
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Capital Industrial Financial Services Group Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee 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 or transferee.

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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)

MAJOR TRANSACTION
DISPOSAL OF ACCOUNTS RECEIVABLES

Capitalised terms used on this cover shall have the same meanings as those defined in this Circular, unless the context requires otherwise. A letter from the Board is set out on pages 4 to 9 of this Circular.

This Circular is despatched to the Shareholders for information purpose only, and written shareholder's approvals have been obtained in lieu of holding a general meeting of the Company pursuant to the Listing Rules.

* *For identification purposes only*

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Accounts Receivables”	Lease payment of RMB300 million (equivalent to approximately HK\$318.03 million) to be received by South China Leasing from its customers in relation to its 3C Products finance-leasing services
“Board”	the board of Directors of the Company
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong and in the PRC
“Company”	Capital Industrial Financial Services Group Limited* (首惠產業金融服務集團有限公司), 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)
“Completion”	completion of the Disposal Agreement in accordance with the terms and conditions of the Disposal Agreement
“Conditions Precedent”	the conditions precedent to Completion as set out in the sub-section headed “THE DISPOSAL AGREEMENT — Conditions Precedent” in this circular and each a “Condition Precedent”
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal Agreement”	the disposal agreement entered into between the Company and the Purchaser on 9 January 2025
“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
“Latest Practicable Date”	20 January 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proceeds”	a lump sum of no more than RMB300 million (equivalent to approximately HK\$318.03 million) to be provided by the Purchaser to South China Leasing under the Disposal Agreement
“Purchaser”	Sichuan Xinhuang Jiuhe Financial Leasing Co., Ltd* (四川鑫皇玖合融資租賃有限責任公司), a company incorporated in the PRC with limited liability, principally engaging in financial leasing services, factoring services, etc. in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“South China Leasing”	South China International Leasing Co., Ltd.* (南方國際租賃有限公司), a company established in the PRC and an indirect non-wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“3C Products”	3C products include computer, communication and consumer electronic products such as mobile phone, tablet, computer and smart watch
“%”	per cent

DEFINITIONS

For the purpose of this circular, unless otherwise specified, the conversion of RMB into HK\$ is based on the approximate exchange rate from RMB1.00 to HK\$1.0601. 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*

LETTER FROM THE BOARD



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)

Executive Directors:

Ms. Sun Yajie (*Chairman*)

Ms. Fu Yao (*Managing Director*)

Mr. Tian Gang

Registered office:

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

Non-executive Director:

Mr. Huang Donglin

*Head office and Principal place of
business in Hong Kong:*

Suite 803, 8/F

Harcourt House

39 Gloucester Road

Wanchai, Hong Kong

Independent Non-executive Directors:

Mr. Tam King Ching, Kenny

Mr. Ng Man Fung, Walter

Ms. On Danita

24 January 2025

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION DISPOSAL OF ACCOUNTS RECEIVABLES

1. INTRODUCTION

Reference is made to the announcement of the Company dated 9 January 2025 in respect of the major transaction under the Disposal Agreement entered into between South China Leasing and the Purchaser.

The purpose of this circular is to provide you with, among other things, (i) details in relation to the Disposal Agreement and the transactions contemplated thereunder; and (ii) other information required under the Listing Rules.

LETTER FROM THE BOARD

2. THE DISPOSAL AGREEMENT

The Board hereby announces that on 9 January 2025 (after trading hours), South China Leasing (an indirect non-wholly owned subsidiary of the Company) entered into the Disposal Agreement with the Purchaser, pursuant to which South China Leasing agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivables, at a consideration of no more than RMB300 million (equivalent to approximately HK\$318.03 million).

The salient terms of the Disposal Agreement are set out as follows:

Date

9 January 2025

Parties

- (1) South China International Leasing Co., Ltd.* (南方國際租賃有限公司), an indirect non-wholly owned subsidiary of the Company; and
- (2) Sichuan Xinhuang Jiuhe Financial Leasing Co., Ltd* (四川鑫皇玖合融資租賃有限責任公司)

To the best of the Directors' knowledge, information and belief upon making all reasonable enquiries, the Purchaser and its ultimate beneficial owners are all independent third parties of the Company and its connected persons (as defined under the Listing Rules).

