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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 103)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The Board presents the unaudited consolidated interim results of the Group for the six months ended 30 June 2026 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2026

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

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***HK cents***	*HK cents*
			(Restated)
Earnings per share for the period	*10*		
- Basic		**1.95**	6.26
- Diluted		**1.95**	6.26

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**As at 30 June 2026 (Unaudited) *HK$'000***	As at 31 December 2025 (Audited) *HK$'000*
ASSETS			
Non-current assets			
Investment properties	*12*	**38,994**	38,207
Property, plant and equipment	*12*	**1,279,561**	1,172,429
Right-of-use assets		**1,824**	2,780
Land use rights		**120,414**	117,637
Intangible assets		**7,635**	3,332
Interest in a joint venture		**667**	1,926
Prepayments and deposits		**82,631**	41,073
Deferred income tax assets		**27,862**	26,259
Total non-current assets		**1,559,588**	1,403,643
Current assets			
Inventories		**384,479**	393,632
Trade receivables	*13*	**749,606**	656,152
Bills receivables	*13*	**825,125**	678,792
Prepayments, deposits and other receivables		**50,262**	43,141
Income tax recoverable		**866**	-
Derivative financial instruments		**3,342**	5,937
Pledged bank deposits		**40,723**	33,959
Bank balances and cash		**500,399**	570,361
Total current assets		**2,554,802**	2,381,974
Total assets		**4,114,390**	3,785,617
LIABILITIES			
Non-current liabilities			
Other payables		**50**	58
Lease liabilities		**87**	948
Deferred income		**5,597**	5,536
Deferred income tax liabilities		**35,520**	33,512
Total non-current liabilities		**41,254**	40,054
Current liabilities			
Trade and bills payables	*14*	**1,063,273**	880,266
Other payables and accruals	*15*	**306,488**	198,631
Current income tax liabilities		**1,463**	3,116
Bank borrowings	*16*	**729,214**	706,161
Lease liabilities		**1,877**	2,012
Loan from a related company		**23,027**	18,379
Amounts due to related companies		**735**	1,060
Total current liabilities		**2,126,077**	1,809,625
Total liabilities		**2,167,331**	1,849,679
EQUITY			
Share capital	*17*	**1,490,221**	1,490,221
Reserves		**456,838**	445,717
Total equity		**1,947,059**	1,935,938
Total equity and liabilities		**4,114,390**	3,785,617

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

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

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

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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

This condensed consolidated financial information has not been audited.

2. BASIS OF PREPARATION

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

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

3. ACCOUNTING POLICIES

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

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

Application of amendments to HKFRS Accounting Standards

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

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

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

4. SEGMENT INFORMATION

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

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

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

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

5. REVENUE AND OTHER INCOME

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

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

6. OTHER (LOSSES) / GAINS, NET

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

7. PROFIT BEFORE INCOME TAX

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

8. FINANCE INCOME / (COSTS), NET

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

9. INCOME TAX EXPENSE

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

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

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

The applicable CIT tax rate for Jiaxing Eastern Steel Cord Co., Ltd. and Tengzhou Eastern Steel Cord Co., Ltd. was 15%, as they are qualified as High and New Technology Enterprise.

10. EARNINGS PER SHARE

Basic earnings per share

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

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

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

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

11. DIVIDENDS

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

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

12. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

(a) Investment properties

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

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

(b) Property, plant and equipment

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

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

13. TRADE RECEIVABLES AND BILLS RECEIVABLES

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

(a) Trade receivables

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

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

(b) Bills receivables

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

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

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

(c) Provision for impairment losses on trade receivables

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

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

14. TRADE AND BILLS PAYABLES

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

(a) Trade payables

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

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

(b) Bills payables

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

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

15. OTHER PAYABLES AND ACCRUALS

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

16. BANK BORROWINGS

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

The Group's bank borrowings were repayable as follows:

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

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

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

17. SHARE CAPITAL

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

Notes:

(a) During the six months ended 30 June 2025, the Company issued approximately 325,082,000 ordinary shares, for a consideration of HK$0.455 per share. HK$145,876,000 is received after deducted all the related expenses. The aforesaid ordinary shares were issued on 25 June 2025 to the existing shareholders, on the basis of three rights shares for every twenty ordinary shares currently held on 28 May 2025.

