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首鋼福山資源集團有限公司
SHOUGANG FUSHAN RESOURCES GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 639)

POSSIBLE DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTION IN RELATION TO RENEWAL OF THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

RAINBOW CAPITAL (HK) LIMITED
滾 博 資 本 有 限 公 司

RAINBOW CAPITAL (HK) LIMITED

THE 2026 FINANCIAL SERVICES FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 8 December 2023 in relation to the 2023 Financial Services Framework Agreement entered into between the Company and Shougang Finance on 8 December 2023 in relation to the provision of certain financial services, namely the Deposit Services, Credit Services and Other Financial Services by Shougang Finance to the Group for the period from 8 December 2023 to 31 December 2025.

The 2023 Financial Services Framework Agreement will expire on 31 December 2025, and it is expected that the Group will continue to enter into normal commercial transactions similar to those contemplated under the 2023 Financial Services Framework Agreement with Shougang Finance from time to time thereafter. Accordingly, on 22 December 2025, the Company entered into the 2026 Financial Services Framework Agreement with Shougang Finance in relation to the provision of certain financial services, namely the Deposit Services, Credit Services and Other Financial Services, by Shougang Finance to the Group for the period from 1 January 2026 to 31 December 2028.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shougang Group is a substantial shareholder of the Company. Shougang Finance is an indirect wholly-owned subsidiary of Shougang Group. Accordingly, Shougang Finance is a connected person of the Company and the transactions contemplated under the 2026 Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(i) Deposit Services

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Interim Daily Deposit Cap exceeds 0.1% but is less than 5%, the provision of the Deposit Services under the Interim Daily Deposit Cap by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Daily Deposit Caps exceeds 5% but is less than 25%, the provision of the Deposit Services under the Daily Deposit Caps by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement is subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, the provision of Deposit Services by Shougang Finance to the Group constitutes the provision of financial assistance by the Group to Shougang Finance under Rule 14.04(1)(e) of the Listing Rules. Therefore, the provision of the Deposit Services by Shougang Finance to the Group also constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(ii) Credit Services

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Interim Daily Credit Cap exceeds 0.1% but is less than 5%, the provision of the Credit Services under the Interim Daily Credit Cap by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Daily Credit Caps exceeds 5% but is less than 25%, the provision of the Credit Services under the Daily Credit Caps by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement is subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(iii) Other Financial Services

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Service Fees Caps is less than 0.1%, the provision of the Other Financial Services under the Service Fees Caps by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement is fully exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Deposit Services and the Credit Services contemplated under the 2026 Financial Services Framework Agreement (including the Daily Deposit Caps and the Daily Credit Caps). Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders.

A circular containing, among other matters, (i) further information on the Deposit Services and the Credit Services contemplated under the 2026 Financial Services Framework Agreement; (ii) a letter from the Independent Financial Adviser; (iii) a letter from the Independent Board Committee; and (iv) a notice convening the GM and a form of proxy is expected to be issued on or before 15 January 2026.

Shareholders and potential investors should note that the Deposit Services and the Credit Services contemplated under the 2026 Financial Services Framework Agreement (including the Daily Deposit Caps and the Daily Credit Caps) are subject to Independent Shareholders' approval and therefore may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE 2026 FINANCIAL SERVICES FRAMEWORK AGREEMENT

On 22 December 2025, the Company entered into the 2026 Financial Services Framework Agreement with Shougang Finance in relation to the provision of certain financial services by Shougang Finance to the Group for the period from 1 January 2026 to 31 December 2028.

The principal terms of the 2026 Financial Services Framework Agreement are set out as follows:

Date

22 December 2025

Parties

1. the Company; and

2. Shougang Finance

Term

The term of the 2026 Financial Services Framework Agreement commences on 1 January 2026 and ends on 31 December 2028 (both days inclusive).

Condition precedent

The Daily Deposit Caps and the Daily Credit Caps under the 2026 Financial Services Framework Agreement are conditional upon the approval by the Independent Shareholders at the GM.

Accordingly, pending the approval of the Independent Shareholders at the GM or if the approval of the Independent Shareholders is not obtained at the GM, the Group and Shougang Finance shall transact with each other to the extent that the Interim Daily Deposit Cap and the Interim Daily Credit Cap shall not be exceeded.

Scope of services provided by Shougang Finance

Pursuant to the 2026 Financial Services Framework Agreement, Shougang Finance shall provide certain financial services, namely the Deposit Services, Credit Services and Other Financial Services, to the Group, the details of which are set out as follows:

(i) Deposit Services

Shougang Finance shall provide various types of deposit services to the Group, including but not limited to current deposits, time deposits, call deposits and agreement deposits. The daily balance of all the deposits placed by the Group with Shougang Finance shall not be higher than the applicable Interim Daily Deposit Cap and the Daily Deposit Caps.

