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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Shougang Century Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION**  
**NEW FINANCE SERVICES AGREEMENT**  
**AND**  
**NOTICE OF GENERAL MEETING**

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

**TRINITY**  
**Trinity Corporate Finance Limited**

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A letter from the Board is set out on pages 5 to 16 of this circular.

A notice convening the general meeting (the “GM”) of Shougang Century Holdings Limited (the “Company”) to be held at 5/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong on Tuesday, 30 June 2026 at 10:20 a.m. (or immediately after the conclusion of the annual general meeting of the Company to be held at the same venue and on the same date at 10:00 a.m.) is set out on pages 48 to 49 of this circular. A form of proxy for use at the GM is enclosed with this circular.

Whether or not you are able to attend the GM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company’s share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, or via the designated URL (<https://evoting.vistra.com/>) by using the username and password provided on the notification letter sent by the Company as soon as possible and in any event not less than 48 hours before the time appointed for holding of the GM (i.e. Saturday, 27 June 2026 at 10:20 a.m.) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the GM or any adjournment thereof should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

**No corporate gifts** will be distributed to the Shareholders or their proxies who attend the GM and **no refreshments or drinks** will be served.

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	5
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	17
<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b> .....	19
<b>APPENDIX – GENERAL INFORMATION</b> .....	40
<b>NOTICE OF GENERAL MEETING</b> .....	48

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## DEFINITIONS

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*In this circular, the following terms and expressions shall have the following respective meanings unless the context otherwise requires:*

“associate”	has the meaning ascribed to it under the Listing Rules
“Always Blooming”	Always Blooming Holdings Limited, a company incorporated in BVI and wholly owned by Mr. Zhao Yue, is a substantial shareholder (as defined under the SFO) of the Company
“Bekaert”	NV Bekaert SA, a company incorporated under the laws of Belgium, a substantial shareholder (as defined under the SFO) of the Company
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	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 (Stock code: 103)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Daily Deposit Cap”	the maximum daily balance of deposits (including the corresponding interest accrued thereon) placed by the Group with Shougang Finance in the amount of RMB316,000,000 (equivalent to approximately HK\$347,600,000) during the Term pursuant to the New Finance Services Agreement
“Deposit Services”	the deposit services to be provided by Shougang Finance to the Group under the New Finance Services Agreement
“Director(s)”	the director(s) of the Company
“Effective Date”	the date of fulfillment of the condition precedent set out in the New Finance Services Agreement

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## DEFINITIONS

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“GM”	the general meeting or any adjournment thereof of the Company to be convened at 10:20 a.m. on Tuesday, 30 June 2026 (or immediately after the conclusion of the annual general meeting of the Company to be held at the same venue and on the same date at 10:00 a.m.) at 5/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong to consider and, if thought fit, approve the New Finance Services Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors, which has been established for the purpose of advising the Independent Shareholders on the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap)
“Independent Financial Adviser”	Trinity Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap)
“Independent Shareholder(s)”	Shareholder(s) other than Shougang Group and its associates who are required to abstain from voting at the GM
“Latest Practicable Date”	22 May 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“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)

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## DEFINITIONS

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“New Finance Services Agreement”	the finance services agreement entered into between the Company and Shougang Finance on 16 January 2026
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Finance Services Agreement”	the finance services agreement entered into between the Company and Shougang Finance on 1 December 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Redamancy”	Redamancy.Z Holdings Limited, a company incorporated in the BVI and indirectly wholly owned by Mr. Zhao Yue, is a substantial shareholder (as defined under the SFO) of the Company
“Settlement Services”	the settlement services to be provided by Shougang Finance to the Group under the New Finance Services Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Shougang Finance”	Shougang Group Finance Co. Ltd., a company established in the PRC with limited liability and is a wholly-owned subsidiary of Shougang Group
“Shougang Fund”	Beijing Shougang Fund Co., Ltd., a company established in the PRC with limited liability and a wholly-owned subsidiary of Shougang Group, is a substantial shareholder (as defined under the SFO) of the Company
“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) and is the controlling shareholder of the Company

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	from the Effective Date and up to 31 December 2028 (both dates inclusive)
“%”	per cent

*In this circular, unless otherwise indicated, amounts in RMB have been converted into HK\$ at the rate of HK\$1.1 = RMB1 for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted.*

*Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.*

*Any reference in this circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Listing Rules, the SFO or any modification thereof and used in this circular shall, where applicable, have the meaning assigned to it under the Listing Rules, the SFO or any modification thereof, as the case may be.*

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

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

*Registered Office:*

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

*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

29 May 2026

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION  
NEW FINANCE SERVICES AGREEMENT  
AND  
NOTICE OF GENERAL MEETING**

**1. INTRODUCTION**

Reference is made to the announcement of the Company dated 16 January 2026 in relation to, among other things, the New Finance Services Agreement, the Daily Deposit Cap and the transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among others, (i) details of the New Finance Services Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the New Finance Services Agreement and the transactions contemplated thereunder; (iii) the recommendation of the Independent Board Committee regarding the New Finance Services Agreement and the transactions contemplated thereunder; and (iv) a notice for convening the GM.

### 2. NEW FINANCE SERVICES AGREEMENT

Reference is made to the announcement of the Company dated 1 December 2023 in relation to the Previous Finance Services Agreement with Shougang Finance. The Previous Finance Services Agreement has expired on 31 December 2025.

The Board announces that, on 16 January 2026 (after trading hours), the Company entered into the New Finance Services Agreement with Shougang Finance in relation to the provision of the Deposit Services and the Settlement Services by Shougang Finance to the Group subject to the terms and conditions therein.

The principal terms of the New Finance Services Agreement are set out below:

- Date:*** 16 January 2026
- Parties:*** (i) the Company; and  
(ii) Shougang Finance

***Term***

The term of the New Finance Services Agreement shall commence on the Effective Date, being the date of fulfillment of the condition precedent set out in the New Finance Services Agreement, and shall continue up to 31 December 2028 (both dates inclusive).

***Condition precedent***

The New Finance Services Agreement is conditional upon the resolutions regarding the New Finance Services Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders at a general meeting to be convened by the Company.

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## LETTER FROM THE BOARD

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### *Deposit Services*

#### *Services*

The Group will deposit funds into the deposit accounts in Shougang Finance in return for interest income. The daily maximum balance of deposits placed by the Group shall be not more than RMB316,000,000 (equivalent to approximately HK\$347,600,000) during the Term.

#### *Pricing Policy*

The rate at which interest will accrue on any deposit placed by the Group with Shougang Finance under the New Finance Services Agreement will not be lower than the following:

- (a) the RMB benchmark deposit rate prescribed by the PBOC for the same type of deposits of the same period;
- (b) the interest rates offered by at least three commercial banks in the PRC to the Group for the same type of deposits of the same period; and
- (c) the interest rates offered by Shougang Finance to other members of Shougang Group for the same type of deposits of the same period.

Please refer to the details of the internal control measures to be implemented by the Group for determining and monitoring the deposit interest rate as set out in the paragraph headed “Internal Control Policy” below.

### *Settlement Services*

Shougang Finance will provide payment and collection services and other ancillary services related to settlement business in accordance with the Group’s instructions. No service fee will be charged by Shougang Finance for the Group to utilise the Settlement Services.

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## LETTER FROM THE BOARD

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### 3. HISTORICAL AMOUNTS

The historical amounts in respect of the provision of the deposit services under the Previous Finance Services Agreement for the period from 1 December 2023 to 31 December 2025 (both days inclusive) are set out as follows:

	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2024</b>	<b>For the year ended 31 December 2025</b>
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
The maximum daily deposit balance (including the corresponding interest accrued thereon)	15,500,000	15,500,000	15,056,704

	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2024</b>	<b>For the year ended 31 December 2025</b>
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
Caps for the maximum daily deposit balance (including the corresponding interest accrued thereon)	15,640,000	15,640,000	15,640,000

### 4. PROPOSED ANNUAL CAPS

The Daily Deposit Cap during the Term will not exceed the following caps:

From the Effective Date to 31 December 2026	RMB316,000,000 (equivalent to approximately HK\$347,600,000)
From 1 January 2027 to 31 December 2027	RMB316,000,000 (equivalent to approximately HK\$347,600,000)
From 1 January 2028 to 31 December 2028	RMB316,000,000 (equivalent to approximately HK\$347,600,000)

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## LETTER FROM THE BOARD

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The proposed Daily Deposit Cap of RMB316 million represents a substantial increase of approximately 20 times from the historical maximum daily deposit balance of approximately RMB15.5 million. The Board has considered the following quantitative factors and analysis in determining the Daily Deposit Cap:

### 1. Historical Utilisation

For the three years ended 31 December 2025, the historical maximum daily deposit balances were RMB15,500,000 (2023), RMB15,500,000 (2024), and RMB15,056,704 (2025), with utilisation rates of approximately 99.1% (2023), 99.1% (2024), and 96.3% (2025) against the previous caps of RMB15,640,000. This demonstrates that the previous caps were almost fully utilised.

