



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 Positive Profit Alert

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### Expecting Profit After Tax to Increase at least 20% in 2020

(Hong Kong, 09 February 2021) —Shougang Concord Century Holdings Limited (“Shougang Century”, together with its subsidiaries, “the Group”; stock code: 0103.HK) is pleased to announce that, based on its preliminary assessment of the unaudited consolidated financial statements of the Group for the year ended 31 December 2020, the Group expects a profit after tax of not less than HK\$130 million, at least 20% more than that of HK\$108 million for the previous year. Such increase was primarily attributable to the improvement of gross profit margin arisen from the decrease in production costs and the reduction in finance costs.

Shougang Century is primarily engaged in manufacturing of steel cords for radial tyres, sawing wires and other wire products. The Group’s two large production bases, which are located in Zhejiang Province and Shandong Province, produce approximately 200,000 tonnes of steel cords in total every year. In 2019, the Group kicked off an expansion plan in its Tengzhou factory and invested in new brass wire production facilities to add a further 100,000 tonnes of steel cord production capacity. As the construction progress is satisfactory, the Group is building 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 “With the outbreak of coronavirus disease under control in China, demand for logistics in the nation witnessed a substantial increase, driving demand for large vehicles’ tyres. Leveraging the Chinese government’s ‘domestic circulation’ policy, coupled with the



intense rigid demand on tyres, the Group's operation is promising as the sales of steel cords is expected to bloom. In addition, the demand for 'green tyres' will grow remarkably, thanks to the Chinese government's efforts in energy conservation and emission reduction. That is anticipated to expedite the market expansion of steel cords for radial tyres and bring an ample room for development to steel cord industry. In 2020, through actively adopting stringent cost reduction measures, we managed to increase the gross profit margin. Furthermore, with the reduction in finance costs, the Group's profit after tax witnessed an outstanding growth. Looking forward, we strive to continuously increase our market share, thus creating long-term returns for our shareholders and investors."

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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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