(ii) Credit Services

Shougang Finance shall provide credit services to the Group, including but not limited to loans, acceptance of bills, bill discounting, bill pledging, guarantees and other forms of financing businesses. The combined amount of the facilities provided shall not be higher than the applicable Interim Daily Credit Cap and Daily Credit Caps.

(iii) Other Financial Services

Shougang Finance shall provide the other financial services, including but not limited to agency fee, handling fee and other fees received in respect of the provision of payment and settlement services, loan services, bill acceptance and discounting services, non-financing guarantee letter services and financial consultancy services, etc.

The Group and Shougang Finance will enter into separate agreement(s) setting out the specific scope of services, deposit rates, interest rates, fees, manner and method of payment, and the terms and conditions thereunder for each service, which shall be determined after arm's length negotiations between the parties in accordance with normal commercial terms and the 2026 Financial Services Framework Agreement.

Right to obtain services from other service providers or financial institutions

The financial services to be provided by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement shall be on a non-exclusive basis. The Group has the right to obtain services from other service providers or financial institutions in addition to those provided by Shougang Finance pursuant to the 2026 Financial Services Framework Agreement.

The Group will use the services provided by Shougang Finance on a voluntary and non-compulsory basis and is not obliged to engage Shougang Finance for any particular service.

Pricing Basis

(i) Deposit Services

Pricing Policies

The deposit interest rate provided by Shougang Finance to the Group shall not be lower than any of the following: (i) the interest rate of the same type of deposits placed by the Group with the major domestic or overseas commercial banks under the same terms and conditions, (ii) the interest rate of the same type of deposits issued by the PBOC if applicable, (iii) the interest rate of the same type of deposits offered by Shougang Finance to subsidiaries of the Shougang Group; and shall be determined after arm's length negotiations between the parties in accordance with normal commercial terms.

Historical Amounts

The existing daily deposit caps under the 2023 Financial Services Framework Agreement and historical maximum daily balance of deposits (including accrued interest) placed by the Group with Shougang Finance are set out as follows:

	For the period from 8 December 2023 to 31 December 2023 *RMB'000 (approximately)*	**For the year ended 31 December 2024** *RMB'000 (approximately)*	**For the period from 1 January 2025 to 22 December 2025** *RMB'000 (approximately)*
Existing daily deposit caps	560,000	560,000	560,000[1]
Historical maximum daily balance of deposits (including accrued interest)	400,095	459,781	519,266
Utilisation rate	71%	82%	93%

[1] For the year ending 31 December 2025.

Proposed Annual Caps and the Basis of Determination

The Daily Deposit Caps, representing the proposed maximum daily balance of deposits (including accrued interest) placed by the Group with Shougang Finance, during the term of the 2026 Financial Services Framework Agreement, are set out as follows:

	For the period from 1 January 2026 to the date preceding the approval at the GM	**For the year ending 31 December 2026**	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Daily Deposit Caps	660,000 *(Note 1)*	2,500,000	2,500,000	2,500,000

Note 1: For the period from 1 January 2026 to the date immediately preceding the approval of the Daily Deposit Caps by the Independent Shareholders at the GM, the Interim Daily Deposit Cap shall be RMB660,000,000, which shall be increased to RMB2,500,000,000, subject to obtaining the approval of the Independent Shareholders at the GM.

The above Daily Deposit Caps were determined after taking into account the following:

1. the historical maximum daily balance of deposits (including accrued interest) of the Group placed with Shougang Finance under the 2023 Financial Services Framework Agreement. The historical utilisation rate of the maximum daily balance of deposits placed by the Group with Shougang Finance under the 2023 Financial Services Framework Agreement was up to 93%. In terms of the proposed increase in annual caps under the 2026 Financial Services Framework Agreement, the proposed Daily Deposit Caps for the three years ending 31 December 2028 represent approximately 25.9% of the Group's maximum Cash Position in the past three years;

2. the Daily Deposit Caps represent approximately 24.2% of the Group's current assets as at 30 June 2025 amounting to approximately RMB10,350 million;

3. the Daily Deposit Caps represent approximately 26.2% of the Group's Cash Position as at 30 June 2025 amounting to approximately RMB9,531 million and approximately 25.9% of the Group's maximum Cash Position in the past three years amounting to approximately RMB9,637 million;

4. the internal treasury policy of the Group governing the upper limit of Cash Position of each financial institution;

5. the estimated annual cash flows of the Group and the expected growth of the business operation of the Group; and

6. the expected demand of the Group for deposit services provided by Shougang Finance, as a result of its competitive edge over other financial services providers becoming more apparent arising from continuing improvement in its services which can better serve the business and development needs of the Group.

