



SHOUGANG CENTURY HOLDINGS LIMITED

Stock Code: 103

2026

INTERIM REPORT



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CORPORATE PROFILE

Shougang Century Holdings Limited (“Shougang Century”; together with its subsidiaries, collectively the “Group”) has been listed on the Stock Exchange since April 1992. Shougang Group Co., Ltd. (a state-owned enterprise under the direct supervision of the Beijing State-owned Assets Supervision and Administration Commission) and its controlled corporations, Redamancy and Bekaert are the substantial shareholders of Shougang Century.

The Group is primarily involved in the following activities:

1. manufacturing and sales of steel cords for radial tyres
2. manufacturing and sales of sawing wires and hose wires

Corporate Goals

- create an influential “Eastern” brand recognition in steel cord industry based on the principles of integrity, pragmatism and efficiency
- gradually become an enterprise with annual manufacturing capacity in excess of 300,000 tonnes of high-quality steel cord
- become one of the three major manufacturers of steel cord industry in China

To learn more about Shougang Century, please visit <http://www.shougangcentury.com.hk>.

CORPORATE INFORMATION

As at 14 August 2026

Board of Directors

Executive Directors

Su Fanrong (*Chairman*)
Zhao Yue (*Vice Chairman*)
Li Jinping (*Managing Director*)
Yang Junlin (*Deputy Managing Director*)
Chen Na

Non-executive Director

Xu Hongyan (*Sun Chao as her Alternate Director*)

Independent

Non-executive Directors

Lam Yiu Kin
Feng Yaoling
Wang Jiaqiong
Kang Yanan
Wang Xiaodong

Audit Committee

Lam Yiu Kin (*Chairman*)
Feng Yaoling
Wang Jiaqiong
Kang Yanan
Wang Xiaodong

Remuneration Committee

Lam Yiu Kin (*Chairman*)
Su Fanrong (*Vice Chairman*)
Feng Yaoling
Wang Jiaqiong
Kang Yanan
Wang Xiaodong

Nomination Committee

Su Fanrong (*Chairman*)
Feng Yaoling (*Vice Chairman*)
Lam Yiu Kin
Wang Jiaqiong
Kang Yanan
Wang Xiaodong

Authorised Representatives

Su Fanrong
Cheung Wa Ying

Company Secretary

Cheung Wa Ying

CORPORATE INFORMATION (continued)

As at 14 August 2026

Principal Bankers

Agricultural Bank of China
Bank of China
Bank of Dongguan
China CITIC Bank
Chong Hing Bank
Hang Seng Bank
Industrial and Commercial Bank of China
Nanyang Commercial Bank
Ping An Bank
The Bank of East Asia

Auditor

SHINEWING (HK) CPA Limited
Certified Public Accountants and Registered PIE Auditor

Share Registrar

Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

Registered Office

Room 1215, 12/F, Honour Industrial Centre
6 Sun Yip Street, Chai Wan
Hong Kong

Company's Website

<http://www.shougangcentury.com.hk>

Website For Publishing Listing Rules Related Announcements And Other Documents

<http://www.irasia.com/listco/hk/shougangcentury/>

HKEx Stock Code

103

Listing Date

9 April 1992

INFORMATION FOR INVESTORS

Share Information

Board lot size:	1,000 Shares
Shares issued as at the last trading day of 2026 interim period:	535,027,941 Shares
Market capitalisation as at the last trading day of 2026 interim period:	HK\$1,059,355,323
Closing Share price as at the last trading day of 2026 interim period:	HK\$1.98
Basic earnings per Share for the six months ended 30 June 2026:	HK1.95 cents

Key Date

Announcement of 2026 Interim Results:	14 August 2026
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Investor Relations Contact

Address	:	Room 1215, 12/F., Honour Industrial Centre 6 Sun Yip Street, Chai Wan, Hong Kong
Telephone	:	(852) 2527 2218
Fax	:	(852) 2861 3527
E-mail address	:	business_link@shougangcentury.com.hk ir@shougangcentury.com.hk schl@shougangcentury.com.hk
Website	:	http://www.shougangcentury.com.hk

Shareholder Enquiries

Any matters relating to your shareholding, e.g. transfer of Shares, change of name or address, lost share certificates and dividend warrants, should be sent in writing to:

Tricor Investor Services Limited

Address	:	17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong
Telephone	:	(852) 2980 1333
Fax	:	(852) 2810 8185
E-mail address	:	is-enquiries@vistra.com
Website	:	https://srhk.vistra.com

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL INFORMATION



SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

TO THE BOARD OF DIRECTORS OF SHOUGANG CENTURY HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the condensed consolidated financial information of Shougang Century Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) set out on pages 8 to 31, which comprises the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this condensed consolidated financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this condensed consolidated financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of condensed consolidated financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial information is not prepared, in all material respects, in accordance with HKAS 34.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Wong Hon Kei, Anthony

Practising Certificate Number: P05591

Hong Kong, 14 August 2026

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Revenue	5	1,323,684	1,159,711
Cost of sales		(1,147,483)	(993,675)
Gross profit		176,201	166,036
Other income	5	12,093	9,111
Other (losses)/gains, net	6	(14,620)	15,032
Selling and distribution expenses		(79,073)	(73,792)
Administrative expenses		(39,375)	(31,970)
Research and development expenses		(53,259)	(51,460)
Net reversal of impairment losses on financial assets	13	1,500	869
Finance income/(costs), net	8	8,924	(3,530)
Share of losses of a joint venture		(1,259)	(11)
Profit before income tax	7	11,132	30,285
Income tax expense	9	(1,004)	(535)
Profit for the period attributable to the owners of the Company		10,128	29,750
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss</i>			
Exchange differences arising on translation into presentation currency		46,089	27,852
Total comprehensive income for the period attributable to the owners of the Company		56,217	57,602
		HK cents	HK cents (Restated)
Earnings per share for the period	10		
– Basic		1.95	6.26
– Diluted		1.95	6.26

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
ASSETS			
Non-current assets			
Investment properties	12	38,994	38,207
Property, plant and equipment	12	1,279,561	1,172,429
Right-of-use assets		1,824	2,780
Land use rights		120,414	117,637
Intangible assets		7,635	3,332
Interest in a joint venture		667	1,926
Prepayments and deposits		82,631	41,073
Deferred income tax assets		27,862	26,259
Total non-current assets		1,559,588	1,403,643
Current assets			
Inventories		384,479	393,632
Trade receivables	13	749,606	656,152
Bills receivables	13	825,125	678,792
Prepayments, deposits and other receivables		50,262	43,141
Income tax recoverable		866	–
Derivative financial instruments	20	3,342	5,937
Pledged bank deposits		40,723	33,959
Bank balances and cash		500,399	570,361
Total current assets		2,554,802	2,381,974
Total assets		4,114,390	3,785,617
LIABILITIES			
Non-current liabilities			
Other payables		50	58
Lease liabilities		87	948
Deferred income		5,597	5,536
Deferred income tax liabilities		35,520	33,512
Total non-current liabilities		41,254	40,054

