首惠产融

首 惠 產 業 金 融 服 務 集 團 有 限 公 司*

CAPITAL INDUSTRIAL FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 730)

(1) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE EMC MASTER PROCUREMENT AGREEMENT; AND (2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE STEEL MASTER PROCUREMENT AGREEMENT

THE EMC MASTER PROCUREMENT AGREEMENT

The Board is pleased to announce that on 19 September 2025 (after trading hours of the Stock Exchange), the Company and Shougang have entered into an EMC Master Procurement Agreement for a term of three years commencing from the Effective Date of the EMC Master Procurement Agreement, pursuant to which the Group has agreed to supply and Shougang Group has agreed to purchase the EMC Products in accordance with the terms and conditions of the EMC Master Procurement Agreement.

THE STEEL MASTER PROCUREMENT AGREEMENT

The Board is also pleased to announce that 19 September 2025 (after trading hours of the Stock Exchange), the Company and Shougang have entered into a Steel Master Procurement Agreement for a term of three years commencing from the Effective Date of the Steel Master Procurement Agreement, pursuant to which the Group has agreed to purchase and Shougang Group has agreed to supply the Steel Products in accordance to the terms and conditions of the Steel Master Procurement Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shougang (which through its wholly owned subsidiaries, held 2,425,736,972 shares of the Company, representing approximately 61.35% of the issued share capital of the Company as at the date of this announcement), is the controlling shareholder of the Company under the Listing Rules, and hence is a connected person of the Company under the Listing Rules.

Given that the EMC Master Procurement Agreement and Steel Master Procurement Agreement entered into between the Company and Shougang are of a similar procurement nature, the transactions under the EMC Master Procurement Agreement and Steel Master Purchase Agreement shall be aggregated. As one or more of the applicable percentage ratios (within the meaning of the Listing Rules) in respect thereof are more than 5% and the maximum aggregate annual consideration payable under the EMC Master Procurement Agreement and Steel Master Procurement Agreement is more than HK$10,000,000, the transactions contemplated under the EMC Master Procurement Agreement and Steel Master Procurement Agreement constitute continuing connected transactions of the Company, which shall be subject to the reporting, annual review and announcement requirements, as well as the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) will be formed to advise the Independent Shareholders on the terms of and the transactions contemplated under (i) the EMC Master Procurement Agreement; and (ii) the Steel Master Procurement Agreement. The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the same in accordance with the Listing Rules.

CIRCULAR

The Company will convene a special general meeting for the Independent Shareholders to consider and, if thought fit, approve (i) the EMC Master Procurement Agreement and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement and the transactions contemplated thereunder, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser containing their advice on the same will be despatched to the Shareholders in compliance with the Listing Rules on or before 14 October 2025.

1. THE EMC MASTER PROCUREMENT AGREEMENT

Background

In view of the national dual-carbon target and the policy guidelines of "Guiding Opinions on Further Strengthening Financial Support for Green and Low-Carbon Development"《(關於進一步強化金融支持綠色低碳發展的指導意見》*) jointly issued by the People's Bank of China and the relevant regulatory authorities in the PRC, and in order to achieve the strategic objectives of energy conservation and emission reduction, quality enhancement and efficiency improvement as set out by the PRC government, the production enterprises under Shougang Group anticipate a huge demand for "Energy Management and Energy Conservation and Technological Renovation" (EMC) engineering works to be carried out by PRC enterprises in the near future.

Given that the Group has been engaging in, among others, the provision of finance lease to EMC engineering companies in the PRC (details of which are set out in the Company's circular dated 9 October 2024), leveraging the good relationship and business network built by the Group with various EMC engineering companies and raw materials suppliers, and with the view to align to the latest environmental policies set out by the PRC government, the Company believes it is advantageous to make good use of its resources and business and capture new business opportunities in supplying the EMC Products to Shougang Group for the EMC engineering projects initiated by Shougang Group. This will enable the Group to supply EMC Products for EMC engineering projects, support the initiatives of the Shougang Group, expand the Group's business scope, and generate additional revenue.