### 2. Existing Level of Cash Held by the Group

As at 31 December 2025, the Group's cash and cash equivalents (including pledged bank deposits) amounted to approximately HK\$604,320,000 (equivalent to approximately RMB549,381,818), representing an increase of approximately 51.7% from HK\$398,267,000 as at 31 December 2024. Notably, the increase in bank balances and cash of HK\$196,154,000 over this period already accounts for approximately 59.1% of the increment in the proposed Daily Deposit Cap for the year ending 31 December 2026 (which is an increase of HK\$331,960,000 from the previous year's cap). The Daily Deposit Cap of RMB316,000,000 (equivalent to approximately HK\$347,600,000) therefore represents approximately 57.5% of the Group's cash balance as at 31 December 2025, allowing the Group to place a significant portion of its available funds with Shougang Finance while maintaining flexibility for operational needs and prudent risk diversification.

### 3. Expected Cash Needs and Business Growth

The Group is undertaking expansion projects at Jiaxing Eastern Steel Cord Co., Ltd. ("JESC") and Tengzhou Eastern Steel Cord Co., Ltd. ("TESC"), aiming to increase production capacity to 100,000 tonnes and 200,000 tonnes, respectively. These projects, together with ongoing investments in automation, greening, and R&D, will require significant capital outlays and increased working capital. Based on the Group's budget and business forecasts, the expected cash needs for capital expenditures, raw materials procurement and operational reserves will remain high throughout the term of the New Finance Services Agreement. Based on the Group's latest budget and business forecasts, the Group expects total cash needs for capital expenditures, raw materials procurement, and operational reserves to be approximately RMB300 million per year over the next three years.

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## LETTER FROM THE BOARD

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#### **4. Expected Growth Rate of Business**

The Group's steel cord segment has seen increases in sales volume (2024: up 5.0% year-on-year; 2025: up 4.8% year-on-year), while sales of other wire products have also grown significantly (sawing wire: up 11.9% in 2024 and 42.0% in 2025; other wires: up 22.2% in 2024 and 21.8% in 2025). Revenue for 2024 and 2025 were HK\$2,396,950,000 and 2,424,159,000 respectively, and management expects continued growth in light of new capacity and expanded customer base.

#### **5. Expected Daily Deposit Balance**

With the completion of the rights issue in June 2025, the Group received net proceeds of approximately HK\$146 million, further increasing the available cash balance. The Group expects to maintain daily deposit balances with Shougang Finance of up to RMB316,000,000, particularly during periods of peak cash inflow from sales and financing activities, to optimise treasury management and interest income.

In summary, the Board determined the Daily Deposit Cap of RMB316,000,000 by taking into account the near-full utilisation of previous caps, the substantial increase in cash and cash equivalents (with the proposed Daily Deposit Cap representing around half of the Group's cash balance as at 31 December 2025), and the anticipated funding requirements for ongoing and planned business expansion and capital expenditures. The Daily Deposit Cap provides sufficient headroom for the Group's treasury management, while ensuring prudent risk management and compliance with the Listing Rules. The Board considers that the Daily Deposit Cap is fair, reasonable, and in the interests of the Company and its Shareholders as a whole.

The Company will strictly comply with Rule 14A.36 of the Listing Rules and will take necessary measures to ensure that any applicable percentage ratio in respect of transactions to be conducted during the period from 1 January 2026 to the Effective Date will not exceed the minimum exemption level stipulated in Rule 14A.76(1) of the Listing Rules, including but not limited to transferring the deposits with Shougang Finance to the Group's accounts with other independent commercial banks.

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## LETTER FROM THE BOARD

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### 5. INTERNAL CONTROL POLICY

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 finance department of the Company will obtain and compare the deposit interest rates for the same type of deposits quoted by at least three major commercial banks in the PRC and make reference to the RMB benchmark deposit rate of the same type of deposits issued by the PBOC. In addition, the Group will check the real-time interest rates offered by Shougang Finance online for the same type of deposits of the same period. Shougang Finance has provided a written confirmation to the Group that the interest rates offered and to be offered by Shougang Finance to the Group would not be lower than the interest rate offered and to be offered by Shougang Finance to other members of Shougang Group for the same type of deposits of the same period.
2. The Group will enter into supplemental agreement(s) with Shougang Finance as and when necessary to ensure that the deposit interest rate of the Deposit Services under the New Finance Services 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 commercial banks in the PRC.

The internal control measures on monitoring the Daily Deposit Cap are as follows:

1. The finance department of the Company will monitor the amount of funds deposited into the designated account of Shougang Finance on a daily basis to ensure that the Daily Deposit Cap will not be exceeded. If the deposits of the Group placed with Shougang Finance are expected to exceed the Daily Deposit Cap, 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.
2. 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.

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## LETTER FROM THE BOARD

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3. The independent non-executive Directors and auditors 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 contemplated under the New Finance Services Agreement) and will provide annual confirmations pursuant to the requirements under the Listing Rules to ensure that the continuing connected transactions (including the transactions contemplated under the New Finance Services Agreement) are conducted in accordance with the terms of the New Finance Services Agreement governing such transactions, on normal commercial terms, fair and reasonable, and in accordance with the pricing policies and the Daily Deposit Cap.

The capital risk control measures on the Deposit Services and the Settlement Services are as follows:

1. Shougang Finance will provide the Group with its financial report on a quarterly basis and its audited report on an annual basis.
2. Shougang Finance will ensure that all fund management information systems in which it holds the relevant deposits have reached the security standards of commercial banks in the PRC.
3. Shougang Finance will ensure that it is operated in strict compliance with the risk monitoring indicators for financial institutions issued by the NFRA and that its major regulatory indicators such as capital adequacy ratio, interbank borrowing ratio and liquidity ratio will also comply with the requirements of the NFRA.

## 6. INFORMATION OF THE COMPANY AND SHOUGANG FINANCE

### *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 (stock code: 103). The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of steel cords for radial tyres, sawing wires and hose wires.

### *Shougang Finance*

Shougang Finance is established in the PRC with limited liability. Its establishment as a non-bank financial institution has been approved by the NFRA. Shougang Finance acts as a platform for members of Shougang Group (including the Group) for provision of intra-group facilities through financial products including deposit-taking, money-lending and financial consulting, etc. As at the Latest Practicable Date, Shougang Finance is a wholly-owned subsidiary of Shougang Group.

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## LETTER FROM THE BOARD

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### 7. REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW FINANCE SERVICES AGREEMENT

Shougang Finance has provided the Group with efficient, economical and flexible financial services under the Previous Finance Services Agreement. Renewing the Previous Finance Services Agreement and maintaining continued cooperation with Shougang Finance will help the Group optimise financial management. The Group has to maintain deposits and other bank balances with financial institutions from time to time as part of its treasury activities and in order to satisfy its business needs in the ordinary and usual course of business.

Given that Shougang Finance (1) provides Settlement Services to the Group on a free-of-charge basis; (2) has in-depth knowledge about the operation of the Group and is able to provide more convenient and effective services to the Group than other financial institutions; (3) is a non-bank financial institution licensed by the NFRA with customers primarily comprised of members of the Shougang Group, which means it is exposed to lower risks than other financial institutions and hence is able to offer better security to the deposits of the Group; (4) offers the deposit interest rates that are no less favourable to the Group than those offered by commercial banks in the PRC to the Group for comparable deposits, which would enable the Group to generate interest income therefrom; and (5) is the financial institution under the Shougang Group, and the credit rating of Shougang Group as rated by China Chengxin International Credit Rating Co., Ltd.\* (中誠信國際信用評級有限責任公司) and Golden Credit Rating International Co., Ltd.\* (東方金誠國際信用評估有限公司), each a credit rating agency recognised by the PBOC, for the year 2025 was “AAA”, which indicates that Shougang Group has healthy cash flow and strong capability to repay its debt; hence, the credit risk in relation to placing deposits with Shougang Finance, would be relatively low.

The New Finance Services Agreement does not preclude the Group from using the services of other financial institutions. The Group has the discretion to select any major and independent commercial banks in the PRC as its financial services providers as it thinks fit and appropriate for the benefit of the Group.