The Accounts Receivables to be disposed of

South China Leasing agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivables at a consideration of no more than RMB300 million (equivalent to approximately HK\$318.03 million). The amount of the Accounts Receivables to be disposed of by South China Leasing to the Purchaser and the Proceeds from the disposal will be on a dollar-for-dollar basis. In other words, the discount rate applying to the book value of the Accounts Receivables for the provision of the Proceeds from the Purchaser is zero. The Accounts Receivables have maturity terms of one year and an interest rate of 10% per annum.

No recourse right is attached. If the debtor in respect of the Accounts Receivables fails to fully repay the relevant Accounts Receivables within the agreed time limit due to credit issues, the Purchaser has no recourse for a claim against South China Leasing in respect of the outstanding payment.

The consideration of Accounts Receivables for the provision of Proceeds

The amount of the Accounts Receivables to be disposed of by South China Leasing to the Purchaser and the amount of Proceeds to be provided to South China Leasing by the Purchaser will be on a dollar-for-dollar basis. In other words, the discount rate applying to the book value of the Accounts Receivables for the provision of the Proceeds from the Purchaser is zero.

LETTER FROM THE BOARD

The consideration of the Accounts Receivables payable under the Disposal Agreement was determined on arm's length negotiations between the Group and the Purchaser with reference to, among other things, the book value of the Accounts Receivables and the terms of the Disposal Agreement.

Transfer of the Accounts Receivables

Pursuant to the Disposal Agreement, the Purchaser shall receive the creditor's rights and benefits of the relevant Accounts Receivable and provide Proceeds to South China Leasing upon Completion. The Purchaser shall provide Proceeds to South China Leasing within 5 Business Days after receiving the transfer of the relevant Accounts Receivables from South China Leasing.

The obligation to comply with the relevant registration procedures as stipulated in the relevant PRC law is borne by the Purchaser upon Completion.

Nature of the Accounts Receivables to be disposed

The Accounts Receivables consist of the lease payment of RMB300 million (equivalent to approximately HK\$318.03 million) to be received by South China Leasing from its customers in relation to its 3C Products finance-leasing services.

Conditions Precedent

The Completion of the Disposal Agreement shall be conditional upon the following conditions being satisfied:

- (A) all necessary consents and approvals relating to the Disposal Agreement and its performance have been obtained by South China Leasing;
- (B) all necessary consents and approvals relating to the Disposal Agreement and its performance have been obtained by the Purchaser; and
- (C) shareholders' approval has been obtained by the Company to approve the Disposal Agreement pursuant to the requirement of the Listing Rules.

USE OF THE PROCEEDS

The Group intends to use the Proceeds received under the Disposal Agreement as the Group's general working capital.

FINANCIAL EFFECT OF THE DISPOSAL AGREEMENT

For accounting purposes, immediately after the transfer of the Accounts Receivables from South China Leasing to the Purchaser pursuant to the Disposal Agreement, the relevant Accounts Receivables will cease to be recognised as accounts receivables of South China Leasing.

LETTER FROM THE BOARD

Given the amount of the Accounts Receivables to be transferred by South China Leasing to the Purchaser and the amount of Proceeds provided to South China Leasing by the Purchaser will be on a dollar-for-dollar basis, assuming the Proceeds to be fully utilised, the Group will record an increase of cash of RMB300 million (equivalent to approximately HK\$318.03 million) and a decrease of accounts receivables of RMB300 million (equivalent to approximately HK\$318.03 million) respectively, and hence there will not be any gain or loss recognised in the Group's financial statement as a result of the Disposal Agreement and the transactions contemplated thereunder.

REASONS AND BENEFITS FOR ENTERING INTO THE DISPOSAL AGREEMENT

The Board believes that the Disposal Agreement and the transactions contemplated thereunder will help (i) revitalise the Group's assets; (ii) control its risk of accounts receivables; (iii) reduce its amount of accounts receivables so as to optimise its asset structure; and (iv) increase the Group's liquidity and improve its asset efficiency and financial condition, thereby optimising its financial statements.

The terms of the Disposal Agreement were agreed between the Group and the Purchaser after arm's length negotiation, with reference to the book value of the Accounts Receivables. As such, the Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal Agreement and the transactions contemplated thereunder are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

Information about the Company and South China Leasing

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 services, financial technology services and property leasing business.

