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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)

**VERY SUBSTANTIAL DISPOSAL
AND
RESUMPTION OF TRADING**

The Board announces that on 23 December 2011, the Company has entered into the Disposal Agreement with the Purchaser pursuant to which the Company agreed to sell the Sale Share, representing the entire issued share capital of SCDTV, to the Purchaser for a consideration of HK\$1,350 million.

After completion of the Disposal, the Company will no longer hold any interest in SCDTV.

The Disposal constitutes a very substantial disposal for the Company for the purpose of the Listing Rules and is subject to the approval by the Shareholders at a general meeting to be convened to approve the Disposal.

As the Company expects that it will require more time to prepare the information to be included in the circular, the circular containing, amongst other things, a notice convening the Extraordinary General Meeting and further details about the Disposal will be despatched to the Shareholders on or before 13 April 2012.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 28 December 2011 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 3 January 2012.

Reference is made to the announcement of the Company dated 14 December 2011 about the possible sale of the Digital TV Business by the Company as a result of the Reform Measures. The Board announces that on 23 December 2011, the Company has entered into the Disposal Agreement with the Purchaser for the disposal of the Sale Share.

THE DISPOSAL AGREEMENT

Date: 23 December 2011

Parties to the Disposal Agreement:

- (1) Hong Kong Guang Hua Resources Investments Company Limited, as purchaser, is a company incorporated in the British Virgin Islands and is principally engaged in resource

investment. The Purchaser is a company wholly-owned by Mr. Kong Chunhong, one of the shareholders of Yinshi Consultant which in turn is the strategic partner of the Company in the Digital TV Business. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Purchaser, Yinshi Consultant and their ultimate beneficial owners are third parties independent of and not connected with the Company or any of its connected persons.

Yinshi Consultant is a company incorporated in the PRC with limited liability and is held as 70% by Mr. Kong Chunhong and as to 30% by Mr. Kang Chi. Yinshi Consultant is one of the shareholders of Southern Yinshi. The Company is collaborating with Southern Yinshi in the development of Digital TV Business in the PRC. For details of the Company's cooperation with Southern Yinshi and Yinshi Consultant, please refer to the circular of the Company dated 15 October 2010.

- (2) the Company, as vendor.

The Disposal

Pursuant to the Disposal Agreement, the Company will sell the Sale Share, representing the entire issued share capital of SCDTV, to the Purchaser.

Consideration

The consideration for the Disposal is HK\$1,350 million, which was determined after arm's length negotiations between the parties with reference to the net assets value of the Sale Share. As at 30 September 2011, the Disposal Group (as defined below) have indebtedness amounted to approximately HK\$400 million (other than taxation). Pursuant to the terms of the Disposal Agreement, the Company will be responsible for the settlement of all outstanding indebtedness (other than taxation) of the Disposal Group as at completion of the Disposal. On the assumption that there would not be any material changes to the indebtedness of the Disposal Group during the period from 30 September 2011 to the completion date of the Disposal, the net proceeds from the Disposal would be approximately HK\$950 million. SCDTV is in net liability state on an unconsolidated basis. However, subject to audit and after the Reorganisation (as defined below), the Disposal Group will have a consolidated net assets value of approximately HK\$900 million at completion of the Disposal. The Directors, including the independent non-executive Directors, are of the view that the terms of the Disposal Agreement were concluded after arm's length negotiations under normal commercial terms and are 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 Hong Kong dollar or its RMB equivalent in the following manner:

- (a) HK\$50 million will be payable by the Purchaser to the Company on or before 15 February 2012;
- (b) HK\$150 million will be payable by the Purchaser to the Company on or before 29 February 2012; and
- (b) the balance of the consideration, being HK\$1,150 million, will be payable by the Purchaser to the Company on the date of completion of the Disposal.

Conditions

Completion of the Disposal Agreement is conditional upon:

- (1) the Disposal having been duly approved by the shareholders of the Company at an extraordinary general meeting to be convened in compliance with the requirements of the Listing Rules to approve the Disposal Agreement and the transactions contemplated thereunder; and
- (2) the Disposal having been duly approved by Southern Yinshi.

