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首長國際企業有限公司

SHOUGANG CONCORD INTERNATIONAL ENTERPRISES COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 697)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by Shougang Concord International Enterprises Company Limited (the “Company”, the Company together with its subsidiaries, the “Group”).

OFFTAKE AGREEMENT WITH MOUNT GIBSON IRON LIMITED

The board of directors of the Company (the “Board”) noted that Mount Gibson Iron Limited (“Mount Gibson”), a company listed on the Australian Securities Exchange (ASX: MGX), has released an announcement on 5 December 2014 (the “Mount Gibson Announcement”) in relation to flooding at its Koolan Island mine in the Kimberley, Western Australia.

According to the Mount Gibson Announcement, all non-essential activities on the island have been suspended following the failure of the Main Pit seawall (“Suspension”), and a comprehensive evaluation of the situation is underway. The Koolan Island operation has been placed on effective care and maintenance until such time as the detailed identification and assessment of potential options is completed, and a definitive decision on the mine’s future can be made. An update on the preferred course of action is anticipated in the first half of year 2015.

The interests of the Group in Mount Gibson are held through our associate, Shougang Fushan Resources Group Limited (“Shougang Resources”, a company in which the Group is interested in approximately 27.61%). Shougang Resources holds approximately 15.02% interests in Mount Gibson. In addition, Shougang Resources holds approximately 15.60% interests in APAC Resources Limited (“APAC”) which in turn holds approximately 26.61% interests in Mount Gibson. Thus, the Group holds an attributable interest of approximately 5.29% in Mount Gibson.

The Group entered into a long-term iron ore offtake agreement with Mount Gibson in 2008 (the “Offtake Agreement”) pursuant to which, the Group agreed to purchase 80% of the iron ore production from Koolan Island mine. As a result of the Suspension, no offtake transactions under the Offtake Agreement can be effectuated until the operations of the Koolan Island mine resume. Notwithstanding this, based on the preliminary assessment by the Board with reference to the Mount Gibson Announcement and the information currently available to the Board, the Suspension

would not have any material adverse impact on the financial position of the Company. During the period of the Suspension, Mount Gibson will not supply iron ore to the Group while the Group will not be required to make any payment to Mount Gibson.

The Offtake Agreement is accounted for “financial assets” in the consolidated accounts of the Company. Pursuant to the relevant Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountant, the Offtake Agreement will be valued by an independent qualified professional valuer at each of the period end date in order to ascertain its carrying value at the balance sheet at the then period. The change in the fair value is non-cash in nature and will be charged to the statement of profit or loss.

The Board would like to remind the Shareholders and potential investors that the information contained in this announcement is based on the preliminary assessment by the Board with reference to the Mount Gibson Announcement and the information currently available to the Board, which has not been reviewed by the auditor of the Company.

By Order of the Board
**Shougang Concord International Enterprises
Company Limited**
Li Shaofeng
Managing Director

Hong Kong, 5 December 2014

As at the date of this announcement, the Board comprises Mr. Xu Ning (Chairman), Mr. Li Shaofeng (Managing Director), Mr. Zhang Wenhui (Deputy Managing Director), Mr. Ding Rucai (Deputy Managing Director), Mr. Ip Tak Chuen, Edmond (Non-executive Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Ms. Kan Lai Kuen, Alice (Independent Non-executive Director), Mr. Wong Kun Kim (Independent Non-executive Director) and Mr. Leung Kai Cheung (Independent Non-executive Director).