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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 0.32% OF
EQUITY INTERESTS IN XINYU IRON & STEEL CO., LTD.**

新余鋼鐵股份有限公司

A letter from the board of directors of Shougang Concord Century Holdings Limited is set out on pages 4 to 8 of this circular.

21 February 2008

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DEFINITIONS

In this circular, except where the context otherwise requires, the following words and expressions have the following meanings:

“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
“Directors”	the directors of the Company
“Disposals”	the First Disposal and the Second Disposal
“First Consideration”	the consideration (after deducting the related stamp duty and brokerage costs) for the First Disposal, being a sum of approximately RMB74,271,000, equivalent to approximately HK\$77,810,000
“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% of 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
“Latest Practicable Date”	18 February 2008, being the latest practicable date for ascertaining certain information for inclusion in this circular
“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
“Second Consideration”	the consideration (after deducting the related stamp duty and brokerage costs) for the Second Disposal, being a sum of approximately RMB15,802,000, equivalent to approximately HK\$17,149,000

DEFINITIONS

“Second Disposal”	the disposal of 1,096,330 shares in the issued share capital of Xinyu Iron with a par value of RMB1.00, representing approximately 0.08% of 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 the Latest Practicable Date
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	Shareholder(s) of the Company
“Share Option Scheme”	The Company’s share option scheme adopted on 7 June 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total Considerations”	The First Consideration and the Second Consideration
“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
“the First 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 total number of shares in issue of Xinyu Iron was subsequently increased to 1,193,429,509 shares

DEFINITIONS

“the Second 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 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 RMB10.00 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

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

the First Xinhua Metal Share Placement and Shareholder’s Asset Injection Plan and the Second Xinhua Metal Share Placement and Shareholder’s Asset Injection Plan

LETTER FROM THE BOARD



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)

Directors:

Cao Zhong (*Chairman*)

Li Shaofeng (*Managing Director*)

Tong Yihui (*Deputy Managing Director*)

Leung Shun Sang, Tony

Tang Cornor Kwok Kau

(*Deputy Managing Director*)

Geert Johan Roelens

Yip Kin Man, Raymond*

Law, Yui Lun*

Chan Chung Chun*

Registered office:

5/F

Bank of East Asia Harbour View Centre

51-57 Gloucester Road

Wanchai

Hong Kong

* *Independent Non-executive Director*

21 February 2008

To Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

DISPOSAL OF 0.32% OF EQUITY INTERESTS IN XINYU IRON & STEEL CO., LTD. 新余鋼鐵股份有限公司

1. INTRODUCTION

On 31 January 2008, the Board announced that on 24 October 2007, the lock-up period of 12 months for shares of Xinyu Iron, which is listed on the Shanghai Stock Exchange, has ended and for the next 12 months thereof Vicwah Metal, an indirect wholly owned subsidiary of the Company, is entitled to dispose of not more than 5% of the entire issued share capital of Xinyu Iron at the time of the Xinhua Metal Share Reform Plan (equivalent to 9,661,019 shares) on the “A” share market of the Shanghai Stock Exchange. The Group has disposed of 4,419,316 shares of Xinyu Iron, representing approximately 0.32% of the entire issued share capital of Xinyu Iron (the “First Disposal”) from 24 October 2007 to 31 January 2008, in the open market for the First Consideration of approximately RMB74,271,000, equivalent to approximately HK\$77,810,000 (the “Announcement”). From 1 February 2008 up to the Latest Practicable

LETTER FROM THE BOARD

Date, the Group further disposed of 1,096,330 shares of Xinyu Iron, representing approximately 0.08% of the entire issued share capital of Xinyu Iron (the “Second Disposal”). Before the First Disposal and Xinhua Metal Share Placement and Shareholder’s Asset Injection Plan, Vicwah Metal holds approximately 14.49% (equivalent to 28,000,679 shares) equity interests in Xinyu Iron. After Xinhua Metal Share Placement and Shareholder’s Asset Injection Plan, Vicwah Metal’s interests in Xinyu Iron have diluted from approximately 14.49% to approximately 2%. 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% (equivalent to 23,581,363 shares). The First Disposal constitutes a discloseable transaction of the Company as the First Consideration of the First Disposal represents more than 5% of one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules. After the Second Disposal, Vicwah Metal’s interests in Xinyu Iron have further reduced to approximately 1.61% (equivalent to 22,485,033 shares).