As disclosed in the Company's announcement dated 28 August 2025, the Company and Shougang Engineering (a subsidiary of Shougang) entered into an EMC master procurement agreement for a term of three years, pursuant to which Group has agreed to supply and Shougang Engineering has agreed to purchase the EMC-related equipment, accessories, raw materials or products to be used for the EMC engineering projects undertaken by Shougang Engineering. The above transaction was the first business cooperation between the Company and Shougang Group in relation to the trading of EMC Products. Upon discussion, the management of the Company and Shougang believes that there will be potential business opportunities and mutual benefits to be brought by the said business cooperation, and decided to strengthen the said business cooperation by execution of a EMC master procurement agreement which covers the trading between the Group and Shougang Group in respect of the EMC Products.

The EMC Master Procurement Agreement

The Board is pleased to announce that on 19 September 2025 (after trading hours of the Stock Exchange), the Company and Shougang have entered into an EMC Master Procurement Agreement for a term of three years commencing from the Effective Date of the EMC Master Procurement Agreement, pursuant to which the Group has agreed to supply and Shougang Group has agreed to purchase the EMC Products by the terms and conditions of the EMC Master Procurement Agreement.

The principal terms of the EMC Master Procurement Agreement are set out as follows:

Date	:	19 September 2025 (after trading hours of the Stock Exchange)
Parties	:	(1) the Company; and
		(2) Shougang Group Co., Ltd.

Scope	:	The Group agreed to supply and Shougang Group agreed to purchase the EMC Products in accordance with the terms and conditions of the EMC Master Procurement Agreement and the specific purchase orders to be entered into between the Group and Shougang Group. The Group and Shougang Group may enter into individual agreements or orders to set out specific terms with respect to the supply and purchase of EMC Products under the EMC Master Procurement Agreement in accordance with the principal terms thereunder.
Term	:	The EMC Master Procurement Agreement has a term of three (3) years commencing on the Effective Date of the EMC Master Procurement Agreement.
Conditions Precedent:	:	The EMC Master Procurement Agreement is conditional upon the EMC Master Procurement Agreement, the Proposed Annual Caps of the EMC Master Procurement Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders at the special general meeting of the Company.

Pricing Policy

The price of the EMC Products supplied pursuant to the EMC Master Procurement Agreement will be determined after arm's length negotiation between the Company and Shougang on normal commercial terms from time to time. The Group will supply EMC Products to Shougang on an as-needed basis.

When determining and approving the price and terms of the transactions under the EMC Master Procurement Agreement, the Company will consider the following:

(i) the price of the EMC Products supplied will be determined on a "cost-plus" basis. On a "cost-plus" basis, based on the management's experience, the Company will determine the price of the EMC Products supplied based on the costs of the EMC Products plus a percentage mark-up of not less than 1%;

(ii) factors such as types of products required, the estimated delivery time, transportation costs, quality and quantity of products and any other factors affecting the products' price;

(iii) the Group would compare the price of the EMC Products supplied with the price paid by at least two other Independent Third Party customers to the Group for similar goods supplied, to ensure that the price payable by Shougang Group is at prevailing market price; and

(iv) the price of the EMC Products payable by Shougang Group to the Group shall not be lower than the price payable by other Independent Third Party customers to the Group for similar goods supplied.

The above pricing policy will be reviewed by the Directors (including the independent non-executive Directors) on an annual basis.

Internal Control Measures

The Group has adopted and implemented the following internal control procedures on the transactions contemplated under the EMC Master Procurement Agreement to ensure the terms and pricing basis thereof will be based on normal commercial terms, which are no less favourable to the Group than those of similar transactions with Independent Third Parties.

(i) the finance department of the Group will collect and summarise the transaction amounts, prepare the reports on an annual basis and submit the annual reports to the finance officer of the Company. The finance officer of the Company will review the annual reports and ensure that the transaction amounts incurred under the EMC Master Procurement Agreement and the anticipated transaction amounts will not exceed the Proposed Annual Caps of the EMC Master Procurement Agreement;

(ii) in the event that the anticipated transaction amounts are expected to exceed the Proposed Annual Caps of the EMC Master Procurement Agreement, the finance department of the Group will discuss with the management of the Company to consider the necessity to revise the Proposed Annual Caps of the EMC Master Procurement Agreement based on the estimated transaction amounts. Such revision will be subject to the approval of the Board and the Independent Shareholders (if necessary);

(iii) the supplying department of the Group will ensure that the terms, including but not limited to the price, brand, model and specification, payment and delivery terms, offered to Shougang Group will be no more favourable than those offered to other Independent Third Parties. In the event that the terms offered to Shougang Group are more favourable than those offered to other Independent Third Parties, the Group will have the right not to supply the EMC Products to Shougang Group;