The Directors (including the independent non-executive Directors but excluding the Directors who have material interests in the transactions contemplated hereunder as described in the section headed "LISTING RULES IMPLICATIONS" of this announcement below) consider that the above Interim Daily Deposit Cap and Daily Deposit Caps in respect of the provision of the Deposit Services are fair and reasonable and in the interests of the Shareholders as a whole.

(ii) Credit Services

Pricing Policies

The interest rates or fee rates provided by Shougang Finance to the Group shall not be higher than the interest rates or fee rates of the same type of credit services obtained by the Group from other domestic or overseas financial institutions under the same terms and conditions; and shall be determined after arm's length negotiations between the parties in accordance with normal commercial terms.

Historical Amounts

The existing daily credit caps under the 2023 Financial Services Framework Agreement and historical maximum daily credit balance (including accrued interest) received by the Group from Shougang Finance are set out as follows:

	For the period from 8 December 2023 to 31 December 2023 *RMB'000 (approximately)*	**For the year ended 31 December 2024** *RMB'000 (approximately)*	**For the period from 1 January 2025 to 22 December 2025** *RMB'000 (approximately)*
Existing daily credit caps	560,000	560,000	560,000[1]
Historical maximum daily credit balance (including accrued interest)	0	0	0

[1] For the year ending 31 December 2025.

Proposed Annual Caps and the Basis of Determination

The Daily Credit Caps, representing the proposed maximum daily credit balance (including accrued interest) received by the Group from Shougang Finance during the term of the 2026 Financial Services Framework Agreement, are set out as follows:

	For the period from 1 January 2026 to the date preceding the approval at the GM *RMB'000*	**For the year ending 31 December 2026** *RMB'000*	**For the year ending 31 December 2027** *RMB'000*	**For the year ending 31 December 2028** *RMB'000*
Daily Credit Caps	660,000 *(Note 1)*	2,500,000	2,500,000	2,500,000

Note 1: For the period from 1 January 2026 to the date immediately preceding the approval of the Daily Credit Caps by the Independent Shareholders at the GM, the Interim Daily Credit Cap shall be RMB660,000,000, which shall be increased to RMB2,500,000,000, subject to obtaining the approval of the Independent Shareholders at the GM.

The above Daily Credit Caps were determined after taking into account the following:

1. the expected macroeconomic environment of the relevant business, business development plan and capital requirements of the Group, in particular the expected funding requirements of future development of the Group such as acquisitions and expansion of production capacity;

2. the current scale of assets and business of the Group is such that the Daily Credit Caps represent approximately 11.6% of the Group's total assets as at 30 June 2025, amounting to approximately RMB21,596 million;

3. the needs to broaden financing channels and enhance the flexibility of funding sources for future business development, the demand of the Group to issue acceptance of bills and guarantees and use of loans will increase; and

4. the registered capital of Shougang Finance was enlarged by RMB2 billion recently which has considerably enhanced its comprehensive strength especially in terms of scope and scale of financial services offerings. Shougang Finance will take into consideration of the needs of members of Shougang Group. The Group will also make greater use of the credit services provided by Shougang Finance if necessary.

The Directors (including the independent non-executive Directors but excluding the Directors who have material interests in the transactions contemplated hereunder as described in the section headed "LISTING RULES IMPLICATIONS" of this announcement below) consider that the above Interim Daily Credit Cap and Daily Credit Caps in respect of the provision of the Credit Services are fair and reasonable and in the interests of the Shareholders as a whole.

(iii) Other Financial Services

Pricing Policies

The service fees payable by the Group to Shougang Finance shall not be higher than the service fees of the same type of financial services quoted by other domestic or overseas financial institutions under the same terms and conditions, subject to the compliance with the services fee standards stipulated by the PBOC or the NFRA and shall be determined after arm's length negotiations between the parties in accordance with normal commercial terms.

Historical Amounts

The existing service fees caps under the 2023 Financial Services Framework Agreement and historical aggregate amount of service fees payable by the Group to Shougang Finance are set out as follows:

	For the period from 8 December 2023 to 31 December 2023 *RMB'000 (approximately)*	**For the year ended 31 December 2024** *RMB'000 (approximately)*	**For the period from 1 January 2025 to 22 December 2025** *RMB'000 (approximately)*
Existing service fees caps	3,000	10,000	10,000[1]
Historical aggregate amount of service fees	0	0	0

[1] For the year ending 31 December 2025.

