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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)

REVISION OF ANNUAL CAPS OF VERY SUBSTANTIAL ACQUISITION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2024 MASTER FACILITIES AGREEMENT

References are made to the announcement of the Company dated 29 August 2024 as well as the circular of the Company dated 9 October 2024 in relation to the 2024 Master Facilities Agreement, pursuant to which the Company has conditionally agreed to provide or procure its subsidiaries to provide the 2024 Facilities to Shougang Group in an aggregate principal amount of up to RMB2,000,000,000 (equivalent to approximately HK$2,151,000,000).

The 2024 Facilities include 2024 Credit Finance Facilities and 2024 Finance Leasing Facilities, with a principal amount of RMB600,000,000 and RMB1,400,000,000 respectively. Nevertheless, the actual demand for the 2024 Credit Finance Facilities under the 2024 Master Facilities Agreement is expected to exceed the original expectations, which will result in a corresponding increase in the total amount of expected 2024 Credit Finance Facilities under such agreement. As such, the aggregate amount of 2024 Credit Finance Facilities to Shougang Group under the 2024 Master Facilities Agreement is expected to be higher than the level envisaged at the time when the parties entered into the 2024 Master Facilities Agreement.

In this regard, on 25 July 2025, the Company and Shougang entered into the Supplemental Master Facilities Agreement, pursuant to which the Company and Shougang agreed to increase the principal amount of 2024 Credit Finance Facilities from RMB600,000,000 to RMB1,800,000,000. As such, the Board expects that the 2024 Master Facilities Annual Caps may not be sufficient. Therefore, the Board proposed to increase the aggregate annual caps of the transactions contemplated under the 2024 Master Facilities Agreement i.e., the maximum outstanding balance in respect of the actual amount of 2024 Facilities utilised (which includes the principal amount of the 2024 Facilities, relevant interest and handling fees) from RMB2,262,000,000 to RMB2,543,000,000.

LISTING RULES IMPLICATION

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. Accordingly, the transactions contemplated under the Supplemental Master Facilities Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

On the other hand, the transactions contemplated under the 2024 Master Facilities Agreement (as revised by the Supplemental Master Facilities Agreement) will be recognised as acquisition of assets. As such, the transactions contemplated under the 2024 Master Facilities Agreement (as revised by the Supplemental Master Facilities Agreement) constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the 2024 Master Facilities Agreement (as revised by the Supplemental Master Facilities Agreement) exceed 100%, the 2024 Master Facilities Agreement (as revised by the Supplemental Master Facilities Agreement) and the transactions contemplated thereunder constitute continuing connected transactions and very substantial acquisitions of the Company and are therefore subject to the requirements of reporting, announcement, circular, annual review and the Independent Shareholders' approval under Chapter 14A of the Listing Rules and the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will convene an SGM to consider and, if appropriate, approve the Supplemental Master Facilities Agreement and the transactions contemplated thereunder.

A circular containing, among others, the details of the Supplemental Master Facilities Agreement, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser, both advising on the Supplemental Master Facilities Agreement and the Revised Facilities Annual Caps, is expected to be dispatched to the Shareholders in compliance with the Listing Rules on or before 15 August 2025.

INTRODUCTION

References are made to the announcement of the Company dated 29 August 2024 as well as the circular of the Company dated 9 October 2024 in relation to the 2024 Master Facilities Agreement, pursuant to which the Company has conditionally agreed to provide or procure its subsidiaries to provide the 2024 Facilities to Shougang Group in an aggregate principal amount of up to RMB2,000,000,000 (equivalent to approximately HK$2,151,000,000).

The 2024 Facilities include 2024 Credit Finance Facilities and 2024 Finance Leasing Facilities, with a principal amount of RMB600,000,000 and RMB1,400,000,000 respectively. Nevertheless, the actual demand for the 2024 Credit Finance Facilities under the 2024 Master Facilities Agreement is expected to exceed the original expectations, which will result in a corresponding increase in the total amount of expected 2024 Credit Finance Facilities by Shougang Group under such agreement. As such, the aggregate amount of 2024 Credit Finance Facilities to Shougang Group under the 2024 Master Facilities Agreement is expected to be higher than the level envisaged at the time when the parties entered into the 2024 Master Facilities Agreement.