(iv) the supplying department, sales department and finance department of the Group will conduct regular checks and assess whether the transactions contemplated under the EMC Master Procurement Agreement are conducted in accordance with the terms set out in the EMC Master Procurement Agreement;

(v) the Company's audit committee will conduct annual review on the transactions contemplated under the EMC Master Procurement Agreement and to report if the transaction amounts are within the Proposed Annual Caps of the EMC Master Procurement Agreement and whether the Group has complied with the terms and pricing basis of the EMC Master Procurement Agreement;

(vi) the independent non-executive Directors will conduct annual review in accordance with the Listing Rules on the transactions contemplated under the EMC Master Procurement Agreement to confirm if that the transactions have been conducted (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) in accordance to the terms of the EMC Master Procurement Agreement that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and

(vii) the Company will engage its auditors to report on the continuing connected transactions every year. The auditors of the Company will review and confirm in the annual report of the Company whether the transactions (i) have been approved by the Board; (ii) were entered into, in all material respects, in accordance with the EMC Master Procurement Agreement; and (iii) have not exceeded the Proposed Annual Caps of the EMC Master Procurement Agreement.

Historical Transactions

There are no historical transaction amounts between the Group and Shougang Group with respect to the supply and purchase of the EMC Products for EMC engineering purposes.

Proposed Annual Caps of the EMC Master Procurement Agreement

Pursuant to the EMC Master Procurement Agreement, the Group has agreed to supply EMC Products to Shougang Group based on the pricing policy stated above during the term of the EMC Master Procurement Agreement subject to the following Proposed Annual Caps of the EMC Master Procurement Agreement:

	From the Effective Date of the EMC Master Procurement Agreement to 31 December 2025	**For the Financial year ending 31 December 2026**	**For the Financial year ending 31 December 2027**	**From 1 January 2028 to the last day of the term of the EMC Master Procurement Agreement**
	RMB	*RMB*	*RMB*	*RMB*
Transaction amount	50,000,000	100,000,000	150,000,000	200,000,000

Basis for Determination of the Proposed Annual Caps of the EMC Master Procurement Agreement

The Proposed Annual Caps of the EMC Master Procurement Agreement have been determined by the Company by making reference to the following factors:

(i) the anticipated increase in demand from Shougang Group for the EMC Products for the three years commencing from the Effective Date, which is determined based on the purchase plan prepared by Shougang Group. The Company also anticipates an increase in transaction volume for the EMC Products for the three years commencing from the Effective Date;

(ii) the anticipated costs of the EMC Products for the three years commencing from the Effective Date of the EMC Master Procurement Agreement; and

(iii) the anticipated growth in demand for EMC Products in the EMC engineering market.

Reasons for and Benefits of the EMC Master Procurement Agreement

In view of the national dual-carbon target and the policy guidelines of "Guiding Opinions on Further Strengthening Financial Support for Green and Low-Carbon Development" (《關於進一步強化金融支持綠色低碳發展的指導意見》*) jointly issued by the People's Bank of China and the relevant regulatory authorities in the PRC, and in order to achieve the strategic objectives of energy conservation and emission reduction, quality enhancement and efficiency improvement as set out by the PRC government, the production enterprises under Shougang Group anticipate a huge demand for "Energy Management and Energy Conservation and Technological Renovation" (EMC) engineering works to be carried out by PRC enterprises in the near future.

Given that the Group has been engaging in, among others, the provision of finance lease to EMC engineering companies in the PRC (details of which are set out in the Company's circular dated 9 October 2024), leveraging the good relationship and business network built by the Group with various EMC engineering service providers and raw materials suppliers, and with the view to align to the latest environmental policies set out by the PRC government, the Company believes it is advantageous to make good use of its resources and business and capture new business opportunities in supplying the EMC Products for EMC engineering to Shougang Group for the EMC engineering projects initiated by Shougang Group. This will enable the Group to supply EMC Products for EMC engineering projects, support the initiatives of the Shougang Group, expand the Group's business scope, and generate additional revenue.

