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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)

INSIDE INFORMATION PROFIT WARNING

This announcement is made by Shougang Concord Century Holdings Limited (the “Company”, 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”) (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 14 February 2018 (the “Announcement”) in relation to, among other things, the Rescission Notice and the Solution involving a waiver of the Compensation Payments and the related taxes in connection with the Lands. Unless otherwise provided, terms used herein shall have the same meanings as those used in the Announcement.

As at the date of this announcement, the negotiations between the Management and Tengzhou Municipal Government are ongoing and the Management met with the senior government officials in several occasions regarding the request to maintain the land use rights of the Lands. However, the Management considered that no real and concrete outcome of the Solution can be obtained prior to the end of March 2018, i.e. the deadline of the publication of final results of the Group for the year ended 31 December 2017 (the “Annual Results”).

As it is unlikely that the land use rights certificates of the Lands will be obtained before the publication of the Annual Results, the Company will make a full impairment on the Lands with the unaudited net book value of approximately HK\$72,523,000 (the “Prepaid Lease Payments”).

Meanwhile, the Management will continue to communicate with the State-owned Land Resources Bureau and/or other relevant Tengzhou governmental authority with a view to resolving the Lands issue and seeking the Solution which is in the best interest of the Company and shareholders of the Company (the “Shareholders”) as a whole.

Due to the aforesaid recognition of the full impairment of the Prepaid Lease Payments, and the information currently available, the board (the “Board”) of directors (the “Director(s)”) of the Company wishes to inform the Shareholders and potential investors that the Group is expected to record a consolidated loss of not less than HK\$63,000,000 for the year ended 31 December 2017 as compared to a profit of HK\$10,103,000 for the year ended 31 December 2016 based on the preliminary review of the unaudited financial statements of the Group for the year ended 31 December 2017.

The Board considers that the full impairment of the Prepaid Lease Payments will be made in accordance with the accounting policy, accounting evaluation, policy and practical situation of the assets of the Company, which sufficiently and fairly reflects the financial and operational situation of the Company.

The expected discernible loss has not included any other potential provisions/ impairments which have to be made subject to the review of the Board and the audit committee of the Company (the “Audit Committee”) together with the discussion with the independent auditor of the Company (the “Auditor”).

Despite the above discernible loss, there has been no material impact on the operations of the Group. The Company is 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 Annual Results. The information contained in this announcement is only a preliminary assessment by the Company based on the information available for the time being, which has not yet been reviewed by the Auditor or the Audit Committee. The Annual Results announcement is scheduled to be released on 22 March 2018.

The Company will comply with any applicable requirements prescribed by the Listing Rules and/or the Inside Information Provisions as and when appropriate, and further announcement(s) will be made by the Company with respect to any material development as and when required.

Shareholders 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
Su Fanrong
Chairman and Managing Director

Hong Kong, 12 March 2018

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

Mr. Su Fanrong (Chairman and 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).