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SHOUGANG CONCORD CENTURY HOLDINGS LIMITED

首長寶佳集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 103)

UPDATE ON PROFIT WARNING FOR THE SIX MONTHS ENDED 30 JUNE 2015

This announcement is made by the Board pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions.

Reference is made to the Profit Warning Announcement. The Board wishes to update the shareholders of the Company and potential investors upon further review by the Company of the latest unaudited management accounts of the Group, it is expected that the unaudited consolidated loss will be further increased to in the range of HK\$190,000,000 to HK\$200,000,000. Such increase is mainly attributable to the recognition of an impairment loss of approximately HK\$93,000,000 on the carrying value of property, plant and equipment of the Group.

The shareholders of the Company and potential investors should refer to the announcement of the unaudited consolidated results of the Group for the six months ended 30 June 2015 which will be published on 27 August 2015 for more details.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the board (the “Board”) of directors (the “Directors”) of Shougang Concord Century Holdings Limited (the “Company” which together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the inside information provisions (the “Inside Information Provisions”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the profit warning announcement of the Company dated 30 June 2015 (the “Profit Warning Announcement”). Capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement, unless otherwise specified.

As mentioned in the Profit Warning Announcement, it is expected that the Group will record an unaudited consolidated loss in the range of HK\$80,000,000 to HK\$90,000,000 for the six months ended 30 June 2015 as compared to an unaudited consolidated loss of HK\$38,397,000 for the six

months ended 30 June 2014, representing an increase of 108% to 134%. The expected discernible loss was mainly due to the decrease in sales volume of steel cords attributable to the slowdown in demand during the first half year, the continual significant decline in the selling price of steel cords since the second half year of 2014 and no sign of rebound as at the date of the Profit Warning Announcement, which was attributable to the over production capacity of steel cord suppliers and severe market competition in the steel cord industry. The gross profit margin of the Group has been substantially eroded due to the aforesaid market condition. The expected discernible loss has not included any other potential provisions/impairment which have to be made subject to the review of the Board and the audit committee of the Company together with the discussion with the independent auditor of the Company.

The Board wishes to update the shareholders of the Company and potential investors that upon further review by the Company of the latest unaudited management accounts of the Group, it is expected that the unaudited consolidated loss will be further increased to in the range of HK\$190,000,000 to HK\$200,000,000. Such increase is mainly attributable to the recognition of an impairment loss of approximately HK\$93,000,000 on the carrying value of property, plant and equipment of the Group. Due to the continuing decline in average selling price of steel cords during the first half year, especially the unexpected significant drop in the second quarter, the management of the Group had conducted an impairment assessment on the carrying value of the property, plant and equipment of the Group at the end of the reporting period, which was determined based on value in use calculation. On the expectation that the Group will still face intense competition in the steel cord industry in the near term that may continue to hinder the rebound in average selling price of steel cords, hence an impairment loss of HK\$93,000,000 is expected to be recognised on the property, plant and equipment of the Group for the six months ended 30 June 2015.

The recognition of impairment loss on property, plant and equipment is non-cash in nature. It is not expected that this recognition of impairment loss would have any material impact on the cash flow and the operations of the Group. We are also of the view that the overall operation and financial position of the Group remain stable.

The Company is still in the process of finalising the unaudited consolidated interim results of the Group for the six months ended 30 June 2015, the information disclosed in this announcement only represents the further assessment by the Board and the management of the Group based on the information currently available to them, which have yet to be finally reviewed by the independent auditor of the Company and/or audit committee of the Company. The shareholders of the Company and potential investors should refer to the announcement of the unaudited consolidated results of the Group for the six months ended 30 June 2015 which will be published on 27 August 2015 for more details.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Shougang Concord Century Holdings Limited
Li Shaofeng
Chairman

Hong Kong, 21 August 2015

As at the date of this announcement, the Board comprises the following directors:

Mr. Li Shaofeng (Chairman), Mr. Yang Kaiyu (Managing Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Zhang Wenhui (Non-executive Director), Mr. Tang Cornor Kwok Kau (Deputy Managing Director), Mr. Liao Jun (Non-executive Director), Mr. Yip Kin Man, Raymond (Independent Non-executive Director), Mr. Law, Yui Lun (Independent Non-executive Director) and Mr. Lam Yiu Kin (Independent Non-executive Director).