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首長科技集團有限公司  
**SHOUGANG CONCORD TECHNOLOGY HOLDINGS LIMITED**  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 521)

**DISCLOSEABLE TRANSACTION:  
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN  
HOP CHEONG HOLDINGS LIMITED**

The Board announces that on 8 July 2010, the Company entered into the Agreement with the Purchaser pursuant to which the Company agreed to sell the Sale Shares, representing the entire issued share capital of Hop Cheong, to the Purchaser at a consideration of RMB9,029,368 (equivalent to approximately HK\$10,260,645).

The Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

**THE AGREEMENT**

**Date:** 8 July 2010

**Parties to the Agreement:**

- (1) Purchaser: Mr. He Jinghe, a PRC national who is, to the best knowledge of the Directors, having made all reasonable enquiries, independent of and not connected with the Company or any of its connected persons.
- (2) Vendor: The Company.

The Company and the Purchaser have not entered into any transactions in the past 12 months that would need to be aggregated with the Agreement pursuant to Rule 14.22 of the Listing Rules.

**The Disposal**

Pursuant to the Agreement, the Company has agreed to sell to the Purchaser the Sale Shares, which represent the entire issued share capital of Hop Cheong.

Hop Cheong is a company incorporated in the Cook Islands and is a wholly-owned subsidiary of the Company prior to the Disposal. Hop Cheong is an investment holding company and its subsidiaries are mainly engaged in the manufacture and sale of high precision metal parts.

The deficit of Hop Cheong as at 31 December 2009 was approximately HK\$4,484,000. The financial results of Hop Cheong for the two years immediately preceding the date of the transaction are as follows:

	<b>For the year ended 31 December</b>	
	<b>2008</b>	<b>2009</b>
	<b>(audited)</b>	<b>(audited)</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net (loss)/profit before tax	(5,210)	283
Net (loss)/profit after tax	(5,210)	280

Subject to final audit, it is expected that the Group will realise a gain on disposal of approximately HK\$1.4 million, which is calculated by reference to the carrying value of the Sale Shares as at 28 February 2010 (as adjusted by the Group waiving an amount of approximately HK\$13,375,000 due from Hop Cheong) of HK\$8,851,654. It is currently intended that the proceeds from the Disposal will be used for the development of the Company's digital television and related business in the PRC. After completion of the Disposal, the Company will no longer have any interest in Hop Cheong and Hop Cheong will cease to be accounted for as a subsidiary of the Group.

### **Consideration**

The consideration for the Disposal is RMB9,029,368 (equivalent to approximately HK\$10,260,645) which was determined after arm's length negotiations between the parties with reference to the net asset value of the Sale Shares as at 28 February 2010 (as adjusted by the Group waiving an amount of approximately HK\$13,375,000 due from Hop Cheong) of HK\$8,851,654. The Board is of the view that the Disposal is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The consideration will be payable by the Purchaser in the following manner:

- a sum of RMB4,514,684 (equivalent to approximately HK\$5,130,322 or 50% of the consideration) will be payable by the Purchaser within 10 working days from the date of signing of the Agreement; and
- the balance of RMB4,514,684 (equivalent to approximately HK\$5,130,322 or 50% of the consideration) will be payable by the Purchaser within 3 months from the date of signing of the Agreement.

A late payment interest of 0.05% for each day of delay in payment will be charged and be payable by the Purchaser if he fails to pay the consideration when it falls due. If such delay lasts for six months or more, the Purchaser will be deemed to waive his right in respect of the Sale Shares and the Company is entitled to terminate the Agreement and seeks specific performance of the Agreement. Upon termination of the Agreement, the Company is entitled to claim the Purchaser for losses and damages.

### **COMPLETION**

Completion is expected to take place on 31 July 2010, or on any other date as may be otherwise agreed between the parties.

## **REASONS FOR THE TRANSACTION**

The Group is principally engaged in the provision of digital television technical solutions and equipment, provision of system integration solutions, manufacture and sale of telephone accessories, power cords, adaptors, high precision metal parts and printed circuit boards.

The Disposal would enable the Group to streamline its operation and commit the available resources to businesses that provide a better return to the Shareholders. The Company intends to apply the proceeds from the Disposal for further develop its digital television and related business in the PRC.

## **GENERAL**

The Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.33 of the Listing Rules.

## **DEFINITIONS**

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

“Agreement”	the sale and purchase agreement dated 8 July 2010 between the Company and the Purchaser in relation to the sale of the Sale Shares to the Purchaser
“Board”	the board of directors of the Company
“Company”	Shougang Concord Technology Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Sale Shares by the Group pursuant to the Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hop Cheong”	Hop Cheong Holdings Limited, a company incorporated in the Cook Islands, a wholly-owned subsidiary of the Company prior to the Disposal
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan
“Purchaser”	Mr. He Jinghe, a PRC national and an independent third party, the purchaser of the Sale Shares

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	3,500 shares of US\$1.00 each in Hop Cheong, representing the entire issued share capital of Hop Cheong
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

*Unless otherwise specified in this announcement, translations of RMB into HK\$ are made in this announcement, for illustration only, at the rate of HK\$1.00 to RMB0.88. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rate or at all.*

By order of the Board  
**Shougang Concord Technology Holdings Limited**  
**Li Shaofeng**  
*Chairman*

Hong Kong, 8 July 2010

*As at the date of this announcement, the Board comprises Mr. Li Shaofeng (Chairman), Mr. Mung Kin Keung (Vice Chairman), Mr. Chau Chit (Managing Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Chan Wah Tip, Michael (Non-executive Director), Mr. Lee Fook Sun (Non-executive Director), Mr. Wong Kun Kim (Independent Non-executive Director), Mr. Leung Kai Cheung (Independent Non-executive Director) and Mr. Wong Wai Kwan (Independent Non-executive Director).*