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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 Group is expected to record a loss for the six months ended 30 June 2012 as compared to a profit 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 Group is expected to record a loss for the six months ended 30 June 2012 as compared to a profit for the same period last year. Based on the information currently available, such loss is primarily attributable to the followings:

- (1) the decline in gross profit margin principally as a result of unfavorable pricing changes and the increase in cost of labour and utilities; and
- (2) potential allowances for certain doubtful trade receivables and inventories.

Despite the above adverse change, there has been no material impact on the operations of the Group for the first half year of 2012. We will continue to improve upon our productivity and reposition our product mix as well as clientele base with a view to contain further erosion on our profit margin. We will also strengthen our receivable collection effort to enhance our cash and working capital position. In all, we are of the view that the overall operation and financial position of the Group remain stable.

The Company is still in the process of finalizing the Group's interim results for the six months ended 30 June 2012. The information contained in this announcement is only a preliminary assessment by the Company based on the information available for the time being, which have not yet been reviewed by the independent auditor of the Company or audit committee of the Company. 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 2012.

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, 6 July 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. Dong Haochun (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).