2. SHARES DISPOSED OF IN XINYU IRON

From 24 October 2007 to 31 January 2008, 4,419,316 shares of Xinyu Iron, representing approximately 0.32% of the entire issued share capital of Xinyu Iron, being approximately 0.32% of the equity interest in Xinyu Iron in which Vicwah Metal had been disposed in the open market.

From 1 February 2008 up to the Latest Practicable Date, the Group further disposed of 1,096,330 shares of Xinyu Iron, representing approximately 0.08% of the entire issued share capital of Xinyu Iron, being approximately 0.08% of the equity interest in Xinyu Iron in which Vicwah Metal had been disposed in the open market.

The Disposals amounted to 5,515,646 shares of Xinyu Iron, representing approximately 0.40% of the entire issued share capital of Xinyu Iron, being approximately 0.40% of the equity interest in Xinyu Iron in which Vicwah Metal had been disposed in the open market. After the Disposals, Vicwah Metal holds 22,485,033 shares of Xinyu Iron, representing approximately 1.61% of the entire issued share capital of Xinyu Iron.

3. CONSIDERATION

The First Consideration and the Second Consideration received by Vicwah Metal for the First Disposal and the Second Disposal amounted to approximately RMB74,271,000 (equivalent to approximately HK\$77,810,000) and RMB15,802,000 (equivalent to approximately HK\$17,149,000) respectively. The Total Considerations of the Disposals amounted to approximately RMB90,073,000 (equivalent to approximately HK\$94,959,000).

The Disposals were carried out in the open market of the Shanghai Stock Exchange. The Total Considerations were determined by the prevailing market prices as quoted on the Shanghai Stock Exchange at the time of the Disposals.

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.

LETTER FROM THE BOARD

4. INFORMATION OF 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 Disposals 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 held by Vicwah Metal.

Previously Xinyu Iron is defined as an associate of the Company 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 (subject to audit).

For 24 months after the lock-up period, 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 Latest Practicable Date, the closing price of Xinyu Iron is RMB14.45 (equivalent to HK\$15.73) per share.

5. SUMMARY OF FINANCIAL RESULTS OF XINYU IRON

The profit before and after taxation (adjusted in accordance with Hong Kong Financial Reporting Standards ("HKFRS")) for the years ended 31 December 2005 and 2006 and the six months ended 30 June 2006 and 2007 of Xinyu Iron respectively were as follows:

	For the Year Ended 31 December 2006 (Unaudited) RMB'000	For the Year Ended 31 December 2005 (Unaudited) RMB'000
Profit before taxation	76,256	39,872
Profit after taxation	65,220	30,007

	For the Six Months Ended 30 June 2007 (Unaudited) RMB'000	For the Six Months Ended 30 June 2006 (Unaudited) RMB'000
Profit before taxation	30,113	28,886
Profit after taxation	30,119	19,023

LETTER FROM THE BOARD

The net asset value of Xinyu Iron (adjusted in accordance with HKFRS) as at 31 December 2005 and 2006 were as follows:

	At 31 December 2006 (Unaudited) <i>RMB'000</i>	At 31 December 2005 (Unaudited) <i>RMB'000</i>
Net asset value	340,769	299,569

The carrying value of the Group's equity interest in Xinyu Iron as at 30 June 2007 was approximately RMB1.78 per share.

The Group's share of profit before and after taxation of Xinyu Iron for the two financial years ended 31 December 2005 and 2006 were as follows:

	For the Year Ended 31 December 2006 (Audited) <i>HK'000</i>	For the Year Ended 31 December 2005 (Audited) <i>HK'000</i>
Share of profit before taxation	11,853	6,344
Share of profit after taxation	9,952	4,781

The Group's equity interests in Xinyu Iron as at 31 December 2005 and 2006 were as follows:

	At 31 December 2006 (Audited) <i>HK'000</i>	At 31 December 2005 (Audited) <i>HK'000</i>
The Group's equity interests in Xinyu Iron	49,148	48,234

The basis of valuation of the Group's interests in Xinyu Iron is now accounted for as an available-for-sale investment and measured at fair value (subject to audit).