In view of the reasons and benefits set out above and the internal control measures in place, the Board considers that the New Finance Services Agreement is entered into in the ordinary and usual course of business of the Group on normal commercial terms and that the terms of the New Finance Services Agreement (together with the Daily Deposit Cap) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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For the betterment of corporate governance practice, Messrs. Su Fanrong, Li Jinping and Zhang Dan (who resigned as an executive Director with effect from 1 January 2026 and who, together with the other two, are directors or officers of other subsidiaries of Shougang Group) have abstained from voting on the resolutions at the Board meeting held on 15 December 2025. Save for Messrs. Su Fanrong, Li Jinping and Zhang Dan, none of the Directors has or is deemed to have a material interest in the New Finance Services Agreement and the transactions contemplated thereunder and was required to abstain from voting on the relevant Board resolutions approving the same on 15 December 2025. Ms. Chen Na is an executive director and general manager of human resources at Shougang Fund. She was appointed as an executive Director with effect from 1 January 2026. She would have abstained from voting on the resolutions at the Board meeting if the meeting had been held on or after 1 January 2026.

### **8. LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, Shougang Group is a controlling shareholder and a connected person of the Company under the Listing Rules. As Shougang Finance is a wholly-owned subsidiary of Shougang Group, Shougang Finance is an associate of Shougang Group and is therefore a connected person of the Company. The transactions contemplated under the New Finance Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (other than the profits ratio) in respect of the proposed annual caps of the New Finance Services Agreement exceed 5%, such transactions are subject to the reporting, annual review, announcement, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, the provision of the 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. As all applicable percentage ratios in respect of the proposed annual caps under the New Finance Services Agreement exceeds 5% but less than 25%, the provision of the Deposit Services by Shougang Finance to the Group pursuant to the New Finance Services Agreement also constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **9. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising Mr. Lam Yiu Kin, Mr. Feng Yaoling, Mr. Wang Jiaqiong, Ms. Kang Yanan and Mr. Wang Xiaodong, being all the independent non-executive Directors, has been formed to consider the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap), and to advise the Independent Shareholders as to whether the terms of the New Finance Services Agreement and the transactions thereunder are on normal commercial terms or better terms and fair and reasonable, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Trinity Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

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## LETTER FROM THE BOARD

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The Independent Board Committee, having considered the advice and recommendation of the Independent Financial Adviser that the terms of the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap) are on normal commercial terms or better terms and fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions which will be proposed at the GM for approving the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap).

The text of the letter from the Independent Board Committee is set out on pages 17 to 18 of this circular, the text of the letter from the Independent Financial Adviser containing its advice is set out on pages 19 to 39 of this circular.

### **10. GM**

The notice of the GM is set out on pages 48 to 49 of this circular. At the GM, ordinary resolutions will be proposed to approve the New Finance Services Agreement and the transactions contemplated thereunder. A form of proxy for use at the GM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Results of the poll voting will be published on the Company's website at [www.shougangcentury.com.hk](http://www.shougangcentury.com.hk) and the website of Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) after the GM.

In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the office of the Company's share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, or via the designated URL (<https://evoting.vistra.com/>) by using the username and password provided on the notification letter sent by the Company as soon as possible and in any event not less than 48 hours before the time appointed for holding of the GM (i.e. Saturday, 27 June 2026 at 10:20 a.m.) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the GM or any adjournment thereof should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

As at the Latest Practicable Date, Shougang Group and its associates are interested in 242,578,683 Shares, representing approximately 46.75% of the issued Shares (excluding treasury Shares), and are required to abstain from voting on the resolutions in respect of the New Finance Services Agreement and the transactions contemplated thereunder at the GM. To the best of the information, belief and knowledge of the Directors, save for Shougang Group and its associates, no other Shareholder has any material interest in the New Finance Services Agreement and the transactions contemplated thereunder and is required to abstain from voting on the resolutions approving the New Finance Services Agreement and the transactions contemplated thereunder at the GM.

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## LETTER FROM THE BOARD

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The register of members of the Company will be closed from Wednesday, 24 June 2026 to Tuesday, 30 June 2026, both days inclusive, during which period no transfer of Shares will be registered for the purpose of determining who will be entitled to attend and vote at the GM. In order to be entitled to attend and vote at the GM to be held on Tuesday, 30 June 2026, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 23 June 2026.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolutions to be proposed at the GM shall be voted by poll.

### 11. RECOMMENDATION

The Board (including the Independent Board Committee after considering the advice of the Independent Financial Adviser) considers that the terms of the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap) are on normal commercial terms or better and fair terms and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the GM to approve the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap).

### 12. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
By order of the Board  
**Shougang Century Holdings Limited**  
**SU Fanrong**  
*Chairman*

\* *For identification purpose only*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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29 May 2026

*To the Independent Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION NEW FINANCE SERVICES AGREEMENT**

We refer to the circular dated 29 May 2026 (the “**Circular**”) issued by the Company to its Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed as the Independent Board Committee to consider and to advise the Independent Shareholders on the terms of the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap) as set out in the Circular as to the fairness and reasonableness and to recommend whether or not the Independent Shareholders should approve the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap) as set out in the Circular. Trinity Corporate Finance Limited has been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in this regard. Details of the independent advice of the Independent Financial Adviser, together with the principal factors and reasons the Independent Financial Adviser has taken into consideration, are set out on pages 19 to 39 of the Circular.

We wish to draw your attention to the Letter from the Board and the Letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap). Your attention is also drawn to the additional information set out in the appendix to the Circular.

Having considered the terms of the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap), the advice and recommendation of the Independent Financial Adviser and the relevant information contained in the Letter from the Board, we are of the view that: (i) the New Finance Services Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, which are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (ii) the Daily Deposit Cap is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions at the GM so as to approve the New Finance Services Agreement and the transactions contemplated thereunder.

Yours faithfully,  
The Independent Board Committee of  
**Shougang Century Holdings Limited**

**Mr. Lam Yiu Kin**  
*Independent*  
*Non-executive Director*

**Mr. Feng Yaoling**  
*Independent*  
*Non-executive Director*

**Mr. Wang Jiaqiong**  
*Independent*  
*Non-executive Director*

**Ms. Kang Yanan**  
*Independent*  
*Non-executive Director*

**Mr. Wang Xiaodong**  
*Independent*  
*Non-executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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# TRINITY

Trinity Corporate Finance Limited

Unit 102B, 1/F, Building 5W,  
Hong Kong Science Park,  
New Territories,  
Hong Kong.

29 May 2026

*To the Independent Board Committee and the Independent Shareholders of*

*Shougang Century Holdings Limited*

Dear Sirs,

### **DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION NEW FINANCE SERVICES AGREEMENT**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders of the Company in respect of the terms of the provision of the Deposit Services under the New Finance Services Agreement and the transactions contemplated thereunder, details of which are set out in the Letter from the Board (the “**Letter from the Board**”) in the Company’s circular dated 29 May 2026 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Previous Finance Services Agreement with Shougang Finance has expired on 31 December 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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On 16 January 2026, the Company entered into the New Finance Services Agreement with Shougang Finance in relation to the provision of the Deposit Services and the Settlement Services by Shougang Finance to the Group subject to the terms and conditions therein. The term of the New Finance Services Agreement shall commence on the Effective Date, being the date of fulfilment of the condition precedent set out in the New Finance Services Agreement, and shall continue up to 31 December 2028 (both dates inclusive). As at the Latest Practicable Date, Shougang Group is a controlling shareholder and a connected person of the Company under the Listing Rules. As Shougang Finance is a wholly-owned subsidiary of Shougang Group, Shougang Finance is an associate of Shougang Group and is therefore a connected person of the Company. The transactions contemplated under the New Finance Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (other than the profits ratio) in respect of the proposed annual caps of the New Finance Services Agreement exceed 5%, such transactions are subject to the reporting, annual review, announcement, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, the provision of the 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. As all applicable percentage ratios in respect of the proposed annual caps under the New Finance Services Agreement exceeds 5% but less than 25%, the provision of the Deposit Services by Shougang Finance to the Group pursuant to the New Finance Services Agreement also constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company has established the Independent Board Committee to consider whether the New Finance Services Agreement and the transactions contemplated thereunder are entered into on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

The Company will convene a general meeting to consider and if thought fit, to approve the New Finance Services Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, Shougang Group and its associates are interested in 242,578,683 Shares, representing approximately 46.75% of the issued Shares (excluding treasury Shares), and are required to abstain from voting on the resolutions in respect of the New Finance Services Agreement and the transactions contemplated thereunder at the general meeting to be convened by the Company. To the best of the information, belief and knowledge of the Directors, save for Shougang Group and its associates, no other Shareholder has any material interest in the New Finance Services Agreement and the transactions contemplated thereunder.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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For the betterment of corporate governance practice, Messrs. Su Fanrong, Li Jinping and Zhang Dan (who resigned as an executive Director with effect from 1 January 2026 and who, together with the other two, are directors or officers of other subsidiaries of Shougang Group) have abstained from voting on the resolutions at the Board meeting held on 15 December 2025. Save for Messrs. Su Fanrong, Li Jinping and Zhang Dan, none of the Directors has or is deemed to have a material interest in the New Finance Services Agreement and the transactions contemplated thereunder and was required to abstain from voting on the relevant Board resolutions approving the same on 15 December 2025. Ms. Chen Na is an executive director and general manager of human resources at Shougang Fund. She was appointed as an executive Director with effect from 1 January 2026. She would have abstained from voting on the resolutions at the Board meeting if the meeting had been held on or after 1 January 2026.

