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)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE EMC MASTER PROCUREMENT AGREEMENT

THE EMC MASTER PROCUREMENT AGREEMENT

The Board is pleased to announce that on 28 August 2025 (after trading hours of the Stock Exchange), the Company and Shougang Engineering have entered into an EMC Master Procurement Agreement for a term of three years commencing from the Effective Date, pursuant to which Company has agreed to supply and Shougang Engineering has agreed to purchase the Goods in accordance with the terms and conditions of the EMC Master Procurement Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shougang Engineering is a subsidiary of 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 EMC Master Procurement Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios of the transaction contemplated under the EMC Master Procurement Agreement are less than 25% and the Proposed Annual Caps, being RMB9,000,000 (equivalent to approximately HK$9,677,000), is less than HK$10,000,000, the transactions contemplated under the EMC Master Procurement Agreement are subject to the reporting, announcement, annual review requirements but is exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

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. Hence, Shougang Engineering was established by the Shougang Group for the purpose of undertaking various EMC engineering works for Shougang Group companies and other independent enterprises which are in need of EMC engineering services in the PRC.

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 Goods for EMC engineering to Shougang Engineering for the EMC engineering projects initiated by Shougang Group. This will enable the Group to supply Goods for EMC engineering projects, support the initiatives of the Shougang Group, expand the Group's business scope, and generate additional revenue.

THE EMC MASTER PROCUREMENT AGREEMENT

The Board is pleased to announce that on 28 August 2025 (after trading hours of the Stock Exchange), the Company and Shougang Engineering have entered into an EMC Master Procurement Agreement for a term of three years commencing from the Effective Date, pursuant to which the Group has agreed to supply and Shougang Engineering has agreed to purchase the Goods 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	:	28 August 2025 (after trading hours of the Stock Exchange)
Parties	:	(1) the Company; and
		(2) Shougang Engineering

Scope	:	The Group agreed to supply and Shougang Engineering agreed to purchase the Goods 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 Engineering. The Group and Shougang Engineering may enter into individual agreements or orders to set out specific terms with respect to the supply and purchase of Goods 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.

Pricing Policy

The price of the Goods supplied pursuant to the EMC Master Procurement Agreement will be determined after arm's length negotiation between the Company and Shougang Engineering on normal commercial terms from time to time. The Group will supply Goods to Shougang Engineering 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 Goods 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 Goods supplied based on the costs of the Goods 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 Goods 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 Engineering is at prevailing market price; and

(iv) the price of the Goods payable by Shougang Engineering 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 Company 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 Company will discuss with the management of the Company to consider the necessity to revise the Proposed Annual Caps 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 Company will ensure that the terms, including but not limited to the price, brand, model and specification, payment and delivery terms, offered to Shougang Engineering will be no more favourable than those offered to other Independent Third Parties. In the event that the terms offered to Shougang Engineering are more favourable than those offered to other Independent Third Parties, the Group will have the right not to supply the Goods to Shougang Engineering;

(iv) the supplying department, sales department and finance department of the Company 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 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.

Historical Transactions

There are no historical transaction amounts between the Group and Shougang Engineering or Shougang Group with respect to the supply and purchase of the Goods 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 Goods to Shougang Engineering based on the pricing policy stated above during the term of the EMC Master Procurement Agreement subject to the following Proposed Annual Caps:

	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	9,000,000	9,000,000	9,000,000	9,000,000

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 Engineering for the Goods for the three years commencing from the Effective Date, which is determined based on the purchase plan prepared by Shougang Engineering. The Company also anticipates an increase in transaction volume for the Goods for the three years commencing from the Effective Date;

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

(iii) the anticipated growth in demand for Goods 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. Hence, Shougang Engineering was established by the Shougang Group for the purpose of undertaking various EMC engineering works for Shougang Group companies and other independent enterprises which are in need of EMC engineering services in the PRC.

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 Goods for EMC engineering to Shougang Engineering for the EMC engineering projects initiated by Shougang Group. This will enable the Group to supply Goods for EMC engineering projects, support the initiatives of the Shougang Group, expand the Group's business scope, and generate additional revenue.

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

(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 Goods for various EMC engineering projects.

(ii) By utilising the Group's network and access to various suppliers for the Goods, the Group could purchase the Goods from those EMC raw materials suppliers and supply the Goods 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 Goods from EMC engineering companies generates valuable business opportunities in the EMC engineering industry.

(iii) Since Shougang Engineering principally engages in EMC engineering businesses, the entering into of the EMC Master Procurement Agreement enables both parties 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.

(iv) In return, Shougang Engineering will gain a stable supply of Goods for its EMC engineering businesses.

(v) By maintaining a stable supply of Goods for Shougang Engineering, the Company may also be able to expand its scope of business and establish a sound reputation in the supply of Goods 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.

(vi) The Company and Shougang Engineering 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 Goods 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.

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 Engineering, Shougang and the Shougang Group

Shougang Engineering is a limited company established in the PRC and is a subsidiary of Shougang. 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 Engineering is a subsidiary of Shougang. 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 EMC Master Procurement Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios of the transactions contemplated under the EMC Master Procurement Agreement are less than 25% and the Proposed Annual Caps, being RMB9,000,000 (equivalent to approximately HK$9,677,000), is less than HK$10,000,000, the transactions contemplated under the EMC Master Procurement Agreement are subject to the reporting, announcement, annual review requirements but is exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements as set out in Chapter 14A of the Listing Rules.

DEFINITIONS

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

"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"	the date of execution of the EMC Master Procurement Agreement, being 28 August 2025

"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 28 August 2025 entered into between the Company and Shougang Engineering in relation to the supply and purchase of Goods
"Goods"	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 Shareholders"	the Shareholders who do not have a material interest in the EMC Master Procurement Agreement and the transactions contemplated thereunder
"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"	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
"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
"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, 28 August 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*