



**SHOUGANG CONCORD
INTERNATIONAL
ENTERPRISES COMPANY LIMITED**

首長國際企業有限公司

**COMPANY TO ACQUIRE INTEREST IN MOUNT GIBSON
FOR SUBSTANTIAL OFFTAKE AGREEMENT**

[Hong Kong, 4 November, 2008] Shougang Concord International Enterprises Co., Ltd. (the “Company”) today announced that it has entered into Heads of Agreement in relation to offtake agreement, underwritten rights issue and placement of shares of Mount Gibson Iron Limited (“MGI”).

The acquisition will mark another important step of the Company’s upstream integration strategy. By acquiring 10-15% interest in MGI for approximately A\$66-92 million (equivalent to HK\$343-478 million, subject to subscription of rights shares), it shall allow the Company to secure the all-important iron ore resources at 5-10% discount to benchmark prices. Funding for the share acquisition will be satisfied by internal resources.

“We are pleased to have entered into the Agreements,” said Mr. Cao Zhong, Managing Director of the Company, “Integration of substantial part of MGI’s iron ore resources to our own steel manufacturing operation is value accretive to both parties.”

MGI is a constituent of S&P/ASX100 and is one of the few mining companies in Australia that is already in production of iron ore. Its current production capacity amounts to 7 mtpa and is expected to reach 10 mtpa in two years’ time. According to Bloomberg, MGI is expected to achieve P/E of 2.27x and 0.5x in FY2009 and FY2010 respectively.

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