In this regard, on 25 July 2025, the Company and Shougang entered into the Supplemental Master Facilities Agreement, pursuant to which the Company and Shougang agreed to increase the principal amount of 2024 Credit Finance Facilities from RMB600,000,000 to RMB1,800,000,000. As such, the Board expects that the 2024 Master Facilities Annual Caps may not be sufficient. Therefore, the Board proposed to increase the aggregate annual caps of the transactions contemplated under the 2024 Master Facilities Agreement i.e., the maximum outstanding balance in respect of the actual amount of 2024 Facilities utilised (which includes the principal amount of the 2024 Facilities, relevant interest and handling fees) from RMB2,262,000,000 to RMB2,543,000,000.

THE SUPPLEMENTAL MASTER FACILITIES AGREEMENT

The principal terms of the Supplemental Master Facilities Agreement are set out as follows:

Date:	25 July 2025 (after trading hours)
Parties:	(i) the Company; and (ii) Shougang; and
Subject matter of the Supplemental Master Facilities Agreement:	Pursuant to the Supplemental Master Facilities Agreement, Shougang agreed to revise and increase the principal amount of the 2024 Credit Finance Master Facilities from RMB600,000,000 to RMB1,800,000,000. The 2024 Facilities shall be revised and increased from RMB2,000,000,000 to RMB3,200,000,000.

Accordingly, the aggregate annual caps of the transactions contemplated under the 2024 Master Facilities Agreement shall be increased from RMB2,262,000,000 to RMB2,543,000,000 which includes the principal amount of the 2024 Facilities, relevant interest and handling fees.

Save for the above revision, all other terms and conditions under the 2024 Master Facilities Agreement shall remain unchanged.

Conditions precedent: The Supplemental Master Facilities Agreement is effective upon fulfilment of the following conditions precedent:

(i) approval(s) by the Board having been obtained for the Revised Facilities Annual Caps contemplated under the Supplemental Master Facilities Agreement; and

(ii) approval(s) by the Independent Shareholders having been obtained for the Revised Facilities Annual Caps contemplated under the Supplemental Master Facilities Agreement.

(A) Major terms of the 2024 Finance Leasing Facilities:

2024 Finance Leasing Facilities amount : The finance lease facilities amount under each finance lease shall be the purchase price of the lease items, subject to such amount shall not exceed the unutilised portion of the 2024 Finance Leasing Facilities.

The purchase price of the lease items will be determined upon arm's length negotiations between the leasing parties with reference to lessor's purchase cost of the relevant equipment/asset items and the prevailing market price for such equipment/asset based on the relevant valuation report (if applicable).

Lease items : The lease items will be equipment and/or properties to be used by Shougang and/or its subsidiaries in their ordinary course of business. There is no other limitation or restriction on the type of equipment/properties to be included as a lease item as long as the leasing of such equipment/properties is in compliance with the applicable laws and regulations. The Group will assess the lease items on a case-by-case basis before granting each of the finance lease loan.

Term of each 2024 Finance Leasing Facilities	:	The duration of each loan will be negotiated on a case by-case basis and term of each finance lease loan will not have a term of longer than six (6) years from the date of the grant of the relevant loan. To ensure the compliance of the Listing Rules, it is agreed that if the Company fails to renew the 2024 Master Facilities Agreement after the last day of its Effective Date, the Group has the rights to terminate the relevant finance lease loan and demand Shougang Group for full repayment of the outstanding loan within 14 days upon written notice.
Interest rate	:	The interest rate payable by the relevant lessee shall be at a rate equal to the cost of lending of the Group plus 1% to 5%, subject to not being more than 10%.
Payment date of the lease and interest	:	Unless otherwise agreed, payment under each finance lease and the interest accrued shall be on a quarterly basis on the 21st day of March, June, September and December.
Security deposit	:	The Group shall be entitled to a security deposit to secure the payment obligations of the relevant lessee under a finance lease, the amount and payment arrangement of which will be determined in accordance with the circumstances of each case and set out in the specific agreement to be entered into by the Group and Shougang and/or its subsidiaries for each finance lease. If the relevant lessee breaches the finance lease, the Group shall be entitled to deduct from the security deposit such sum(s) payable to the Group, and within 3 business days of such deduction, the relevant lessee shall top up the required security deposit. The security deposit shall only be returned without interest by the Group when the lease items are duly returned to the Group and there has been no outstanding sums under the finance lease.