6. USE OF PROCEEDS AND FINANCIAL EFFECT OF THE FIRST DISPOSAL

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

The carrying value of the total equity interests in the consolidated balance sheet of the Company was approximately HK\$49,148,000 and HK\$51,157,000 as at 31 December 2006 and 30 June 2007 respectively. It is estimated that upon completion of the First Disposal, the Group will record an unaudited net gain of approximately HK\$63,516,000. The gain is calculated as the First Consideration less the carrying value of the 4,419,316 shares of Xinyu Iron disposed of and other relevant taxes, expenses and charges.

LETTER FROM THE BOARD

Except for the said total unaudited net gain, the Board believes that the First Disposal will not give rise to any material effect in the earnings, working capital, gearing ratio and the assets and liabilities of the Group.

7. REASONS FOR AND BENEFITS OF THE FIRST 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 PRC 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 First 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 First Disposal (including the First Consideration) are fair and reasonable and that the First Disposal is in the interests of the Company and the Shareholders as a whole.

8. 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% 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% interests in Xinyu Iron. After the First Disposal, Vicwah Metal holds approximately 1.69% interest in Xinyu Iron. After the Disposals, Vicwah Metal holds approximately 1.61% interests in Xinyu Iron. Vicwah Metal is an investment holding company for mainly holding equity interest in Xinyu Iron.

9. GENERAL

As the First Consideration for the First Disposal represents more than 5% of one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules, the First Disposal constitutes a discloseable transaction of the Company. The purpose of this circular is to provide Shareholders with details of the First Disposal and other information in compliance with the requirement of the Listing Rules.

Yours faithfully,
For and on behalf of the Board
Shougang Concord Century Holdings Limited
Cao Zhong
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests or short positions of Directors in the share capital of the Company

As at the Latest Practicable Date, save for the interests of the Directors in shares and the share options held by the Directors as shown below, none of the Directors had any interests and short positions in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register referred therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long Position in shares

(i) Ordinary shares of HK\$0.10 each of the Company

Name of Director	Total number of shares held	Approximate % with respect to total number of issued share capital	Capacity
Tang Cornor Kwok Kau ("Mr. Tang")	3,216,000	0.17%	Beneficial owner (Note)

Note: Those shares were beneficially owned by Mr. Tang and in which of 200,000 shares were also jointly owned by his wife.

(ii) Share options granted to the Directors under the Share Option Scheme

As at the Latest Practicable Date, the share options granted by the Company to the Directors are as follows:

Name of Director	Options to subscribe for shares of the Company				Capacity in which interests are held	Approximate % of the issued share capital
	Number of share options held	Date of grant (Note b)	Exercise period	Exercise price per share (HK\$)		
Cao Zhong	7,652,000	23/8/2002	23/8/2002 to 22/8/2012	0.295	Beneficial owner	4.35
	57,350,000 (Note a)	2/10/2003	2/10/2003 to 1/10/2013	0.780		
	17,000,000	28/1/2008	28/1/2008 to 27/1/2018	0.864		
	<u>82,002,000</u>					
Li Shaofeng	7,652,000	23/8/2002	23/8/2002 to 22/8/2012	0.295	Beneficial owner	2.76
	30,614,000 (Note a)	25/6/2003	25/6/2003 to 24/6/2013	0.365		
	13,800,000	28/1/2008	28/1/2008 to 27/1/2018	0.864		
	<u>52,066,000</u>					
Tong Yihui	7,652,000	23/8/2002	23/8/2002 to 22/8/2012	0.295	Beneficial owner	2.96
	38,268,000 (Note a)	25/6/2003	25/6/2003 to 24/6/2013	0.365		
	10,000,000	28/1/2008	28/1/2008 to 27/1/2018	0.864		
	<u>55,920,000</u>					
Leung Shun Sang, Tony	4,592,000	23/8/2002	23/8/2002 to 22/8/2012	0.295	Beneficial owner	1.28
	3,060,000	12/3/2003	12/3/2003 to 11/3/2013	0.325		
	4,592,000	25/8/2003	25/8/2003 to 24/8/2013	0.740		
	12,000,000	28/1/2008	28/1/2008 to 27/1/2018	0.864		
	<u>24,244,000</u>					