Proposed Annual Caps

The Service Fees Caps, representing the proposed annual caps for the aggregate amount of service fees payable by the Group to Shougang Finance during the term of the 2026 Financial Services Framework Agreement, are set out as follows:

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
	RMB'000	*RMB'000*	*RMB'000*
Service Fees Caps	10,000	10,000	10,000

The above Service Fees Caps were determined after taking into account the following:

1. the Other Financial Services provided by Shougang Finance under the 2023 Financial Services Framework Agreement have been provided free of charge and thus the historical aggregate amount of service fees was zero. The Service Fees Caps were determined on the basis that the service fees payable by the Group to Shougang Finance will be on normal commercial terms;

2. the expected scope and service specifications of the Other Financial Services; and

3. the expected demand for the Other Financial Services (such as arrangement fee for loans) by the Group with reference to the existing scale of operations and anticipated growth and acquisitions.

The Directors (including the independent non-executive Directors but excluding the Directors who have material interests in the transactions contemplated hereunder as described in the section headed "LISTING RULES IMPLICATIONS" of this announcement below) consider that the above Service Fees Caps in respect of the provision of the Other Financial Services are fair and reasonable and in the interests of the Shareholders as a whole.

INTERNAL CONTROL

(i) Deposit Services

The internal control measures on the determination of deposit interest rate for the Deposit Services are as follows:

1. Before entering into any deposit arrangements with Shougang Finance, the Group will obtain and review the deposit interest rates for the same type of deposits quoted by at least three other major domestic or overseas commercial banks and make reference to the interest rate of PBOC and make reference to the interest rate of the same type of deposits issued by the PBOC.

2. The Group will enter into individual agreement(s) with Shougang Finance as and when necessary to ensure that the deposit interest rate of the Deposit Services under the 2026 Financial Services Framework Agreement will be no less favourable to the Group than the deposit interest rates for the same type of deposits quoted by the other major domestic or overseas commercial banks.

The internal control measures on monitoring the maximum daily balance of deposits (including accrued interest) in relation to the Deposit Services are as follows:

1. The finance department of the Company will monitor the aggregate amount of funds deposited into the designated accounts of the Group at Shougang Finance together with accrual interest on a daily basis to ensure that the applicable Interim Daily Deposit Cap and Daily Deposit Caps will not be exceeded. In addition, if the deposits of the Group placed with Shougang Finance are expected to exceed the applicable Interim Daily Deposit Cap and Daily Deposit Caps, Shougang Finance shall inform the Company in a timely manner and the Group will arrange for the transferring of funds to other deposit accounts of the Group or suspend additional Deposit Services.

2. The finance department of the Company has implemented a reporting mechanism whereby the responsible finance officer will report to the chief financial officer of the Company and the Board if the daily balance of deposits (including accrued interest) approaches or is projected to exceed the approved limit, thereby enabling timely intervention.

3. The finance department of the Company will report to the management of the Company and provide updates on the deposit arrangements with Shougang Finance on a monthly basis.

4. The independent non-executive Directors and auditor of the Company will conduct an annual review with respect to the continuing connected transactions conducted by the Group throughout the preceding financial year (including the transactions relating to the Deposit Services) and will provide annual confirmations pursuant to the requirements under the Listing Rules to ensure that the continuing connected transactions (including the transactions relating to the Deposit Services) are in accordance with the terms of the 2026 Financial Services Framework Agreement and other relevant agreements governing such transactions, on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole, and in accordance with the pricing policies, the Interim Daily Deposit Cap and the Daily Deposit Caps.

In addition, the Directors have conducted a detailed assessment of the credit risk associated with placing deposits with Shougang Finance. In arriving at their view that the risk is acceptable and controllable, the Directors have taken into account the following key factors:

1. Shougang Finance, as a non-bank financial institution approved by the NFRA, is required to operate in strict compliance with the requirements of the NFRA and requirement under the Measures for the Administration of Finance Companies of Enterprise Groups*(《企業集團財務公司管理辦法》) including capital risk guidelines and requisite capital adequacy ratios. In addition, Shougang Group stands as a reliable backup. Pursuant to the articles of association of Shougang Finance, Shougang Group is obligated to replenish Shougang Finance's capital when necessary and shall increase its capital in the event of an emergency where Shougang Finance faces payment difficulty. This serves as a strong assurance of the reliability of Shougang Finance. As of the end of June 2025, Shougang Finance's total assets reached RMB 56.175 billion, with revenue of RMB 730 million and net profit of RMB 239 million in the first half of the year. Core indicators such as capital adequacy ratio (26.96%) and liquidity ratio (43.51%) exceed regulatory requirements. Shougang Finance has received an A-level tax credit rating for four consecutive years from 2022 to 2025, and ranked 46th among 257 peers in asset size (2020). In addition, Fitch Ratings has affirmed Beijing-based diversified service provider Shougang Group's Long-Term Issuer Default Rating and senior unsecured rating at "A-". All of these are demonstrating a solid finance base.