As at the Latest Practicable Date, Trinity Corporate Finance Limited did not have any relationships or interests with the Company or any other parties pursuant to Rule 13.84 of the Listing Rules that could reasonably be regarded as relevant to the independence of Trinity Corporate Finance Limited. Save for our appointment as the Independent Financial Adviser in respect of the New Finance Services Agreement herein, there was no engagement entered into between Trinity Corporate Finance Limited and the Group, another party to the transaction or its subsidiaries or core connected persons of the Company or another party to the transaction in the past two years.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the Latest Practicable Date and should there be any material changes to our opinion after the despatch of the Circular and up to the date of the general meeting, Shareholders would be notified as soon as practicable.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have not conducted any independent in-depth investigation into the business and affairs of the Group or any parties involved in the transactions contemplated under the New Finance Services Agreement. In forming our opinion, we consider that we have independently reviewed sufficient information, inter alia, the 2025 annual report of the Company, the 2024 annual report of the Company, the historical transaction amounts, the Letter from the Board and samples as disclosed in this letter, to provide a reasonable basis for our opinion.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the provision of the Deposit Services under the New Finance Services Agreement and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes other than our role as the Independent Financial Adviser, without our prior written consent.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion regarding the New Finance Services Agreement, we have taken into account the following principal factors and reasons:

#### A. Background of the Company and Shougang Finance

##### *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 (stock code: 103). The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of steel cords for radial tyres, sawing wires and hose wires.

##### *Shougang Finance*

Shougang Finance is established in the PRC with limited liability. Its establishment as a non-bank financial institution has been approved by the NFRA. Shougang Finance acts as a platform for members of Shougang Group (including the Group) for provision of intra-group facilities through financial products including deposit-taking, money-lending and financial consulting, etc. As at the Latest Practicable Date, Shougang Finance is a wholly-owned subsidiary of Shougang Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### B. Financial Performance of the Company

The following table is a summary of the consolidated statement of profit or loss and consolidated statement of financial position of the Group for the three years ended 31 December 2023, 2024 and 2025 respectively, as extracted from the respective annual reports of the Company.

(In HK\$'000)	<b>For the year ended/as at 31 December 2023 (audited)</b>	<b>For the year ended/as at 31 December 2024 (audited)</b>	<b>For the year ended/as at 31 December 2025 (audited)</b>
Revenue	2,494,534	2,396,950	2,424,159
Profit before tax	69,670	31,837	57,407
Profit for the year attributable			
to owners of the Company	62,506	31,647	54,240
Bank balances and cash	77,138	374,207	570,361
Bank borrowings	487,537	582,973	706,161

For the year ended 31 December 2025, the Group's revenue of steel cord segment amounted to HK\$2,414,762,000 (2024: HK\$2,395,754,000), representing an increase of 0.8% from the previous year. Because of the increase demand of radial tyres, the steel cord segment sold 251,540 tonnes of steel cord during the year, increased by 4.8% as compared to 240,049 tonnes last year. In respect of the sales of sawing wire products, the sales volume increased by 42.0% from 847 tonnes to 1,203 tonnes for the corresponding period of last year, attributable to the Group's persistent effort in exploring new customers as well as the improvement of the photovoltaic, sapphire, and magnetic material markets. There was an increase of 21.8% in the sales volume of the Group's other wire products from 13,175 tonnes to 16,051 tonnes for the corresponding period.

Revenue of the Group amounted to HK\$2,424,159,000 (2024: HK\$2,396,950,000) for the year, increased by 1.1% over last year. Gross profit of the Group increased by 14.1% over last year to HK\$371,601,000 (2024: HK\$325,569,000), which was mainly due to the increase of gross profit of steel cord segment. Accordingly, the gross profit margin of the Group increased by 1.7 percentage points to 15.3% for the year as compared to that of last year.

The Group's bank balances and cash (including pledged bank deposits) amounted to HK\$604,320,000 as at 31 December 2025, increased by 51.7% as compared to HK\$398,267,000 as at 31 December 2024. Total interest bearing borrowings of the Group were HK\$724,540,000 (comprised of bank borrowings and the loan from a related company) as at 31 December 2025, increased by 24.3% as compared to HK\$582,973,000 (comprised of bank borrowings) as at 31 December 2024. The amount of net interest bearing borrowings (total interest bearing borrowings less pledged bank deposits, bank balances and cash) therefore decreased from HK\$184,706,000 as at 31 December 2024 to HK\$120,220,000 as at 31 December 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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On 25 June 2025, 325,081,515 rights shares were issued pursuant to the rights issue of three rights shares for every twenty existing Shares (the “**Rights Issue**”). The gross proceeds from the Rights Issue are approximately HK\$148 million and the net proceeds from the Rights Issue, after deducting all related expenses for the Rights Issue, are approximately HK\$146 million.

As disclosed in the 2025 annual report of the Company, in respect of the business outlook of the Group, despite the instability of the political and economic situation arising from the Sino-American relations, the Russia-Ukraine conflict, and the US-Iran war in the Middle East, the Group is confident and optimistic about its business in light of the followings:

- To continue the construction of the Group’s production lines at JESC and TESC to increase the steel cords manufacturing capacity to 300,000 tonnes;
- To further reduce the cost of production by strengthening the control of raw material procurement costs, streamlining the manufacturing process and increasing automation;
- To further achieve the “going global” of production capacity, promote the construction of overseas production bases and seek global merger and acquisition opportunities, so as to reduce potential risks arising from policy changes and maritime transport, and further strengthen international competitiveness;
- By taking into consideration the global 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.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We note from the business development plan of the Group that, 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 is currently advancing 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 will continue to carry out cost reduction and efficiency enhancement initiatives, and will continue 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 market, 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.

The Company actively advances its overseas expansion strategy, carrying out 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 is conducting and reviewing the feasibility study of establishing a production base in Europe, preferably in Eastern Europe, and exploring the proposal for global supply chain acquisition and cooperation within and outside the industry. The Company currently explores opportunities in capacity self-construction and supply chain acquisition cooperation, and will implement corresponding capital arrangements as and when appropriate. By developing global production capacity of the Group, the Company aims 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 entered into a strategic cooperation framework agreement with Atribot Co., Ltd., and is progressively engaging with other downstream users for sample testing. The Company will continue to promote the research and development, and production and sales of this business.

Based on the above business development plan of the Group, we consider that these strategies are likely to increase the Company's revenue and net cash position over time.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### C. Principal Terms of the New Finance Services Agreement

As mentioned in the Letter from the Board, on 16 January 2026, the Company entered into the New Finance Services Agreement with Shougang Finance in relation to the provision of the Deposit Services and the Settlement Services by Shougang Finance to the Group subject to the terms and conditions therein.

The principal terms of the New Finance Services Agreement are set out below:

**Date:** 16 January 2026

**Parties:** (i) the Company; and  
(ii) Shougang Finance

#### ***Term***

The term of the New Finance Services Agreement shall commence on the Effective Date, being the date of fulfilment of the condition precedent set out in the New Finance Services Agreement, and shall continue up to 31 December 2028 (both dates inclusive).

#### ***Condition precedent***

The New Finance Services Agreement is conditional upon the resolutions regarding the New Finance Services Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders at a general meeting to be convened by the Company.

#### ***Deposit Services***

##### *Services*

The Group will deposit funds into the deposit accounts in Shougang Finance in return for interest income. The daily maximum balance of deposits placed by the Group shall be not more than RMB316,000,000 (equivalent to approximately HK\$347,600,000) during the Term.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Pricing Policy*

The rate at which interest will accrue on any deposit placed by the Group with Shougang Finance under the New Finance Services Agreement will not be lower than the following:

- (a) the RMB benchmark deposit rate prescribed by the PBOC for the same type of deposits of the same period;
- (b) the interest rates offered by at least three commercial banks in the PRC to the Group for the same type of deposits of the same period; and
- (c) the interest rates offered by Shougang Finance to other members of Shougang Group for the same type of deposits of the same period.

