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## **Kaiyuan Holding gets HKSE nod for buying assts of Rizhao Steel**

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It is reported that Kaiyuan Holding Co Ltd declared on May 20th that the company has won the approval of Hong Kong Stock Exchange on its buying part of assets of Rizhao Steel.

Kaiyuan Holding will spend HKD 5.2 billion acquiring Hong Kong Yujin Development Co Ltd, which possesses part of Rizhao Steel Group's core assets 30% of Rizhao Section Steel, 30% of Rizhao Steel and 25% of Rizhao Steel-Rolling.

Kaiyuan Holding expected the business will be finished in several weeks. The things went different from the expectation of Mr Zou Zhongchen board chairman of Shandong Steel, that the business wasn't likely to get the nod of HKSE.

Mr Wang Lifei GM of Rizhao Steel said "It's only a piddling business, just an investment without deep consideration. He and Mr Du Shanghua the board chairman, stressed for many times "Rizhao Steel is to inject some of its assets into Kaiyuan Holding, which is a small company unable to encase the whole Rizhao Steel."

Some insiders said, "The business will abate Govs' authority in the M&A talks between Shandong Steel and Rizhao Steel."

Mr Lu danshu chief of propaganda department of Shandong Steel told prudently to Economic Herald that "It remains uncertain about the influence on the regroup."

Mr Lu Aiwen a security analyst said "The majority of Rizhao Steel's asset stays out of the capital market, which means, Shandong Steel can merge them aside from Kaiyuan Holding. However, after the business, the key to fulfilling the regroup will depend on both steelmakers' postures."

(Source: Economic Herald)

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