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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 WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the profit of the Group for the six months ended 30 June 2011 is expected to record a significant decline as compared to that for the same period last year.

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 Shougang Concord Century Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that the profit of the Group for the six months ended 30 June 2011 is expected to record a significant decline as compared to that for the same period last year. Based on the information currently available, such decline is primarily attributable to the followings:

- (1) the decrease in gross profit margin as a result of lower average selling price of steel cord and the increase of the cost of raw materials;
- (2) the increase in certain research and development expenses and operating costs incurred to expedite the development of new products – sawing wires and high-end steel cord, and new market; and
- (3) no non-recurring items such as gain on disposal of listed available-for-sale investments incurred for the first half year of 2011.

Despite the above adverse change, there has been no negative impact on the cash flow position and the operations of the Group and the Group still maintains profit from operation for the first half year of 2011. Further, due to the development of new product and new market, the sales volume and turnover of the Group’s principal business, steel cord, have increased on a year-on-year basis. The

Board will continue to embark on various costs cutting measures and more importantly, expedite the sales of the final products of high-end steel cord and sawing wires in the second half year of 2011. In all, the Board is of the view that the overall operation and financial position of the Group remain sound and solid.

The Company is still in the process of finalizing the Group's interim results for the six months ended 30 June 2011. The information contained in this announcement is only a preliminary assessment by the Company based on the information available for the time being. Financial information and other details of the Group will be disclosed in the announcement of interim results of the Group for the six months ended 30 June 2011.

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
Tang Cornor Kwok Kau
Deputy Managing Director

Hong Kong, 30 June 2011

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. Tang Cornor Kwok Kau (Deputy Managing Director), Mr. Zhang Zhong (Executive Director), Mr. Yip Kin Man, Raymond (Independent Non-executive Director), Mr. Law, Yui Lun (Independent Non-executive Director) and Mr. Chan Chung Chun (Independent Non-executive Director).