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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 ALERT

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 preliminary assessment of the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2017 (“the 2017 Interim Period”) and other information currently available to the Board, the Group would record consolidated profit attributable to the Shareholders for the 2017 Interim Period in the range of between HK\$130 million and HK\$160 million as opposed to the consolidated loss attributable to the Shareholders of HK\$926 million for the six months ended 30 June 2016 (“the Last Interim Period”). This turnaround from loss to profit is mainly attributable to (i) the completion of the disposal of Qinhuangdao business in late 2016. The loss attributable to the Qinhuangdao Business amounted to HK\$541 million for the Last Interim Period whereas no such loss was incurred in the 2017 Interim Period after the disposal; (ii) the impairment loss of HK\$257 million on the goodwill in relation to the investment in Shougang Fushan Resources Group Limited was made for the Last Interim Period whereas no such loss was made in the 2017 Interim Period according to the preliminary assessment at the moment; and (iii) the substantial improvement in the results of the associates of the Company. It is expected that the Group will share a profit of its associates in this 2017 Interim Period as compared to the share of losses of associates of HK\$114 million in the Last Interim Period.

The Group’s interim results for the six months ended 30 June 2017 are still under review and subject to finalization and confirmation by the auditor of the Company as well as approval by the Board at the board meeting to be held in late August 2017. The interim results announcement of the Company for the six months ended 30 June 2017 will be published in late August 2017.

Further announcements 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, 21 July 2017

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