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 to be taken, you should consult a licensed securities dealer, 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 to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

首惠产融

首 惠 產 業 金 融 服 務 集 團 有 限 公 司*

CAPITAL INDUSTRIAL FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 730)

(1) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE EMC MASTER PROCUREMENT AGREEMENT; (2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE STEEL MASTER PROCUREMENT AGREEMENT; AND NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
浤 博 資 本 有 限 公 司

A letter from the Board is set out on pages 5 to 27 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out on pages 28 to 29 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 30 to 54 of this circular.

A notice convening the SGM to be held at 11:00 a.m. on Thursday, 13 November 2025 at 4/F, Building 5, Jinankehuan Plaza, Shougang Park Group, Shijingshan District, Beijing, PRC is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for the SGM for use by the Shareholders is enclosed with this circular.

Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as practicable and in any event not less than 48 hours before the time appointed the for holding of the SGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the SGM or at any adjourned meeting should you so wish.

* *For identification purposes only*

23 October 2025

CONTENTS

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

"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 (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 of the EMC Master Procurement Agreement"	the date of which the EMC Master Procurement Agreement is approved by Independent Shareholders at the special general meeting of the Company
"Effective Date of the Steel Master Procurement Agreement"	the date of which the Steel Master Procurement Agreement is approved by Independent Shareholders at the special general meeting of the Company
"EMC"	Energy management, energy conservation and technological renovation works, with the objective to achieve the strategic objectives of energy conservation and emission reduction, quality enhancement and efficiency improvement as set out by the PRC government
"EMC Master Procurement Agreement"	the EMC master procurement agreement dated 19 September 2025 entered into between the Company and Shougang in relation to the supply and purchase of EMC Products

"EMC Products"	EMC-related equipment, accessories, raw materials or products to be used for EMC engineering businesses (to be agreed by the relevant parties in writing from time to time) which includes without limitation to instrument and meters (儀器儀表), relay (繼電器), temperature controller (溫控儀), pressure gauge (壓力表), sealing ring (密封圈), metering pump(計量泵), industrial solvent (工業溶劑), EMC consumables and hardware accessories
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the committee of the Board comprising all the independent non-executive Directors
"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 activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of (i) EMC Master Procurement Agreement and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement and the transactions contemplated thereunder
"Independent Shareholders"	the Shareholders who do not have a material interest in the EMC Master Procurement Agreement and/or the Steel Master Procurement Agreement and the transactions contemplated thereunder
"Independent Suppliers"	suppliers which are independent of and not connected with Shougang and its connected persons
"Independent Third Party(ies)"	independent third party(ies) who is/are independent of and not connected with the Company and its connected persons
"Latest Practicable Date"	20 October 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"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 purpose of this circular, does not include Hong Kong, Macao Special Administrative Region and Taiwan
"Proposed Annual Caps of the EMC Master Procurement Agreement"	the proposed annual caps for the annual amounts payable by the Group in the relevant financial periods for the transactions contemplated under the EMC Master Procurement Agreement
"Proposed Annual Caps of the Steel Master Procurement Agreement"	the proposed annual caps for the annual amounts payable by the Group in the relevant financial periods for the transactions contemplated under the Steel Master Procurement Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be held at 11:00 a.m. on Thursday, 13 November 2025 at 4/F, Building 5, Jinankehuan Plaza, Shougang Park Group, Shijingshan District, Beijing, PRC and at any adjournment to consider and, if appropriate, to approve the resolutions contained in the notice of SGM which is set out on pages SGM-1 to SGM-3 of this circular
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the ordinary share(s) of HK$0.01 each in the share capital of the Company
"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 circular
"Shougang Engineering"	Beijing Shougang International Engineering Technology Co., Ltd. (北京首鋼國際工程技術有限公司*), a limited company established in the PRC and a subsidiary of Shougang
"Shougang Group"	Shougang and its subsidiaries

"Steel Master Procurement Agreement"	the steel master procurement agreement dated 19 September 2025 entered into between the Company and Shougang in relation to the supply and purchase of Steel Products
"Steel Products"	steel products, including the raw materials of steel and its related products, to be agreed by the relevant parties in writing from time to time in relation to the Steel Master Procurement Agreement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

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$0.92. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

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 *(Executive Director)*

Non-executive Director:
Mr. Huang Donglin

Independent Non-executive Directors:
Mr. Tam King Ching, Kenny
Mr. Ng Man Fung, Walter
Ms. On Danita

Registered office:
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Head office and Principal place of business in Hong Kong:
Suite 803, 8/F
Harcourt House
39 Gloucester Road
Wanchai, Hong Kong

23 October 2025

To the Shareholders

Dear Sir or Madam,

(1) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE EMC MASTER PROCUREMENT AGREEMENT; (2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE STEEL MASTER PROCUREMENT AGREEMENT; AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 19 September 2025 in relation to (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder respectively.

* *For identification purposes only*

The purposes of this circular are:

(i) to provide the Shareholders with further details of the (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder;

(ii) to set out the opinion of the Independent Financial Adviser on the terms of the (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder;

(iii) to set out the recommendations of the Independent Board Committee in respect of the (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and

(iv) to give the Shareholders notice of the SGM to consider and, if thought fit, to approve the (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder.

1. THE EMC MASTER PROCUREMENT AGREEMENT

BACKGROUND

In view of the national dual-carbon target and the policy guidelines of "Guiding Opinions on Further Strengthening Financial Support for Green and Low-Carbon Development" (《關於進一步強化金融支持綠色低碳發展的指導意見》*) jointly issued by the People's Bank of China and the relevant regulatory authorities in the PRC in April 2024, 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 the PRC enterprises in the near future.

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

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

THE EMC MASTER PROCUREMENT AGREEMENT

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

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

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

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

Pricing Policy

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

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

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

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

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

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

In practice, the price of the EMC Products and the mark-up rate shall be determined with reference to the nature of products, the estimated delivery time, transportation costs, quality and quantity of products, the overall demand and supply in the industry, urgency of orders, the profit margin released by independent third parties in the industry and/or the price of comparable products disclosed by other listed companies on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, from which the Company is able to draw references (where applicable). Due to the wide range of the categories of the EMC Products to be provided by the Group to Shougang Group, including EMC-related equipment, accessories, raw materials or products to be used for EMC engineering businesses, it would be difficult for the Company to estimate at the moment a specific and reasonable range of the mark-up rates. However, the Company, upon internal discussion, are of the view that mark-up rate of 1% is the least profit margin that the

Group could accept in conducting the business under the EMC Master Procurement Agreement, for the sake of achieving reasonable profit and return for the Company's Shareholders. The Group's management considers that due to the global economic downturn and intensified trade war, the supply chain market in the PRC has become highly competitive and the market competitors always lower their profit margins to maintain their competitiveness and market share. As such, in order to maintain the Group's competitiveness at the same time to safeguard the return to the Company's shareholders, the Directors believe that the minimum markup rate 1% is reasonable and commercially sensible in view of the current market situation. The actual mark-up rate should be decided from time to time after considering the overall demand and supply in the industry and the actual circumstance of the Company based on the reasonable estimation of the management. The relevant mark-up rates will also be subject to the review of internal control measures of the Company including the discussion with relevant department head and the management before decision.