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2026

	Notes	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Current liabilities			
Trade and bills payables	14	1,063,273	880,266
Other payables and accruals	15	306,488	198,631
Current income tax liabilities		1,463	3,116
Bank borrowings	16	729,214	706,161
Lease liabilities		1,877	2,012
Loan from a related company		23,027	18,379
Amounts due to related companies		735	1,060
Total current liabilities		2,126,077	1,809,625
Total liabilities		2,167,331	1,849,679
EQUITY			
Share capital	17	1,490,221	1,490,221
Reserves		456,838	445,717
Total equity		1,947,059	1,935,938
Total equity and liabilities		4,114,390	3,785,617

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital HK\$'000	Treasury shares HK\$'000	Capital reserve HK\$'000 (Note (i))	Property revaluation reserve HK\$'000	Translation reserve HK\$'000	PRC reserve funds HK\$'000 (Note (ii))	Accumulated losses HK\$'000	Total HK\$'000
For the six months ended 30 June 2026								
At 1 January 2026 (audited)	1,490,221	(52,465)	23,990	166,292	203,348	115,148	(10,596)	1,935,938
Comprehensive income								
Profit for the period	-	-	-	-	-	-	10,128	10,128
Other comprehensive income								
Exchange differences arising on translation into presentation currency	-	-	-	-	46,089	-	-	46,089
Total comprehensive income for the period	-	-	-	-	46,089	-	10,128	56,217
Share repurchase	-	(4,667)	-	-	-	-	-	(4,667)
Dividend declared	-	-	-	-	-	-	(40,429)	(40,429)
At 30 June 2026 (unaudited)	1,490,221	(57,132)	23,990	166,292	249,437	115,148	(40,897)	1,947,059

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2026

	Share capital HK\$'000	Capital reserve HK\$'000 (Note (i))	Property revaluation reserve HK\$'000	Translation reserve HK\$'000	PRC reserve funds HK\$'000 (Note (ii))	Accumulated losses HK\$'000	Total HK\$'000
For the six months ended 30 June 2025							
At 1 January 2025 (audited)	1,344,345	23,990	163,802	157,416	110,315	(14,331)	1,785,537
Comprehensive income							
Profit for the period	-	-	-	-	-	29,750	29,750
Other comprehensive income							
Exchange differences arising on translation into presentation currency	-	-	-	27,852	-	-	27,852
Total comprehensive income for the period	-	-	-	27,852	-	29,750	57,602
Dividend declared	-	-	-	-	-	(45,672)	(45,672)
Issuance of shares	145,876	-	-	-	-	-	145,876
At 30 June 2025 (unaudited)	1,490,221	23,990	163,802	185,268	110,315	(30,253)	1,943,343

Notes:

- (i) The capital reserve represented the benefit of acquiring a shareholder's loan from a previous shareholder upon the acquisition of a subsidiary in previous years.
- (ii) In accordance with the Articles of Association of the Company's subsidiaries established in the People's Republic of China (the "PRC") and relevant PRC laws and regulations, these subsidiaries are required to transfer at least 10% of their profit after taxation, which is determined in accordance with the PRC accounting rules and regulations, to a statutory reserve fund (including the general reserve fund and enterprise expansion fund, where appropriate). Transfer to this statutory reserve fund is subject to the approval of the respective board of directors, and is discretionary when the balance of such fund has reached 50% of the registered capital of the respective company. Statutory reserve fund can only be used to offset accumulated losses or to increase capital.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Cash flows from operating activities		
Cash generated from operations	134,157	77,142
PRC corporate income tax paid, net	(3,147)	(4,552)
Net cash generated from operating activities	131,010	72,590
Cash flows from investing activities		
Placement of pledged bank deposits	(116,347)	(22,904)
Withdrawal of pledged bank deposits	110,946	24,369
Purchase of property, plant and equipment	(98,454)	(33,890)
Prepayments for the acquisition of property, plant and equipment	(117,137)	(6,985)
Additions to intangible assets	(4,304)	–
Proceeds from disposals of property, plant and equipment	680	920
Interest received	6,365	4,328
Net cash used in investing activities	(218,251)	(34,162)
Cash flows from financing activities		
Proceeds from bank borrowings	730,089	809,010
New loans from a related company	25,387	–
Repayment of bank borrowings	(742,916)	(729,283)
Repayment of loan from a related company	(21,473)	–
Bank advances for discounted bills	17,191	–
Proceeds from issuance of shares, net of expenses	–	145,876
Payment on repurchase of shares	(4,667)	–
Interest paid	(7,380)	(8,305)
Payments for principal elements of lease liabilities	(996)	(957)
Payments for interest elements of lease liabilities	(51)	(90)
Net cash (used in)/generated from financing activities	(4,816)	216,251
Net (decrease)/increase in cash and cash equivalents	(92,057)	254,679
Cash and cash equivalents at 1 January	570,361	374,207
Effect of foreign exchange rate changes	22,095	8,437
Cash and cash equivalents at 30 June	500,399	637,323

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Shougang Century Holdings Limited (the “Company”) is an investment holding company and together with its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacturing and sales of steel cords.

The Company is a limited company incorporated in Hong Kong. The address of its registered office is Room 1215, 12/F., Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This condensed consolidated financial information is presented in thousands of Hong Kong dollar (HK\$’000), unless otherwise stated.

This condensed consolidated financial information has not been audited.

2. BASIS OF PREPARATION

The condensed consolidated financial information of the Group for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This condensed consolidated financial information does not include all the notes of the type normally included in the annual consolidated financial statements, accordingly, it should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards. The financial information relating to the year ended 31 December 2025 that is included in the condensed consolidated financial information for the six months ended 30 June 2026 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622). The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

3. ACCOUNTING POLICIES

The condensed consolidated financial information has been prepared on the historical cost basis, except for leasehold land and buildings, investment properties and derivative financial instruments, which are measured at fair values or revalued amounts, as appropriate.

The accounting policies used in the condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except as described below.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial information.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

4. SEGMENT INFORMATION

The Company's managing director, being the chief operating decision maker (the "CODM"), examines the Group's performance and allocates resources from a product perspective. The Group's operations are currently organised into one reportable segment which is steel cord segment.

