



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

**EXTENSION HILL IRON ORE SALE  
WITH Mt. GIBSON LAPSED**

[Hong Kong, 4 April 2011] Heavy plate producer in China with strategic interests in upstream assets, Shougang Concord International Enterprises Company Limited (“The Company”, HKSE: 697), announces that the Company is unable to reach agreement with Mt. Gibson Iron Limited (“Mt. Gibson”) on the sale of iron ore from Extension Hill mine. The Extension Hill iron ore sale agreement is therefore lapsed.

Previously, under the long term offtake agreements with Mt. Gibson, iron ore price payable by the Company was on 90% of Hamersley Benchmark Price (“HBP”) which would be announced by Rio Tinto on an annual basis. To date, HBP has not been announced, both parties should have endeavored to agree on a revised pricing mechanism. The parties reached agreement on a revised pricing for Talling Peak and Koolan Island mines in November, 2010 based on Platts Iron Ore index price, but that on Extension Hill mine has not been reached on the deadline of 31 March, 2011.

“We are sorry that we are unable to reach a revised pricing mechanism on Extension Hill with Mt. Gibson,” said Mr. Li Shaofeng, Managing Director of the Company, “We put our shareholders’ interest first and only agree on terms that are beneficial to our long term interest.”

Talling Peak and Koolan Island mines are the two operating sites of Mt. Gibson, with reserves of 41.7 million tonnes<sup>1</sup>; while Extension Hill mine is under construction to date, with reserves of 14.8 million tonnes<sup>1</sup>.

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Note 1: Per Mt Gibson announcement to ASX on 18 October 2010