2. Shougang Finance shall provide the Group with its quarterly financial statements and annual audit report for the review by the management of the Company.

3. Shougang Finance shall provide an information system platform to assist with the internal financial management of the Group so that the Group can real-time monitor its accounts and funds.

4. For the purpose of credit assessment, the finance department of the Company will review (i) the financial reports and other statements provided by Shougang Finance (as stated in paragraph (2) above) on a regular basis; and (ii) review the credit rating reports on Shougang Group and/or Shougang Finance (if any) published by credit rating agencies recognized by the PBOC and other international rating agencies from time to time.

5. To ensure that the Group will have sufficient working capital and liquidity for its business operations, the finance department of the Company will monitor the Cash Position of the Group from time to time and the Group will make withdrawals where necessary from the amount deposited with Shougang Finance under the Deposit Services.

Considering these factors, the Directors are of the view that the credit risk associated with placing deposits with Shougang Finance is not materially higher than that of other commercial banks and is acceptable.

(ii) Credit Services

The internal control measures on the determination of interest rates or fee rates for the Credit Services are as follows:

1. Before entering into any credit arrangements with Shougang Finance, the Group will obtain and review the interest rates or fee rates and other terms for the same type of credit services quoted by at least three other domestic or overseas financial institutions.

2. The Group will enter into individual agreement(s) with Shougang Finance as and when necessary to ensure that the interest rate(s) or fee rate(s) of the Credit Services under the 2026 Financial Services Framework Agreement will be no less favourable to the Group than the interest rates or fee rates for the same type of credit services quoted by the other domestic or overseas financial institutions.

The internal control measures on monitoring the maximum daily credit balance (including accrued interest) in relation to the Credit Services are as follows:

1. The finance department of the Company will monitor the credit balances of the Group with Shougang Finance on a daily basis to ensure that the applicable Interim Daily Credit Cap and Daily Credit Caps will not be exceeded. In addition, if the credit balance with Shougang Finance is expected to exceed the applicable Interim Daily Credit Cap and Daily Credit Caps, Shougang Finance shall inform the Company in a timely manner and the Group will arrange for credit services with other financial institutions.

2. The finance department of the Company will report to the management of the Company and provide updates on the credit arrangements with Shougang Finance on a monthly basis.

3. The finance department of the Company has implemented a reporting mechanism whereby the responsible finance officer will report to the chief financial officer of the Company and the Board if the credit balances (including accrued interest) approaches or is projected to exceed the approved limit, thereby enabling timely intervention.

4. The independent non-executive Directors and auditor of the Company will conduct an annual review with respect to the continuing connected transactions conducted by the Group throughout the preceding financial year (including the transactions relating to the Credit Services) and will provide annual confirmations pursuant to the requirements under the Listing Rules to ensure that the continuing connected transactions (including the transactions relating to the Credit Services) are in accordance with the terms of the 2026 Financial Services Framework Agreement and other relevant agreements governing such transactions, on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole, and in accordance with the pricing policies, the Interim Daily Credit Cap and the Daily Credit Caps.

(iii) Other Financial Services

The internal control measures on the determination of service fees for the Other Financial Services are as follows:

1. Before entering into any separate service agreement with Shougang Finance, the Group will obtain and review the service fees and terms for the same type of financial services quoted by at least three other domestic or overseas financial institutions.

2. The Group will enter into separate service agreement(s) with Shougang Finance as and when necessary to ensure that the service fees of the Other Financial Services will be no less favourable to the Group than the service fees for the same type of financial services quoted by the other domestic or overseas financial institutions.

The internal control measures on monitoring the Service Fees Caps in relation to the Other Financial Services are as follows:

1. The finance department of the Company shall monitor aggregate amount of continuing connected transactions relating to the Other Financial Services from time to time. In the event that the service fees incurred and to be incurred in respect of the Other Financial Services are expected to reach the Service Fees Cap, the finance department of the Company will follow up forthwith by reporting and proposing a response to the management of the Company.