Segment results represent the profit or loss of steel cord segment without allocation of changes in fair value of derivative financial instruments, certain foreign exchange gains or losses, share of losses of a joint venture, central administration costs, the emoluments of directors of the Company, interest income on bank deposits, finance costs and rental and other income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by operating and reportable segment:

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Steel cord segment – sales of goods:		
Segment revenue from external customers	1,323,313	1,156,976
Segment results	34,297	32,925
Unallocated amounts		
Rental income	371	2,735
Other income	60	26
Other (losses)/gains, net	(17,213)	5,471
Expenses	(14,048)	(7,331)
Finance income/(costs), net	8,924	(3,530)
Share of losses of a joint venture	(1,259)	(11)
Profit before income tax	11,132	30,285
Income tax expense	(1,004)	(535)
Profit for the period	10,128	29,750

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

5. REVENUE AND OTHER INCOME

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Revenue		
Revenue from contracts with customers within the scope of Hong Kong Financial Reporting Standard 15		
Sales of goods – Manufacturing of steel cords	1,323,313	1,156,976
Revenue from other source		
Rental income	371	2,735
	1,323,684	1,159,711
Other income		
Government grants (Note)	502	2,471
Sales of scrap materials	10,746	6,574
Others	845	66
	12,093	9,111

Note: Government grants for the period ended 30 June 2026 and 2025 mainly represent financial supports for business development by the local governments in the PRC. There are no unfulfilled conditions or other contingencies attaching to these grants.

6. OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Fair value (loss)/gain on derivative financial instruments	(2,595)	559
(Loss)/gain on disposals of property, plant and equipment, net	(775)	547
Foreign exchange (losses)/gains, net	(9,307)	14,026
Others	(1,943)	(100)
	(14,620)	15,032

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

7. PROFIT BEFORE INCOME TAX

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Cost of inventories sold (including net provision for inventories)	1,141,370	986,604
Employee benefit expense (including directors' emoluments)	198,402	170,281
Depreciation of property, plant and equipment (Note 12(b))	43,331	39,218
Depreciation of right-of-use assets	956	956
Amortisation of land use rights	1,891	1,808

8. FINANCE INCOME/(COSTS), NET

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Finance income		
Interest income on bank deposits	7,727	4,328
Foreign exchange gains on borrowings	8,907	–
	16,634	4,328
Finance costs		
Interest expenses on bank borrowings	(7,384)	(6,619)
Interest expenses on loan from a related company	(275)	(13)
Interest expenses on lease liabilities	(51)	(90)
Foreign exchange losses on borrowings	–	(1,136)
	(7,710)	(7,858)
Finance income/(costs), net	8,924	(3,530)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Current income tax:		
– PRC corporate income tax	616	2,816
Over-provision in respect of prior periods	(167)	(315)
Total current income tax	449	2,501
Deferred income tax	555	(1,966)
	1,004	535

Income tax is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. No provision for Hong Kong profits tax for the six months ended 30 June 2026 and 2025 as there is no assessable profit subject to Hong Kong profits tax for both periods.

Pursuant to the Corporate Income Tax (the "CIT") Law of the PRC effective from 1 January 2008, companies in the PRC are subject to income tax of 25% unless preferential rate is applicable.

The applicable CIT tax rate for Jiaying Eastern Steel Cord Co., Ltd. and Tengzhou Eastern Steel Cord Co., Ltd. was 15%, as both companies qualified as High and New Technology Enterprises.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

10. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Profit attributable to the owners of the Company (HK\$'000)	10,128	29,750
Weighted average number of ordinary shares in issue (shares)	519,303,369	(Restated) 475,061,352
Basic earnings per share (HK cents)	1.95	(Restated) 6.26

Basic and diluted earnings per share for the period ended 30 June 2025 have been retrospectively adjusted to reflect the bonus element arising from the rights issue completed in June 2025 (*Note 17*) and restated to take into account for the effects of share consolidation completed in November 2025.

The diluted earnings per share for the periods ended 30 June 2026 and 2025 were the same as the basic earnings per share as there were no dilutive potential ordinary shares during the periods.

11. DIVIDENDS

During the current interim period, a final dividend of HK7.8 cents per fully paid ordinary share, totaling to approximately HK\$40,429,000 for the year ended 31 December 2025 was approved. The amount was paid in July 2026.

No interim dividend has paid or proposed for the six months ended 30 June 2026 and 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

12. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

(a) Investment properties

The movement of fair value for investment properties is as follows:

	Leasehold land and buildings (Unaudited) HK\$'000
As at 1 January 2025	39,822
Exchange differences	297
As at 30 June 2025	40,119
As at 1 January 2026	38,207
Exchange differences	787
As at 30 June 2026	38,994

(b) Property, plant and equipment

The movement of the net book amount for property, plant and equipment is as follows:

	(Unaudited) HK\$'000
As at 1 January 2025	1,166,909
Additions	14,599
Disposals	(373)
Depreciation	(39,218)
Exchange differences	18,014
As at 30 June 2025	1,159,931
As at 1 January 2026	1,172,429
Additions	105,243
Disposals	(1,455)
Depreciation	(43,331)
Exchange differences	46,675
As at 30 June 2026	1,279,561

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

13. TRADE RECEIVABLES AND BILLS RECEIVABLES

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Trade receivables (Note (a))	767,165	674,481
Less: provision for impairment losses on trade receivables (Note (c))	(17,559)	(18,329)
	749,606	656,152
Bills receivables (Note (b))	825,125	678,792
	1,574,731	1,334,944

(a) Trade receivables

The aging analysis of the trade receivables based on invoice date was as follows:

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Up to 90 days	572,134	477,544
91 to 180 days	104,129	146,612
Over 180 days	90,902	50,325
	767,165	674,481

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

13. TRADE RECEIVABLES AND BILLS RECEIVABLES (continued)

(b) Bills receivables

The aging analysis of the bills receivables based on invoice date was as follows:

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Up to 90 days	111,421	64,730
91 to 180 days	315,271	288,208
Over 180 days	398,433	325,854
	825,125	678,792

As at 30 June 2026, the Group's bills receivables mature within one year (31 December 2025: same).

