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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 & 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.

10 October 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 Second Disposal and the Third Disposal
“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
“Latest Practicable Date”	6 October 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 RMB50,436,000, equivalent to approximately HK\$55,073,000
“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

DEFINITIONS

“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
“Third Consideration”	the consideration (after deducting the related stamp duty and brokerage costs) for the Third Disposal, being a sum of approximately RMB939,000, equivalent to approximately HK\$1,070,000
“Third Disposal”	the disposal of 167,700 shares in the issued share capital of Xinyu Iron with a par value of RMB1.00, representing approximately 0.01% equity interest in the issued share capital of Xinyu Iron, by Vicwah Metal in the open market of the Shanghai Stock Exchange from 23 September 2008 to the Latest Practicable Date
“Total Considerations”	The Second Consideration and the Third 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

DEFINITIONS

“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

“%”

per cent

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

[#] *Non-executive Director*

* *Independent Non-executive Director*

10 October 2008

To Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

DISPOSAL

OF

0.24% OF EQUITY INTEREST IN XINYU IRON & STEEL CO., LTD.

新余鋼鐵股份有限公司

1. INTRODUCTION

On 23 September 2008, the Board announced 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 Second Consideration of approximately RMB50,436,000, equivalent to approximately HK\$55,073,000. From 23 September 2008 up to the Latest Practicable Date, the Group further disposed of 167,700 shares of Xinyu Iron, representing approximately 0.01% of the entire issued share capital of Xinyu Iron (the “Third Disposal”). After the Second Disposal, Vicwah Metal’s interests in Xinyu Iron have further reduced to

LETTER FROM THE BOARD

approximately 1.46% (equivalent to 20,285,745 shares). The Second Disposal constitutes a discloseable transaction of the Company as the Second 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. After the Third Disposal, Vicwah Metal's interests in Xinyu Iron have further reduced to approximately 1.44% (equivalent to 20,118,045 shares).

2. DISPOSAL OF EQUITY INTEREST IN XINYU IRON

From 1 February 2008 to 22 September 2008, 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.

From 23 September 2008 up to the Latest Practicable Date, the Group further disposed of 167,700 shares of Xinyu Iron, representing approximately 0.01% of the entire issued share capital of Xinyu Iron, being approximately 0.01% of the equity interest in Xinyu Iron in which Vicwah Metal had been disposed in the open market.

The Disposals amounted to 3,463,318 shares of Xinyu Iron, representing approximately 0.25% of the entire issued share capital of Xinyu Iron, being approximately 0.25% of the equity interest in Xinyu Iron in which Vicwah Metal had been disposed in the open market. After the Disposals, Vicwah Metal holds 20,118,045 shares of Xinyu Iron, representing approximately 1.44% of the entire issued share capital of Xinyu Iron.

3. CONSIDERATION

The Second Consideration and the Third Consideration received by Vicwah Metal for the Second Disposal and the Third Disposal amounted to approximately RMB50,436,000 (equivalent to approximately HK\$55,073,000) and RMB939,000 (equivalent to approximately HK\$1,070,000) respectively. The Total Considerations of the Disposals amounted to approximately RMB51,375,000 (equivalent to approximately HK\$56,143,000).

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 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 Latest Practicable Date, the closing price of Xinyu Iron is RMB5.16 (equivalent to HK\$5.87) 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) for the years ended 31 December 2007 and 2006 of Xinyu Iron respectively were as follows:

	For the Year Ended 31 December 2007* (Audited) <i>RMB'000</i>	For the Year Ended 31 December 2006 (Audited) <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.

LETTER FROM THE BOARD

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* (Audited) <i>HK\$'000</i>	For the Year Ended 31 December 2006 (Audited) <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 (Audited) <i>HK\$'000</i>	At 31 December 2006 (Audited) <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.

There is the excess of the Second Consideration of approximately RMB1.30 per share over the net book value of the assets relating to the Second Disposal.

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.

6. 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 Second 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.

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

LETTER FROM THE BOARD

7. 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 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 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 Second Consideration) are fair and reasonable and that the Second 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% 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.

9. GENERAL

As the Second 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. The aggregation of the First and Second Disposals also constitute a discloseable transaction only. The purpose of this circular is to provide Shareholders with details of the Second Disposal and other information in compliance with the requirement 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, including but not limited to the Third Disposal, to the Second Disposal triggers a disclosure requirement.

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")	4,374,000	0.23	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:

Options to subscribe for shares of the Company						
Name of Director	Number of share options held	Date of grant (Note b)	Exercise period	Exercise price per share (HK\$)	Capacity in which interests are held	Approximate% of the issued share capital
Cao Zhong	7,652,000	23/8/2002	23/8/2002 to	0.295		
			22/8/2012			
	57,350,000	2/10/2003	2/10/2003 to	0.780		
	(Note a) 17,000,000	28/1/2008	1/10/2013 28/1/2008 to	0.864		
	<u>82,002,000</u>				Beneficial owner	4.38
Li Shaofeng	7,652,000	23/8/2002	23/8/2002 to	0.295		
			22/8/2012			
	30,614,000	25/6/2003	25/6/2003 to	0.365		
	(Note a) 13,800,000	28/1/2008	24/6/2013 28/1/2008 to	0.864		
	<u>52,066,000</u>				Beneficial owner	2.78
Tong Yihui	7,652,000	23/8/2002	23/8/2002 to	0.295		
			22/8/2012			
	38,268,000	25/6/2003	25/6/2003 to	0.365		
	(Note a) 10,000,000	28/1/2008	24/6/2013 28/1/2008 to	0.864		
	<u>55,920,000</u>				Beneficial owner	2.99
Leung Shun Sang, Tony	4,592,000	23/8/2002	23/8/2002 to	0.295		
			22/8/2012			
	3,060,000	12/3/2003	12/3/2003 to	0.325		
	4,592,000	25/8/2003	11/3/2013 25/8/2003 to	0.740		
	12,000,000	28/1/2008	24/8/2013 28/1/2008 to	0.864		
	<u>24,244,000</u>				Beneficial owner	1.29

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

Options to subscribe for shares of the Company						
Name of Director	Number of share options held	Date of grant <i>(Note b)</i>	Exercise period	Exercise price per share <i>(HK\$)</i>	Capacity in which interests are held	Approximate% of the issued share capital
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	0.56
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	0.15
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	0.15
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 debentures 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 options 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	7.95	Beneficial owner
Fair Union Holdings Limited (“Fair Union”)	686,655,179	36.75	Beneficial owner and interests of controlled corporations ^(Note 1)
Casula Investments Limited (“Casula”)	402,395,304	21.54	Beneficial owner
Shougang Concord International Enterprises Company Limited (“Shougang International”)	686,655,179	36.75	Interests of controlled corporations ^(Note 2)
Able Legend Investments Limited (“Able Legend”)	126,984,000	6.79	Beneficial owner
Shougang Holding (Hong Kong) Limited (“Shougang HK”)	879,715,179	47.09	Interests of controlled corporations ^(Note 3)
Bekaert Holding B.V. (“Bekaert Holding”)	250,000,000	13.38	Beneficial owner ^(Note 4)
NV Bekaert SA (“Bekaert”)	250,000,000	13.38	Interests of controlled corporations ^(Note 5)
Li Ka Shing Foundation Limited	100,000,000	5.35	Beneficial owner ^(Note 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 52,206,000 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”) as 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 2007 (being the date to which the latest published audited consolidated financial statements 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.