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

Internal Control Measures

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

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

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

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

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

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

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

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

Historical Transactions

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

Proposed Annual Caps of the EMC Master Procurement Agreement

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

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

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

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

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

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

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

The Directors consider that 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, Shougang Group is expected to have a huge demand for EMC works and initiate various EMC engineering projects in the near future. Based on the information provided by Shougang Group, it was noted that Shougang Group intend to construct 13 EMC engineering projects in relation to, including but not limited to (a) replacing and updating the ultra-high temperature subcritical power generation equipment and waste heat power generation equipment in different steel mills to reduce carbon emissions, alleviate excessive energy consumption and strengthen power generation; (b) updating the blast furnace combustion equipment to achieve energy conservation, emission reduction and improved combustion efficiency; and (c) constructing a new air compression station to improve the operating efficiency of blast furnaces, recover compressor waste heat, and increase production. Furthemore, based on the information provided by Shougang Group, the said EMC engineering projects were expected to require a total planned investments of approximately RMB2.2 billion and procure the relevant EMC Products in the total amount of approximately RMB500.0 million, among which nine EMC engineering projects will commence in 2025 and four engineering projects will commence in 2026. As it generally takes time to construct the EMC engineering projects and the EMC engineering projects may require different kinds and quantity of the EMC Products at different stages, the management of the Group have considered the timing factor in determining the proposed annual caps for the EMC Products to be provided by the Group to Shougang Group under the EMC Master Procurement Agreement.

In assessing Shougang Group's needs on the EMC engineering, the Company's management consider that iron and steel industry in the PRC is a high-consumption, heavy-polluting and energy-intensive industry. In light of the "double carbon" target proposed by the Chinese government (i.e. to reach peak carbon use by 2030 and achieve carbon neutrality by 2060), Shougang Group will firmly establish the concept of green development, continue to refine the system to advance work related to "dual carbon", further improve low-carbon plans, and explore green and low-carbon production paths. It will strengthen investment management and promote environmental protection and energy conservation project construction to strive for a green and low-carbon steel enterprise. As such, the Directors believe that the construction of the EMC engineering projects is essential for Shougang Group's sustainable development.

Taking into account (a) the recent and future business strategies of Shougang Group to establish the concept of green and low-carbon development; (b) the ongoing negotiation of potential requirements on the EMC Products between the Company and Shougang Group; and (c) the anticipated growth in demand for the EMC Products as it takes time to construct the EMC engineering projects and the EMC engineering projects may require different kinds and quantity of the EMC Products at different stages, the Directors consider the proposed annual caps under the EMC Master Procurement Agreement to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

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 in April 2024, 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 the PRC enterprises in the near future.

As a standard procurement procedure, Shougang Group would start the order requests by inviting tenders for the procurement of EMC Products from the public from time to time. The Group would prepare and submit tenders after calculating the costs of providing such EMC Products. Upon the Group winning the tender, it shall source EMC Products from independent third parties and provide the requested EMC Products to Shougang Group in accordance with the specifications required by Shougang Group. For each transaction, the Group will act as principal and bear the inventory risk and credit risk of the transaction.

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

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

The Group is currently principally engaged in the provision of (i) sale and leaseback arrangement services; (ii) supply chain management and financial technology services; and (iii) property leasing services. Before the Group's business transformation to the above principal business segments in around late 2022, the Group was principally engaged in supply chain management services, which include (a) the analysis of the capital flow, information flow, business flow, logistics, etc. of the industrial chain where the target companies are located; and (b) solving customers' capital and management needs with the most convenient and diversified products, so as to reduce the trading and transaction cost of the industrial chain and empower the industry. As such, the Group has always been experienced in supply chain management in respect of the Business-to-Business ("**B2B**") trading of goods in various industries. The Group has maintained the management and staff who are experienced in supply chain management, and the operation system the Group used for its supply chain management business. These staff expertise and operation capabilities possessed by the Group helps the Group in operating the EMC Products procurement business smoothly and efficiently.

Since 2024, the Group has commenced the provision of finance lease services to the EMC engineering companies hired by Shougang Group for its EMC projects through direct lease and sale and leaseback services from time to time for the equipment to be involved in various EMC projects. Through such provision of finance lease services, the Group has maintained a stable customer network with EMC engineering companies and also gained familiarity with their raw materials suppliers in relation to the EMC Products for various EMC engineering projects. The Group has initially established a pool of the EMC raw materials suppliers and intend to further leverage its advantages in integrating industry resources, proactively expand cooperation channels, secure high-quality suppliers and continuously enrich the category coverage of the EMC products. By utilising the Group's network and access to various suppliers for the EMC Products, the Group could purchase the EMC Products from those EMC raw materials suppliers and supply the EMC Products to various EMC engineering companies as an alternate stream of revenue.

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

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

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

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

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

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

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

2. THE STEEL MASTER PROCUREMENT AGREEMENT

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

THE STEEL MASTER PROCUREMENT AGREEMENT

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

Date	:	19 September 2025 (after trading hours of the Stock Exchange)
Parties	:	(1) the Company; and (2) Shougang Group Co., Ltd.
Scope	:	The Group agreed to purchase and Shougang Group agreed to supply the Steel Products in accordance with the terms and conditions of the Steel Master Procurement Agreement and the specific purchase orders to be entered into between the Group and Shougang Group. The Group and Shougang Group may enter into individual agreements or orders to set out specific terms with respect to the purchase of Steel Products under the Steel Master Procurement Agreement in accordance with the principal terms thereunder.
Term	:	The Steel Master Procurement Agreement has a term of three (3) years commencing on the Effective Date of the Steel Master Procurement Agreement.
Conditions Precedent	:	The Steel Master Procurement Agreement is conditional upon the Steel Master Procurement Agreement, the Proposed Annual Caps of the Steel Master Procurement Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders at the special general meeting of the Company.

Pricing Policy

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

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

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

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

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

Internal Control Measures

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

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

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

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

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

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

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

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

Historical Transactions

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

Proposed Annual Caps of the Steel Master Procurement Agreement

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

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

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

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

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

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

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

In determining the proposed annual caps, they have taken into account, among others, (a) the anticipated demand of the Group for the Steel Products for the three years commencing from the Effective Date of the Steel Master Procurement Agreement, which is determined based on the purchase plan prepared by the Group. Such purchase plan was made with reference to the estimated selling quantities of the Steel Products determined based on the estimated demand for the Steel Products from the potential customers; (b) the anticipated purchase price of the Steel Products for the three years ending commencing from the Effective Date of the Steel Master Procurement Agreement; and (c) the purchase price for similar Steel Products that the Group can procure from other Independent Third Parties in open market.

