



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

**“STRONG FUNDAMENTALS JUST KEEP  
GOING STRONGER.”**

[Hong Kong, 11 August 2008] Shougang Concord International Enterprises Co., Ltd. (the “Company”) would like to reiterate to investors that the Company is in excellent shape, in terms of its strong operations and fundamentals.

“We stand in a record year when our operations really bear fruits to our shareholders,” said Mr. Cao Zhong, Managing Director, “Our strong fundamentals just keep going stronger.”

The Company is mainly engaged in heavy plate manufacturing through its two plants in Qinhuangdao City, China. Its Shouqin plant is housed with 4300mm heavy plate rolling facility and reached its design capacity only in April 2007. In the first quarter of 2007, Shouqin was still ramping up the productions and it suffered some losses in the first two months. This year, on the contrary, shall mark Shouqin’s first full year with its whole production process line from iron, steel, slab to plate. Shouqin is also actively diverging from production of ship plates to other high-end plates such as ultra thickness plates (for heavy machineries) and higher grade pipeline steel plates (X80 types), both of which can be sold at around 15-50% higher than ship plates.

Currently the steel plate market is still in a supply deficit and this is, in our opinion, unlikely to change in the near term. Heavy plate prices have been very strong especially from late 2007. Take an example of base export price of ship-plates to Hyundai Heavy, one of our biggest customers; it has gone up from around US\$700 in Q4, 2007 to over US\$1,300 in August, 2008, an increase of 85%. Current market price for ship plates lingers at around US\$1,385 per ton. Such increases are generally in line with new prices announced by Asian steel manufacturers, such as Nippon Steel and Dongkuk Steel.

Increases in selling prices have so far outpaced the escalating raw material costs.

Following a net gearing of 29% with cash balance of HK\$3.3 billion as at 31 December, 2007, the Company is enjoying healthy financial conditions, thanks to “cash cow” operations including steel manufacturing and shipping, on top of low-cost unutilized credit facilities. Together, we believe our liquidity position is sufficient for our expansion needs and provides adequate reserves for the foreseeable future.

The Company is scheduled to announce its interim results on 1 September, 2008.

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