We have reviewed one set of sample of the deposit slip for the continuing connected transactions under the Previous Finance Services Agreement for each of the three financial years of 2023, 2024 and 2025, i.e. a total of three sets of samples provided by the Company, and confirm that the interest rates accrued on the deposit placed by the Group with Shougang Finance were not lower than the RMB benchmark deposit rate from the PBOC, interest rates from the commercial banks in the PRC and that offered by Shougang Finance to other members of the Shougang Group (if applicable). The above samples reviewed by us are selected by the Company on the basis of choosing one set of sample from each of the three financial years during 2023-2025 and such samples confirm that the relevant transaction prices were on normal commercial terms. We consider that the selected sample size is sufficient, adequate, fair and representative for our purposes in concluding our view that the above pricing policy of the Previous Finance Services Agreement was properly followed as the deposit amounts of the samples are in respect of the historical maximum daily balance of approximately RMB15 million and have already covered an aggregate deposit period of approximately 10 months. Although our scope of work does not involve a full review of the continuing connected transactions for the respective financial years in accordance with the Listing Rules, we have also reviewed the 2024 annual report of the Company and note that (i) in accordance with Rule 14A.55 of the Listing Rules, the continuing connected transactions during the year have been reviewed by the independent non-executive Directors who have confirmed that the transactions have been entered into: (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (ii) the independent auditor of the Company, PricewaterhouseCoopers, has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules. Accordingly, we consider that the Company has properly followed the pricing policy for the continuing connected transactions for the Previous Finance Services Agreement.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Based on the above pricing policy, we confirm that the basis of determining the deposit interest rate will ensure that the Group can receive interest rates that are not lower than the RMB benchmark deposit rate from the PBOC, interest rates from the commercial banks in the PRC and that offered by Shougang Finance to other members of the Shougang Group. We confirm that such basis of pricing policy is fair and reasonable, in the interests of the Independent Shareholders and the Company as a whole and will ensure that the interest rates received by the Group are on normal commercial terms or better.

Please refer to the details of the internal control measures to be implemented by the Group for determining and monitoring the deposit interest rate as set out in the paragraph headed “Internal Control Policy” below.

### *Settlement Services*

Shougang Finance will provide payment and collection services and other ancillary services related to settlement business in accordance with the Group’s instructions. No service fee will be charged by Shougang Finance for the Group to utilise the Settlement Services.

### **Internal control policy:**

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 finance department of the Company will obtain and compare the deposit interest rates for the same type of deposits quoted by at least three major commercial banks in the PRC and make reference to the RMB benchmark deposit rate of the same type of deposits issued by the PBOC. In addition, the Group will check the real-time interest rates offered by Shougang Finance online for the same type of deposits of the same period. Shougang Finance has provided a written confirmation to the Group that the interest rates offered and to be offered by Shougang Finance to the Group would not be lower than the interest rate offered and to be offered by Shougang Finance to other members of Shougang Group for the same type of deposits of the same period.
2. The Group will enter into supplemental agreement(s) with Shougang Finance as and when necessary to ensure that the deposit interest rate of the Deposit Services under the New Finance Services 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 commercial banks in the PRC.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The internal control measures on monitoring the Daily Deposit Cap are as follows:

1. The finance department of the Company will monitor the amount of funds deposited into the designated account of Shougang Finance on a daily basis to ensure that the Daily Deposit Cap will not be exceeded. If the deposits of the Group placed with the Shougang Finance are expected to exceed the Daily Deposit Cap, 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.
2. 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.
3. The independent non-executive Directors and auditors 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 contemplated under the New Finance Services Agreement) and will provide annual confirmations pursuant to the requirements under the Listing Rules to ensure that the continuing connected transactions (including the transactions contemplated under the New Finance Services Agreement) are conducted in accordance with the terms of the New Finance Services Agreement governing such transactions, on normal commercial terms, fair and reasonable, and in accordance with the pricing policies and the Daily Deposit Cap.

We have reviewed one monthly internal monitoring report of the daily deposit balance of the Company for each of the three financial years of 2023, 2024 and 2025, issued and signed by the finance department of the Company, i.e. a total of three sets of samples provided by the Company, and are of the view that the above internal control procedures have been performed on a regular basis and the daily monitoring of the provision of Deposit Services has ensured that the annual caps are not exceeded and also ensured that the continuing connected transactions and the underlying terms are on normal commercial terms or better in accordance with the Group's pricing policy and annual caps, and are therefore in the interests of the Independent Shareholders and the Company as a whole. The above samples reviewed by us are selected by the Company on the basis of choosing one set of monthly sample from each of the three financial years during 2023-2025 and such samples confirm that the Company's policy on monitoring the Daily Deposit Cap has been complied with on a monthly basis. We consider that the selected sample size is sufficient, adequate, fair and representative for our purposes in concluding our view that the above internal

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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control policy of the Previous Finance Services Agreement was properly followed as the samples have demonstrated that the Daily Deposit Cap was monitored on a monthly basis. Although our scope of work does not involve a full review of the continuing connected transactions for the respective financial years in accordance with the Listing Rules, we have also reviewed the “Corporate Governance Report” in the 2024 annual report of the Company and note that the audit committee members of the Company had reviewed all relevant confirmations from the management provided to the Board on the effectiveness and adequacy of the Company’s risk management and internal control systems for the year ended 31 December 2024 for which the Board had reviewed and confirmed the effectiveness and adequacy of the Group’s risk management and internal control systems at the Board meeting.

In addition, we have reviewed the latest independent auditor’s assurance report on continuing connected transactions issued by PricewaterhouseCoopers dated 31 March 2025 in respect of the continuing connected transactions conducted by the Group throughout the financial year ended 31 December 2024 which confirmed that, in terms of whether the continuing connected transactions (including the transactions contemplated under the Previous Finance Services Agreement) are conducted in accordance with the terms of the Previous Finance Services Agreement governing such transactions, nothing has come to the auditor’s attention that such continuing connected transactions have exceeded the annual cap as set by the Company, i.e. the Daily Deposit Cap for the year ended 31 December 2024.

### **Capital risk control measures:**

1. Shougang Finance will provide the Group with its financial report on a quarterly basis and its audited report on an annual basis.
2. Shougang Finance will ensure that all fund management information systems in which it holds the relevant deposits have reached the security standards of commercial banks in the PRC.
3. Shougang Finance will ensure that it is operated in strict compliance with the risk monitoring indicators for financial institutions issued by the NFRA and that its major regulatory indicators such as capital adequacy ratio, interbank borrowing ratio and liquidity ratio will also comply with the requirements of the NFRA.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We consider that the above capital risk control measures can ensure the Group's deposits will not be put under unnecessary risk as Shougang Finance will ensure that it is operated in strict compliance with the risk monitoring indicators for financial institutions issued by the NFRA and that its major regulatory indicators such as capital adequacy ratio, interbank borrowing ratio and liquidity ratio will also comply with the requirements of the NFRA.

In addition, we have reviewed the two annual audit reports of Shougang Finance for the two financial years ended 31 December 2023 and 2024, and consider that the capital risk control measures under the New Finance Services Agreement are adequate to prevent the capital risks involved in placing the funds of the Group with Shougang Finance.

Based on the above review work performed by us, we are of the view that the pricing policy, the internal control policy and the capital risk control measures set out above are effective in ensuring that the terms and conditions for the Deposit Services under the New Finance Services Agreement will be on normal commercial terms or better, fair and reasonable and in the interests of the Company and its Shareholders, including the Independent Shareholders, as a whole.

### **D. Historical Transaction Amounts and New Annual Caps**

The historical amounts in respect of the provision of the Deposit Services under the Previous Finance Services Agreement for the period from 1 December 2023 to 31 December 2025 (both days inclusive) are set out as follows:

<b>(In RMB)</b>	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2024</b>	<b>For the year ended 31 December 2025</b>
Historical amount of maximum daily deposit balance (including the corresponding interest accrued thereon)	15,500,000	15,500,000	15,056,704
Caps for the maximum daily deposit balance (including the corresponding interest accrued thereon)	15,640,000	15,640,000	15,640,000
Utilisation rate	Approximately 99.1%	Approximately 99.1%	Approximately 96.3%

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As shown in the table above, the historical utilisation rates of the maximum daily deposit balance placed by the Group with Shougang Finance under the Previous Finance Services Agreement entered into between the Company and Shougang Finance on 1 December 2023 showed that the annual caps for the three years ended 31 December 2025 were almost fully utilized, ranged from approximately 96.3% to 99.1%. In terms of the proposed increase in annual caps under the New Finance Services Agreement, the proposed annual cap for the period ending 31 December 2026 represents a significant increase of approximately 1,920.5% from RMB15,640,000 in the previous year to RMB316,000,000, and there is no further increment for the two years ending 31 December 2028.