The Group has entered into a master purchase agreement to purchase steel products from Beijing Shougang since August 2021 for the Group's supply chain management business. However, as a result of the Group's business transformation in accordance with market condition, the Group suspended the business covering full-process services including steel product trading and logistics under the supply chain management and financial technology business segment since August 2022. Since the Group's supply chain financial technology service platform has been gradually established over the years, the Group now has more capacity and human resources to be devoted into the operation of the traditional supply chain management business in which the Group has been experienced with in the past. Also, as the Company has provided finance lease services to many steel manufacturing and trading companies, it has gradually built up its customer base. As such, the Group decided to resume its steel product trading and logistics under the supply chain management and financial technology business segment. The Group recorded revenue from trading of steel related products under its supply chain management business of approximately RMB1,788.3 million and RMB263.6 million for the years ended 31 December 2021 and 2022, respectively, which demonstrated the Group's capability to pursue the steel product trading and logistics business and the relevant market demand.

The Directors consider that taking advantage of its industrial advantages and competitive edges, the Company prioritised the development of its supply chain financial services in the steel industry serving the upstream and downstream customers of Shougang Group, and centred around core enterprises in the industry to expand supply chain management and financial service business. After thorough analysis and research and initial negotiations with the Company's existing customers on their demand for the Steel Products, the Directors believe that the market demand and trading volume for the Steel Products are expected to be approximately 45,000 tons per annum for the coming three years. The entering into of the Steel Master Procurement Agreement will assist the Company with steel supply to gain a stable supply of steel products for trading purchase, thereby providing it with an opportunity to generate income and trading profits along with the expected increase in market demand and trading volume for the steel products.

In respect of the supply capacity of Shougang Group, based on the information provided by Shougang Group, Shougang Group owns and manages eight production bases with coking, ironmaking, steelmaking and steel-rolling capacity in China, reaching the steel production capacity of over 30 million tonnes per annum for the year ended 31 December 2024.

Taking into account (a) the basis of determination of the proposed annual caps; (b) the Group's capability to pursue the steel product trading and logistics business and the relevant market demand; and (c) the strong background and supply capacity of Shougang Group, the Directors consider the proposed annual caps under the Steel Master Procurement Agreement to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Reasons for and Benefits of the Steel Master Procurement Agreement

As mentioned in the Company's annual reports in the past years, the Group has been prioritising its resources on the development on supply chain financial technology, eg. Shougang SCF platform in the past few years. Considering that if the Group insists on conducting the steel trading while developing the Group's supply chain financial technology, the Group's may not be able to maintain good quality in conducting steel trading and hence worsen its relationship with its customers and brand reputation, the Group chose to suspend the steel trading business in 2022.

Given that the Group's supply chain financial technology service platform has been gradually established and become mature over recent years, and the Group has built up stable relationship with certain Steel Products trading companies through conducting its sale and leaseback arrangement services, supply chain management and financial technology services, the Group decided to resume its steel product trading and logistics under the supply chain management and financial technology business segment in order to improve the profitability of the Group and maximize the return to the Company's shareholder in the long run.

Being a standard procurement procedure, the Group shall obtain quotations and if the quotations is satisfied by the Group, procure the Steel Products from Shougang Group from time to time upon receiving orders placed by the Group's customers for Steel Products. For each transaction, the Group will act as principal and bear the inventory risk and credit risk.

With reference to the Company's announcement dated 23 August 2021, on 23 August 2021, Beijing Jingxi Supply Chain Management Co., Ltd.* (北京京西供應鏈管理有限公司) ("**Beijing Jingxi**"), an indirect wholly-owned subsidiary of the Company, entered into a master purchase agreement with Beijing Shougang Co., Ltd. ("**Beijing Shougang**") under which Beijing Jingxi agreed to purchase steel products from Beijing Shougang for a term of three years ended 31 December 2023. Beijing Jingxi is principally engaged in the supply chain management business. The supply chain management services segment mainly provide services including (a) the analysis of the capital flow, information flow, business flow, logistics, etc. of the industrial chain where the target companies are located; and (b) solved customers' capital and management needs with the most convenient and diversified products, so as to reduce the trading and transaction cost of the industrial chain and empower the industry.

As such, the Group has always been experienced in supply chain management in respect of the Business-to-Business trading of goods in various industries. The Group has maintained the management and staff who are experienced in supply chain management, and the operation system the Group used for its supply chain management business. These staff expertise and operation capabilities possessed by the Group helps the Group in operating the Steel Products procurement business smoothly and efficiently.

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

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

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

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

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

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

Taking into consideration the reasons for and benefits of the Steel Master Procurement Agreement to the Group, the Board (other than the independent non-exclusive Directors who will provide their views after considering the opinion of the Independent Financial Adviser to approve the Steel Master Procurement Agreement, the transactions contemplated thereunder and the Proposed Annual Caps of the Steel Master Procurement Agreement) is of the view that the terms of the Steel Master Procurement Agreement, the transactions contemplated and the Proposed Annual Caps of the Steel Master Procurement Agreement are negotiated on arm's length basis, fair and reasonable, and the Steel Master Procurement Agreement, the transactions contemplated and the Proposed Annual Caps of the Steel Master

Procurement Agreement are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole.

ASSESSMENT ON RELIANCE ISSUE

As the Group has maintained a long-term and reliable business relationship with Shougang Group, the entering into of the EMC Master Procurement Agreement and the Steel Master Procurement Agreement, and the conducting of related continuing connected transactions are in line with the actual needs for the operation and development of the Group's businesses, and will not prejudice the interests of the Company and the Shareholders, especially the minority Shareholders, nor adversely affect the independence of the Company. Hence, the Directors consider that the conducting of such transactions will not give rise to reliance of the businesses of the Company on Shougang Group. To prevent undue reliance on Shougang Group, the Group has implemented a set of internal control measures (which will be reviewed by the management of the Group regularly) to make sure that the prices and terms with respect to the sales of EMC Products and purchase of Steel Products between the Group and Shougang Group under the EMC Master Procurement Agreement and the Steel Master Procurement Agreement shall be determined under a fair and reasonable basis, and shall not be more favorable or less favorable (as applicable) than those offered by the Group or Shougang Group (as the case may be) to independent third parties for sale or purchase of similar goods, details of which are set out in the paragraphs headed "THE EMC MASTER PROCUREMENT AGREEMENT — Internal Control Measures" and "THE STEEL MASTER PROCUREMENT AGREEMENT — Internal Control Measures" above in this circular. On top of that, the Directors are of the view that after the Group accumulated more experience and track record for the procurement businesses conducted under the EMC Master Procurement Agreement and the Steel Master Procurement Agreement, the Group would be able to reach out to more customers and suppliers in the market, expanding its customer base and supplier base and hence reducing its reliance on Shougang Group in the long run.