Handling fee	:	The Group shall be entitled to charge the relevant lessee for each finance lease a non-refundable handling fee of not more than 3.75% of the principal amount of the finance lease. Such handling fee shall be payable on the date of the drawdown of the fund. The handling fee is charged for the services provided by the Group in assessing the feasibility of conducting the relevant finance lease transactions. The handling fees and level of security deposits are determined by the Group on a case-by-case basis and will in any event determined with reference to the overall return of each project. Such rate is adjustable depending on various factors, including the level of services as provided by the Group and the risk exposures of the finance lease transactions.
Lessee's option to purchase	:	At the end of the finance lease, the relevant lessee will have the right to purchase the lease items at a nominal purchase price equal to 0.01% of the loan amount of the finance lease, which was based on the scale commonly used for end of term purchase by the lessee in the finance lease industry.

(B) Major terms of the 2024 Credit Finance Facilities:

2024 Credit Finance Facilities amount	:	The credit financing facilities amount shall be such amount requested by Shougang Group, subject to such amount shall not exceed the unutilised portion of the 2024 Credit Finance Facilities.
Term of each 2024 Credit Finance Facilities	:	The duration of each loan will be negotiated on a case-by-case basis and term of each credit financing loan will not have a term of longer than three (3) years from the date of the grant of the relevant loan. To ensure the compliance of the Listing Rules, it is agreed that if the Company fails to renew the 2024 Master Facilities Agreement after the last day of its Effective Date, the Group has the rights to terminate the relevant credit financing loan and demand Shougang Group for full repayment of the outstanding loan within 14 days upon written notice.
Interest rate	:	The interest rate payable by the relevant borrower shall be at a rate equal to the cost of lending of the Group plus 1% to 5%, subject to not being more than 10%.

Repayment date of the credit financing and interest	:	Unless otherwise agreed, the outstanding principal of the credit financing shall be repayable at the expiry of the term of the credit financing and the interest accrued shall be paid on a quarterly basis on the 21st day of March, June, September and December.
Handling fee	:	The Group shall be entitled to charge the relevant borrower a non-refundable handling fee of not more than 1.5% of the principal amount of the credit financing. Such handling fee is negotiated on a case-by-case basis by reference to the handling fee charged by other finance companies for credit financing of similar nature. Such fee shall be payable at least five business days before the drawdown of the credit financing.

HISTORICAL TRANSACTION AMOUNTS

The historical transaction amounts under the 2024 Master Facilities Agreement and utilisation of the 2024 Master Facilities Annual Caps under the 2024 Master Facilities Agreement are set out as follows:

	Aggregate principal utilised during the year ended 31 December 2024	**Maximum outstanding balance during the year ended 31 December 2024**	**Aggregate principal utilised for the period from 1 January 2025 to 31 May 2025**	**Max outstanding balance during the period from 1 January 2025 to 31 May 2025**
	RMB'million	*RMB'million*	*RMB'million*	*RMB'million*
2024 Credit Finance Facilities annual caps	600	669	600	669
Actual amount of 2024 Credit Finance Facilities utilised	500	514	600	458*(Note)*

Note: The maximum outstanding balance in 2025 was smaller than the principal utilised in 2025 because the Credit Finance Facilities granted were non-revolving in nature, and hence the repaid principal in 2024 was no longer included in the maximum outstanding balance in 2025.