(c) Provision for impairment losses on trade receivables

The movement on the provision for impairment losses on trade receivables is as follows:

	Six months ended 30 June 2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
At beginning of the period	18,329	21,719
Net reversal of impairment losses on trade receivables for the period	(1,500)	(869)
Exchange differences	730	334
At end of the period	17,559	21,184

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

14. TRADE AND BILLS PAYABLES

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Trade payables (Note (a))	776,070	706,222
Bills payables (Note (b))	287,203	174,044
	1,063,273	880,266

(a) Trade payables

The aging analysis of the trade payables based on invoice date was as follows:

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Up to 30 days	283,174	288,222
31 to 90 days	253,661	232,112
91 to 180 days	190,639	159,458
181 to 365 days	40,764	21,921
Over 365 days	7,832	4,509
	776,070	706,222

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

14. TRADE AND BILLS PAYABLES (continued)

(b) Bills payables

The aging analysis of the bills payables based on invoice date was as follows:

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Up to 30 days	63,175	33,215
31 to 90 days	67,157	62,941
91 to 180 days	143,384	66,829
Over 180 days	13,487	11,059
	287,203	174,044

15. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Contract liabilities	6,088	4,284
Accrued wages and salaries	23,317	28,593
Other tax payables	7,200	8,686
Other accruals	11,637	11,700
Interest payables	818	741
Dividend payables	40,429	—
Other payables (including payables for property, plant and equipment)	216,999	144,627
	306,488	198,631

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

16. BANK BORROWINGS

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Bank loans	712,002	706,161
Discounted bills with recourse	17,212	–
	729,214	706,161
Current portion	729,214	706,161
Secured	17,212	–
Unsecured	712,002	706,161
	729,214	706,161

The Group's bank borrowings were repayable as follows:

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Within 1 year	729,214	706,161

The carrying amounts of the bank borrowings approximate their fair values.

As at 30 June 2026, the carrying amount of fixed rate bank borrowings and variable rate bank borrowings are approximately HK\$480,973,000 (31 December 2025: HK\$467,660,000) and HK\$248,241,000 (31 December 2025: HK\$238,501,000) respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

17. SHARE CAPITAL

	Number of shares '000	HK\$'000
Issued and fully paid:		
As at 1 January 2025	2,350,058	1,344,345
Rights issue of shares (Note (a))	325,082	145,876
As at 30 June 2025	2,675,140	1,490,221
Share consolidation (Note (b))	(2,140,112)	–
As at 31 December 2025, 1 January 2026 and 30 June 2026	535,028	1,490,221

Notes:

- During the six months ended 30 June 2025, the Company issued approximately 325,082,000 ordinary shares, for a consideration of HK\$0.455 per share. HK\$145,876,000 is received after deducted all the related expenses. The aforesaid ordinary shares were issued on 25 June 2025 to the existing shareholders, on the basis of three rights shares for every twenty ordinary shares currently held on 28 May 2025.
- On 3 November 2025, the shareholders of the Company have approved a share consolidation on the basis of every five shares into one consolidated share and become effective on 5 November 2025.
- During the six months ended 30 June 2026, the Company repurchased 1,875,000 ordinary shares for approximately HK\$4,667,000. As at 30 June 2026, the Company held 16,703,000 shares as treasury shares (31 December 2025: 14,828,000 shares).

18. CAPITAL COMMITMENTS

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Commitments in respect of the acquisition of property, plant and equipment – contracted for but not provided in the condensed consolidated financial information	125,033	132,162

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

19. MATERIAL RELATED PARTIES TRANSACTIONS AND BALANCES

The Company's substantial shareholder with significant influence is Shougang Holding (Hong Kong) Limited ("Shougang HK"), which is a wholly-owned subsidiary of Shougang Group Co., Ltd., a state-owned enterprise under the direct supervision of the Beijing State-owned Assets Supervision and Administration Commission. Shougang Group Co., Ltd., together with its associates (as defined in the Listing Rules) other than the Group, will hereinafter be referred to as the "Shougang Group". Accordingly, the Group is significantly influenced by Shougang Group, which is part of a larger group of companies ultimately controlled by the PRC government.

Apart from the transactions with Shougang Group, the Group also conducts businesses with other PRC government-related entities in the ordinary course of business.

(i) Transactions with PRC government-related entities

(a) Transactions and balances with Shougang Group

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Interest expenses on loan from Shougang Group Finance Co. Ltd.	275	13

As at 30 June 2026, loan from Shougang Group Finance Co. Ltd. was approximately HK\$23,027,000 (31 December 2025: HK\$18,379,000) is carried at interest rate of 2.2%, unsecured, repayable due in June 2027 and denominated in RMB.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

19. MATERIAL RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

(i) Transactions with PRC government-related entities (continued)

(b) Transactions with other PRC government-related entities

The Group has entered into various transactions, including sales to, purchases from and other operating expenses paid to other PRC government-related entities. In the opinion of the directors of the Company, these transactions are considered as individually insignificant to the operation of the Group during the reporting period.

In addition, the Group has entered into various banking transactions, including deposits placements, borrowings and other general banking facilities, with certain banks and financial institutions which are state-controlled entities in its ordinary course of business. In view of the nature of those banking transactions, the directors of the Company are of the opinion that separate disclosure would not be meaningful.

(ii) Transactions with non-PRC government-related entities

(a) Transactions and balances with a shareholder

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Royalty expenses	1,327	1,504

As at 30 June 2026, amount due to a shareholder was approximately HK\$1,243,000 (31 December 2025: HK\$1,315,000). The balance was interest-free, unsecured, repayable on demand and denominated in RMB.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

19. MATERIAL RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

(ii) Transactions with non-PRC government-related entities (continued)

(b) Transactions and balances with related companies (Note)

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Service income	315	—
Service expenses	3,907	1,504

Note: The amounts represent amounts due to subsidiaries of a joint venture of the Group.

As at 30 June 2026, amount due to related companies was approximately HK\$735,000 (31 December 2025: HK\$1,060,000). The balance was interest-free, unsecured, repayable on demand and denominated in HKD and RMB.

(c) Compensation of key management personnel

The key management of the Group comprises all executive directors of the Company, details of their emoluments are as follows:

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Short-term employee benefits	2,100	2,106
Retirement benefit scheme contributions	18	18
	2,118	2,124

The emoluments of the executive directors of the Company were decided by the remuneration committee of the Company having regard to individual's performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

20. FAIR VALUE MEASUREMENTS ON FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The following table presents the Group's financial instruments that are measured at fair value as at 30 June 2026 and 31 December 2025:

	Fair value as at		Valuation technique(s) and key inputs	
	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000	Fair value hierarchy	
Financial assets				
Derivative financial instruments:	3,342	5,937	Level 2	Level 2 derivative financial instruments comprise cross currency swaps. The fair value of the derivative financial instruments were determined using forward exchange rates and interest rates that are quoted by financial institutions.
– Cross currency swaps				

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group is principally engaged in the manufacturing and sales of steel cords for radial tyres, sawing wires and hose wires. For the six months ended 30 June 2026, the Group recorded revenue of approximately HK\$1,323,684,000 (2025: HK\$1,159,711,000), representing an increase of approximately 14.1% as compared with the last corresponding period. Revenue growth was primarily driven by the Group's global expansion to respond to the needs of the customers for a secure supply chain. The gross profit also increased by 6.1% to HK\$176,201,000 (2025: HK\$166,036,000). However, the market competition has intensified and the selling price of steel cords was lowered for maintaining market share, the gross profit margin decreased to 13.3%. Besides, the Group recorded the foreign exchange losses of HK\$9,307,000 during the current period. Therefore, the Group's net profit decreased by 66.0% from the same period last year of HK\$29,750,000 to HK\$10,128,000. The basic earnings per Share for the six months ended 30 June 2026 was HK1.95 cents. Despite the severe operating environment, the Group maintained a solid financial profile supported by a strong balance sheet and positive cash inflow from operations.