The Directors consider that the risk of Shougang Group terminating the business relationship with the Group under the EMC Master Procurement Agreement and/or the Steel Master Procurement Agreement is low because of (i) the long and stable business relationship established between the Group and Shougang Group over the years; (ii) the Group's capability and experience in supply chain management; and (iii) the Group's network with upstream and downstream customers of Shougang Group, which facilitates the provision of supply chain management services in respect of EMC Products and Steel Products and hence makes Shougang Group and the Group mutually benefit from the transaction contemplated under the EMC Master Procurement Agreement and the Steel Master Procurement Agreement.

On the other hand, the Company maintains a focus on broadening its income base beyond activities with Shougang Group to mitigate dependency risks. The Company currently operates its business through several segments, including the sale and leaseback arrangement service segment, the supply chain management and financial technology business segment and property leasing service segment. The Company also engages in the operation of supply chain financial platform, providing electronic creditor certification and financing services. Over the years, the Company has diversified its revenue streams by expanding business activities with independent customers, extending product and service offerings, and actively acquiring new clients in the industry, which effectively mitigate its exposure to the relevant risks arising from the reliance on Shougang Group. Nevertheless, the Company would regularly review its risk exposure and develop contingency plans to mitigate any adverse impact from sudden changes or potential termination of the business relationship.

INFORMATION OF THE PARTIES

The Company

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

Shougang and the Shougang Group

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

Shougang is one of the largest steel production enterprises in the PRC and is principally engaged in a wide range of business including steel and iron production, overseas business, property development, mining resources and other businesses. As at the Latest Practicable Date, 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 Latest Practicable Date.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, 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 Latest Practicable Date, is the controlling shareholder of the Company under the Listing Rules, and hence is a connected person of the Company under the Listing Rules.

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

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the terms of (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder. Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder in accordance with the Listing Rules.

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 (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder and had voluntarily abstained from voting on the Board resolutions approving (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed 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 (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder and was required to abstain from voting on the Board resolutions approving (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder.

A SGM will be convened at which ordinary resolutions will be proposed to consider and, if thought fit, pass the resolutions to approve (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder.

SGM

A notice of the SGM is set out on pages SGM-1 to SGM-3 of this circular. In accordance with the requirements of the Listing Rules, all votes to be taken at the SGM will be by way of poll. Shougang Group and its associates, who were interested in a total of 2,425,736,972 Shares and controlled the voting rights of such Shares which represented approximately 61.35% of the issued share capital of the Company as at the Latest Practicable Date, will be required to abstain from voting at the SGM on the resolutions in relation to the (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder. Save as disclosed above, no other Shareholder will be required to abstain from voting on the resolutions in respect of (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder.

A form of proxy for the SGM is enclosed herewith. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the SGM or at any adjournment meeting should you so wish.

RECOMMENDATIONS

Your attention is drawn to (i) the letter from the Independent Board Committee is set out on pages 28 to 29 of this circular which contains its recommendations to the Independent Shareholders in respect of the terms of (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; (ii) the letter from the Independent Financial Adviser is set out on pages 30 to 54 of this circular, which contains, amongst other matters, its advices to the Independent Board Committee and the Independent Shareholders in relation to (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder.

The Directors (other than Ms. Fu Yao who is considered to be interested in (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder and the members of the Independent Board Committee whose view is set out in the letter from the Independent Board Committee after reviewing and considering the advice from the Independent Financial Adviser) consider that the terms of (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder are in the best interests of the Company and the Shareholders as a whole and the Board is not aware of there being any material disadvantages in entering into of the (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the SGM.

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

For and on behalf of
Capital Industrial Financial Services Group Limited
Sun Yajie
Chairman

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)

23 October 2025

To the Independent Shareholders

Dear Sir or Madam,

(1) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE EMC MASTER PROCUREMENT AGREEMENT; (2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE STEEL MASTER PROCUREMENT AGREEMENT; AND NOTICE OF SPECIAL GENERAL MEETING

We have been authorised by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether, in our opinion, the terms of (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned.

We wish to draw your attention to the letter of advice from Rainbow Capital, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder is set out on pages 30 to 54 of the circular and the letter from the Board is set out on pages 5 to 27 of the circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that the terms of (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps 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

* *For identification purposes only*

whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions in relation to (i) the EMC Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder; and (ii) the Steel Master Procurement Agreement, the proposed annual caps and the transactions contemplated thereunder to be proposed at the SGM.

Yours faithfully,
For and on behalf of the Independent Board Committee
Tam King Ching, Kenny, Ng Man Fung, Walter
and **On Danita**
Independent non-executive Directors
Capital Industrial Financial Services Group Limited

The following is the full text of a letter of advice from Rainbow Capital (HK) Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
浤 博 資 本 有 限 公 司

23 October 2025

To the Independent Board Committee and the Independent Shareholders

Capital Industrial Financial Services Group Limited
Suite 803, 8/F.
Harcourt House
39 Gloucester Road
Wanchai, Hong Kong

Dear Sir or Madam,

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

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the EMC Master Procurement Agreement and the Steel Master Procurement Agreement (collectively, the "**Agreements**"), details of which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 23 October 2025 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

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

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

As at the Latest Practicable Date, Shougang, through its wholly owned subsidiaries, held 2,425,736,972 Shares, representing approximately 61.35% of the issued share capital of the Company. As such, Shougang is the controlling shareholder of the Company, and Shougang and its subsidiaries are connected persons of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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

In view of Shougang's interests in the Agreements, Shougang and its associates are required to abstain and shall abstain from voting on the relevant resolutions in relation to the Agreements to be proposed at the SGM. Saved as disclosed above, no other Shareholders have material interest in the Agreements and shall abstain from voting at the resolution(s) in relation to the approval of the Agreements at the SGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Tam King Ching, Kenny, Mr. Ng Man Fung, Walter and Ms. On Danita has been formed to advise the Independent Shareholders on (i) whether the entering into the Agreements are conducted in the ordinary and usual course of the Group; and (ii) whether the terms of the Agreements (including the proposed annual caps) are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and as to voting. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group and Shougang Group that could reasonably be regarded as relevant to our independence. We have been appointed as the independent financial adviser to the independent board committee and the independent shareholders of the Company in relation to (i) a very substantial acquisition and continuing connected transaction in respect of renewal of the master facilities agreement and a continuing connected transaction in respect of the technology license agreement, details of which are set out in the circular of the Company dated 9 October 2024; (ii) a very substantial acquisition and continuing connected transaction in respect of the finance lease master agreement, details of which are set out in the circular of the Company dated 9 October 2024; and (iii) the revision of annual caps and renewal of major transaction and continuing connected transactions in relation to the master services agreement and revision of annual caps of very substantial acquisition and continuing connected transactions in relation to the 2024 master facilities agreement, details of which are set out in the circular dated 3 September 2025. Other than that, there was no other engagement between the Group or Shougang Group and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the Agreements. Accordingly, we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the Agreements (including the proposed annual caps).

