



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

[PRESS RELEASE]

2009 Full Year Results Announcement

A YEAR OF TRANSFORMATION

[Hong Kong, 15 Apr 2010] – Vertically integrated heavy steel plate producer in China, Shougang Concord International Enterprises Limited (HKSE: 697), today announced the audited results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2009.

HK\$ million	Year ended 31 December	
	2009	2008
Turnover from continuing operations	11,358	17,674
Net profit attributable to shareholders	72	1,419
Basic Earnings per share (HK cents)	0.9	19.7

Segmental performance

- Mineral exploration segment comprises upstream investment in raw material base. It made a profit of HK\$1.14 billion, including HK\$1.11 billion net profit through asset swap of shares in Mt. Gibson Iron Limited, originally owned by the Group, with Fushan International Energy Group Limited (“Fushan International”) on 1 December 2009
- Associate Fushan International contributed net profit of HK\$40 million
- Steel manufacturing segment made an attributable loss of HK\$1.18 billion
- Both steel and iron ore trading and shipping segments were profitable from a loss-making first half, with attributable profit of HK\$44million and HK\$31 million respectively.

Outlook

- Raw material prices will continue to be strong
- Steel prices will remain high from cost push
- Apparent recovery but uncertainties linger

The most difficult year in steel sector in this century brought about unprecedented challenges and opportunities. We saw an extreme low in March-April last year, resulting in severe losses among peers, but subsequently a strong rebound in the economy from concerted global stimuli. It also provided us an opportunity to successfully execute our integration strategy by acquiring upstream assets at lower cost; we now embrace a captive raw material base in iron ore and coking coal to enhance our steel production. We do see a transformation of earnings profile of the Group from 2010, as strong raw material demand is expected to continue from China, contributions from both mineral exploration and steel and iron ore trading segments shall be more significant. The management has been targeting to invest in value-adding growth, so as to enhance earnings quality and to repay our shareholders’ support.

The path to economic recovery is likely a bumpy one; we do have full confidence in the road ahead since we are well-equipped for the challenges in the future.

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