South China Leasing is an indirect non-wholly owned subsidiary of the Company. South China Leasing principally engages in the provision of financial leasing in the PRC. The principal mode of finance lease offered by South China Leasing mainly includes direct leasing and sale and leaseback arrangements.

Information about the Purchaser

Sichuan Xinhuang Jiuhe Financial Leasing Co., Ltd* (四川鑫皇玖合融資租賃有限責任公司) is a company incorporated in the PRC with limited liability on 13 February 2015. The Purchaser is principally engaged in financial leasing services, factoring services, etc. in the PRC. To the best of the Directors' information, knowledge and belief having made all reasonable enquiries, the Purchaser is beneficially owned as to approximately 70% by Shenzhen Pengsheng Electromechanical Equipment Co., Ltd* (深圳市鵬晟機電設備有限公司) ("Shenzhen Pengsheng") and 30% by Wholewell Limited* (浩維有限公司) ("Wholewell"). Shenzhen Pengsheng and Wholewell are ultimately wholly owned by Sun Zhuqiu (孫鑄秋).

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Purchaser, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of the Purchaser who can exert influence on the transaction; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the transaction).

To the best of the Directors' knowledge, information and belief upon making all reasonable enquiries, the Purchaser and its ultimate beneficial owners are all independent third parties of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal Agreement and the transactions contemplated thereunder exceeds 25% but is less than 75%, the Disposal Agreement and the transactions contemplated thereunder constitute a major transaction and are subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

As no Shareholders have any material interest in the Disposal Agreement and the transactions contemplated thereunder, it is expected that no Shareholders will be required to abstain from voting at the general meeting of the Company, if required to be convened, in respect of the resolution to approve the Disposal Agreement and the transactions contemplated thereunder.

The Company has received written shareholders' approval, approving the Disposal Agreement and the transactions contemplated thereunder from Wheeling Holdings Limited, being a shareholder of the Company interested in 2,025,736,972 shares of the Company (representing approximately 51.18% of the entire issued share capital of the Company) as at the Latest Practicable Date. As a result, no general meeting is required to be convened for the approval of the Disposal Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

3. RECOMMENDATION

Having taken into account the reasons for and the benefits of entering into the Disposal Agreement and the transactions contemplated thereunder, as set out in this Letter from the Board above, the Board considers that the terms and conditions of the Disposal Agreement are on normal commercial terms and are fair and reasonable and that the entering of the Disposal Agreement is in the interests of the Company and the Shareholders as a whole.

Accordingly, if a general meeting were to be convened, the Board would recommend the Shareholders to vote in favour of the ordinary resolution to approve the Disposal Agreement and the transactions contemplated thereunder at such general meeting.

LETTER FROM THE BOARD

4. FURTHER INFORMATION

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

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

* *For identification purposes only*

1. FINANCIAL INFORMATION OF THE GROUP

The published audited consolidated financial statements of the Group for each of the three financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 and the six months ended 30 June 2024 are disclosed in the following documents, which can be accessed on both the websites of the HKEXnews (<http://www.hkexnews.hk>) and the Company (<http://www.capital-ifs.com>).

- (i) Annual report of the Company for the year ended 31 December 2021 (pages 130–270), which can be accessed via the link at:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0412/2022041200986.pdf>

- (ii) Annual report of the Company for the year ended 31 December 2022 (pages 132–274), which can be accessed via the link at:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0418/2023041800666.pdf>

- (iii) Annual report of the Company for the year ended 31 December 2023 (pages 133–274), which can be accessed via the link at:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0415/2024041501033.pdf>

- (iv) Interim report of the Company for the six months ended 30 June 2024 (pages 4–41), which can be accessed via the link at:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0906/2024090600209.pdf>

2. STATEMENT OF INDEBTEDNESS OF THE GROUP

Borrowings and lease liabilities

At the close of business on 30 November 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had no outstanding bank borrowings; the Group had lease liabilities of approximately HK\$5,487,000 certain of which were secured by the rental deposits and all of which were unguaranteed; and the Group had a loan from a related party of approximately HK\$15,976,000 which is unsecured.

Pledged of assets

At the close of business on 30 November 2024, the Group had no charge on its assets.