The proposed annual caps for the maximum daily deposit balance placed by the Group with Shougang Finance under the New Finance Services Agreement for the Term are set out as follows:

	<b>From the Effective Date to 31 December 2026</b>	<b>From 1 January 2027 to 31 December 2027</b>	<b>From 1 January 2028 to 31 December 2028</b>
<b>(In RMB)</b>			
Maximum daily deposit balance	316,000,000	316,000,000	316,000,000
	(equivalent to approximately HK\$347,600,000)	(equivalent to approximately HK\$347,600,000)	(equivalent to approximately HK\$347,600,000)
Percentage increase from annual cap for the preceding year	1,920.5%	Nil	Nil

The proposed Daily Deposit Cap of RMB316 million represents a substantial increase of approximately 20 times from the historical maximum daily deposit balance of approximately RMB15.5 million. According to the Letter from the Board, the Board has considered the following quantitative factors and analysis in determining the Daily Deposit Cap:

### ***1. Historical Utilisation***

According to the Letter from the Board, for the three years ended 31 December 2025, the historical maximum daily deposit balances were RMB15,500,000 (2023), RMB15,500,000 (2024), and RMB15,056,704 (2025), with utilisation rates of approximately 99.1% (2023), 99.1% (2024), and 96.3% (2025) against the previous caps of RMB15,640,000. This demonstrates that the previous caps were almost fully utilised.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As set out in our analysis above, we note that the historical utilisation rates of the daily maximum deposit balance placed by the Group with Shougang Finance under the Previous Finance Services Agreement for the three years ended 31 December 2025 were almost fully utilised and ranged from approximately 96.3% to 99.1%;

### ***2. Existing Level of Cash Held by the Group***

According to the Letter from the Board, as at 31 December 2025, the Group's cash and cash equivalents (including pledged bank deposits) amounted to approximately HK\$604,320,000 (equivalent to approximately RMB549,381,818), representing an increase of approximately 51.7% from HK\$398,267,000 as at 31 December 2024. Notably, the increase in bank balances and cash of HK\$196,154,000 over this period already accounts for approximately 59.1% of the increment in the proposed Daily Deposit Cap for the year ending 31 December 2026 (which is an increase of HK\$331,960,000 from the previous year's cap). The Daily Deposit Cap of RMB316,000,000 (equivalent to approximately HK\$347,600,000) therefore represents approximately 57.5% of the Group's cash balance as at 31 December 2025, allowing the Group to place a significant portion of its available funds with Shougang Finance while maintaining flexibility for operational needs and prudent risk diversification.

We have reviewed the 2025 annual report of the Company and note that the Daily Deposit Cap represents approximately 57.5% of the Group's cash and cash equivalents (including pledged bank deposits) of approximately HK\$604,320,000 (equivalent to approximately RMB549,381,818) as at 31 December 2025, and such increased level of cash held by the Group enables the Group to place significantly more funds with Shougang Finance subject to compliance with the pricing policy;

### ***3. Expected Cash Needs and Business Growth***

According to the Letter from the Board, the Group is undertaking expansion projects at JESC and TESC, aiming to increase production capacity to 100,000 tonnes and 200,000 tonnes, respectively. These projects, together with ongoing investments in automation, greening, and R&D, will require significant capital outlays and increased working capital. Based on the Group's budget and business forecasts, the expected cash needs for capital expenditures, raw materials procurement and operational reserves will remain high throughout the term of the New Finance Services Agreement. Based on the Group's latest budget and business forecasts, the Group expects total cash needs for capital expenditures, raw materials procurement, and operational reserves to be approximately RMB300 million per year over the next three years.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have discussed with the Company and understand that due to the financial needs of the Group during the Term and the expected growth of business operations of the Group, including and not limited to, the continuing of the construction of the Group's production lines at its two production bases in the PRC to expand production capacity while significantly improving and reducing costs. 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. Also the Company continues to invest in greening, digitalisation, automation, equipment optimisation, intelligent inspection and process optimisation to achieve comprehensive production cost reduction. The Company will take advantage of any additional financing opportunities as they arise, which may give rise to an increase in the cash position of the Group;

#### **4. *Expected Growth Rate of Business***

According to the Letter from the Board, the Group's steel cord segment has seen increases in sales volume (2024: up 5.0% year-on-year; 2025: up 4.8% year-on-year), while sales of other wire products have also grown significantly (sawing wire: up 11.9% in 2024 and 42.0% in 2025; other wires: up 22.2% in 2024 and 21.8% in 2025). Revenue for 2024 and 2025 were HK\$2,396,950,000 and HK\$2,424,159,000 respectively, and management expects continued growth in light of new capacity and expanded customer base.

As mentioned in our review of the 2025 annual report of the Company above, we note that as at 31 December 2025, the Group's bank balances and cash (including pledged bank deposits) amounted to HK\$604,320,000, increased by approximately 51.7% as compared to HK\$398,267,000 as at 31 December 2024. Accordingly, in respect of the Company's intended annual cap of HK\$347,600,000 for the year ending 31 December 2026, the increase of bank balances and cash (including pledged bank deposits) above from 31 December 2024 to 31 December 2025 of HK\$196,154,000 already represents approximately 59.1% of the increment in the annual cap for the year ending 31 December 2026 from the previous year of HK\$331,960,000. We have reviewed the 2024 annual report and the 2025 annual report of the Company and consider that the increasing trend in cash level of the Group aligns with the increasing trend in business growth of the Group;

#### **5. *Expected Daily Deposit Balance***

According to the Letter from the Board, with the completion of the rights issue in June 2025, the Group received net proceeds of approximately HK\$146 million, further increasing the available cash balance. The Group expects to maintain daily deposit balances with Shougang Finance of up to RMB316,000,000, particularly during periods of peak cash inflow from sales and financing activities, to optimise treasury management and interest income.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As mentioned in the section headed “B. Financial Performance of the Company” above, we note that the net proceeds from the Rights Issue, after deducting all related expenses for the Rights Issue, are approximately HK\$146 million. In addition to the business growth plans and financing needs stated above, we consider that, given the increase in bank balances and cash as mentioned above, the expected daily deposit balances of the Group will also likely increase.

In summary, the Board determined the Daily Deposit Cap of RMB316,000,000 by taking into account the near-full utilisation of previous caps, the substantial increase in cash and cash equivalents (with the proposed Daily Deposit Cap representing around half of the Group’s cash balance as at 31 December 2025), and the anticipated funding requirements for ongoing and planned business expansion and capital expenditures. The Daily Deposit Cap provides sufficient headroom for the Group’s treasury management, while ensuring prudent risk management and compliance with the Listing Rules.

In addition, based on our review of the pricing policy as set out above, we confirm that the basis of determining the deposit interest rate will ensure that the Group can receive interest rates that are not lower than the RMB benchmark deposit rate from the PBOC, interest rates from at least three commercial banks in the PRC and that offered by Shougang Finance to other members of the Shougang Group. We are of the view that such basis can ensure that the Daily Deposit cap is fair and reasonable and in the interests of its Independent Shareholders and the Company as a whole and will ensure that the interest rates are on normal commercial terms or better.

The Company will strictly comply with Rule 14A.36 of the Listing Rules and will take necessary measures to ensure that any applicable percentage ratio in respect of transactions to be conducted during the period from 1 January 2026 to the Effective Date will not exceed the minimum exemption level stipulated in Rule 14A.76(1) of the Listing Rules, including but not limited to transferring the deposits with Shougang Finance to the Company’s accounts with other independent commercial banks.

As mentioned above, we understand that the proposed Daily Deposit Cap is determined with reference to the Group’s current business growth and the demand for financial services after taking into account of various factors, including the relatively high historical utilisation rates of the daily maximum deposit balance, the Group’s cash positions, as well as the future financing needs of the Group, which are further analysed as follows.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Based on our review of the 2024 annual report of the Company, which is set out in the section headed “B. Financial Performance of the Company” above, we note that the Group’s bank balances and cash (including pledged bank deposits) amounted to HK\$398,267,000 as at 31 December 2024, increased by 310.0% as compared to HK\$97,140,000 as at 31 December 2023. Also, based on our review of the 2025 annual report of the Company, we note that the Group’s bank balances and cash (including pledged bank deposits) as at 31 December 2025 amounted to HK\$604,320,000, increased by 51.7% as compared to HK\$398,267,000 as at 31 December 2024.

After our consideration of the above bank balance and cash position of the Group as at 31 December 2024, and the significant increase as at 31 December 2025 by approximately 51.7%, and given that the historical utilisation rates in respect of the historical amount of maximum daily deposit balance placed by the Group with Shougang Finance under the Previous Finance Services Agreement for the three years ended 31 December 2025 were high and almost fully utilised, ranged from approximately 96.3% to 99.1%, we consider that such financial performance of the Group aligns with the expected trend of business growth of the Company and the increasing trend of demand for Deposit Services under the New Finance Services Agreement.