REVISION OF 2024 MASTER FACILITIES ANNUAL CAPS

As a result of the revision of the 2024 Credit Finance Facilities pursuant to the Supplemental Master Services Agreement, set out below are the revision of 2024 Master Facilities Annual Caps for the years ending 31 December 2025 and 2026 and from 1 January 2027 to the last date of the Effective Date of the 2024 Master Facilities Agreement:

For the financial year/ period ending	Credit finance annual caps		Finance leasing annual caps	Aggregate (credit finance and finance leasing) facilities/ Annual caps	
	2024 Master Facilities Annual Caps *(RMB)*	**Revised Facilities Annual Caps** *(RMB)*	**2024 Master Facilities Annual Caps** *(RMB)*	**2024 Master Facilities Annual Caps** *(RMB)*	**Revised Facilities Annual Caps** *(RMB)*
For the year ending 31 December 2025	669,000,000	950,000,000	1,593,000,000	2,262,000,000	2,543,000,000
For the year ending 31 December 2026	669,000,000	950,000,000	1,593,000,000	2,262,000,000	2,543,000,000
From 1 January 2027 to the last date of the Effective Date of the 2024 Master Facilities Agreement	669,000,000	950,000,000	1,593,000,000	2,262,000,000	2,543,000,000

BASIS OF DETERMINATION OF THE REVISED FACILITIES ANNUAL CAPS

The Revised Facilities Annual Caps under the Supplemental Master Facilities Agreement are determined after taking into account the following factors:

(i) The historical transaction amounts under the 2024 Master Facilities Agreement and utilisation of the 2024 Master Facilities Annual Caps under the 2024 Master Facilities Agreement;

(ii) the increase in expected demand for 2024 Credit Finance Facilities by Shougang Group. Based on the updated information provided by Shougang Group, it is expected that the Shougang Group would have the following financing needs which would require new credit finance facilities to be granted by the Group for the remaining term of the 2024 Master Facilities Agreement:

For the financial year/period ended	Expected demand on new credit finance facilities from Shougang Group (Approximate)
From 1 June 2025 to 31 December 2025	RMB210 million
31 December 2026	RMB700 million
31 December 2027	RMB300 million
Total:	RMB1,210 million

As such, the actual demand for the 2024 Credit Finance Facilities under the 2024 Master Facilities Agreement is expected to exceed the original expectations, which will result in a corresponding increase in the total amount of expected 2024 Credit Finance Facilities payable by the Company to Shougang Group under such agreement. For the year ended 31 December 2024, the historical transaction amount under the 2024 Credit Finance Facilities as of 31 December 2024 was approximately RMB500 million, which represented approximately 83.33% utilisation of the 2024 Credit Finance Facilities under the 2024 Master Facilities Annual Caps for the year ended 31 December 2024. For the period ended 31 May 2025, based on the unaudited management accounts of the Group, the historical transaction amount under 2024 Credit Finance Facilities as of 31 May 2025 was approximately RMB600 million, which represented approximately 100% utilisation of the 2024 Credit Finance Facilities under the 2024 Master Facilities Annual Caps for the year ending 31 December 2025. In light of the significant increment in utilisation of 2024 Credit Finance Facilities under the 2024 Master Facilities Annual Caps, the Group has upward adjusted the projections on the demand for the 2024 Credit Finance Facilities as compared to the year ended 31 December 2024 and hence the upward adjusted projections on annual caps for 2024 Credit Finance Facilities for the coming years;

(iii) the availability of the Group's internal financial resources to finance the operation at the same time maintaining sufficient working capital and liquidity for the Group's daily operations; and

(iv) the capability of the Group to raise the necessary funds to finance the operation.

