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SHOUGANG CENTURY HOLDINGS LIMITED
首 佳 科 技 製 造 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 103)

INSIDE INFORMATION
APPROVAL OF DIVIDEND DISTRIBUTION PLAN
FOR THE FINANCIAL YEARS FROM 2024 TO 2028

This announcement is made by the board (the “Board”) of directors (the “Directors”) of Shougang Century Holdings Limited (the “Company”, together with its subsidiaries, collectively the “Group”) pursuant to Rule 13.09(2) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board announces the Company’s dividend distribution plan for the financial years from 2024 to 2028 (the “Plan”).

To the extent permitted by applicable laws and the Articles of Association of the Company, subject to the dividend policy adopted by the Company (the “Dividend Policy”) and in the absence of unforeseen circumstances, the Company plans to distribute dividends of an amount of not less than HK\$40,000,000 for each of the five financial years from 2024 to 2028 to the shareholders of the Company (the “Shareholders”). The Company may propose a distribution plan with a higher level of dividends based on the financial performance growth from time to time.

BACKGROUND OF AND REASONS FOR THE PLAN

The Board has approved the Plan taking into consideration the following factors:

1. Reward to the Shareholders

In 2022, the Board announced the Company's dividend distribution plan for the financial years from 2021 to 2023, which was completed upon distribution of the final dividend for 2023. In order to ensure the continuity of the Company's dividend arrangements and to demonstrate the Company's firm confidence and determination to return the Shareholders' support, the Plan is hereby approved. The Plan allows the Shareholders to participate in the Group's profits, thereby obtaining the continued support and confidence of the Shareholders and recognizing the value of the Group serving the Shareholders.

2. Confidence in the development of the Group

The Group is principally engaged in the manufacturing of steel cords for radial tyres. The demand for replacement tyres grows steadily with the rise in car ownership. Besides, in response to the government's regulation on energy conservation and emission reduction, the constant increase in the production of electric cars drives demand for their accessorial tyres to grow remarkably, it is anticipated to expedite the market expansion of domestic steel cords for radial tyres and bring more room for development to steel cord industry in the long term. Thus, the Group's operations are promising. The Company is confident that sustainable performance can be created to support the Plan.

3. Strike a balance between the Company's growth and the Shareholders' interests

The Plan aims to continuously reward the Shareholders and create income for the Shareholders. While continuously and steadily distributing dividends in line with performance, the Group will also strive to develop its business and retain necessary funds for equipment investments, research and development investments and so on, in order to strengthen the business foundation and expansion, aiming to strike a balance between the Company's growth and the Shareholders' interests.

COMPLIANCE WITH THE DIVIDEND POLICY

For the avoidance of doubt, the Board retains the sole discretion as to the declaration and payment of dividends in any particular amount for any particular period and the manner in which such dividends will be paid. In determining whether or not to recommend the payment of any dividend, the Board shall continue to take into consideration the internal and external factors set out in the Dividend Policy. The Dividend Policy shall be disclosed in the annual report of the Company annually.

In the case of discrepancy between the Plan and the Dividend Policy, the Dividend Policy shall prevail.

The Plan does not constitute a declaration of any dividend and there can be no assurance that dividends will be paid in any particular amount for any given period. No representation is made that any amount in any currency could have been distributed or could be distributed. No person can make any demand or claim against any member of the Group or any director or employee of any member of the Group for any entitlement under the Plan and no person can hold any member of the Group or any director or employee of any member of the Group liable for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 22 August 2024

As at the date of this announcement, the Board comprises the following Directors:

Mr. Su Fanrong (Chairman), Mr. Zhao Yue (Vice Chairman), Mr. Li Jinping (Managing Director), Mr. Yang Junlin (Deputy Managing Director), Mr. Zhang Dan (Executive Director), Mr. Adam Touhig (Non-executive Director), Mr. Lam Yiu Kin (Independent Non-executive Director), Mr. Feng Yaoling (Independent Non-executive Director) and Ms. Ho Shuk Ying, Sabrina (Independent Non-executive Director).