In addition, as mentioned above, we have discussed with the Company and understand that due to the financial needs of the Group during the Term and the expected growth of business operations of the Group, the Company will take advantage of any additional financing opportunities as they arise, including and not limited to, the continuing of the construction of the Group’s production lines at its two production bases in the PRC to expand production capacity, 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, which is expected to give rise to an increase in the future cash position of the Group.

We also note from the 2024 annual report of the Company that the Group, facing the growing automotive and tyre market, 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 strives 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. In addition, dealing with the ever-changing international political and economic situation, in order to further enhance market competitiveness to respond to the needs of international customers for a secure supply chain, and to reduce the potential risks of policy changes and maritime factors, the Company has determined to take international operations as its future development policy, and will continue to focus on expanding high-end customers and establishing an international market network.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Board will consider to commence and review the feasibility study of establishing a production base in Europe, preferably in Eastern Europe, and to explore the proposal for global capacity cooperation within and outside the industry. By developing global production capacity of the Group, strengthening deep cooperation with institutions and universities, as well as exploring diversified, forward-looking innovative products and solutions, the Group aims to achieve expansion of global operation, seize new opportunities in technology manufacturing and create an influential “Eastern” brand recognition. We consider that the above business development plans of the Group will increase the financial needs of the Group during the Term which is expected to give rise to an increase in the future cash position of the Group accordingly.

On the basis of the above considerations and analyses, we are of the view that it is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole for the Daily Deposit Cap to be set at RMB316,000,000 for the Term.

### **E. Reasons for and benefits of entering into the New Finance Services Agreement**

According to the Letter from the Board, Shougang Finance has provided the Group with efficient, economical and flexible financial services under the Previous Finance Services Agreement. Renewing the Previous Finance Services Agreement and maintaining continued cooperation with Shougang Finance will help the Group optimise financial management. The Group has to maintain deposits and other bank balances with financial institutions from time to time as part of its treasury activities and in order to satisfy its business needs in the ordinary and usual course of business.

Given that Shougang Finance (1) provides Settlement Services to the Group on a free-of-charge basis; (2) has in-depth knowledge about the operation of the Group and is able to provide more convenient and effective services to the Group than other financial institutions; (3) is a non-bank financial institution licensed by the NFRA with customers primarily comprised of members of the Shougang Group, which means it is exposed to lower risks than other financial institutions and hence is able to offer better security to the deposits of the Group; (4) offers the deposit interest rates that are no less favourable to the Group than those offered by commercial banks in the PRC to the Group for comparable deposits, which would enable the Group to generate interest income therefrom; and (5) is the financial institution under the Shougang Group, and the credit rating of Shougang Group as rated by China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司) and Golden Credit Rating International Co., Ltd. (東方金誠國際信用評估有限公司), each a credit rating agency recognized by the PBOC, for the year 2025 was “AAA”, which indicates that Shougang Group has healthy cash flow and strong capability to repay its debt; hence, the credit risk in relation to placing deposits with Shougang Finance, would be relatively low.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We confirm that the high credit rating of Shougang Finance of “AAA” coupled with the capital risk control measures set out above, will minimise any risks associated with the placing of deposits with Shougang Finance and is fair and reasonable so far as Independent Shareholders are concerned.

The New Finance Services Agreement does not preclude the Group from using the services of other financial institutions. The Group has the discretion to select any major and independent commercial banks in the PRC as its financial services providers as it thinks fit and appropriate for the benefit of the Group.

We confirm that it is beneficial to the Group to have the choice of whether to place deposits with Shougang Finance at the pricing policies disclosed above, and still retain flexibility to select other major and independent commercial banks in the PRC.

After considering the reasons and benefits set out above and the internal control measures in place, we are of the opinion that the New Finance Services Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms of the New Finance Services Agreement (together with the Daily Deposit Cap) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### RECOMMENDATION

Having considered the principal factors and reasons referred to above, in particular:

- (1) the principal businesses of the Company and Shougang Finance;
- (2) the pricing policy, internal control measures, capital risk control measures as well as the principles of transactions, which ensure that the deposit interest rate provided by Shougang Finance to the Group shall not be lower than the RMB benchmark deposit rate from the PBOC, interest rates of the same type of deposits from at least three commercial banks in the PRC and that offered by Shougang Finance to other members of the Shougang Group under the same conditions;
- (3) the historical transaction amounts and underlying reasons for setting the annual caps of the New Finance Services Agreement; and
- (4) the reasons for and benefits to the Company by entering into the New Finance Services Agreement;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We are of the opinion that the terms and the Daily Deposit Cap of the Deposit Services under the New Finance Services Agreement and the transactions contemplated thereunder are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned, and are in the ordinary and usual course of business of the Group, and the entering into of the New Finance Services Agreement in respect of the Deposit Services and the transactions contemplated thereunder is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we would advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution(s) to approve the New Finance Services Agreement and the transactions contemplated thereunder at the general meeting.

Yours faithfully,  
For and on behalf of

**Trinity Corporate Finance Limited**

**Joanne Pong**  
*Responsible Officer*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interests and short positions in Shares, debentures or underlying Shares

As at the Latest Practicable Date, 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 or any of 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 for Securities Transactions by Directors of Listed Issuers under Appendix C3 to the Listing Rules.

#### (1) Interest in the Shares and underlying Shares

Name of Directors	Total number of Shares held	Approximate% of the total number of issued Shares	Capacity in which interests are held
ZHAO Yue	66,858,295	12.50	Interests of controlled corporations <sup>(Note)</sup>
SU Fanrong	200,000	0.04	Beneficial owner
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, which is a BVI-incorporated company wholly owned by Mr. Zhao Yue.

(2) *Interest in shares of associated corporations of the Company*

Name of Director	Name of associated corporations	Approximate % of shareholding	Capacity in which interests are held
ZHAO Yue	Eastern Century International Holdings Pte. Ltd.	50	Interests of controlled corporations <sup>Note (1)</sup>
ZHAO Yue	Eastern Century International Trading Limited	50	Interests of controlled corporations <sup>Note (2)</sup>
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 <sup>Note (2)</sup>
ZHAO Yue	Eastern Super Advanced Materials (BVI) Limited	50	Interests of controlled corporations <sup>Note (2)</sup>
ZHAO Yue	Eastern Super Advanced Materials (HK) Limited	50	Interests of controlled corporations <sup>Note (3)</sup>

*Notes:*

- (1) These shares are held by Redamancy, a BVI-incorporated company and wholly-owned subsidiary of Always Blooming, 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 or that of any of the Company's associated corporations at the Latest Practicable Date.

**(b) Substantial Shareholders' interests and short positions in Shares or underlying Shares**

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Name of Shareholders	Total number of Shares/underlying Shares held	Approximate% of the total number of issued Shares	Capacity in which interests are held
Fair Union Holdings Limited (" <b>Fair Union</b> ")	212,649,053	39.75	Beneficial owner <sup>Note (4)</sup>
Shougang Holding (Hong Kong) Limited (" <b>Shougang HK</b> ")	212,649,053	39.75	Interests of a controlled corporation <sup>Notes (1) &amp; (4)</sup>
Jingxi Holdings Limited (" <b>Jingxi Holdings</b> ")	46,029,630	8.60	Beneficial owner
Shougang Fund	46,029,630	8.60	Interests of a controlled corporation <sup>Note (2)</sup>
Shougang Group	258,678,683	48.35	Interests of controlled corporations <sup>Notes (3) &amp; (4)</sup>
Redamancy	66,858,295	12.50	Beneficial owner
Always Blooming	66,858,295	12.50	Interests of a controlled corporation <sup>Note (5)</sup>
Bekaert Combustion Technology B.V. (" <b>Bekaert Combustion</b> ")	50,000,000	9.35	Beneficial owner
Bekaert	50,000,000	9.35	Interests of a controlled corporation <sup>Note (6)</sup>

*Notes:*

- (1) As Fair Union (a company incorporated in the BVI and subsequently re-domiciled to Samoa) is a wholly-owned subsidiary of Shougang HK (a Hong Kong-incorporated company), 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 (a Hong Kong-incorporated company) is a wholly-owned subsidiary of Shougang Fund (a PRC-incorporated company), 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 16,100,000 treasury shares of the Company under Part XV of the SFO.
- (5) As Redamancy is wholly owned by Always Blooming which is wholly owned by Mr. Zhao Yue, by virtue of the SFO, Always Blooming is deemed to be interested in 66,858,295 Shares held by Redamancy.
- (6) By virtue of the SFO, Bekaert (a Belgian-incorporated company) is deemed to be interested in 50,000,000 Shares held by Bekaert Combustion (a Dutch-incorporated company), which is a wholly-owned subsidiary of Bekaert.