In respect of the Revised Credit Finance Facilities, it is determined with reference to Shougang Group's latest financing plan, which was proposed by Shougang Group based on its internal assessment on the estimated capital and operational needs. The Group believes that the financing needs of Shougang Group would increase. In this regard, the Company has obtained and reviewed Shougang Group's latest financing plan, the existing facilities are expected to be largely utilised under the 2024 Master Facilities Agreement. In considering the future financing needs of Shougang Group, the Group noted that (a) as Shougang Group is the only iron and steel enterprise 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 Group has obtained strong support from the local government. Under the leadership of the State Council and the municipal government, Shougang Group has completed the construction and relocation of new plant in Jingtang base and Qian'an base to continuously optimise its iron and steel production business; and (b) Shougang Group will continue to explore and strengthen the synergies among different business divisions to increase its overall operating efficiency and profitability. While prioritising on its iron and steel production business, Shougang Group aims to create the comprehensive competitiveness of "production plus services" through different business divisions, such as iron and steel production, industrial park construction and financial services. Shougang Group believes that such synergies will help maximise the value of its business portfolio, enhance its risk resistance and improve its overall competitiveness.

As at the date of this announcement, the 2024 Master Facilities Annual Caps for the financial year 31 December 2025 have not been exceeded.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL MASTER FACILITIES AGREEMENT

The Group has been officially regarded by Shougang Group as its key subsidiary group engaging in the provision of financial services to various enterprises. Leveraging the capabilities and experience of the Group in the financial services industry, Shougang Group has shown its intention to increase the business cooperation with the Group in respect of various financing projects, and hence driving up the demand for finance facilities to be provided by the Group. In fact, as illustrated above, in view of the historical transaction, the actual demand for the 2024 Credit Finance Facilities under the 2024 Master Facilities Agreement is expected to exceed the original expectations, which will result in a corresponding increase in the total amount of expected 2024 Credit Finance Facilities by Shougang Group under such agreement. As such, the aggregate amount of 2024 Credit Finance Facilities to Shougang Group under the 2024 Master Facilities Agreement is expected to be higher than the level envisaged at the time when the parties entered into the 2024 Master Facilities Agreement. In this regard, the Company and Shougang entered into the Supplemental Master Facilities Agreement, pursuant to which the Company and Shougang agreed to increase the principal amount of 2024 Credit Finance Facilities to the Revised Credit Finance Facilities. As such, the Board expects that the 2024 Master Facilities Annual Caps may not be sufficient. Therefore, the Board proposed to increase the aggregate annual caps of the transactions contemplated under the 2024 Master Facilities Agreement i.e., the maximum outstanding balance in respect of the actual amount of 2024 Facilities utilised (which includes the principal amount of the 2024 Facilities, relevant interest and handling fees) to the Revised Facilities Annual Caps.

The Group provides finance leases in its usual and ordinary course of business. The Group aims at sourcing customers in the finance lease segment with sufficient assets and good creditworthiness in order to safeguard the credit risks of the Group. Shougang Group is rich in assets and has a good credit history with good repayment capability. Before entering into the Supplemental Master Facilities Agreement, as credit assessment on Shougang Group, the Company reviewed (i) the financial information of Shougang Group which shows that Shougang Group has a healthy cash flow and financial position; and (ii) a credit rating report prepared by credit rating agency recognised by the People's Bank of China, which shows that Shougang Group has a good credit rating and strong capability to repay its debt. Hence, the credit risk in relation to providing financing funds to Shougang Group would be relatively low. As the Group has been providing facilities to Shougang Group in the past, and the 2024 Master Facilities Agreement (as supplemented and amended by the Supplemental Master Facilities Agreement) being entered into to enable the Group to continue to provide financing services to a trusted customers group.

The transactions contemplated under the 2024 Master Facilities Agreement (as supplemented and amended by the Supplemental Master Facilities Agreement) have been and will continue to be conducted in the ordinary and usual course of business of the Company. The Company will use its internal financial resources and external funding (such as bank borrowings), as the case may be, to fund the Revised Credit Finance Facilities and 2024 Finance Leasing Facilities to be provided to Shougang Group. For ensuring the profitability of the Group in granting the facilities, the interest rate to be charged by the Group pursuant to the 2024 Master Facilities Agreement (as supplemented and amended by the Supplemental Master Facilities Agreement) shall be at a rate equal to the cost of lending of the Group plus 1% to

5%, subject to not being more than 10%. When granting facilities to Shougang Group, the finance department of the Company will monitor the cash position of the Group and make sure that the Group will have sufficient working capital and liquidity for its daily operations after granting such facilities. Taking into account the fact that the Company had total assets and cash of HK$1,868 million and HK$283 million as at 31 December 2024 respectively and considering the expected financing demand from Shougang Group as illustrated above, the Company proposes the revised annual cap for Revised Credit Finance Facilities (i.e., the maximum outstanding balance in respect of the actual amount of 2024 Credit Finance Facilities utilised) in each of the financial years ended 31 December 2025, 2026 and 2027 to be RMB950 million.