(ii) Share options granted to the Directors under the Share Option Scheme (Continued)

Name of Director	Options to subscribe for shares of the Company			Exercise price per share (HK\$)	Capacity in which interests are held	Approximate % of the issued share capital
	Number of share options held	Date of grant (Note b)	Exercise period			
Mr. Tang	500,000	25/8/2003	25/8/2003 to 24/8/2013	0.740		
	10,000,000	28/1/2008	28/1/2008 to 27/1/2018	0.864		
	<u>10,500,000</u>				Beneficial owner	0.55
Geert Johan Roelens	<u>2,000,000</u>	28/1/2008	28/1/2008 to 27/1/2018	0.864	Beneficial owner	0.10
Yip Kin Man, Raymond	382,000	23/8/2002	23/8/2002 to 22/8/2012	0.295		
	382,000	25/8/2003	25/8/2003 to 24/8/2013	0.740		
	252,000	26/1/2007	26/1/2007 to 25/1/2017	0.656		
	1,800,000	28/1/2008	28/1/2008 to 27/1/2018	0.864		
	<u>2,816,000</u>				Beneficial owner	0.14
Law, Yui Lun	1,016,000	26/1/2007	26/1/2007 to 25/1/2017	0.656		
	1,800,000	28/1/2008	28/1/2008 to 27/1/2018	0.864		
	<u>2,816,000</u>				Beneficial owner	0.14
Chan Chung Chun	<u>1,800,000</u>	28/1/2008	28/1/2008 to 27/1/2018	0.864	Beneficial owner	0.09

Other than the holdings and option holdings disclosed above, none of the Directors, chief executives and their associates had any interests or short positions in any shares, underlying shares or debenture of the Company or any of its associated corporations at the Latest Practicable Date.

Notes:

- (a) Share options granted were in excess of the individual limit and the approval from Shareholders was obtained in general meetings held on 25 June 2003 and 2 October 2003.
- (b) The vesting period of the share option is from the date of grant to the end of the exercise period.

The above share options are unlisted cash settled options granted pursuant to the adoption of the Share Option Scheme. Upon exercise of the share options in accordance with the Share Option Scheme, ordinary shares of HK\$0.10 each in the share capital of the Company are issuable.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and the substantial shareholders were as follows:

As at the Latest Practicable Date, so far as was known to the Directors, the following had an interest or long position or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO which were required pursuant to section 336 of the SFO, to be entered in the register referred therein or be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any option in respect of such capital:

Long position in shares

Name of shareholder	Total number of shares/ underlying shares held	Approximate % with respect to total number of issued share capital	Capacity in which interests are held
Richson Limited (“Richson”)	148,537,939	7.88	Beneficial owner
Fair Union Holdings Limited (“Fair Union”)	686,655,179	36.43	Beneficial owner and interests of controlled corporations ⁽¹⁾
Casula Investments Limited (“Casula”)	402,395,304	21.35	Beneficial owner
Shougang Concord International Enterprises Company Limited (“Shougang International”)	686,655,179	36.43	Beneficial owner and interests of controlled corporations ⁽²⁾
Able Legend Investments Limited (“Able Legend”)	126,984,000	6.74	Beneficial owner
Shougang Holding (Hong Kong) Limited (“Shougang HK”)	855,883,179	45.40	Interests of controlled corporations ⁽³⁾
Bekaert Holding B.V. (“Bekaert Holding”)	250,000,000	13.26	Beneficial owner ⁽⁴⁾
NV Bekaert SA (“Bekaert”)	250,000,000	13.26	Interests of controlled corporations ⁽⁵⁾
Li Ka Shing Foundation Limited	100,000,000	5.30	Beneficial owner ⁽⁶⁾

Notes:

- (1) Fair Union is beneficially interested in 135,721,936 shares and by virtue of the SFO, it is deemed to be interested in the 148,537,939 shares held by Richson and the 402,395,304 shares held by Casula as Richson and Casula are its wholly owned subsidiaries.
- (2) By virtue of the SFO, Shougang International is deemed to be interested in the 135,721,936 shares held by Fair Union, the 148,537,939 shares held by Richson and the 402,395,304 shares held by Casula as Richson and Casula are wholly owned by Fair Union, a wholly owned subsidiary of Shougang International.
- (3) By virtue of the SFO, Shougang HK is deemed to be interested in the 126,984,000 shares and the 28,374,000 shares held by Able Legend and Prime Success Investments Limited (“Prime Success”) respectively as Able Legend and Prime Success are its wholly owned subsidiaries and is deemed to be interested in the 13,870,000 shares held by Lyre Terrace Management Limited, a subsidiary of Shougang Concord Grand (Group) Limited (“Shougang Grand”) and Shougang HK is the controlling shareholder of Shougang Grand. It is also deemed to be interested in the 135,721,936 shares held by Fair Union, the 148,537,939 shares held by Richson and the 402,395,304 shares held by Casula as it is the controlling shareholder of Shougang International.
- (4) Bekaert Holding is beneficially interested in the 250,000,000 shares.
- (5) By virtue of the SFO, Bekaert is deemed to be interested in 250,000,000 shares held by Bekaert Holding, which is a wholly owned subsidiary of Bekaert.
- (6) Li Ka Shing Foundation Limited is beneficially interested in 100,000,000 shares.

3. DIRECTORS’ INTERESTS IN CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.
- (b) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2006 (being the date to which the latest published audited consolidated financial statement of the Company were made up), acquired or disposed of by, or leased to the Company or any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (c) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular and which is significant in relation to the business of the Group.

4. LITIGATION

As at the Latest Practicable Date, no member of the Group is engaged in any litigation or arbitration of material importance and there is no litigation or claims of material importance known to the Directors to be pending or threatened by or against any member of the Group.

5. DIRECTORS' INTEREST IN COMPETING BUSINESSES

As at the Latest Practicable Date, save as disclosed below, none of the Directors or their respective associates had any interest in a business which is considered to compete or likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules:

Name of director	Name of entity whose businesses are considered to compete or likely to compete with the businesses of the Group	Description of businesses of the entity which are considered to compete with the businesses of the Group	Nature of director's interest in the entity
Geert Johan Roelens	Bekaert Industries Pvt. Ltd.	Manufacturing and sale of steel wire and/or cord products	Director
	Bekaert Hlohovec, a.s.	Manufacturing and sale of steel wire and/or cord products	Director
	Bekaert Binjiang Steel Cord Co., Ltd.	Manufacturing and sale of steel wire and/or cord products	Director
	Bekaert-Shenyang Steel Cord Co., Ltd.	Manufacturing and sale of steel wire and/or cord products	Director
	Bekaert (Shandong) Tire Cord Co., Ltd.	Manufacturing and sale of steel wire and/or cord products	Director
	Bekaert Shenyang Advanced Products Co., Ltd.	Manufacturing and sale of steel wire and/or cord products	Director
	Bekaert Japan Co., Ltd.	Sale of steel wire and/or cord products	Director
	China Bekaert Steel Cord Company Limited	Manufacturing and sale of steel wire and/or cord products	Director
Chan Chung Chun	Sinocop Resources (Holdings) Limited	Trading of metals and minerals	Deputy Chairman and Executive Director
	Zhong Xing Heng He Holdings Limited	Trading of metals and minerals	Director

6. MISCELLANEOUS

- (a) The secretary of the Company is Ms. Chan Lai Yee, a fellow of each of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She also holds a Bachelor of Law Degree from the University of London, a Master of Corporate Finance and a Master of Arts in Language and Law.
- (b) The qualified accountant of the Company is Mr. Wu Siu Man, a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (c) The registered office of the Company is situated at 5/F., Bank of East Asia Harbour View Centre, 51-57 Gloucester Road, Wanchai, Hong Kong.
- (d) The share registrars of the Company is Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.