



**SHOUGANG CONCORD
INTERNATIONAL
ENTERPRISES COMPANY LIMITED
首長國際企業有限公司**

**PREVIEW OF Q4, 2010 ON
STEEL MANUFACTURING OPERATIONS**

[Hong Kong, 12 October 2010] Shougang Concord International Enterprises Co., Ltd. (the “Company”, SEHK: 697), heavy plate producer in China with interests in coking coal and iron ore, wishes to provide the market an update on its steel manufacturing operations while stepping into Q4 of the year.

China steel market has been a challenging one to operate in, with raw material producers taking the driver seat. Although the year started strongly with higher steel production, increase in steel prices has been closely tracked and outpaced by increase in raw material cost, especially iron ore. Q3 of this year was tough since steel prices went down whilst iron ore cost was up. We expect Q4 to be better with government-driven production cut from power rationing and restocking in the market.

The Company’s steel manufacturing operations have moved in tandem with that of the market, although our production was hindered in Q1 by installation of a new roughing mill and an ultra-thick slab caster. Plate production of our main plant Shouqin in Q3 went up by about 35% comparing to Q2, showing that the operations were not as poor as previously expected. However, we forecast our plate production will be lower in Q4 following power cut requirements and scheduled maintenance. On an annual basis, steel production of Shouqin would be similar to that of last year.

“Our Shouqin plant has embraced higher slab and plate capacity from this year, but we always aim for quality sales at good prices, rather than simply hitting higher quantities,” said Mr. Li Shaofeng, Managing Director of the Company. “Market is tough but we look forward to improvements in the coming year for the steel manufacturing operations.”

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Please contact us at investorrelations@shougang-intl.com.hk