As disclosed in the Company's announcement dated 28 August 2025, the Company and Shougang Engineering (a subsidiary of Shougang) entered into an EMC master procurement agreement for a term of three years, pursuant to which Group has agreed to supply and Shougang Engineering has agreed to purchase the EMC-related equipment, accessories, raw materials or products to be used for the EMC engineering projects undertaken by Shougang Engineering. The above transaction was the first business cooperation between the Company and Shougang Group in relation to the trading of EMC Products. Upon discussion, the management of the Company and Shougang believes that there will be potential business opportunities and mutual benefits to be brought by the said business cooperation, and decided to strengthen the said business cooperation by execution of a EMC master procurement agreement which covers the trading between the Group and Shougang Group in respect of the EMC Products.

The Company decided to enter into the EMC Master Procurement Agreement due to the following reasons and benefits:

(i) The Group provides finance lease services to EMC engineering companies as part of its principal business activities. Accordingly, the Group has maintained a stable customer network with EMC engineering companies and also gained familiarity with their raw materials suppliers in relation to the EMC Products for various EMC engineering projects.

(ii) By utilising the Group's network and access to various suppliers for the EMC Products, the Group could purchase the EMC Products from those EMC raw materials suppliers and supply the EMC Products in relation to EMC engineering to various EMC engineering companies as an alternate stream of revenue. Driven by the PRC policies, the anticipated strong demand for the EMC Products from EMC engineering companies generates valuable business opportunities in the EMC engineering industry.

(iii) Since quite a number of Shougang Group companies are in need of EMC Products for carrying out EMC projects in compliance with the relevant government policy requirement, the entering into of the EMC Master Procurement Agreement enables the Group and Shougang Group to leverage each other's resources and expertise, fostering a stable and mutually beneficial partnership. By implementing the EMC Master Procurement Agreement, the Group may generate more revenue and create potential sales growth through the sale of EMC Products.

(iv) By maintaining a stable supply of EMC Products for Shougang Group, the Company may also be able to expand its scope of business and establish a sound reputation in the supply of EMC Products in the EMC engineering industry, which will, in turn, potentially attract more opportunities in generating income and trading profits with other customers. As such, the Directors believe that the EMC Master Procurement Agreement serves the interests of the Company and its shareholders as a whole.

(v) The Company and Shougang Group mutually agreed to promote a comprehensive cooperation partnership between both parties to achieve complementary advantages, mutual benefits, and a win-win outcome. Both parties will jointly cooperate in the sale of EMC Products for the EMC engineering industry.

Taking into consideration the reasons for and benefits of the EMC Master Procurement Agreement to the Company, the Board is of the view that the terms of the EMC Master Procurement Agreement, the transactions contemplated and the Proposed Annual Caps of the EMC Master Procurement Agreement are negotiated on arm's length basis, fair and reasonable, and the EMC Master Procurement Agreement, the transactions contemplated and the Proposed Annual Caps of the EMC Master Procurement Agreement are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole.

2. THE STEEL MASTER PROCUREMENT AGREEMENT

The Board is pleased to announce that on 19 September 2025 (after trading hours of the Stock Exchange), the Company and Shougang have entered into a Steel Master Procurement Agreement for a term of three years commencing from the Effective Date of the Steel Master Procurement Agreement, pursuant to which Shougang Group has agreed to supply and the Group has agreed to purchase the Steel Products in accordance with the terms and conditions of the Steel Master Procurement Agreement.

The Steel Master Procurement Agreement

The principal terms of the Steel Master Procurement Agreement are set out as follows:

Date	:	19 September 2025 (after trading hours of the Stock Exchange)
Parties	:	(1) the Company; and (2) Shougang Group Co., Ltd.
Scope	:	The Group agreed to purchase and Shougang Group agreed to supply the Steel Products in accordance with the terms and conditions of the Steel Master Procurement Agreement and the specific purchase orders to be entered into between the Group and Shougang Group. The Group and Shougang Group may enter into individual agreements or orders to set out specific terms with respect to the purchase of Steel Products under the Steel Master Procurement Agreement in accordance with the principal terms thereunder.
Term	:	The Steel Master Procurement Agreement has a term of three (3) years commencing on the Effective Date of the Steel Master Procurement Agreement.

Conditions Precedent : The Steel Master Procurement Agreement is conditional upon the Steel Master Procurement Agreement, the Proposed Annual Caps of the Steel Master Procurement Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders at the special general meeting of the Company.