Business Review

According to the National Bureau of Statistics of China, China's gross domestic product for the first half of 2026 was RMB69,570.4 billion, representing a year-on-year growth of 4.7% calculated at constant prices. However, the instability of the political and economic situation arising from the Sino-American relations, conflicts in Russia-Ukraine and wars in the Middle East region, as well as the fierce competition within the industry, the Group faced a difficult market environment in the current period.

For the six months ended 30 June 2026, the steel cord segment sold 139,428 tonnes of steel cords and increased by 16.3% as compared to 119,919 tonnes in the same period last year. In respect of the sales of sawing wire products, it increased by 33.0% from 551 tonnes to 733 tonnes for the corresponding period last year attributable to our persistent effort in exploring new customers as well as the improvement of the photovoltaic, sapphire and magnetic material markets. There was a 1.3% decrease in the sales of our other wire products from 7,662 tonnes to 7,565 tonnes for the corresponding period. The sales volume of this segment for the period is analysed as follows:

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Business Review (continued)

	Six months ended 30 June				Change (%)
	2026 Sales volume (Tonnes)	Percentage of total sales volume of steel cords (%)	2025 Sales volume (Tonnes)	Percentage of total sales volume of steel cords (%)	
Steel cords for:					
– truck tyres	75,884	54.4	62,366	52.0	+21.7
– off the road truck tyres	10,392	7.5	10,685	8.9	–2.7
– passenger car tyres	53,152	38.1	46,868	39.1	+13.4
Total for steel cords	139,428	100.0	119,919	100.0	+16.3
Sawing wire products	733		551		+33.0
Other wire products	7,565		7,662		–1.3
Total	147,726		128,132		+15.3

In respect of sales of steel cords by region, the volume of export sales amounted to 48,227 tonnes for the period, increased by 25.4% as compared to 38,464 tonnes for the same period last year, signaling the increasing recognition of our brand among international tyre manufacturers. The volume of export sales represented 34.6% of total sales volume of steel cords for the period, compared to 32.1% for the same period last year. The breakdown of sales volume of steel cords for the period is as follows:

	Six months ended 30 June				Change (%)
	2026 Sales volume (Tonnes)	Percentage of total sales volume of steel cords (%)	2025 Sales volume (Tonnes)	Percentage of total sales volume of steel cords (%)	
PRC sales	91,201	65.4	81,455	67.9	+12.0
Export sales	48,227	34.6	38,464	32.1	+25.4
Total	139,428	100.0	119,919	100.0	+16.3

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Financial Review

Revenue

Revenue of the Group amounted to HK\$1,323,684,000 (2025: HK\$1,159,711,000) for the period, increased by 14.1% over the same period last year, which was primarily due to the increase in sales volume of the steel cords/wire products. The breakdown of revenue of the Group for the period is as follows:

	Six months ended 30 June				Change (%)
	2026 Percentage of total revenue HK\$'000 (%)		2025 Percentage of total revenue HK\$'000 (%)		
Steel cords/wire products	1,323,313	99.9	1,156,976	99.8	+14.4
Property rental	371	0.1	2,735	0.2	-86.4
Total	1,323,684	100.0	1,159,711	100.0	+14.1

Gross profit

The gross profit of the Group increased by 6.1% over the same period last year to HK\$176,201,000 (2025: HK\$166,036,000). However, the gross profit margin of the Group decreased by 1.0 percentage point from 14.3% to 13.3% for the current period as compared to that of last period. The breakdown of gross profit of the Group for the period is shown in the table below. To counter such price cutting pressure, our two manufacturing plants would continue to lower unit production cost of steel cords through the enhancement in production efficiency and higher production volume.

	Six months ended 30 June				Change (%)
	2026 Gross profit margin HK\$'000 (%)		2025 Gross profit margin HK\$'000 (%)		
Steel cords/wire products	175,947	13.3	163,424	14.1	+7.7
Property rental	254	68.5	2,612	95.5	-90.3
Total	176,201	13.3	166,036	14.3	+6.1

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Financial Review (continued)

Other (losses)/gains, net

Other (losses)/gains, net of the Group for the six months ended 30 June 2026 recorded the losses of HK\$14,620,000 while that for the six months ended 30 June 2025 recorded the gains of HK\$15,032,000. This was primarily because the appreciation of RMB in the current period incurred the foreign exchange losses, net of HK\$9,307,000 arising from the conversion of trade receivables and bank balances denominated in foreign currencies into RMB.

Selling and distribution expenses

Selling and distribution expenses of the Group amounted to HK\$79,073,000 (2025: HK\$73,792,000) for the period, increased by HK\$5,281,000 over the same period last year, mainly because of the increase in export sales volume during the period under review.

Administrative expenses

Due to the expansion of operating scale, the administrative expenses of the Group amounted to HK\$39,375,000 (2025: HK\$31,970,000) for the period, increased by HK\$7,405,000 as compared to the same period last year. The Group would implement the cost control measures.

Research and development expenses

Research and development expenses of the Group amounted to HK\$53,259,000 for the period, increased by HK\$1,799,000 as compared to HK\$51,460,000 for the same period last year. Such expenses were all incurred by the steel cord segment.

Treasury and Funding Policies

The treasury and funding policies of the Group concentrate on the management of liquidity and the monitoring of financial risks, including interest rate risk, currency risk and counterparty risk. The objectives are to ensure the Group has adequate financial resources to maintain business growth with a viable financial position.

Surplus funds of the Group are generally placed on short term deposits mainly denominated in HKD, EUR, RMB or USD with reputable banks in Hong Kong and the PRC. The financing of the Group principally comprises the cash generated from operations, equity fundraising and debt financing. The financing portfolio mainly takes into consideration the liquidity of the Group and interest costs.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Share Capital, Liquidity and Financial Resources

Share capital and net asset value

The Company manages its capital structure with the objectives of ensuring that the businesses of the Group can maintain a sustainable growth and providing a long-term reasonable return to its Shareholders.