2. The independent non-executive Directors and auditor of the Company will conduct an annual review with respect to the continuing connected transactions conducted by the Group throughout the preceding financial year (including the transactions relating to the Other Financial Services) and will provide annual confirmations pursuant to the requirements under the Listing Rules to ensure that the continuing connected transactions (including the transactions relating to the Other Financial Services) are in accordance with the terms of the 2026 Financial Services Framework Agreement and other relevant agreements governing such transactions, on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole, and in accordance with the pricing policies and the Service Fees Caps.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 FINANCIAL SERVICES FRAMEWORK AGREEMENT

Given the transaction history of mutual sales and purchases of coking coal products and materials between the Group and Shougang Group and its associates since 2010 and the historical transactions of Deposit Services and Other Financial Services under 2023 Financial Services Framework Agreement as well as Shougang Finance being an indirect wholly-owned subsidiary of the Company's substantial shareholder, a close and mutually beneficial cooperative long-term relationship between the parties has been formed which allows the parties to negotiate on good commercial terms in respect of the transactions contemplated under the 2026 Financial Services Framework Agreement. This close relationship allows for greater transparency, favourable terms and more efficient cash management.

The Group benefits from favourable terms, superior cooperation stability and settlement efficiency offered by Shougang Finance compared to transacting with other independent commercial banks and/or financial institutions under the 2023 Financial Services Framework Agreement. As the transactions in relation to the Deposit Services, Credit Services and Other Financial Services are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group, the entering into of the 2026 Financial Services Framework Agreement will enhance the Group's ability to conduct the relevant transactions with Shougang Group. The financial services to be provided by Shougang Finance under the 2026 Financial Services Framework Agreement are diversified and can meet the business needs of the Group. It is also considered that the entering into of the 2026 Financial Services Framework Agreement would facilitate the establishment of a long-term and reliable business association between the Group and Shougang Group.

In respect of the Deposit Services, the deposit interest rate in relation to the Deposit Services will be not lower than the rates the Group would receive from major domestic or overseas commercial banks, which would enable the Group to generate higher interest income therefrom. Under the deposit services provided by Shougang Finance to the Group pursuant to the 2023 Financial Services Framework Agreement, the Company benefited from interest rates that were higher than those offered by independent commercial banks, thereby generating higher interest income for the Group from deposits placed with Shougang Finance. In addition, the management has conducted a detailed assessment of the credit risk associated with the deposit services with Shougang Finance mentioned above and reported to the Board. After reviewing the assessment results, the Board believes that the credit risk associated with the deposit services with Shougang Finance is not significantly higher than that of other commercial banks and is within an acceptable level.

In respect of the Credit Services, the interest rates or fee rates provided by Shougang Finance to the Group will not be higher than the interest rates or fee rates of the same type of credit services quoted by other domestic or overseas financial institutions, which would enable the Group to reduce financing costs.

As for the provision of the Other Financial Services, since the Company has maintained a good working relationship with Shougang Group and its associates over the years and developed a good mutual understanding in terms of business nature and scope of operations, higher work efficiency could be better achieved by carrying on the continuous cooperation between the Group and Shougang Group compared with other independent third-party institutions. Under the 2023 Financial Services Framework Agreement, the Group enjoyed the settlement services of nil fee rate, which will be conducive to save the settlement cost. Furthermore, the service fees in respect of the provision of the Other Financial Services by Shougang Finance to the Group will be determined after arm's length negotiations between the parties and shall, in any event, not exceed the service fees offered by independent third-party service providers for similar services.

The renewal of the 2026 Financial Services Framework Agreement serves to streamline certain financial services between the Group and Shougang Finance by providing a single basis upon which the Company could comply with the relevant requirements under Chapter 14A of the Listing Rules, and thereby reducing the administrative burden and costs of the Company. In addition, the Group is not restricted under the 2026 Financial Services Framework Agreement to procure similar services from other financial services providers. The Group will use the services provided by Shougang Finance on a voluntary and non-compulsory basis and is not obliged to engage Shougang Finance for any particular services.

In view of the above reasons and given that the services under the 2026 Financial Services Framework Agreement is on a non-exclusive basis, the Directors (including the independent non-executive Directors but excluding the Directors who have material interests in the transactions contemplated hereunder) consider that the 2026 Financial Services Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and are in the interests of the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company

The Company is incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange. The principal activities of the Group's subsidiaries comprise coking coal mining, production and sales of coking coal products.

Shougang Finance

Shougang Finance is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of Shougang Group. Shougang Finance is owned as to 80% by Shougang Group and 20% by Beijing Shougang Construction Investment Co., Ltd.* (北京首鋼建設投資有限公司), a wholly-owned subsidiary of Shougang Group. Shougang Finance is a financial institution in the PRC regulated by the NFRA. The paid-up registered capital of Shougang Finance is RMB12 billion.