Pricing Policy

The purchase price of the Steel Products will be determined with reference to the prevailing comparable market price after arm's length negotiation between the Group and Shougang Group from time to time. The Group will purchase Steel Products from Shougang Group on an as-needed basis.

When determining and approving the price and terms of the transactions under the Steel Master Procurement Agreement, the Company will consider the following:

(i) comparing the purchase price with quotations from not less than two Independent Suppliers that provide similar Steel Products and ensuring that the purchase price shall be no less favourable than the price offered by the Independent Suppliers supplying products of similar type and quality and shall not be higher than the prevailing market price to ensure that the purchase price payable by the Group represents the prevailing market price and is on normal commercial terms; and

(ii) factors such as types of products required, the estimated delivery time, transportation costs, quality and quantity of products and any other factors affecting the products' price.

The above pricing policy will be reviewed by the Directors (including the independent non-executive Directors) on an annual basis.

Internal Control Measures

The Group has adopted and implemented the following internal control procedures on the transactions contemplated under the Steel Master Procurement Agreement to ensure the terms and pricing basis thereof will be based on normal commercial terms which are no less favourable than those available from the Independent Third Parties.

(i) the finance department of the Group will collect and summarise the transaction amounts, prepare the reports on an annual basis and submit the annual reports to the finance officer of the Group. The finance officer of the Company will review the annual reports and ensure that the transaction amounts incurred under the Steel Master Procurement Agreement and the anticipated transaction amounts will not exceed the Proposed Annual Caps of the Steel Master Procurement Agreement;

(ii) in the event that the anticipated transaction amounts are expected to exceed the Proposed Annual Caps of the Steel Master Procurement Agreement, the finance department of the Group will discuss with its management to consider the necessity to revise the Proposed Annual Caps of the Steel Master Procurement Agreement based on the estimated transaction amounts. Such revision will be subject to the approval of the Board and the Independent Shareholders (if necessary);

(iii) the purchasing department of the Group will ensure the terms, including but not limited to the price, brand, model and specification, payment and delivery terms, offered by Group will be no less favourable than those offered by the Independent Third Parties to the Group. In the event that the terms offered by the Shougang Group are less favourable than those offered by the Independent Third Parties, the Group will have the right not to purchase the Steel Products from Shougang Group;

(iv) the purchasing department and finance department of the Group will conduct regular checks and assess whether the transactions contemplated under the Steel Master Procurement Agreement are conducted in accordance with the terms set out in the Steel Master Procurement Agreement;

(v) the Group's audit committee will conduct annual review on the transactions contemplated under the Steel Master Procurement Agreement and to report if the transaction amounts are within the Proposed Annual Caps of the Steel Master Procurement Agreement and whether the Group has complied with the terms and pricing basis of the Steel Master Procurement Agreement;

(vi) the independent non-executive Directors will conduct annual review in accordance with the Listing Rules on the transactions contemplated under the Steel Master Procurement Agreement to confirm if that the transactions have been conducted (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) in accordance to the terms of the Steel Master Procurement Agreement that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and

(vii) the Company will engage its auditors to report on the continuing connected transactions every year. The auditors of the Company will review and confirm in the annual report of the Company whether the transactions (i) have been approved by the Board; (ii) were entered into, in all material respects, in accordance with the Steel Master Procurement Agreement; and (iii) have not exceeded the Proposed Annual Caps of the Steel Master Procurement Agreement.

Historical Transactions

Based on the Group's annual report, the Group recorded purchase of steel products from Shougang Group of approximately RMB220 million for the year ended 31 December 2022. Save as the above, there are no historical transaction amounts between the Group and Shougang Group with respect to the purchase and supply of Steel Products.