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, Shougang Group, or any of their respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the terms of the Agreements (including the proposed annual caps), we have taken into account the principal factors and reasons set out below:

1. Background information of the Group

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

Set out below is a summary of the financial information of the Group for (i) the years ended 31 December 2023 and 2024 ("**FY2023**" and "**FY2024**", respectively) as extracted from the annual report of the Company for FY2024; and (ii) the six months ended 30 June 2024 and 2025 ("**6M2024**" and "**6M2025**", respectively) as extracted from the interim report of the Company for 6M2025 (the "**2025 Interim Report**"):

(i) Financial performance

	FY2023	**FY2024**	**6M2024**	**6M2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(audited)	(audited)	(unaudited)	(unaudited)
Total revenue	**219,285**	**191,635**	**109,452**	**47,822**
— Revenue under sale and leaseback arrangements	188,021	157,495	93,805	29,650
— Revenue from supply chain management and financial technology business	26,845	29,976	13,513	16,149
— Property leasing income	4,419	4,164	2,134	2,023
Gross profit	**120,355**	**118,854**	**57,723**	**40,799**
Other income	18,580	20,535	5,253	11,094
Other gains, net	3,323	2,920	—	—
Administrative expenses	(61,235)	(55,593)	(25,014)	(25,198)
Changes in fair value of investment properties	(3,192)	(14,436)	(2,341)	(8,452)
Changes in fair value of financial assets at fair value through profit or loss	267	108	(10)	—
(Net impairment losses)/Reversal of impairment losses on financial assets	(24,905)	(22,071)	(559)	17,727
Finance costs	(1,307)	(659)	(583)	(326)
Share of profit of an associate	2,055	4,712	2,556	1,354
Profit before income tax	**53,941**	**54,370**	**37,025**	**36,998**
Income tax expense	(11,507)	(16,722)	(10,764)	(9,505)
Profit attributable to the Shareholders	**32,082**	**28,684**	**17,981**	**19,838**

FY2024 compared to FY2023

Revenue of the Group decreased by approximately 12.6% from approximately HK$219.3 million for FY2023 to approximately HK$191.6 million for FY2024, primarily attributable to the decrease in revenue under sale and leaseback arrangements by approximately HK$30.5 million, mainly due to the Group's change in business direction and dedicated more resources from individual customers to corporate customers under such segment. As the Group has focused on securing and maintaining corporate customers with higher gross profit margins to better control risk, the number and size of customers under sale and leaseback arrangements business segment has decreased, leading to the decreased revenue for FY2024.

Despite the decrease in revenue as mentioned above, the Group's gross profit remained stable at approximately HK$118.9 million for FY2024, as compared to that of approximately HK$120.4 million for FY2023, primarily attributable to the increase in gross profit margin from approximately 54.9% for FY2023 to approximately 62.0% for FY2024. Such increase in gross profit margin was mainly due to the significant efforts taken by the Group on the cost control under sales and leaseback arrangements segment.

The Group's profit attributable to the Shareholders decreased by approximately 10.6% from approximately HK$32.1 million for FY2023 to approximately HK$28.7 million for FY2024, primarily attributable to (a) the increase in fair value losses of investment properties by approximately HK$11.2 million; and (b) the increase in income tax expense by approximately HK$5.2 million.

6M2025 compared to 6M2024

Revenue of the Group decreased by approximately 56.3% from approximately HK$109.5 million for 6M2024 to approximately HK$47.8 million for 6M2025, primarily attributable to the decrease in revenue under sale and leaseback arrangements by approximately HK$64.2 million, mainly due to the Group's change in business direction and dedicated more resources from individual customers to corporate customers under such segment. As the Group has focused on securing and maintaining corporate customers with higher gross profit margins to better control risk, the number and size of customers under sale and leaseback arrangements business segment has decreased, leading to the decreased revenue for 6M2025.

The Group's gross profit decreased by approximately 29.3% from approximately HK$57.7 million for 6M2024 to approximately HK$40.8 million for 6M2025, which was in line with the decrease in revenue.

Despite the decrease in revenue and gross profit as mentioned above, the Group's profit attributable to the Shareholders increased by approximately 10.3% from approximately HK$18.0 million for 6M2024 to approximately HK$19.8 million for 6M2025, primarily attributable to (a) the increase in other income by approximately HK$5.8 million mainly due to the increase in credit financing arrangement income from a related party; and (b) the change from net impairment losses on financial assets of approximately HK$0.6 million for 6M2024 to reversal of impairment losses on financial assets of approximately HK$17.7 million for 6M2025.

(ii) Financial position

	As at 31 December		As at 30 June
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
	(audited)	(audited)	(unaudited)
Non-current assets, including:	**515,130**	**624,742**	**909,294**
Investment properties	116,096	99,758	92,501
Interests in an associate	84,851	86,337	89,707
Receivables under sale and leaseback arrangements	229,214	358,308	648,501
Current assets, including:	**1,399,571**	**1,243,280**	**954,296**
Receivables under sale and leaseback arrangements	889,811	566,938	112,860
Receivable under credit financing arrangement	165,386	377,580	492,955
Cash and cash equivalents	319,054	282,810	330,152
Total assets	**1,914,701**	**1,868,022**	**1,863,590**
Current liabilities, including:	**129,465**	**115,229**	**84,217**
Other payables and accruals	109,682	100,360	77,341
Non-current liabilities, including:	**28,736**	**21,749**	**20,613**
Loan from a related party	9,810	16,274	16,525
Deferred tax liabilities	13,454	3,577	3,585
Total liabilities	**158,201**	**136,978**	**104,830**
Equity attributable to the Shareholders	**1,415,922**	**1,394,912**	**1,423,097**

As at 30 June 2025, total assets of the Group amounted to approximately HK$1,863.6 million, mainly composed of (a) investment properties of approximately HK$92.5 million, representing the Group's residential and commercial properties located in Hong Kong and the PRC; (b) receivables under sale and leaseback arrangements of approximately HK$761.4 million; (c) receivable under credit financing arrangement of approximately HK$493.0 million; and (d) cash and cash equivalents of approximately HK$330.2 million.

As at 30 June 2025, total liabilities of the Group amounted to approximately HK$104.8 million, mainly composed of (a) other payables and accruals of approximately HK$77.3 million; and (b) loan from a related party of approximately HK$16.5 million.

As at 30 June 2025, the Group recorded equity attributable to the Shareholders of approximately HK$1,423.1 million with gearing ratio (being loan from a related party divided by total equity) of approximately 0.9%.

(iii) Overall comment

The revenue of the Group decreased for the periods under review as impacted by the Group's strategic transformation on the supply chain management and financial technology business segment in August 2022. Since then, the Group has been continuously exploring and experimenting to build and upgrade its own supply chain financial technology service platform, enabling the Group to generate positive returns during the periods under review.

