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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 WARNING SUPPLEMENTAL ANNOUNCEMENT**

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).

Reference is made to the Company’s profit warning announcement dated 28 January 2016 (the “Announcement”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

Further to the Announcement, the Board wishes to inform the Shareholders and potential investors that the loss attributable to the Shareholders for the financial year ended 31 December 2015 is expected to further increase to the range of HK\$3,300 million to HK\$3,350 million based on the latest information. Such increase is mainly due to the share of additional impairment loss to be made by the Company’s major associate, Shougang Fushan Resources Group Limited (“Shougang Resources”) and the additional impairment loss to be made by the Group on the goodwill in relation to the investment in Shougang Resources.

On 4 March 2016, Shougang Resources has issued an announcement in respect of inside information. According to the announcement, Shougang Resources would make a total impairment loss of approximately HK\$791 million on goodwill, mining rights and property, plant and equipment for the financial year of 2015, of which approximately HK\$516 million is attributable to the shareholders of Shougang Resources. The Group would therefore share an additional HK\$102 million loss of the results of associates in addition to the HK\$40 million loss already shared during the interim period ended 30 June 2015. Thus, the total loss to be shared by the Group on Shougang Resources’ impairment loss on its goodwill, mining rights and property, plant and equipment is expected to be approximately HK\$142 million for the financial year of 2015. Because of the persistently weak coking coal market, it is also expected that an additional impairment loss of approximately HK\$557 million on the goodwill in relation to the Group’s investment in Shougang Resources will be made. Together with the impairment loss of HK\$395 million made for the six months ended 30 June 2015, the aggregate impairment loss on the goodwill in relation to the Group’s investment in Shougang Resources for the financial year of 2015 will be approximately HK\$952 million.

All the impairment loss mentioned above is only accounting related adjustments and non-cash in nature. Therefore, it will not have any impact on the cash flow of the Group.

The Group's final results for the financial year ended 31 December 2015 are still under review and subject to finalization and confirmation by the auditor of the Company as well as approval of the Board at the meeting to be held in late March 2016. The audited final results announcement of the Company for the financial year ended 31 December 2015 will be published in late March 2016.

Further announcement will be made by the Company if there is any significant change in the expected financial results of the Group as disclosed in the Announcement and 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, 4 March 2016

*As at the date of this announcement, the Board comprises Mr. Zhang Gongyan (Chairman), Mr. Li Shaofeng (Managing Director), Mr. Ding Rucai (Deputy Managing Director), Mr. Shu Hong (Deputy Managing Director), Mr. Ip Tak Chuen, Edmond (Non-executive 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).*