Proposed Annual Caps of the Steel Master Procurement Agreement

Pursuant to the Steel Master Procurement Agreement, the Group has agreed to Procurement Steel Products from Shougang Group based on the pricing policy stated above during the term of the Steel Master Procurement Agreement subject to the following Proposed Annual Caps of the Steel Master Procurement Agreement:

	From the Effective Date of the Steel Master Procurement Agreement to 31 December 2025	**For the Financial year ending 31 December 2026**	**For the Financial year ending 31 December 2027**	**From 1 January 2028 to the last day of the term of the Steel Master Procurement Agreement**
	RMB	*RMB*	*RMB*	*RMB*
Transaction amount	40,000,000	200,000,000	200,000,000	200,000,000

Basis for Determination of the Proposed Annual Caps of the Steel Master Procurement Agreement

The Proposed Annual Caps of the Steel Master Procurement Agreement have been determined by the Company by making reference to, including but not limited to:

(i) the anticipated demand of the Group for the Steel Products for the three years commencing from the Effective Date of the Steel Master Procurement Agreement, which is determined based on the purchase plan prepared by the Group. Such purchase plan was made with reference to the estimated selling quantities of the Steel Products determined based on the estimated demand for the Steel Products from the potential customers;

(ii) the anticipated purchase price of the Steel Products for the three years ending commencing from the Effective Date of the Steel Master Procurement Agreement; and

(iii) the purchase price for similar Steel Products that the Group can procure from other Independent Third Parties in open market.

Reasons for and Benefits of the Steel Master Procurement Agreement

The Company decided to enter into the Steel Master Procurement Agreement due to the following reasons:

(i) the Group provides finance lease services to many steel trading operations. By utilising its resource advantages, the Group supplies Steel Products to its clients. The strong demand for Steel Products among its customers generates valuable business opportunities in the steel industry.

Since certain Shougang Group engages in the production and supply of Steel Products, the entering into of the Steel Master Procurement Agreement enables both parties to leverage on each other's resources, and expertise, fostering a stable and mutually beneficial partnership.

(ii) Shougang Group will assist the Group with gaining a stable supply of Steel Products for trading, thereby providing it with an opportunity to generate more income and trading profits. The Steel Master Procurement Agreement serves the interests of the Company and its shareholders as a whole;

(iii) the Group and Shougang Group mutually agreed to promote comprehensive cooperation partnership between both parties to achieve complementary advantages, mutual benefits and win-win outcome. Both parties will jointly cooperate in the development of businesses in the sale of Steel Products; and

(iv) the terms of the Steel Master Procurement Agreement are no less favourable to the Group than those offered by the Independent Third Parties.

Taking into consideration the reasons for and benefits of the Steel Master Procurement Agreement to the Group, the Board (other than the independent non-exclusive Directors who will provide their views after considering the opinion of the Independent Financial Adviser to approve the Steel Master Procurement Agreement, the transactions contemplated thereunder and the Proposed Annual Caps of the Steel Master Procurement Agreement) is of the view that the terms of the Steel Master Procurement Agreement, the transactions contemplated and the Proposed Annual Caps of the Steel Master Procurement Agreement are negotiated on arm's length basis, fair and reasonable, and the Steel Master Procurement Agreement, the transactions contemplated and the Proposed Annual Caps of the Steel Master Procurement Agreement are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of sale and leaseback arrangement services, supply chain management and financial technology services and property leasing services.

Shougang and the Shougang Group

Shougang is a company established in the PRC which is a state-owned enterprise wholly-owned by Beijing State-owned Capital Operation and Management Centre (北京國有資本運營管理有限公司*) which is in turn wholly-owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (北京市人民政府國有資產監督管理委員會*).

Shougang is one of the largest steel production enterprises in the PRC and is principally engaged in a wide range of business including steel and iron production, overseas business, property development, mining resources and other businesses. As at the date of this announcement, Shougang is interested in 2,425,736,972 shares of the Company, representing approximately 61.35% of the Company's total issued share capital as at the date of this announcement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shougang, which through its wholly owned subsidiaries, held 2,425,736,972 shares of the Company, representing approximately 61.35% of the issued share capital of the Company as at the date of this announcement, is the controlling shareholder of the Company under the Listing Rules, and hence is a connected person of the Company under the Listing Rules.

Given that the EMC Master Procurement Agreement and Steel Master Procurement Agreement entered into between the Company and Shougang are of a similar procurement nature, the transactions under the EMC Master Procurement Agreement and Steel Master Procurement Agreement shall be aggregated. As one or more of the applicable percentage ratios (within the meaning of the Listing Rules) in respect thereof are more than 5% and the maximum aggregate annual consideration payable under the EMC Master Procurement Agreement and Steel Master Purchase Agreement is more than HK$10,000,000, the transactions contemplated under the EMC Master Procurement Agreement and Steel Master Procurement Agreement constitute continuing connected transactions of the Company, which shall be subject to the reporting, annual review and announcement requirements, as well as the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) will be formed to advise the Independent Shareholders on the terms of and the transactions contemplated under (i) the EMC Master Procurement Agreement; and (ii) the Steel Master Procurement Agreement. The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the same in accordance with the Listing Rules.

