934,057,214</u>	<u>100.0%</u>	<u>5,863,057,214</u>	<u>100.0%</u>

There is no provision in the Subscription Agreement for the Subscriber to nominate any directors to the Board at Completion.

GENERAL INFORMATION

The Group is principally engaged in the manufacture, sale and trading of steel products, manufacture and installation of kitchen and laundry equipment, shipping operations and electricity generation.

An application will be made to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 2:30 p.m. on 10 February 2006, pending the issue of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 15 February 2006.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	A day (other than Saturday) on which banks in Hong Kong and Luxembourg are generally open for business
“Cheung Kong”	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Company”	Shougang Concord International Enterprises Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Subscription
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong and the holding company of the Company with an approximately 57.2% interest in the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Carlo Tassara International S.A., a company incorporated in Luxembourg
“Subscription”	the subscription of the Subscription Shares by the Subscriber on terms set out in the Subscription Agreement
“Subscription Agreement”	the agreement dated 13 February 2006 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$0.53 per Subscription Share
“Subscription Shares”	929,000,000 new Shares to be allotted and issued to the Subscriber pursuant to the Subscription Agreement
“%”	per cent

By Order of the Board
**Shougang Concord International
Enterprises Company Limited**
Cao Zhong
Managing Director

Hong Kong, 14 February 2006

As at the date of this announcement, the board of directors of the Company comprises Mr. Wang Qinghai (Chairman), Mr. Cao Zhong (Managing Director), Mr. Chen Zhouping (Deputy Managing Director), Mr. Luo Zhenyu (Deputy Managing Director), Mr. Ip Tak Chuen, Edmond, Mr. Leung Shun Sang, Tony, Ms. Choy Hok Man, Constance, Ms. Kan Lai Kuen, Alice (Independent Non-executive Director), Mr. Kwan Bo Ren, Dick (Independent Non-executive Director) and Mr. Wong Kun Kim (Independent Non-executive Director).

Please also refer to the published version of this announcement in South China Morning Post - Classified.