



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)

Shougang Century Announces 2020 Annual Results

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**Strictly Controlled Costs Profit After Tax Increased by 36.8%
And Dividend Distribution Increased by 50%
Actively Enhancing Production Capacity Aim to Add Additional
100,000 Tonnes of Steel Cord Production Capacity**

(Hong Kong, 22 March 2021) —Shougang Concord Century Holdings Limited (“Shougang Century”, together with its subsidiaries, “the Group”; stock code: 0103.HK) is pleased to announce its audited annual results for the year ended 31 December 2020.

During the year under review, the pandemic outbreak caused a halt to manufacturing industries in a number of countries, dealing a heavy blow to the global economy. Fortunately, the Chinese government responded to the pandemic quickly after the outbreak with a series of effective and targeted measures, which underpinned the satisfactory progress in work resumption and production acceleration. On the other hand, the rampant pandemic has not been controlled in the overseas and dragged on manufacturing sectors across other countries, resulting in a shortage of tyres and related products. In view of this, the Group decisively seized the market opportunities by exploring new customers, while optimizing its sales mix to flexibly meet customers’ requirements. Meanwhile, in order to actively cater for the market demand, the Group adopted a multi-pronged approach to expand production capacity in order to boost both the supply and its core competitiveness.

Leveraging the Group’s strict and effective cost control, gross profit margin from continuing operations increased from 17.6% in 2019 to 19.3%, whilst gross profit from continuing operations increased by 4.3% to HK\$394,322,000. With the reduction of finance costs, the Group’s profit before income tax and profit for the year increased by 26.0% and 36.8% to

HK\$145,911,000 and HK\$148,254,000, respectively. The board of directors recommended the payment of a final dividend of HK1.5 cents per share for the year ended 31 December 2020 (2019: HK1 cent per share), the dividend distribution increased by 50%.

Located in Zhejiang Province and Shandong Province, the Group's two large production bases produce approximately 200,000 tonnes of steel cords in total every year. To cope with the increasing demand for tyres in China and abroad fuels a robust market demand for steel cords, the Group expanded its production capacity through further optimizing its plant construction. In 2019, the Group kicked off an expansion plan in its Tengzhou factory and invested in new brass wire production facilities to add an additional 100,000 tonnes of steel cord production capacity. Spurred by the solid construction progress, the Group has continued to make great strides towards its goal to become an enterprise commanding an annual manufacturing capacity in excess of 300,000 tonnes of high-quality steel cords.

Mr. SU Fanrong, Chairman and Managing Director of Shougang Century said “Looking forward, the growing demand for domestic large vehicles’ tyres, coupled with the growing needs for steel cords driven by the Chinese government’s ‘domestic circulation’ policy and energy conservation and emission reduction requirement, will benefit the development of the domestic steel cord industry. As the photovoltaic, sapphire and magnetic material markets gradually improve, the domestic sawing wire market has witnessed a steady growth. We are fully confident with the Group's business, and will continuously strive to achieve our target in becoming one of the top three independent manufacturers of steel cord industry in China.”

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About Shougang Concord Century Holdings Limited

Shougang Concord Century Holdings Limited (0103.HK) is primarily engaged in manufacturing of steel cords for radial tyres, sawing wires and other wire products. The Group possesses two large production bases in Zhejiang Province and Shandong Province, together producing approximately 200,000 tonnes of steel cords annually. Having been delivering products of a consistently premium quality over the years, the Group supplies products to over 20 countries worldwide and has won wide recognition from international tyres manufacturers. Listed on The Stock Exchange of Hong Kong since April 1992, the Group has a strong shareholder base with substantial shareholders including Shougang Group Co., Ltd. (a state-owned enterprise under the direct supervision of the Beijing State-owned Assets Supervision and Administration Commission), a Fortune 500 company, and its controlled corporations, Bekaert Group and Li Ka Shing Foundation Limited. Through its longstanding dedication to purveying premium quality steel cords and wire products, the Group aims to become one of the top three independent manufacturers of steel cord industry in China.

For more information, please visit: <http://www.shougangcentury.com.hk>

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