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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)

PROFIT WARNING

This announcement is made by Shougang Concord International Enterprises Company Limited (the “Company”, the Company together with its subsidiaries, the “Group”) pursuant to rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that based on the unaudited consolidated management accounts of the Company for the year ended 31 December 2015, the loss attributable to the Shareholders for the financial year ended 31 December 2015 is expected to increase significantly as compared with that for the year 2014. For the financial year ended 31 December 2015, the loss attributable to the Shareholders before accounting for further impairment losses which may be made by the Group and its major associates is expected to be approximately HK\$2,600 million, while that loss for the year 2014 was HK\$1,641 million. Such increase was mainly attributable to the aggravated core operating loss of the Group accompanied by the impairment loss made by the Group on its investment in its major associate, Shougang Fushan Resources Group Limited, in the amount of HK\$395 million in the first half of year 2015 in view of the difficult coking coal market. The core operating loss of the Group before share of results of associates for the year ended 31 December 2015 is expected to be approximately HK\$1,800 million, whereas that loss for last year was HK\$1,263 million. Such increase is due to the deteriorating operating environment of the steel industry. The problems of excessive production capacity and weak demand continue to seriously affect the industry resulting in extremely low selling price of steel products during the year 2015.

The Group is still assessing on the recoverability of various assets, including investments in the associates and fixed assets, at the year end of 2015. Further impairment losses may be made by the Group if the recoverable amounts of such assets are less than their carrying amounts. In addition, if further impairment losses are to be made by the Group’s associates, the Group will share such losses in proportion to the Group’s equity interests in the relevant associates. Thus, the attributable loss to the Shareholder for the financial year ended 31 December 2015 may further increase upon finalization of the audit of the Group and its

associates.

The Group's final results for the financial year ended 31 December 2015 are still under review and subject to finalization and confirmation by the auditor of the Company as well as approvals of the audit committee of the Company and the Board at the respective meetings to be held in late March 2016. The audited final results announcement of the Group for the financial year ended 31 December 2015 will be published in late March 2016.

Further announcement will be made by the Company if there is any significant change in the expected financial results of the Group as disclosed in this announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 28 January 2016

As at the date of this announcement, the Board comprises Mr. Zhang Gongyan (Chairman), Mr. Li Shaofeng (Managing Director), Mr. Ding Rucai (Deputy Managing Director), Mr. Shu Hong (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).