CIRCULAR

The Company will convene a special general meeting for the Independent Shareholders to consider and, if thought fit, approve (i) the EMC Master Procurement Agreement and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement and the transactions contemplated thereunder, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser containing their advice on the same will be despatched to the Shareholders in compliance with the Listing Rules on or before 14 October 2025.

DEFINITIONS

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

"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"Company"	Capital Industrial Financial Services Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 730)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"continuing connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Effective Date of the EMC Master Procurement Agreement"	the date of which the EMC Master Procurement Agreement is approved by Independent Shareholders at the special general meeting of the Company
"Effective Date of the Steel Master Procurement Agreement"	the date of which the Steel Master Procurement Agreement is approved by Independent Shareholders at the special general meeting of the Company
"EMC"	Energy management, energy conservation and technological renovation works, with the objective to achieve the strategic objectives of energy conservation and emission reduction, quality enhancement and efficiency improvement as set out by the PRC government
"EMC Master Procurement Agreement"	the EMC master procurement agreement dated 19 September 2025 entered into between the Company and Shougang in relation to the supply and purchase of EMC Products
"EMC Products"	EMC-related equipment, accessories, raw materials or products to be used for EMC engineering businesses (to be agreed by the relevant parties in writing from time to time)
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Independent Board Committee"	the committee of the Board comprising all the independent non-executive Directors
"Independent Financial Adviser"	Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity 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 (i) the EMC Master Procurement Agreement and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement and the transactions contemplated thereunder
"Independent Shareholders"	the Shareholders who do not have a material interest in the EMC Master Procurement Agreement and/or the Steel Master Procurement Agreement and the transactions contemplated thereunder
"Independent Suppliers"	suppliers which are independent of and not connected with Shougang and its connected persons
"Independent Third Party(ies)"	independent third party(ies) who is/are independent of and not connected with the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macao Special Administrative Region of the People's Republic of China and Taiwan
"Proposed Annual Caps of the EMC Master Procurement Agreement"	the proposed annual caps for the annual amounts payable by the Group in the relevant financial periods for the transactions contemplated under the EMC Master Procurement Agreement
"Proposed Annual Caps of the Steel Master Procurement Agreement"	the proposed annual caps for the annual amounts payable by the Group in the relevant financial periods for the transactions contemplated under the Steel Master Procurement Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) with par value of HK$0.01 each in the share capital of the Company

"Shareholders"	holders of the issued Share(s)
"Shougang"	Shougang Group Co., Ltd. (首鋼集團有限公司*), a state-owned enterprise established in the PRC and the controlling shareholder of the Company, which through its wholly owned subsidiaries, held 2,425,736,972 Shares, representing approximately 61.35% of the issued share capital of the Company as at the date of this announcement
"Shougang Engineering"	Beijing Shougang International Engineering Technology Co., Ltd. (北京首鋼國際工程技術有限公司*), a limited company established in the PRC and a subsidiary of Shougang
"Shougang Group"	Shougang and its subsidiaries
"Steel Master Procurement Agreement"	the steel master procurement agreement dated 19 September 2025 entered into between the Company and Shougang in relation to the supply and purchase of Steel Products
"Steel Products"	steel products, including the raw materials of steel and its related products, to be agreed by the relevant parties in writing from time to time in relation to the Steel Master Purchase Agreement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By order of the Board
Capital Industrial Financial Services Group Limited
Sun Yajie
Chairman

Hong Kong, 19 September 2025

As at the date of this announcement, the Board comprises Ms. Sun Yajie (Chairman); Ms. Fu Yao (Managing Director); Mr. Tian Gang (Executive Director); Mr. Huang Donglin (Non-executive Director); Mr. Tam King Ching, Kenny (Independent Non-executive Director); Mr. Ng Man Fung, Walter (Independent Non-executive Director) and Ms. On Danita (Independent Non-executive Director).

For the purpose of this announcement, unless otherwise specified, the conversion of RMB into HK$ is based on the approximate exchange rate from RMB1.00 to HK$0.92. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

* *For identification purpose only*