The total number of issued shares of the Company was 535,027,941 Shares as at 30 June 2026 (31 December 2025: 535,027,941 Shares). Net asset value of the Group was HK\$1,947,059,000 as at 30 June 2026, increased by 0.6% as compared to HK\$1,935,938,000 as at 31 December 2025. Net asset value per Share was HK\$3.64 as at 30 June 2026, increased by 0.6% as compared to HK\$3.62 as at 31 December 2025.

Bank balances and cash and interest-bearing borrowings

The Group's bank balances and cash (including pledged bank deposits) amounted to HK\$541,122,000 as at 30 June 2026, decreased by 10.5% as compared to HK\$604,320,000 as at 31 December 2025. Total interest-bearing borrowings of the Group (comprised of bank borrowings and loan from a related company) were HK\$752,241,000 as at 30 June 2026, increased by 3.8% as compared to HK\$724,540,000 as at 31 December 2025. The amount of net interest-bearing borrowings (total interest-bearing borrowings less bank balances and cash) therefore increased from HK\$120,220,000 as at 31 December 2025 to HK\$211,119,000 as at 30 June 2026.

Debt and liquidity ratios

Gearing ratio (calculated as total interest-bearing borrowings less bank balances and cash (including pledged bank deposits) divided by Shareholders' equity) of the Group increased from 6.2% as at 31 December 2025 to 10.8% as at 30 June 2026. The current ratio (calculated as current assets divided by current liabilities) of the Group was 1.2 times at 30 June 2026 and compared to 1.3 times at 31 December 2025. We are committed to improving our liquidity ratios in order to attain a vibrant yet manageable position to facilitate sustainable growth of our business.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Foreign Currency and Interest Rate Exposures

The Group's source of revenue is mainly denominated in EUR, RMB and USD, while those of purchases and payments are mainly denominated in HKD and RMB. During the period under review, the interest-bearing borrowings were mainly at fixed rates. The Group also entered into cross currency swap transactions to manage its risks on exchange and interest rate in respect of our interest-bearing borrowings.

We will review and adjust the currency composition of our interest-bearing borrowings from time to time to minimise these risks. In any event, we would keep monitoring the currency and interest rate composition of the Group's interest-bearing borrowings under the guidance of the Internal Control Manual and take appropriate action to minimise our exchange and interest rate risks when needed.

Capital Commitments

As at 30 June 2026, the Group had commitments in respect of the acquisition of property, plant and equipment amounted to approximately HK\$125,033,000.

Business Development Plan

The Company continues to formulate its business transformation plan: it intends to leverage the existing land of its two production bases to expand production capacity while significantly improving and reducing costs. On one hand, the Company initiates capacity expansion projects at JESC and TESC, with JESC planned to gradually expand to a production capacity of 100,000 tonnes, and TESC to expand in phases from its current production capacity to 200,000 tonnes. On the other hand, the Company continues to carry out cost reduction and efficiency enhancement initiatives, and continues to invest in greening, digitalisation, automation, equipment optimisation, intelligent inspection and process optimisation to achieve comprehensive production cost reduction.

Facing the growing automotive and tyre markets, the Group strives to enhance its productivity and plans to improve domestic production capacity by strengthening technological transformation and production automation, while simultaneously achieving production cost reduction and efficiency improvement. The Group will strive to make great strides towards its goal to manufacture over 300,000 tonnes of high-quality steel cords annually. This increase in productivity will also significantly enhance the Group's core competitiveness and profitability.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Business Development Plan (continued)

The Company actively advances its overseas expansion strategy, exploring both self-built and acquisition plans for capacity expansion. Dealing with the ever-changing international political and economic situation, in order to further respond to the needs of international customers for a secure supply chain, the Company will continue to focus on expanding high-end customers and establishing an international market network. On one hand, the Company will continue to strengthen cooperation with its Shareholders, develop new overseas customers and establish new overseas plants to drive incremental overseas sales. On the other hand, the Board will consider commencing and evaluating the feasibility study of establishing a production base in Europe, preferably in Eastern Europe, and to explore the proposal for global capacity acquisitions and cooperation within and outside the industry. The Company currently explores opportunities in capacity self-construction and capacity acquisition cooperation, and will implement corresponding capital arrangements as and when appropriate. By developing global production capacity of the Group, we aim to achieve expansion of global operation, seize new opportunities in technology manufacturing and create an influential “Eastern” brand recognition, thereby bringing the best interests to the Group and the Shareholders.

In addition, the Company firmly advances its new business strategy by leveraging its steel cord production technology to develop tendon materials for robot bodies and dexterous hands. The Company has currently gradually engaged with downstream users for sample testing and will continue to promote the research and development, and production and sales of this business.

Employees, Remuneration Policies and Training Schemes of the Group

As at 30 June 2026, the Group had a total of 2,805 employees located in Hong Kong and the PRC. The emolument policy regarding the employees of the Group is based on their merits, qualifications and competence as well as the prevailing market conditions of the industry. Remuneration packages, which include an element of discretionary bonuses, are generally reviewed annually. In addition to salary payments, other employee benefits include medical subsidies, hospitalisation schemes and a defined contribution provident fund, Mandatory Provident Fund Schemes and other retirement schemes or other similar defined contribution provident funds stipulated by the regulations of the PRC which provided retirement benefits to employees in Hong Kong and the mainland respectively. The Group's contributions to these schemes are charged against profit or loss as they are incurred. The total employee benefit expenses for the period under review amounted to approximately HK\$198 million.

The Group had also provided training programmes or courses for all the mainland staff at all levels across different departments, and also for the Directors and employees of the Company so as to further enhance their technical skills in production operations and management, professional skills and knowledge.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Employees, Remuneration Policies and Training Schemes of the Group (continued)

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to individual performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market conditions.

Contingent Liabilities and Pledge of Assets

The Group had no material contingent liabilities as at 30 June 2026.

As at 30 June 2026, the carrying amounts of assets pledged as security for bank borrowings and bills payables were:

1. Bills receivables of HK\$17,212,000; and
2. Bank deposits of HK\$40,723,000.

Business Outlook

The risks associated with fluctuations in RMB exchange rate, a faster U.S. interest rate uphill cycle, the continuous competition within industry, and the knock-on effect of the rise of protectionism triggered by the U.S. government are making the operating environment constantly in flux and leading to increase costs for logistics, energy and others. But we, Shougang Century, are confident and optimistic about our business in light of the followings:

- To continue the construction of our production lines at TESC to facilitate the expansion plan of an additional 100,000 tonnes of steel cords production capacity;
- To further reduce our cost of production by streamlining our manufacturing process and increasing automation;
- By taking into consideration the Chinese government's regulations on energy conservation and emission reduction, the constant increase in output of electric cars drives demand for their accessorial tyres, which will in turn expedite the market expansion of steel cords for domestic radial tyres and bring a more ample room for development to steel cord industry in the long term;
- To reduce carbon emissions through reduction of energy consumption, application of clean energy, research and development on low-carbon products, the application of new technologies and new equipment and so on, the Group can achieve the green, low-carbon and sustainable corporate development and fulfil social responsibilities; and
- To explore new business growth opportunities, particularly the innovative applications of the Group's products in robotic dexterous hands and tendon-driven mechanisms for robotic bodies.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company was authorised at its annual general meeting to repurchase its own ordinary shares not exceeding 10% of the total number of its issued shares as at the date of resolutions being passed. During the current period, the Company repurchased its Shares on the Stock Exchange for the purpose of achieving an increase in the consolidated net asset value and/or earnings per Share. The repurchased Shares reflected the confidence of the Board in the Company's long-term strategy and growth prospects. The Directors considered that the repurchased Shares were in the best interests of the Company and the Shareholders as a whole.