On the other hand, to control credit risk to be borne by the Group in granting the facilities, the Group shall review the financial information and credit-rating of the borrowers from time to time on case-by case basis, and if the Group think appropriate, will request the borrowers to provide collaterals or securities to guarantee the payment obligation of the borrower. The Board consider that the above measures are sufficient to safeguard the Group from being exposed to excessive business risk and hence protect the interest of the Company's shareholders as a whole.

In view of the long-standing and amicable business relationship between the Company and Shougang, Shougang is a reliable business partner and future business cooperation between the Company and Shougang will be beneficial to the operations of the Company, and the Group.

The Directors (excluding the independent non-executive Directors whose opinion will be set out in the letter from the Independent Board Committee in the circular) consider that:

(i) the terms of the Supplemental Master Facilities Agreement, including the Revised Facilities Annual Caps and transactions contemplated thereunder, are normal commercial terms or better in the ordinary and usual course of business that are fair and reasonable;

(ii) the Revised Facilities Annual Caps under the Supplemental Master Facilities Agreement for the years ending 31 December 2025 and 2026 and for the period from 1 January 2027 to the last date of the Effective Date of the 2024 Master Facilities Agreement are fair and reasonable; and

(iii) the Supplemental Master Facilities Agreement, including the Revised Facilities Annual Caps and the transactions contemplated thereunder, are in the ordinary and usual course of business of the Group, and in the interest of the Company and the Shareholders as a whole.

INFORMATION ABOUT 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. Shougang Group 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 IMPLICATION

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. Accordingly, the transactions contemplated under the Supplemental Master Facilities Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, as the Company proposes to revise the annual caps for its continuing connected transactions, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions. In addition, pursuant to the note under Rule 14A.35 of the Listing Rules, if there is any material variation of its terms in relation to connected transaction, the Company shall announce such fact as soon as practicable and must also re-comply with the relevant Listing Rules.

On the other hand, the transactions contemplated under the 2024 Master Facilities Agreement (as revised by the Supplemental Master Facilities Agreement) will be recognised as acquisition of assets. As such, the transactions contemplated under the 2024 Master Facilities Agreement (as revised by the Supplemental Master Facilities Agreement) constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the 2024 Master Facilities Agreement (as revised by the Supplemental Master Facilities Agreement) exceed 100%, the 2024 Master Facilities Agreement (as revised by the Supplemental Master Facilities Agreement) and the transactions contemplated thereunder constitute continuing connected transactions and very substantial acquisitions of the Company and are therefore subject to the requirements of reporting, announcement, circular, annual review and the Independent Shareholders' approval under Chapter 14A of the Listing Rules and the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee (comprising the independent non-executive Directors) will be formed to advise the Independent Shareholders on the Supplemental Master Facilities Agreement and the Revised Facilities Annual Caps under the Supplemental Master Facilities Agreement.

Rainbow Capital has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in this respect.

GENERAL INFORMATION

Ms. Fu Yao (an executive Director of the Board) is also a director of a subsidiary of Shougang and is therefore considered to have material interests in the transactions contemplated under the Supplemental Master Facilities Agreement and had voluntarily abstained from voting on the Board resolutions approving the Supplemental Master Facilities Agreement, including the Revised Facilities Annual Caps and the transactions contemplated thereunder. Save as disclosed above, to the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, none of the other Directors has any material interest in the Supplemental Master Facilities Agreement and was required to abstain from voting on the Board resolutions approving the Supplemental Master Facilities Agreement, including the Revised Facilities Annual Caps and the transactions contemplated thereunder.