Debt securities

At the close of business on 30 November 2024, the Group had no debt securities.

Contingent liabilities

The Group did not have any material contingent liabilities as at the close of business on 30 November 2024.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and others payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding on 30 November 2024.

3. SUFFICIENCY OF WORKING CAPITAL

Taking into account the financial resources of the Group including the Group's internal resources, available banking and other borrowing facilities, in the absence of any unforeseen circumstances, the Directors are of the opinion that the Group will have sufficient working capital for the Group's requirements for at least the next 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL CHANGES

Reference is made to the profit warning announcement of the Company dated 14 August 2024 in relation to the expected decrease in the profit attributable to the Shareholders for the six months ended 30 June 2024. Reference is also made to the subsequent interim report of the Company for the same period dated 26 August 2024, in which the Company disclosed that the profit attributable to the Shareholders for the six months ended 30 June 2024 represented a year-on-year decrease of approximately 20%. As disclosed in the aforesaid announcement and interim report, the decrease in profits was mainly due to the increase in administrative staff cost and the decrease in fair value of investment properties.

Save as disclosed above, the Directors confirm that, as at the Latest Practicable Date, there was no material change in the financial or operation position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND OPERATION PROSPECTS OF THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of sale and leaseback arrangement services, financial services, property investment and management, supply chain management and financial technology services. Adhering to the philosophy of "building platforms, practicing internal skills, and providing services", the Group will explore its own growth potential and continue to strengthen the construction of its supply chain financial technology service platform. The

Group is fully committed to promoting supply chain financial technology services and financial leasing services, allowing the market to see the results of reform and transformation of the Group.

Looking ahead, under the policy environment and market environment of promoting financial innovation, the Group will continue to focus on high quality development, seize new opportunities offered by the digital economy, explore new paths for transformation and development, research and formulate long-term plans for business development, devote itself to expanding its services for the steel industry chain, strive to increase the Group's market capitalisation and achieve unprecedented economic benefits. The Group will strive to capitalise on the advantage of cross-border operation while actively exploring new models of innovative financial service business and taking advantage of Hong Kong's excellent geographical location and favorable financing environment as an international financial market. Through diverse financing tools (both domestic and overseas), the Group will strive to provide low cost funds and equity capital to the Group's customers and optimise their capital structure, and to achieve sustainable growth in its business scale and create greater business value for its customers and shareholders.

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 Group. 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

Interests of Directors and chief executives of the Company and its associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required 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 they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name of Directors and the chief executives of the Company	Capacity/ Nature of interest	Number of Shares/ Underlying Shares held (Note 1)	Approximate Percentage of the issued Shares (Note 2)
Tian Gang	Beneficial owner	1,685,000 (L)	0.04%

Notes:

- (1) The Letter “L” denotes the person’s long position in the Shares.
- (2) The percentage is calculated based on 3,957,702,703 listed Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) 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 they were taken or deemed to have under

such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests of Substantial Shareholders in Shares and Underlying Shares

As at the Latest Practicable Date, so far as is known to any Directors or chief executive of the Company, the persons (other than a Director or chief executive of the Company) who (a) had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (b) had interest of 5% or more of the issued capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	Capacity/ Nature of interest	Number of Shares/ Underlying Shares held (Note 1)	Approximate Percentage of the issued Shares (Note 2)
Shougang Group Co., Ltd. (“ Shougang Group ”) (Note 3)	Interests of controlled corporations	2,425,736,972 (L)	61.29%
Wheeling Holdings Limited (“ Wheeling Holdings ”) (Note 3)	Beneficial owner	2,025,736,972 (L)	51.18%
Beijing Shougang Fund., Ltd.* (北京首 鋼基金有限公司) (“ Shougang Fund ”) (Note 3)	Interests of controlled corporations	400,000,000 (L)	10.11%
Jingxi Holdings Limited* (京西控股 有限公司)(“ Jingxi Holdings ”) (Note 3)	Beneficial owner	400,000,000 (L)	10.11%
Yip Wang Ngai (Note 4)	Interests of controlled corporations	213,600,000 (L)	5.40%
HY Holdings Limited (“ HY Holdings ”) (Note 4)	Beneficial owner	213,600,000 (L)	5.40%