Save as disclosed above, as at the Latest Practicable Date, no person (other than a Director or chief executive of the Company) had any interests or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed below, as at the Latest Practicable Date, no Director is a director or employee of a company which had any interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company, and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (i) Mr. Su Fanrong is the deputy general manager of Shougang HK;
- (ii) Mr. Zhao Yue is a director of each of Redamancy and Always Blooming;

- (iii) Mr. Li Jinping is a financial controller of Shougang HK and a director of various companies under Shougang HK;
- (iv) Ms. Chen Na is an executive director and general manager of human resources at Shougang Fund;
- (v) Ms. Xu Hongyan is the president of rubber reinforcement at Bekaert group; and
- (vi) Mr. Sun Chao is the senior vice president of Bekaert group and president of the steel cord business unit in China.

### 3. INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or controlling Shareholders (as defined in the Listing Rules) and their respective close associates was interested in any business apart from the Company's business which competes or is likely to compete, either directly or indirectly, with the Company's businesses:

Name of Directors	Name of entity whose businesses are considered to compete or likely to compete with the businesses of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group	Nature of Director's interest in the entity
XU Hongyan ( <i>Note 1</i> )	Bekaert	Manufacturing and sale of steel wire and/or cord products	President, Rubber Reinforcement at Bekaert group
SUN Chao ( <i>Note 1</i> )	Bekaert	Manufacturing and sale of steel wire and/or cord products	Senior vice president of Bekaert group and president of the steel cord business unit in China
ZHAO Yue ( <i>Note 2</i> )	上海東方珈樾貿易有限公司 (Shanghai Eastern Jiayue Trading Co., Ltd.*) ( <i>Note 2</i> )	Sales of metal wire ropes and related products	Director
YANG Junlin ( <i>Note 2</i> )	上海東方珈樾貿易有限公司 (Shanghai Eastern Jiayue Trading Co., Ltd.*) ( <i>Note 2</i> )	Sales of metal wire ropes and related products	Director

*Note 1:* Pursuant to a subscription agreement entered into by the Company and Bekaert in September 2006 and further agreement between Bekaert and the Company in February 2015, Ms. Xu Hongyan was nominated by Bekaert group as a non-executive Director and was appointed on 5 September 2024. Mr. Sun Chao was appointed as an alternate Director to Ms. Xu Hongyan on 10 December 2024.

*Note 2:* 上海東方珈樾貿易有限公司 (Shanghai Eastern Jiayue Trading Co., Ltd.\*) is a wholly-owned subsidiary of Eastern Century International Holdings Pte. Ltd. of which shares are held by Redamancy, a BVI-incorporated company and wholly-owned subsidiary of Always Blooming, 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. Mr. Zhao Yue and Mr. Yang Junlin are directors of Eastern Century International Holdings Pte. Ltd.

\* For identification purpose only.

#### **4. DIRECTORS' INTERESTS IN ASSETS**

None of the Directors had any interest, directly or indirectly, in any asset which has, since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by, or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

#### **5. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

#### **6. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, (i) none of the Directors had any interest, direct or indirect, in any assets which have since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) save as the transactions set out in the paragraph below, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement subsisting entered into by any member of the Group subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group.

On 11 September 2024, Winner Max Enterprises Limited (a wholly-owned subsidiary of the Company) (“WMEL”) and Redamancy (a company indirectly wholly owned by Mr. Zhao Yue, an executive Director and the vice chairman of the Company) entered into a joint venture agreement (the “**Joint Venture Agreement**”), in relation to, among others, the establishment of Eastern Century International Holdings Pte. Ltd., a joint venture in Singapore (the “**Joint Venture**”). Pursuant to the Joint Venture Agreement, the share capital of the Joint Venture is US\$2,800,000. WMEL and Redamancy shall each contribute US\$1,400,000 to the joint venture, holding 50% equity interest in the Joint Venture respectively. On 3 December 2025, the Company, 首珈(上海)管理有限公司 (Shougang Century (Shanghai) Management Co., Ltd.\*), the Joint Venture, Eastern Century International Trading Limited and 上海東方珈樾貿易有限公司 (Shanghai Eastern Jiayue Trading Co., Ltd.\*) entered into a framework agreement in relation to commercial advisory services and back-office services, overseas sales agency services, new product development services and regional support services. For further details of the previous transactions, please refer to the Company’s announcements dated 11 September 2024 and 3 December 2025.

\* For identification purpose only.

## 7. MATERIAL ADVERSE CHANGE

The Directors were not aware of any material adverse change in the financial or trading position or outlook of the Group since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up.

## 8. EXPERT AND CONSENT

The qualifications of the expert who has been named in this circular or has given opinion or advice which is contained herein are set out below:

Name	Qualifications
Trinity Corporate Finance Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities as defined under the SFO

As at the Latest Practicable Date, the Independent Financial Adviser did not have any interest, direct or indirect, in any member of the Group or any right (whether legally enforceable or not), to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any interest, direct or indirect, in any assets which have been since 31 December 2025, being the date up to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion in this circular of its letter of advice or report and/or references to its name in the form and context in which it appears.

**9. GENERAL**

- (a) All references to times and dates in this circular refer to Hong Kong times and date.
- (b) The English text of this circular shall prevail over its Chinese text.

**10. DOCUMENTS ON DISPLAY**

The following documents will be published on the website on the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.shougangcentury.com.hk](http://www.shougangcentury.com.hk)) for a period of 14 days commencing from the date of this circular:

- (i) the New Finance Services Agreement;
- (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Board Committee” in this circular;
- (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” in this circular; and
- (iv) the written consent referred to in the paragraph headed “8. Expert and Consent” in this appendix; and
- (v) this circular.

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## NOTICE OF GENERAL MEETING

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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)

### NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** a general meeting (the “GM”) of Shougang Century Holdings Limited (the “Company”) will be held at 10:20 a.m. on Tuesday, 30 June 2026 (or immediately after the conclusion of the annual general meeting of the Company to be held at the same venue and on the same date at 10:00 a.m.) at 5/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions:

#### ORDINARY RESOLUTIONS

1. “**THAT**

- (i) the New Finance Services Agreement (as defined in the circular of the Company dated 29 May 2026 (the “Circular”) of which this notice forms part) (a copy of which is tabled at the GM for identification purpose), the form and substance thereof and the transactions contemplated under the New Finance Services Agreement subject to the annual caps as described in the Circular (the “Daily Deposit Cap”), be and are hereby approved, confirmed and ratified; and
- (ii) any one or more of the Directors be and is hereby authorised to sign and execute such other documents or supplemental agreements or deeds for and on behalf of the Company and to do all such things and take all such actions as he/she/they may consider necessary, desirable or expedient for the purpose of carrying out or giving effect to or otherwise in connection with the New Finance Services Agreement and the transactions contemplated thereunder (including the Daily Deposit Cap).”

Yours faithfully,  
By order of the Board  
**Shougang Century Holdings Limited**  
**SU Fanrong**  
*Chairman*

Hong Kong, 29 May 2026

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## NOTICE OF GENERAL MEETING

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*Notes:*

1. Any shareholder entitled to attend and vote at the GM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. Any shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the GM. A proxy need not be a shareholder of the Company. To be valid, the proxy form, together with a power of attorney or other authority, if any, under which it is signed or notarially certified copy thereof must be lodged at the Company's share registrar, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, or via the designated URL (<https://evoting.vistra.com/>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for holding the GM (i.e. Saturday, 27 June 2026 at 10:20 a.m.) or any adjournment thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the GM.
2. Where there are joint holders of any shares, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the GM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
3. The register of members of the Company will be closed from Wednesday, 24 June 2026 to Tuesday, 30 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the GM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 23 June 2026. The record date for determination of entitlements of the members of the Company to attend and vote at the GM will be on Tuesday, 30 June 2026.
4. **No corporate gifts** will be distributed to the shareholders or their proxies who attend the GM and **no refreshments or drinks** will be served.
5. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning signal is in effect at the time of the GM, the Company will post an announcement on the Company's website at [www.shougangcentury.com.hk](http://www.shougangcentury.com.hk) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) to notify shareholders of the date, time and place of the rescheduled general meeting.

Shareholders should make their own decision as to whether they would attend the GM under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.

6. As at the date of this notice, the Board comprises Mr. Su Fanrong (Chairman), Mr. Zhao Yue (Vice Chairman), Mr. Li Jinping (Managing Director), Mr. Yang Junlin (Deputy Managing Director), Ms. Chen Na (Executive Director), Ms. Xu Hongyan (Non-executive Director) (Mr. Sun Chao as her Alternate Director), Mr. Lam Yiu Kin (Independent Non-executive Director), Mr. Feng Yaoling (Independent Non-executive Director), Mr. Wang Jiaqiong (Independent Non-executive Director), Ms. Kang Yanan (Independent Non-executive Director) and Mr. Wang Xiaodong (Independent Non-executive Director).