As disclosed in the 2025 Interim Report, taking advantage of its industrial advantages and competitive edges, the Group will continue to focus on the provision of customised and comprehensive financial service solutions to the steel industry and upstream and downstream customers on the industry chain for different business scenarios, and strive to meet its medium- and long-term strategic goal of continuous growth in performance. Other than that, the Group will explore the business opportunities on energy management and energy conservation and renovation (EMC) related business as well as other business with potential in order to maximise the Shareholders' return.

2. Background information of Shougang Group

Shougang is a company established in the PRC. Shougang Group is a state-owned enterprise wholly owned by the Beijing State-owned Capital Operation and Management Centre (北京國有資本運營管理中心) 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 Latest Practicable Date, Shougang is interested in 2,425,736,972 Shares, representing approximately 61.35% of the Company's total issued share capital. According to the World Steel Association, Shougang Group ranked the ninth among the world's top 50 steel producing companies in terms of steel production volume in 2024, with a production volume of approximately 31.6 million tonnes in 2024 (source: https://worldsteel.org/data/top-steel-producers/).

According to an offering circular of Shougang Group as published in July 2025 (the "**2025 Offering Circular**"), the total assets and net assets of Shougang Group as at 31 December 2024 amounted to approximately RMB518.6 billion and RMB173.0 billion, respectively. Shougang Group is a capital intensive company with total non-current assets of approximately RMB381.7 billion as at 31 December 2024, approximately 44.0% of which (i.e.

approximately RMB167.8 billion) were attributable to the net book value of fixed assets. For FY2024, Shougang Group generated total revenue of approximately RMB226.0 billion and profit attributable to its shareholders of approximately RMB1.8 billion.

3. The EMC Master Procurement Agreement

(i) Background and reasons

As disclosed in the Letter from the Board, 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 in April 2024, 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 EMC engineering works to be carried out by the PRC enterprises in the near future. Hence, Shougang Group plans to undertake various EMC engineering works, via its subsidiaries, for Shougang Group companies and other independent enterprises which are in need of EMC engineering services in the PRC.

Since 2024, the Group has commenced the provision of finance lease services to the EMC engineering companies hired by Shougang Group for its EMC projects through direct lease and sale and leaseback services from time to time for the equipment to be involved in various EMC projects. Through such provision of finance lease services, the Group has maintained a stable customer network with EMC engineering companies and also gained familiarity with their raw materials suppliers in relation to the EMC Products for various EMC engineering projects. The Group has initially established a pool of the EMC raw materials suppliers and intend to further leverage its advantages in integrating industry resources, proactively expand cooperation channels, secure high-quality suppliers and continuously enrich the category coverage of the EMC products. By utilising the Group's network and access to various suppliers for the EMC Products, the Group could purchase the EMC Products from those EMC raw materials suppliers and supply the EMC Products to various EMC engineering companies as an alternate stream of revenue. The Company believes it is advantageous to make good use of its resources and business and capture new business opportunities in supplying the EMC Products to Shougang Group for the EMC engineering projects initiated by Shougang Group.

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

Accordingly, on 19 September 2025, the Company and Shougang have entered into the EMC Master Procurement Agreement for a term of three years commencing from the Effective Date of the EMC Master Procurement Agreement, pursuant to which the Group has agreed to supply and Shougang Group has agreed to purchase the EMC Products in accordance with the terms and conditions of the EMC Master Procurement Agreement.

With reference to the Letter from the Board, as a standard procurement procedure, Shougang Group would start the order requests by inviting tenders for the procurement of the EMC Products from the public from time to time. The Group would prepare and submit tenders after calculating the costs of providing such EMC Products. Upon the Group winning the tender, it shall source the EMC Products from independent third parties and provide the requested EMC Products to Shougang Group in accordance with the specifications required by Shougang Group. For each transaction, the Group will act as principal and bear the inventory risk and credit risk of the transaction.

As discussed in the section headed "1. Background information of the Group" above, the Group is exploring the business opportunities on EMC related business as well as other business with potential in order to maximise the return to the Shareholders. As such, the entering into of the EMC Master Procurement Agreement is consistent with the Group's business strategy and is expected to strengthen the strategic cooperation between the Group and Shougang Group, further enhance the business opportunities of the Group and broaden the revenue base of the Group, which is in the overall interests of the Group.

In addition, by maintaining a stable supply of the EMC Products for Shougang, the Company may also be able to expand its scope of business and establish a sound reputation in the supply of the EMC Products in the EMC engineering industry, which will, in turn, potentially attract more opportunities in generating income and trading profits with other customers.

Although the supply of the EMC Products is a new business to the Company, taking into account (a) the strong market demand on the EMC Products supported by the Chinese government's strategic objectives of energy conservation and emission reduction, quality enhancement and efficiency improvement; (b) the Group's stable network with EMC engineering companies and EMC raw materials suppliers accumulated through its sale and leaseback arrangement services business segment which formed a solid foundation for the development of the EMC Products supply business; (c) that the supply of the EMC Products is in line with the Group's business diversification strategy and is expected to strengthen the strategic cooperation between the Group and Shougang Group, further enhance the business opportunities of the Group and broaden the revenue base of the Group; and (d) that as disclosed in the Letter from the Board, the Group is experienced in supply chain management in respect of the business-to-business trading of goods in various industries and has maintained the management and staff who are experienced in supply chain management and relevant operation system, we concur with the Directors that the entering into of the EMC Master Procurement Agreement and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Principal terms

Details of the terms of the EMC Master Procurement Agreement are set out in the Letter from the Board, which are summarised as follows:

Date	:	19 September 2025 (after trading hours of the Stock Exchange)
Parties	:	(a) the Company; and (b) Shougang Group Co., Ltd.
Scope	:	The Group agreed to supply and Shougang Group agreed to purchase the EMC Products in accordance with the terms and conditions of the EMC Master Procurement Agreement and the specific purchase orders to be entered into between the Group and Shougang Group. The Group and Shougang Group may enter into individual agreements or orders to set out specific terms with respect to the supply and purchase of the EMC Products under the EMC Master Procurement Agreement in accordance with the principal terms thereunder.
Term	:	The EMC Master Procurement Agreement has a term of three (3) years commencing on the Effective Date of the EMC Master Procurement Agreement.
Pricing policy	:	The price of the EMC Products supplied pursuant to the EMC Master Procurement Agreement will be determined after arm's length negotiation between the Company and Shougang on normal commercial terms from time to time. The Group will supply the EMC Products to Shougang on an as-needed basis. When determining and approving the price and terms of the transactions under the EMC Master Procurement Agreement, the Company will consider the following: (a) the price of the EMC Products supplied will be determined on a "cost-plus" basis. On a "cost-plus" basis, based on the management's experience, the Company will determine the price of the EMC Products supplied based on the costs of the EMC Products plus a percentage mark-up of not less than 1%;

(b) 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;

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

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

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

Conditions precedent : The EMC Master Procurement Agreement is conditional upon the EMC Master Procurement Agreement, the Proposed Annual Caps of the EMC Master Procurement Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders at the SGM of the Company.

