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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)

PROFIT ALERT

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

Based on the information currently available which includes, but without limitation to, the unaudited consolidated financial statements of the Group for the year ended 31 December 2016, the Group's performance was significantly improved in 2016 and it is expected to record a net profit in the range of HK\$5,000,000 to HK\$15,000,000 for the year ended 31 December 2016 as compared with a net loss of HK\$376,985,000 for the year ended December 2015.

The shareholders of the Company and potential investors should refer to the final results announcement of the Group for the year ended 31 December 2016 which will be published in March 2017 for detailed information about the performance of the Group for the financial year 2016.

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).

Based on the information currently available which includes, but without limitation to, the unaudited consolidated financial statements of the Group for the year ended 31 December 2016, the Group's performance was significantly improved in 2016 and it is expected to record a net profit in the range of HK\$5,000,000 to HK\$15,000,000 for the year ended 31 December 2016 as compared with a net loss of HK\$376,985,000 for the year ended December 2015.

The Board believes that the turnaround of the Group's performance for the year ended 31 December 2016 is mainly attributable to the following reasons:

1. The increase in gross profit during the year, which was the result of (i) increase in sales volume

of steel cords attributable to the market increase in demand of steel cords; and (ii) lowered unit production cost of steel cords arising from increased production;

2. The amount of net recovery of bad and doubtful debts during the year, against net allowance of bad and doubtful debts made in 2015;
3. No further substantial allowance for inventories is expected for the year ended 31 December 2016 due to rising average selling price of steel cord; as compared to approximately HK\$13,511,000 of allowance for inventories made in 2015; and
4. No further substantial impairment loss is expected to be made against property, plant and equipment and goodwill for the year ended 31 December 2016 due to significant improvement in operating results of core subsidiaries of the Company. The impairment losses recognised in respect of property, plant and equipment and goodwill for the year ended 31 December 2015 were HK\$93,000,000 and HK\$41,672,000 respectively.

The Company is still in the process of finalizing the Group's final results for the year ended 31 December 2016. The information contained in this announcement is only a preliminary assessment of the unaudited consolidated financial statements of the Group for the year ended 31 December 2016, which have not been audited or reviewed by the independent auditors of the Company. Such information may differ from the audited consolidated annual results for the year ended 31 December 2016. The shareholders of the Company and potential investors should refer to the final results announcement of the Group for the year ended 31 December 2016 which will be published in March 2017 for detailed information about the performance of the Group for the financial year 2016.

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, 9 February 2017

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

Mr. Li Shaofeng (Chairman), Mr. Yang Kaiyu (Managing Director), Mr. Su Fanrong (Executive Deputy Managing Director), Mr. Leung Shun Sang, Tony (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).