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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 based on the unaudited financial statements of the Group for the year ended 31 December 2011, the profit of the Group 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 based on the unaudited financial statements of the Group for the year ended 31 December 2011, the profit of the Group is expected to record a significant decline as compared to that for the same period last year. Based on the information currently available, such significant 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; and
- (2) potential substantial increase in allowance for trade receivables after having considered the increased operating pressure on our customers, tyre manufacturers, in the second half of 2011.

Despite the above adverse change, there has been no material impact on the operations of the Group. Following the end of the Lunar New Year holidays in mainland China which conventionally slows the market sentiment for the industrial and manufacturing sectors, the Board believes that the Group's principal businesses will continue to face a challenging market environment despite the recent relaxation of the reserve ratio on the Chinese banking sector. Through incessant cost cutting and productivity enhancement measures, the Group is expected to mitigate the current operating difficulties in year 2012.

The Company is still in the process of finalizing the Group's final results for the year ended 31 December 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 final results of the Group for the year ended 31 December 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, 24 February 2012

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).