Name of Shareholder	Capacity/ Nature of interest	Number of Shares/ Underlying Shares held (Note 1)	Approximate Percentage of the issued Shares (Note 2)
Mak Siu Hang Viola (Note 5)	Interests of controlled corporations	254,413,000 (L)	6.43%
VMS Investment Group Limited* (鼎珮投資集團有限公司) (“ VMS Investment ”) (Note 5)	Beneficial owner	254,413,000 (L)	6.43%

Notes:

- (1) The Letter “L” denotes the person’s long position in the Shares.
- (2) The percentage is calculated based on 3,957,702,703 listed Shares in issue as at the Latest Practicable Date.
- (3) Shougang Group indicated in its disclosure form dated 29 February 2024 (being the latest disclosure form filed up to the Latest Practicable Date) that as at 29 February 2024, its interest in the Company was held by Wheeling Holdings and Shougang Fund respectively, wholly owned subsidiaries of Shougang Group. Wheeling has direct interest of the Company, and Shougang Fund’s interest in the Company was the Shares held by Jingxi Holdings, a wholly-owned subsidiary of Shougang Fund.
- (4) Mr. Yip Wang Ngai indicated in his disclosure form dated 1 August 2019 (being the latest disclosure form filed up to the Latest Practicable Date) that as at 30 July 2019, his interest in the Company was held by HY Holdings which in turn was held as to 80% by Mr. Yip Wang Ngai.
- (5) Ms. Mak Siu Hang Viola indicated in her disclosure form dated 20 January 2021 (being the latest disclosure form filed up to the Latest Practicable Date) that as at 20 January 2021, her interest in the Company was held by VMS Investment which in turn was held as to 100% by Ms. Mak Siu Hang Viola.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any other persons (other than the Directors and chief executives of the Company) who (a) had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (b) had interests of 5% or more of the issued capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or claim of material importance and there is no litigation or claim of material importance known to the Directors pending or threatened by or against any member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing or proposed service contract between any of the Directors and any member of the Group other than service contracts that are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTOR'S INTERESTS IN ASSETS AND CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors was materially interested, whether directly or indirectly, in any subsisting contract or arrangement which is significant in relation to the business of the Group and no Director was interested in any assets which have been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2023 (being the date of which the latest published audited financial statements of the Group were made up).

6. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, so far as is known to the Directors, none of the Directors and their associates (as if each of them were treated as a Controlling Shareholder under Rule 8.10 of the Listing Rules) had any competing interests in any business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group.

7. MATERIAL ADVERSE CHANGES

Reference is made to the profit warning announcement of the Company dated 14 August 2024 in relation to the expected decrease in the profit attributable to the Shareholders for the six months ended 30 June 2024. Reference is also made to the subsequent interim report of the Company for the same period dated 26 August 2024, in which the Company disclosed that the profit attributable to the Shareholders for the six months ended 30 June 2024 represented a year-on-year decrease of approximately 20%. As disclosed in the aforesaid announcement and interim report, the decrease in profits was mainly due to the increase in administrative staff cost and the decrease in fair value of investment properties.

Save as disclosed above, the Directors confirm that, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

8. MATERIAL CONTRACTS

As at the Latest Practicable Date, no material contract (not being a contract entered into in the ordinary course of business) has been entered into by any members of the Group within the two years immediately preceding the date of this circular and up to and including the Latest Practicable Date of this circular.

9. GENERAL

- (a) The registered office of the Company is situated at Victoria Place, 5th Floor, 31 Victoria Street Hamilton HM 10, Bermuda.
- (b) The principal place of business in Hong Kong is situated at Suite 803, 8/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.
- (c) The Hong Kong share registrar and transfer office of the Company is Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Mr. Leung Tze Wai. Mr. Leung holds a Bachelor Degree of Commerce (Accounting) from the University of Adelaide, Australia. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of the CPA Australia. Mr. Leung has over 10 years' experience in the auditing, accounting and financial sectors.
- (e) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

10. DOCUMENT ON DISPLAY

A copy of the Disposal Agreement will be published and displayed on the website of the HKEXnews (<http://www.hkexnews.hk>) and on the website of the Company (www.capital-ifs.com) for a period of 14 days from the date of this circular (both days inclusive).

** For identification purposes only*