During the six months ended 30 June 2026, the Company repurchased 1,875,000 Shares for a total consideration of HK\$4,667,140 (excluding relevant trading costs directly attributable to Shares repurchased) on the Stock Exchange. All the aforesaid repurchased Shares were held as Treasury Shares. As at 30 June 2026, the Company held an aggregate of 16,703,000 Shares as Treasury Shares. The said Treasury Shares are intended to be used in accordance with the applicable rules and regulations, including but not limited to sale, transfer and cancellation. All Treasury Shares held by the Company are not entitled to receive the dividend. Details of the Shares repurchased are as follows:

Month of Shares repurchased in 2026	Number of Shares repurchased	Price per Share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
January	304,000	3.20	2.96	924,040
February	652,000	3.19	2.65	1,860,110
April	5,000	2.18	2.18	10,900
May	592,000	2.40	1.98	1,238,700
June	322,000	2.15	1.90	633,390
Total	1,875,000			4,667,140

Save as disclosed above, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including Treasury Shares) during the six months ended 30 June 2026.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, DEBENTURES OR UNDERLYING SHARES UNDER THE SFO

As at 30 June 2026, save for the interest of the Directors in the Shares set out as below, none of the Directors and chief executives of the Company had any interests and short positions in the shares, debentures or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required pursuant to Section 352 of the SFO, to be entered in the register referred therein or which were required to be disclosed herein pursuant to the Model Code.

(1) Long positions in shares and underlying shares of the Company

Name of Directors	Total number of Shares held	Approximate percentage of the total number of issued Shares	Capacity in which interests are held
SU Fanrong	200,000	0.04%	Beneficial owner
ZHAO Yue	66,858,295	12.50%	Interests of controlled corporations ^{Note}
LI Jinping	200,000	0.04%	Beneficial owner
YANG Junlin	125,200	0.02%	Beneficial owner

Note: The 66,858,295 Shares were held by Redamancy, a BVI-incorporated company and wholly-owned subsidiary of Always Blooming Holdings Limited, which is a BVI-incorporated company wholly owned by Mr. Zhao Yue.

(2) Long positions in shares and underlying shares of the associated corporations of the Company

Name of Director	Name of associated corporations	Approximate percentage of shareholding	Capacity in which interests are held
ZHAO Yue	Eastern Century International Holdings Pte. Ltd.	50%	Interests of controlled corporations ^{Note (1)}
ZHAO Yue	Eastern Century International Trading Limited	50%	Interests of controlled corporations ^{Note (2)}
ZHAO Yue	上海東方珈樾貿易有限公司 (Shanghai Eastern Jiayue Trading Co., Ltd.*)	50%	Interests of controlled corporations ^{Note (2)}

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, DEBENTURES OR UNDERLYING SHARES UNDER THE SFO (continued)

(2) Long positions in shares and underlying shares of the associated corporations of the Company (continued)

Name of Director	Name of associated corporations	Approximate percentage of shareholding	Capacity in which interests are held
ZHAO Yue	Eastern Super Advanced Materials (BVI) Limited	50%	Interests of controlled corporations ^{Note (2)}
ZHAO Yue	Eastern Super Advanced Materials (HK) Limited	50%	Interests of controlled corporations ^{Note (3)}

Notes:

- (1) These shares are held by Redamancy, a BVI-incorporated company and wholly-owned subsidiary of Always Blooming Holdings Limited, which is a BVI-incorporated company wholly owned by Mr. Zhao Yue. The remaining 50% shareholding in Eastern Century International Holdings Pte. Ltd. is held by the Company via its wholly-owned subsidiary.
- (2) Each of Eastern Century International Trading Limited, 上海東方珈樾貿易有限公司 (Shanghai Eastern Jiayue Trading Co., Ltd.*) and Eastern Super Advanced Materials (BVI) Limited is a wholly-owned subsidiary of Eastern Century International Holdings Pte. Ltd.
- (3) Eastern Super Advanced Materials (HK) Limited is a wholly-owned subsidiary of Eastern Super Advanced Materials (BVI) Limited.

* For identification purpose only.

Save as disclosed above, none of the Directors, chief executives and their associates had any interests or short positions in any shares, debentures or underlying shares of the Company or its associated corporations at 30 June 2026.

SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES UNDER THE SFO

As at 30 June 2026, so far as was known to the Directors, the following parties had an interest or long position or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in shares and underlying shares of the Company

Name of Shareholders	Total number of Shares/ underlying Shares held	Approximate percentage of the total number of issued Shares	Capacity in which interests are held
Fair Union	213,252,053	39.86%	Beneficial owner ^{Note (4)}
Shougang HK	213,252,053	39.86%	Interests of controlled corporations ^{Note (1) & Note (4)}
Jingxi Holdings	46,029,630	8.60%	Beneficial owner
Shougang Fund	46,029,630	8.60%	Interests of controlled corporations ^{Note (2)}
Shougang Group	259,281,683	48.46%	Interests of controlled corporations ^{Note (3) & Note (4)}
Redamancy	66,858,295	12.50%	Beneficial owner
Always Blooming Holdings Limited	66,858,295	12.50%	Interests of controlled corporations ^{Note (5)}
Bekaert Combustion	50,000,000	9.35%	Beneficial owner
Bekaert	50,000,000	9.35%	Interests of controlled corporations ^{Note (6)}

Notes:

- (1) As Fair Union is a wholly-owned subsidiary of Shougang HK, by virtue of the SFO, Shougang HK is deemed to be interested in 196,549,053 Shares held by Fair Union.
- (2) As Jingxi Holdings is a wholly-owned subsidiary of Shougang Fund, by virtue of the SFO, Shougang Fund is deemed to be interested in 46,029,630 Shares held by Jingxi Holdings.
- (3) As Shougang Group is the ultimate holding company of Shougang HK, by virtue of the SFO, Shougang Group is deemed to be interested in 196,549,053 Shares held by Fair Union, the wholly-owned subsidiary of Shougang HK. By virtue of the SFO, Shougang Group is also deemed to be interested in 46,029,630 Shares held by Jingxi Holdings, the wholly-owned subsidiary of Shougang Fund, which is a wholly-owned subsidiary of Shougang Group.
- (4) As each of Fair Union, Shougang HK and Shougang Group controls one-third or more of the voting power at general meetings of the Company, each of Fair Union, Shougang HK and Shougang Group was deemed to be interested in 16,703,000 Treasury Shares under Part XV of the SFO.
- (5) As Redamancy is wholly owned by Always Blooming Holdings Limited which is wholly owned by Mr. Zhao Yue, by virtue of the SFO, Always Blooming Holdings Limited is deemed to be interested in 66,858,295 Shares held by Redamancy.

SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES UNDER THE SFO (continued)

Long positions in shares and underlying shares of the company (continued)

Notes: (continued)

- (6) By virtue of the SFO, Bekaert is deemed to be interested in 50,000,000 Shares held by Bekaert Combustion, which is a wholly-owned subsidiary of Bekaert.

SHARE OPTION SCHEME

Neither the Company nor its subsidiaries had any share option scheme during the six months ended 30 June 2026.

DISCLOSURE OF INFORMATION ON DIRECTORS

There is no changes in information of directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE CODE

The Board is committed to practising and achieving a high standard of corporate governance. It also recognises that effective risk management and internal control systems are crucial to the long-term development of the Company. Thus, the Board reviews from time to time the daily corporate governance practices and procedures of the Company and its subsidiaries and procures the Company and its subsidiaries to strictly comply with the relevant laws and regulations, and the rules and guidelines of regulatory authorities, aiming to maintain sound and effective risk management and internal control systems of the Group, such as financial, operational and compliance controls and risk management functions. The Company has adopted the SCHL Corporate Governance Code and the Internal Control Manual, which will be amended and revised where appropriate, in order to enhance the effectiveness of the corporate governance practices and the risk management and internal control systems, and to get in line with the relevant amendments of law, rules and regulations.

In the opinion of the Board, the Company has complied with all the principles and code provisions of the Code and also the SCHL Corporate Governance Code throughout the six months ended 30 June 2026.

Model Code for securities transactions by Directors

The Company has approved and adopted the SCHL Code on terms no less exacting than the Model Code.

The Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and SCHL Code during the period under review.

CORPORATE GOVERNANCE CODE (continued)

Audit Committee

The Company's audit committee comprises five independent non-executive Directors, namely Mr. Lam Yiu Kin, Mr. Feng Yaoling, Mr. Wang Jiaqiong, Ms. Kang Yanan and Mr. Wang Xiaodong. Mr. Lam Yiu Kin acts as the chairman of the audit committee. The audit committee was established with specific written terms of reference with the task including but not limited to monitoring the financial reporting procedures, reviewing risk management and internal control systems of the Group and monitoring the independence and objectivity of the external auditor. The Company has engaged the external auditor to assist the audit committee to review the Group's unaudited condensed consolidated financial information for the six months ended 30 June 2026. During the meetings of the audit committee for the period under review, the audit committee members, amongst other things, had reviewed the accounting principles and practices adopted by the Group; discussed the financial information matters related to the preparation of the unaudited condensed consolidated financial information for the six months ended 30 June 2026.

In summary, the audit committee has reviewed the unaudited interim results for the six months ended 30 June 2026. In addition, the independent auditor of the Company, SHINEWING (HK) CPA Limited, has reviewed the unaudited interim financial information for the period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt thanks to our customers, suppliers and Shareholders for their continued support and trust. I would also like to take this opportunity to express my sincere gratitude to all the fellow members on the Board for their diligence and valuable contributions, as well as to the management and colleagues for their unwavering commitment, dedication and continued hard work to the Group throughout the period under review.

By order of the Board
Shougang Century Holdings Limited
SU Fanrong
Chairman

Hong Kong, 14 August 2026

This interim report can also be accessed through the internet at the Stock Exchange's website at <http://www.hkexnews.hk> and the Company's website at <http://www.shougangcentury.com.hk> or <http://www.irasia.com/listco/hk/shougangcentury/>.

DEFINITIONS

In this report, unless the context otherwise requires, the following terms have the meanings set out below:

"Bekaert"	NV Bekaert SA, a company incorporated under the laws of Belgium, a substantial Shareholder (as defined under the SFO)
"Bekaert Combustion"	Bekaert Combustion Technology B.V., a wholly-owned subsidiary of Bekaert, a substantial Shareholder (as defined under the SFO)
"Board"	the board of Directors
"BVI"	British Virgin Islands
"Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Company"/"Shougang Century"	Shougang Century Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"EUR"	Euros, the lawful currency of the participating states within the European Union
"Fair Union"	Fair Union Holdings Limited, a wholly-owned subsidiary of Shougang HK
"Group"	the Company and its subsidiaries
"HKD"/"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Internal Control Manual"	Shougang Century Holdings Limited's internal management and control manual adopted in 1999 and revised from time to time thereafter

DEFINITIONS (continued)

“JESC”	Jiaxing Eastern Steel Cord Co., Ltd., a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Jingxi Holdings”	Jingxi Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of Shougang Fund
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this report shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Redamancy”	Redamancy.Z Holdings Limited, a company incorporated in BVI and indirectly wholly owned by Mr. Zhao Yue, a substantial Shareholder (as defined under the SFO)
“RMB”	Renminbi, the lawful currency of the PRC
“SCHL Code”	Shougang Century Holdings Limited’s Model Code for Securities Transactions by Directors and Specified Individuals adopted in 2004 and revised from time to time thereafter
“SCHL Corporate Governance Code”	Shougang Century Holdings Limited’s Code on Corporate Governance (revised from time to time)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company

DEFINITIONS (continued)

“Shareholder(s)”	holder(s) of the Share(s)
“Shougang Fund”	Beijing Shougang Fund Co., Ltd., a company established in the PRC with limited liability and a wholly-owned subsidiary of Shougang Group
“Shougang Group”	Shougang Group Co., Ltd. (a state-owned enterprise under the direct supervision of the Beijing State-owned Assets Supervision and Administration Commission, established in the PRC), a substantial Shareholder (as defined under the SFO)
“Shougang HK”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, a substantial Shareholder (as defined under the SFO)
“Stock Exchange”/“HKEx”	The Stock Exchange of Hong Kong Limited
“TESC”	Tengzhou Eastern Steel Cord Co., Ltd., a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules, as amended and supplemented from time to time
“U.S.”	The United States of America
“USD”/“US\$”	United States dollars, the lawful currency of the U.S.
“%”	per cent