(b) On 3 November 2025, the shareholders of the Company have approved a share consolidation on the basis of every five shares into one consolidated share and become effective on 5 November 2025.

(c) During the six months ended 30 June 2026, the Company repurchased 1,875,000 ordinary shares for approximately HK$4,667,000. As at 30 June 2026, the Company held 16,703,000 shares as treasury shares (31 December 2025: 14,828,000 shares).

18. CAPITAL COMMITMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

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

BUSINESS REVIEW

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

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

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

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

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

FINANCIAL REVIEW

Revenue

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

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

Gross profit

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

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

Other (losses) / gains, net

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

Selling and distribution expenses

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

Administrative expenses

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

Research and development expenses

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

TREASURY AND FUNDING POLICIES

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

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

SHARE CAPITAL, LIQUIDITY AND FINANCIAL RESOURCES

Share capital and net asset value

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

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

Bank balances and cash and interest-bearing borrowings

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

Debt and liquidity ratios

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

FOREIGN CURRENCY AND INTEREST RATE EXPOSURES

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

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

CAPITAL COMMITMENTS

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

BUSINESS DEVELOPMENT PLAN

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

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

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

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

EMPLOYEES, REMUNERATION POLICIES AND TRAINING SCHEMES OF THE GROUP

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

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

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

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

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

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

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

BUSINESS OUTLOOK

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

- To continue the construction of our production lines at TESC to facilitate the expansion plan of an additional 100,000 tonnes of steel cords production capacity;

- To further reduce our cost of production by streamlining our manufacturing process and increasing automation;

- By taking into consideration the Chinese government's regulations on energy conservation and emission reduction, the constant increase in output of electric cars drives demand for their accessorial tyres, which will in turn expedite the market expansion of steel cords for domestic radial tyres and bring a more ample room for development to steel cord industry in the long term;

- To reduce carbon emissions through reduction of energy consumption, application of clean energy, research and development on low-carbon products, the application of new technologies and new equipment and so on, the Group can achieve the green, low-carbon and sustainable corporate development and fulfil social responsibilities; and

- To explore new business growth opportunities, particularly the innovative applications of the Group's products in robotic dexterous hands and tendon-driven mechanisms for robotic bodies.

INTERIM DIVIDEND

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

AUDIT COMMITTEE

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

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

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

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

CORPORATE GOVERNANCE CODE

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

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

APPRECIATION

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

DEFINITIONS

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

"Board"	the board of Directors
"Code"	the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange
"Company"/ "Shougang Century"	Shougang Century Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"EUR"	Euros, the lawful currency of the participating states within the European Union
"Group"	the Company and its subsidiaries
"HKD"/ "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Internal Control Manual"	an internal management and control manual of the Company adopted in 1999 and revised from time to time thereafter
"JESC"	Jiaxing Eastern Steel Cord Co., Ltd., a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
"PRC"	the People's Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SCHL Corporate Governance Code"	Shougang Century Holdings Limited's Code on Corporate Governance (revised from time to time)
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	holder(s) of the Share(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TESC"	Tengzhou Eastern Steel Cord Co., Ltd., a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
"Treasury Shares"	has the meaning ascribed to it under the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time
"U.S."	The United States of America
"USD" / "US$"	United States dollars, the lawful currency of the U.S.

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

Hong Kong, 14 August 2026

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

Mr. Su Fanrong (Chairman), Mr. Zhao Yue (Vice Chairman), Mr. Li Jinping (Managing Director), Mr. Yang Junlin (Deputy Managing Director), 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).

This interim results announcement is published on the websites of the Company at http://www.irasia.com/listco/hk/shougangcentury/ and the Stock Exchange at http://www.hkexnews.hk. The 2026 Interim Report will be despatched to Shareholders and made available on the above websites in due course.