The Company will convene an SGM to consider and, if appropriate, approve the Supplemental Master Facilities Agreement, including the Revised Facilities Annual Caps and the transactions contemplated thereunder.

As at the date of this announcement, Shougang, through its wholly owned subsidiaries hold 2,425,736,972 Shares, representing approximately 61.35% of the entire issued share capital of the Company. As such, Shougang will abstain from voting on the resolutions in relation to the Supplemental Master Facilities Agreement at the SGM. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save as Shougang, no Shareholder has a material interest in the resolution to be purposed at the SGM who shall abstain from voting at the SGM.

A circular containing, among others, the details of the Supplemental Master Facilities Agreement, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser, both advising on the Supplemental Master Facilities Agreement and the Revised Facilities Annual Caps, is expected to be dispatched to the Shareholders in compliance with the Listing Rules on or before 15 August 2025.

DEFINITIONS

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

"2024 Credit Finance Facilities"	the credit finance facilities (with a principal amount of RMB600,000,000) to be provided by the Company and/or its subsidiaries to members of Shougang Group in accordance with the 2024 Master Facilities Agreement
"2024 Facilities"	the facilities consisting of 2024 Credit Finance Facilities and 2024 Finance Leasing Facilities to be provided by the Company and/or its subsidiaries to members of Shougang Group in accordance with the 2024 Master Facilities Agreement
"2024 Finance Leasing Facilities"	the finance leasing facilities (with a principal amount of RMB140,000,000) to be provided by the Company and/or its subsidiaries to members of Shougang Group in accordance with the 2024 Master Facilities Agreement
"2024 Master Facilities Agreement"	the agreement dated 29 August 2024 entered into between the Company and Shougang in relation to the provision by the Group of Facilities to Shougang Group
"2024 Master Facilities Annual Cap(s)"	the existing annual cap(s) for the transactions contemplated under the 2024 Master Facilities Agreement
"associate(s)"	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 (首惠產業金融服務集團有限公司*), a company incorporated in Bermuda with limited liability and 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"	the date of which the 2024 Master Facilities Agreement, the transactions contemplated thereunder and the proposed annual caps of the 2024 Master Facilities Agreement being approved by Independent Shareholders in the special general meeting of the Company dated 25 October 2024
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent committee of the Board comprising Mr. Tam King Ching, Kenny, Mr. Ng Man Fung, Walter and Ms. On Danita, each an independent non-executive Director, has been established to advise the Independent Shareholders in respect of the Supplemental Master Facilities Agreement, including the Revised Facilities Annual Caps and the transactions contemplated thereunder
"Independent Financial Adviser" or "Rainbow Capital"	Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Master Facilities Agreement, including the Revised Facilities Annual Caps and the transactions contemplated thereunder
"Independent Shareholders"	the Shareholders, other than Shougang, who are not required to abstain from voting at the SGM to approve the Supplemental Master Facilities Agreement, including the Revised Facilities Annual Caps and the transactions contemplated thereunder
"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 and Taiwan

"Revised Credit Finance Facilities"	the proposed credit finance facilities (with a principal amount of RMB1,800,000,000) to be provided by the Company and/or its subsidiaries to members of Shougang Group in accordance with the Supplemental Master Facilities Agreement
"Revised Facilities Annual Caps"	the proposed revised annual caps for the transactions contemplated under the Supplemental Master Facilities Agreement which includes the principal amount of the 2024 Facilities, relevant interest and handling fees
"RMB"	Renminbi, the lawful currency of the PRC
"SGM"	a special general meeting or any adjournment thereof of the Company to be convened to consider and, if thought fit, approve the Supplemental Master Facilities Agreement including the Revised Facilities Annual Caps and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) with par value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Shares
"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 of the Company, representing approximately 61.35% of the issued share capital of the Company as at the date of this announcement
"Shougang Group"	Shougang and its subsidiaries
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Master Facilities Agreement"	the supplemental master facilities agreement dated 25 July 2025 entered into between the Company and Shougang, supplement to the 2024 Master Facilities Agreement
"%"	per cent

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

Hong Kong, 25 July 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$0.93. 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*