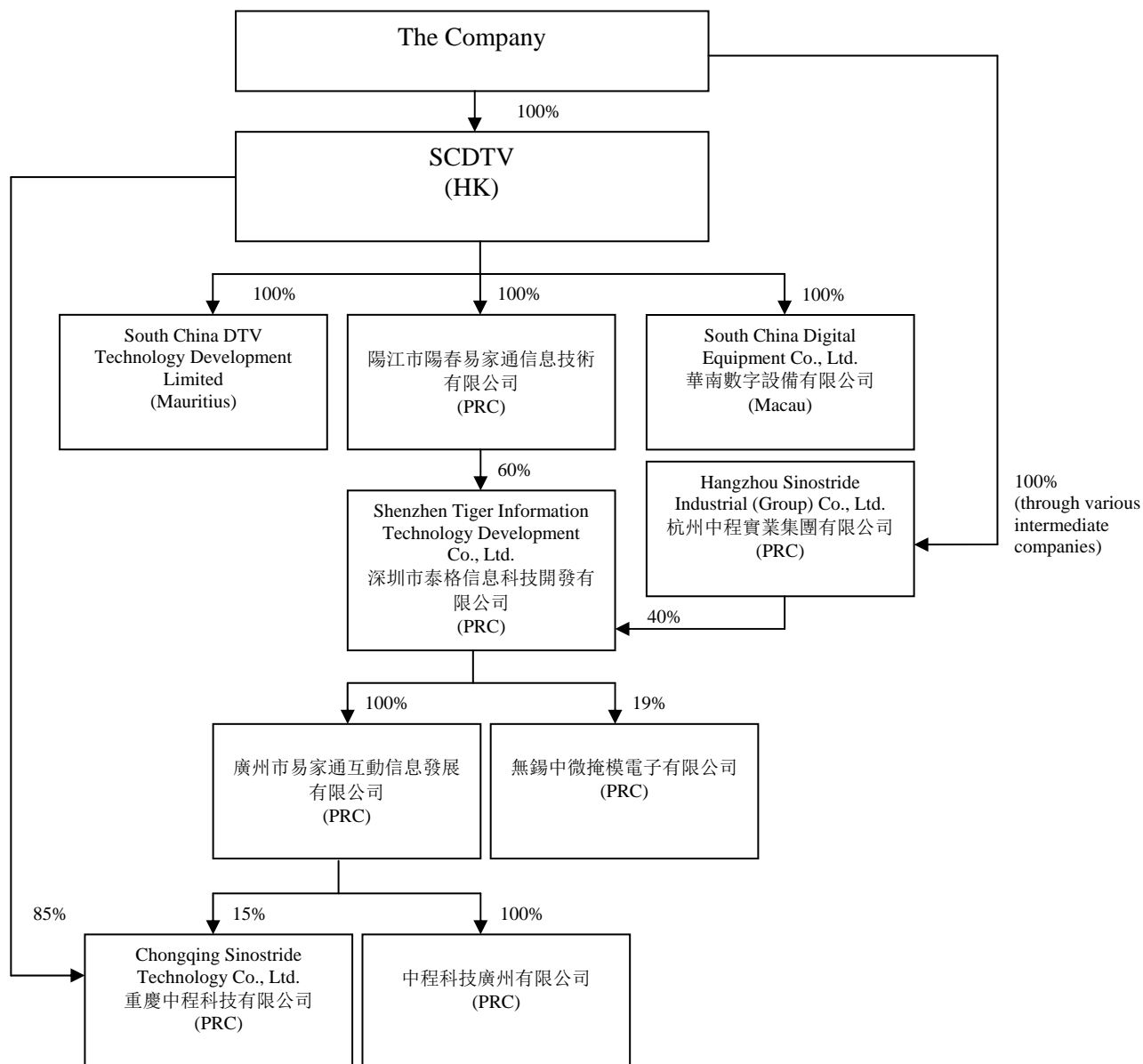
If the conditions set out in the Disposal Agreement are not satisfied or waived before 5:00 p.m. on 30 June 2012 or such later date as may be agreed between the parties, the Disposal Agreement will cease to be of any effect save for any antecedent breaches.