As the sole licensed financial institution within Shougang Group, Shougang Finance undertakes core functions including fund pooling, settlement and monitoring. As of the end of June 2025, Shougang Finance's total assets reached RMB 56.175 billion, with revenue of RMB 730 million and net profit of RMB 239 million in the first half of the year. Core indicators such as capital adequacy ratio (26.96%) and liquidity ratio (43.51%) exceed regulatory requirements. Shougang Finance has received an A-level tax credit rating for four consecutive years from 2022 to 2025, and ranked 46th among 257 peers in asset size (2020).

Since its establishment, Shougang Finance has been awarded numerous honors, including "Industry Data Statistics Outstanding Unit" by the China Finance Association (2018), "Outstanding Financial Company" at the 14th China CFO Conference (2018), "Best Cash Management Award" at the China CFO Summit (2019), "Excellent Enterprise in Steel Industry-Finance Integration" by the Metallurgical Industry Economic Development Research Center (2020), "Excellent Comprehensive Business Institution" by the Shanghai Stock Exchange (2022), "Organizational Award for Social Responsibility Case Studies" by the China Finance Association (2022–2023), Second and Third Prizes for Beijing Enterprise Management Modernization Innovation Achievements (37th edition), "Smart Enterprise Construction Innovation Case Award" by the China Enterprise Confederation and Beijing Enterprise Confederation (2024), "Outstanding Contribution Unit in Industry Research" by the China Finance Association.

Shougang Group

Shougang Group is a state-owned enterprise established in the PRC and a substantial shareholder of the Company, which is principally engaged in a wide variety of businesses such as steel industry, mining, machinery and equipment development, electronics, building, real estate, and related services, etc.

According to the 2024 credit rating report of Shougang Group issued by China Chengxin International Credit Rating Company Limited* (中誠信國際信用評級有限責任公司) ("**CCXI**"), the first national non-banking financial institution approved by the People's Bank of China to engage in credit rating, financial securities consulting and information services, Shougang Group was assigned a corporate rating of "AAA". Fitch Ratings has affirmed Beijing-based diversified service provider Shougang Group's Long-Term Issuer Default Rating and senior unsecured rating at "A-".

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shougang Group is a substantial shareholder of the Company. Shougang Finance is an indirect wholly-owned subsidiary of Shougang Group. Accordingly, Shougang Finance is a connected person of the Company and the transactions contemplated under the 2026 Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(i) Deposit Services

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Interim Daily Deposit Cap exceeds 0.1% but is less than 5%, the provision of the Deposit Services under the Interim Daily Deposit Cap by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Daily Deposit Caps exceeds 5% but is less than 25%, the provision of the Deposit Services under the Daily Deposit Caps by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement is subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, the provision of Deposit Services by Shougang Finance to the Group constitutes the provision of financial assistance by the Group to Shougang Finance under Rule 14.04(1)(e) of the Listing Rules. Therefore, the provision of the Deposit Services by Shougang Finance to the Group also constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(ii) Credit Services

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Interim Daily Credit Cap exceeds 0.1% but is less than 5%, the provision of the Credit Services under the Interim Daily Credit Cap by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Daily Credit Caps exceeds 5% but is less than 25%, the provision of the Credit Services under the Daily Credit Caps by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement is subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(iii) Other Financial Services

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Service Fees Caps is less than 0.1%, the provision of the Other Financial Services under the Service Fees Caps by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement is fully exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Chen Yi is currently a director of the Company and certain subsidiaries of Shougang Group, he is considered to be materially interested in the transactions contemplated under the 2026 Financial Services Framework Agreement and has abstained from voting on the Board resolution(s) approving the 2026 Financial Services Framework Agreement and the transactions contemplated thereunder. Save for Mr. Chen Yi, none of the Directors has any material interest in the 2026 Financial Services Framework Agreement, and therefore no Director is required to abstain from voting on such resolution(s).

GENERAL

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Deposit Services and the Credit Services contemplated under the 2026 Financial Services Framework Agreement (including the Daily Deposit Caps and the Daily Credit Caps). Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders.

A circular containing, among other matters, (i) further information on the Deposit Services and the Credit Services contemplated under the 2026 Financial Services Framework Agreement; (ii) a letter from the Independent Financial Adviser; (iii) a letter from the Independent Board Committee; and (iv) the notice convening the GM and a form of proxy is expected to be issued on or before 15 January 2026, as more time is required to prepare the information for inclusion in the circular.