In assessing the fairness and reasonableness of the terms of the EMC Master Procurement Agreement, we have discussed with the management of the Group and noted that in order to ensure that the terms and the pricing policy of the transactions contemplated under the EMC Master Procurement Agreement are on normal commercial terms and no less favourable to the Group than those of the similar transactions contemplated with the Independent Third Party customers at the relevant times, the Group will compare the price of the EMC Products supplied with the price paid by at least two other Independent Third Party customers to the Group for similar goods supplied, when determining the respective terms and prices.

In addition, it is stipulated under the pricing policy of the EMC Master Procurement Agreement that the price of the EMC Products supplied will be determined on a "cost-plus" basis. On a "cost-plus" basis, based on the management's experience, the Company will determine the price of the EMC Products supplied based on the costs of the EMC Products plus a percentage mark-up of not less than 1%. As advised by the management of the Group, in practice, the mark-up rate shall be determined with reference to the nature of products, the estimated delivery time, transportation costs, quality and quantity of products, the overall demand and supply in the industry, urgency of orders, the prevailing exchange rate, the profit margin released by independent third parties in the industry and/or the mark-up rate of comparable products disclosed by other listed companies on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock

Exchange, from which the Company is able to draw references (where applicable). Due to the wide range of the categories of the EMC Products to be provided by the Group to Shougang Group, including EMC-related equipment, accessories, raw materials or products to be used for EMC engineering businesses, it would be difficult for the Company to estimate at the moment a specific and reasonable range of the mark-up rates. However, the Company will provide the EMC Products after considering the overall demand and supply in the industry and the actual circumstance of the Company based on the reasonable estimation of the management. Taking into account that (a) the Group would compare the price of the EMC Products supplied with the price paid by at least two other Independent Third Party customers to the Group for similar goods supplied, to ensure that the price payable by Shougang Group is at prevailing market price; (b) as advised by the management of the Group, the minimum mark-up rate of 1% was determined after considering the existing market condition and the aim of maintaining competitiveness in the trading market as the supply of the EMC Products is a new business to the Group; (c) the Group has the absolute discretion to increase the relevant mark-up rates when the market condition is favourable to the Group and the relevant mark-up rates will also be subject to the review of internal control measures of the Company including the discussion with relevant department head and the management before decision; and (d) the minimum mark-up rate represents the minimum profits to be earned by the Company which shall generate positive returns to the Shareholders, we consider the minimum 1% mark-up rate to be reasonable.

Although the Company will bear inventory and credit risks, as well as incur additional administrative costs in trading the EMC Products, taking into account that (a) as disclosed in the Letter from the Board, the management of the Group considers that due to the global economic downturn and intensified trade war, the supply chain market in the PRC has become highly competitive and the market competitors always lower their profit margins to maintain their competitiveness. As such, the minimum mark-up rate of 1% is commercially sensible to maintain the Group's competitiveness in view of the current market situation; (b) for each transaction, the Group will source the EMC Products from independent third parties after winning Shougang Group's tender. The Group's inventory risk is therefore considered to be low; (c) Shougang is one of the largest steel production enterprises in the PRC with total asset and net assets amounting to approximately RMB518.6 billion and RMB173.0 billion as at 31 December 2024, respectively. For FY2024, Shougang Group generated total revenue of approximately RMB226.0 billion and profit attributable to its shareholders of approximately RMB1.8 billion. The Group's credit risk is therefore considered to be low; and (d) the 1% mark-up rate is the minimum rate in determining the prices of the EMC Products. If the Company considers the inventory and credit risks as well as the additional administrative costs to be high in conducting the actual transactions, the Company could increase the relevant mark-up rates, we consider the minimum 1% mark-up rate to be reasonable.

As disclosed in the Letter from the Board, the Group has adopted and implemented certain internal control procedures to ensure the terms and pricing basis of the transactions contemplated under the EMC Master Procurement Agreement will be based on normal commercial terms which are no less favourable to the Group than those of similar transactions with Independent Third Parties. We have reviewed the internal control measures which include, among others, (a) the finance department of the Group will collect and summarise the transaction amounts, prepare the reports on an annual basis and submit the annual reports to the finance officer of the Company. The finance officer of the Company will review the annual reports and ensure that the transaction amounts incurred under the EMC Master Procurement Agreement and the anticipated transaction amounts will not exceed the Proposed Annual Caps of the EMC Master Procurement Agreement; (b) the supplying department of the Group will ensure that the terms, including but not limited to the price, brand, model and specification, payment and delivery terms, offered to Shougang Group will be no more favourable than those offered to other Independent Third Parties. In the event that the terms offered to Shougang Group are more favourable than those offered to other Independent Third Parties, the Group will have the right not to supply the EMC Products to Shougang Group; (c) the supplying department, sales department and finance department of the Group will conduct regular checks and assess whether the transactions contemplated under the EMC Master Procurement Agreement are conducted in accordance with the terms set out in the EMC Master Procurement Agreement; and (d) the Group's audit committee, independent non-executive Directors and the auditors will conduct an annual review on the transactions under the relevant continuing connected transaction as well as the pricing terms and annual caps thereof. Although there are no historical transactions under the EMC Master Procurement Agreement, taking into account that (a) different departments of the Group shall properly authorise, check and assess the terms, in particular the pricing policy, of each transaction under the EMC Master Procurement Agreement; (b) there will be ongoing monitoring of the transactions under the EMC Master Procurement Agreement; (c) the requirements under the Listing Rules for the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the transactions under the EMC Master Procurement Agreement; and (d) we have reviewed the implementation of internal control procedures in respect of the Group's other continuing connected transactions contemplated under the master facilities agreement, technology license agreement, finance lease agreement and master services agreement. Based on our review, we noted that the internal control measures adopted by the Group have been effectively implemented to continuously monitor and assess the annual caps and pricing terms. For details, please refer to the Company's circulars dated 9 October 2024 and 3 September 2025, we concur with the Directors that adequate internal control measures are in place to ensure that the transactions contemplated under the EMC Master Procurement Agreement will be appropriately monitored and conducted on commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Taking into account that (a) the above pricing policy safeguards the pricing terms of the EMC Master Procurement Agreement to be no less favourable to the Group than those with the Independent Third Party customers; (b) adequate internal control measures are implemented to ensure the terms of the transactions contemplated under the EMC Master Procurement Agreement are fair and reasonable and no less favourable to the Group than those of similar transactions with Independent Third Parties; and (c) the cooperation between the Company and Shougang Group under the EMC Master Procurement Agreement is on non-exclusive basis with no obligation on the Company's options to accept any terms and conditions (including pricing terms) for the EMC Master Procurement Agreement which are less favourable to the Group than those with the

Independent Third Party customers at the relevant times, we consider the terms of the EMC Master Procurement Agreement are on normal commercial terms which are fair and reasonable.