Completion will take place on the fifth business day, or such other time as may be agreed between the parties, after the conditions to the Disposal Agreement have been fulfilled.

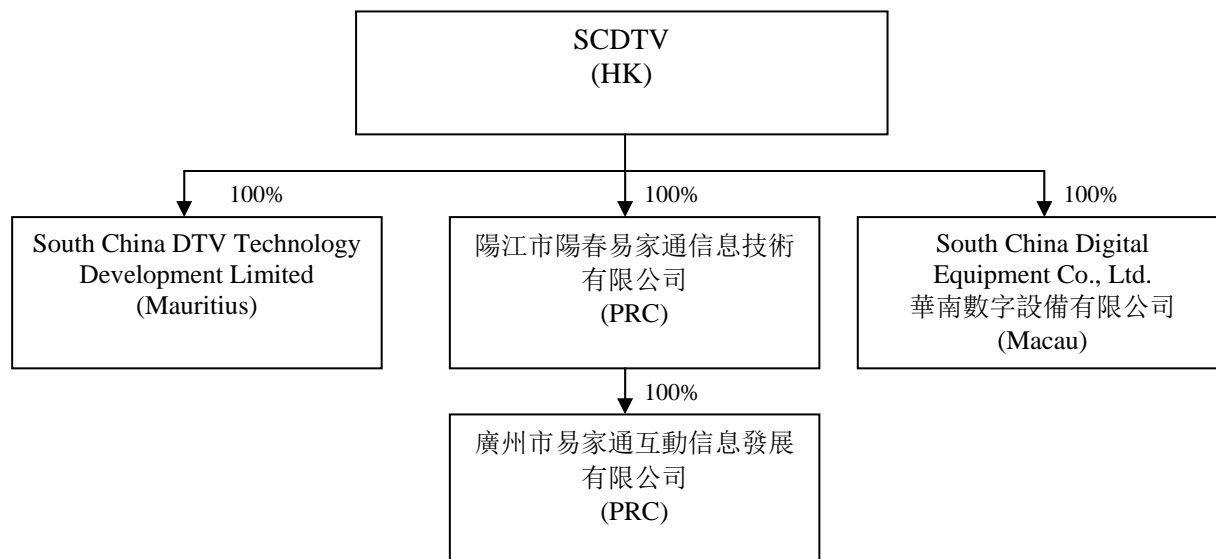
Information on SCDTV

SCDTV is a company incorporated in Hong Kong and is a wholly owned subsidiary of the Company as at the date of this announcement.

The existing structure of SCDTV is as follows:-



SCDTV will undergo a reorganisation (the “**Reorganisation**”) for the purpose of the Disposal so that only the subsidiaries under SCDTV which are involved in the Digital TV Business and those without concrete business will remain subsidiaries of SCDTV at completion of the Disposal. The structure of SCDTV and its subsidiaries after the Reorganisation (the “**Disposal Group**”) and at completion of the Disposal will be as follows:-



The consolidated net assets value of the Disposal Group was approximately HK\$800 million (being the total assets value of approximately HK\$1,528 million after deducting approximately HK\$28 million taxation liability and approximately HK\$700 million other indebtedness) as at 31 December 2010. The consolidated financial results of the Disposal Group for the two years immediately preceding the date of the transaction are as follows:

	For the year ended 31 December	
	2009	2010
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit/(loss) before tax	(23,236)	90,947
Net profit/(loss) after tax	(23,236)	71,535

Subject to audit, it is expected that the consolidated net assets value of the Disposal Group will be approximately HK\$900 million (being the total assets value of approximately HK\$1,360 million after deducting approximately HK\$60 million taxation liability and approximately HK\$400 million other indebtedness). Subject to audit, it is expected that the Group will realise a gain on disposal of approximately HK\$50 million, which is calculated by reference to the carrying value of the Sale Share as at 30 September 2011. The Directors currently intend to apply the proceeds from the Disposal for the acquisitions of new projects and as general working capital. As at the date of this announcement, no such project has been identified by the Group. The Company will disclose any such new projects in compliance with the requirements of the Listing Rules as and when appropriate. After completion of the Disposal, the Group will no longer have any interest in SCDTV and SCDTV will cease to be a subsidiary of the Company. As disclosed in the Company’s circular dated 15 October 2010, the Company entered into various agreements in relation to the operation of the Digital TV Business. The rights and obligations of those agreements are vested with the Disposal Group. The Group will no longer be interested in any of these agreements upon completion of the Disposal.