Shareholders and potential investors should note that the Deposit Services and the Credit Services contemplated under the 2026 Financial Services Framework Agreement (including the Daily Deposit Caps and the Daily Credit Caps) are subject to Independent Shareholders' approval and therefore may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"2023 Financial Services Framework Agreement"	the financial services agreement entered into between the Company and Shougang Finance on 8 December 2023, for the period from 8 December 2023 to 31 December 2025 (both dates inclusive);
"2026 Financial Services Framework Agreement"	the financial services agreement entered into between the Company and Shougang Finance on 22 December 2025, for the period from 1 January 2026 to 31 December 2028 (both dates inclusive);
"associate(s)"	has the meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors;
"Cash Position"	represents the sum of cash and cash equivalents, time deposits with original maturity over three months and pledged and restricted bank deposits;
"Company"	Shougang Fushan Resources Group Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 0639);
"connected person"	has the meaning ascribed to it under the Listing Rules;
"continuing connected transaction(s)"	has the meaning ascribed to it under the Listing Rules;
"Credit Services"	the credit services to be provided by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement;
"Daily Credit Cap(s)"	the proposed annual caps for maximum daily credit balance (including accrued interest) received by the Group from Shougang Finance pursuant to the 2026 Financial Services Framework Agreement;

"Daily Deposit Cap(s)"	the proposed annual caps for maximum daily balance of deposits (including accrued interest) placed by the Group with Shougang Finance pursuant to the 2026 Financial Services Framework Agreement;
"Deposit Services"	the deposit services to be provided by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement;
"Director(s)"	the director(s) of the Company;
"GM"	the general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving, among others, the Deposit Services and Credit Services under the 2026 Financial Services Framework Agreement and the Daily Deposit Caps and the Daily Credit Caps;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Independent Board Committee"	the independent board committee of the Company established by all the independent non-executive Directors to advise the Independent Shareholders on the terms of the Deposit Services and the Credit Services contemplated under the 2026 Financial Services Framework Agreement (including the Daily Deposit Caps and the Daily Credit Caps);
"Independent Financial Adviser" or "Rainbow Capital"	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in relation to the Deposit Services and the Credit Services contemplated under the 2026 Financial Services Framework Agreement (including the Daily Deposit Caps and the Daily Credit Caps);

"Independent Shareholders"	the Shareholders, other than Shougang Group and its associates;
"Interim Daily Credit Cap"	the interim cap for maximum daily credit balance (including accrued interest) received by the Group from Shougang Finance pursuant to the 2026 Financial Services Framework Agreement for the period from 1 January 2026 to the date immediately preceding the approval of the Daily Credit Caps by the Independent Shareholders at the GM;
"Interim Daily Deposit Cap"	the interim cap for maximum daily balance of deposits (including accrued interest) placed by the Group with Shougang Finance pursuant to the 2026 Financial Services Framework Agreement for the period from 1 January 2026 to the date immediately preceding the approval of the Daily Deposit Caps by the Independent Shareholders at the GM;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"NFRA"	National Financial Regulatory Administration* (國家金融監督管理總局);
"Other Financial Services"	the settlement services, consultancy services, and other financial services to be provided by Shougang Finance to the Group under the 2026 Financial Services Framework Agreement, including but not limited to agency fees, handling fees, and other fees received in respect of payment and settlement services, loan services, bill acceptance and discounting services, non-financing guarantee letter services, and financial consultancy services;
"PBOC"	the People's Bank of China, the central bank of the PRC with the statutory authority to, inter alia, control monetary policy in the PRC;
"PRC"	the People's Republic of China;
"RMB"	Renminbi, the lawful currency of the PRC;

"Service Fees Cap(s)"	the proposed annual caps for the aggregate amount of service fees payable by the Group to Shougang Finance pursuant to the 2026 Financial Services Framework Agreement;
"Share(s)"	the ordinary share(s) of the Company;
"Shareholder(s)"	holder(s) of the Share(s);
"Shougang Finance"	Shougang Group Finance Company Limited, a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of Shougang Group, is a financial institution in the PRC regulated by the NFRA;
"Shougang Group"	Shougang Group Co., Ltd., a state-owned enterprise established in the PRC and a substantial shareholder of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules; and
"%"	per cent.

* *For identification purpose only*

By Order of the Board
Shougang Fushan Resources Group Limited
Chen Yi
Chairman

Hong Kong, 22 December 2025

As at the date of this announcement, the Board comprises Mr. Chen Yi (Chairman), Mr. Fan Wenli (Managing Director), Mr. Chen Zhaoqiang (Deputy Managing Director), Mr. Wang Dongming (Deputy Managing Director), Ms. Chang Cun (Non-executive Director), Mr. Xu Qian (Non-executive Director), Mr. Chen Jianxiong (Independent Non-executive Director), Mr. Choi Wai Yin (Independent Non-executive Director), Mr. Li Zeping (Independent Non-executive Director) and Mr. Shi Yubao (Independent Non-executive Director).