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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 FOR THE SIX MONTHS ENDING 30 JUNE 2018

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 currently available information which includes, but without limitation to, the unaudited management accounts of the Group for the six months ended 30 June 2018, it is expected that the Group will record an unaudited consolidated loss in the range of HK\$18,500,000 to HK\$26,500,000 for the six months ending 30 June 2018 as compared to an unaudited profit of HK\$24,372,000 for the six months ended 30 June 2017. The expected discernible loss was mainly due to (i) during the latter half of first quarter and early part of second quarter in 2018, there was lower sales volume and turnover of steel cord segment attributable to the unexpected decrease in demand of some of our major domestic customers and relatively high inventory level of the tyre industry in general. Therefore gross profit margin of steel cord segment has further eroded and continued to decline in the first half year of 2018; and (ii) recognition of foreign exchange loss of approximately HK\$6,600,000. The expected discernible loss has not included any potential provisions/impairment which has 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 Directors expect that the announcement of the unaudited consolidated results of the Group for the six months ending 30 June 2018 will be published in August 2018 in compliance with the requirements under the Listing Rules.

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 currently available information which includes, but without limitation to, the unaudited management accounts of the Group for the six months ended 30 June 2018, it is expected that the Group will record an unaudited consolidated loss in the range of HK\$18,500,000 to HK\$26,500,000 for the six months ending 30 June 2018 as compared to an unaudited profit of HK\$24,372,000 for the six months ended 30 June 2017. The expected discernible loss was mainly due to (i) during the latter half of first quarter and early part of second quarter in 2018, there was lower sales volume and turnover of steel cord segment attributable to the unexpected decrease in demand of some of our major domestic customers and relatively high inventory level of the tyre industry in general. Therefore gross profit margin of steel cord segment has further eroded and continued to decline in the first half year of 2018; and (ii) recognition of foreign exchange loss of approximately HK\$6,600,000. The expected discernible loss has not included any potential provisions/impairment which has 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.

Despite the above discernible loss, there has been no material adverse impact on 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 will finalise the unaudited consolidated interim results of the Group for the six months ending 30 June 2018. Hence, the information disclosed in this announcement only represents a preliminary assessment by the Board and the management of the Group based on the information currently available to them, which has not yet been reviewed by the independent auditor of the Company or audit committee of the Company. The unaudited consolidated interim results of the Group may be subject to adjustments following further review by the Board.

The Directors expect that the announcement of the unaudited consolidated results of the Group for the six months ending 30 June 2018 will be published in August 2018 in compliance with the requirements under the Listing Rules.

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
SU Fanrong
Chairman and Managing Director

Hong Kong, 8 August 2018

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

Mr. Su Fanrong (Chairman and Managing 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).