REASONS FOR THE TRANSACTION

The Group is principally engaged in the provision of digital television technical solutions and sale of equipment, development and provision of system integration solutions, system design and sale of system hardware.

As announced in the Company's announcement dated 14 December 2011, the Company has recently been advised by Southern Media of the Reform Measures about the reorganisation of the cable digital broadcasting networks of Guangdong Province into one centralised network under one provincial broadcasting network company. As a result, the Company will no longer be able to operate the Digital TV Business under the existing structure. In the circumstances, the Company decided to exit the Digital TV Business and entered into the Disposal Agreement with the Purchaser to transfer the Company's entire interest in SCDTV to the Purchaser, who may have the right to operate the Digital TV Business after the enforcement of the Reform Measures.

After the Disposal, the Company's remaining business would be the development and provision of system integration solutions, system design and sale of system hardware. For the nine months ended 30 September 2011, the remaining business had a turnover of approximately HK\$159,621,000 and accounted for approximately 49% of the total turnover of the Group. As at 30 September 2011, the net assets value of the remaining business was approximately HK\$460,952,000, accounted for approximately 34% of the net assets value of the Group. With the Company's exit from the Digital TV Business as a result of the Disposal, the Company will actively explore new businesses for investments and developments. However, as at the date of this announcement, the Company has not identified any suitable investments or projects. The Company will make further announcement in compliance with the requirements of the Listing Rules as and when required.

The Directors (including the independent non-executive Directors) consider that the Disposal was in interest of the Group as a result of the Reform Measures. The Directors (including the independent non-executive Directors) also consider that the terms of the Disposal is being conducted after arm's length negotiations, and are on normal commercial terms which are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL

The Disposal constitutes a very substantial disposal for the Company under the Listing Rules and is subject to the approval by the Shareholders at the extraordinary general meeting. As the Purchaser is independent of and not connected with the Company and its connected person and no Shareholder has a material interest in the Disposal, no Shareholder is required to abstain from voting in respect of the ordinary resolution to approve the Disposal at the extraordinary general meeting.

As the Company expects that it will require more time to prepare the information to be included in the circular, the circular containing, among others, the notice of the extraordinary general meeting and the details of the Disposal will be dispatched to the Shareholders on or before 13 April 2012.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 28 December 2011 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 3 January 2012.

DEFINITION

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

“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
“Digital TV Business”	the business of provision of multi-media information services based on a cabled digital television network in Guangdong Province, the PRC
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Sale Share by the Company to the Purchaser
“Disposal Agreement”	the agreement dated 23 December 2011 between the Company and the Purchaser
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Reform Measures”	the reform measures introduced by 廣東省文化體制改革工作領導小組 (the Steering Group on the Reform of Guangdong Cultural Structure*) to reorganise the cable digital broadcasting networks of Guangdong Province into one centralised network under one provincial broadcasting network company
“PRC”	the People’s Republic of China
“Purchaser”	Hong Kong Guang Hua Resources Development Company Limited, a company incorporated in the British Virgin Islands
“Sale Share”	1 share in the issued share capital of SCDTV, representing the entire issued share capital of SCDTV as at the date of this announcement
“SCDTV”	South China Digital TV Holdings Limited, a company incorporated in Hong Kong and is a wholly owned subsidiary of the Company as at the date of this announcement
“Shares”	ordinary shares of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Southern Media”	南方廣播影視傳媒集團 (Southern Media Corporation), a company incorporated in the PRC

“Southern Yinshi”	廣東南方銀視網絡傳媒有限公司 (Guangdong Southern Yinshi Network Media Company Limited), a company incorporated in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yinshi Consultant”	廣州市銀視信息諮詢有限公司 (Guangzhou Yinshi Consultant Company Limited) , a company incorporated in the PRC

** for identification purpose only*

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

Hong Kong, 30 December 2011

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).