(iii) Assessment of the proposed annual caps

Pursuant to the EMC Master Procurement Agreement, the proposed annual caps for the transactions under the EMC Master Procurement Agreement are set out below:

	From the Effective Date of the EMC Master Procurement Agreement to 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027	From 1 January 2028 to the last day of the term of the EMC Master Procurement Agreement
	RMB'million	*RMB'million*	*RMB'million*	*RMB'million*
Proposed annual caps	50	100	150	200

In assessing the reasonableness of the proposed annual caps for the EMC Products to be provided by the Group to Shougang Group under the EMC Master Procurement Agreement, we have discussed with the management of the Group on the basis and assumptions underlying the projections. As advised by the management of the Group, in determining the proposed annual caps, they have taken into account, among others, (a) the anticipated increase in demand from Shougang Group for the EMC Products for the three years commencing from the Effective Date, which is determined based on the purchase plan prepared by Shougang Group. The Company also anticipates an increase in transaction volume for the EMC Products for the three years commencing from the Effective Date; (b) the anticipated costs of the EMC Products for the three years commencing from the Effective Date of the EMC Master Procurement Agreement; and (c) the anticipated growth in demand for the EMC Products in the EMC engineering market.

We have discussed with the management of the Group on each of the above factors and their potential impacts on the proposed annual caps and reviewed the relevant calculations. As advised by the management of the Group, 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, Shougang Group anticipate to have a huge demand for EMC works and initiate various EMC engineering projects in the near future. Against this backdrop, we have obtained and reviewed the breakdown of the potential EMC engineering projects to be initiated by Shougang Group in the coming three years, which has been confirmed and agreed by Shougang Group. Based on our review, we noted that Shougang Group intend to construct 13 EMC engineering projects in relation to, including but not limited to (a) replacing and updating the ultra-high temperature subcritical power generation equipment and waste heat power generation equipment in different steel mills to reduce carbon emissions, alleviate excessive energy consumption and strengthen power generation; (b) updating the blast furnace combustion equipment to achieve energy conservation, emission reduction and improved combustion efficiency; and (c) constructing a new air compression station to improve the operating efficiency of blast furnaces, recover compressor waste heat, and increase production. We also noted that based on the preliminary plans of Shougang Group, these EMC engineering projects were expected to require a total planned investments of approximately RMB2.2 billion and procure the relevant EMC Products in the total amount of approximately RMB500.0 million, among which nine EMC engineering projects will commence in 2025 and four engineering projects will commence in 2026. As it generally takes time to construct the EMC engineering projects and the EMC engineering projects may require different kinds and quantity of the EMC Products at different stages, the management of the Group have considered the timing factor in determining the proposed annual caps for the EMC Products to be provided by the Group to Shougang Group under the EMC Master Procurement Agreement.

In considering Shougang Group's requirements on the potential EMC engineering projects, we have performed research on the business operation of Shougang Group and discussed with the management of the Group and noted that iron and steel industry is a high-consumption, heavy-polluting and energy-intensive industry. In light of the "double carbon" target proposed by the Chinese government (i.e. to reach peak carbon use by 2030 and achieve carbon neutrality by 2060), Shougang Group will firmly establish the concept of green development, continue to refine the system to advance work related to "dual carbon", further improve low-carbon plans, and explore green and low-carbon production paths. It will strengthen investment management and promote environmental protection and energy conservation project construction to strive for a green and low-carbon steel enterprise. As such, the construction of the EMC engineering projects is essential for Shougang Group's sustainable development.

Taking into account (a) the recent and future business strategies of Shougang Group to establish the concept of green and low-carbon development; (b) the ongoing negotiation of potential requirements on the EMC Products between the Company and Shougang Group; (c) the anticipated growth in demand for the EMC Products as it takes time to construct the EMC engineering projects and the EMC engineering projects may require different kinds and quantity of the EMC Products at different stages; and (d) that the risk relating to the transactions contemplated under the EMC Master Procurement Agreement would be controlled by the internal control measures stipulated under the sub-section headed "(ii) Principal terms" above, we consider the proposed annual caps under the EMC Master Procurement Agreement to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

4. The Steel Master Procurement Agreement

(i) Background and reasons

With reference to the Company's announcement dated 23 August 2021, on 23 August 2021, Beijing Jingxi Supply Chain Management Co., Ltd.* (北京京西供應鏈管理有限公司) ("**Beijing Jingxi**"), an indirect wholly-owned subsidiary of the Company, entered into a master purchase agreement with Beijing Shougang Co., Ltd. ("**Beijing Shougang**") under which Beijing Jingxi agreed to purchase steel products from Beijing Shougang for a term of three years ended 31 December 2023. As advised by the management of the Group, Beijing Jingxi is principally engaged in the supply chain management business. The supply chain management services segment mainly provide services including (a) the analysis of the capital flow, information flow, business flow, logistics, etc. of the industrial chain where the target companies are located; and (b) solving customers' capital and management needs with the most convenient and diversified products, so as to reduce the transaction cost of the industrial chain and empower the industry. However, as a result of the Group's business transformation in accordance with market condition and business strategy to focus on developing and devoting more efforts and resources on the supply chain financial technology, i.e. Shougang SCF platform, as well as the then limited human resources and capital resources of the Group, the management of the Group considered that the Group was incapable to develop the supply chain financial technology and steel product trading and logistics businesses at the same time and if the Group insisted on conducting the steel product trading and logistics business while developing the supply chain financial technology, the Group may not be able to maintain good quality in conducting the steel product trading and logistics business which would worsen its relationship with its customers and brand reputation. As such, the Group suspended the business covering full-process services including steel product trading and logistics under the supply chain management and financial technology business segment since August 2022. As disclosed in the Letter from the Board, the Group has been prioritising its resources on the development on supply chain financial technology, i.e. Shougang SCF platform, in the past few years. Having considered that the (a) Group's supply chain financial technology service platform has been gradually established and become mature over recent years so that the Group now has more capacity and human resources to be devoted into the operation of the steel product trading and logistics business in which the Group has been experienced with in the past; and (b) the Group has gradually built up stable relationship with certain customers with potential demand on the Steel Products through the provision of its sale and leaseback arrangement services and supply chain management and financial technology services, the Group decided to resume its steel product trading and logistics under the supply chain management and financial technology business segment in order to improve the profitability of the Group and improve the return to the Shareholders in the long run.

Accordingly, on 19 September 2025, the Company and Shougang have entered into the Steel Master Procurement Agreement for a term of three years commencing from the Effective Date of the Steel Master Procurement Agreement, pursuant to which the Group has agreed to purchase and Shougang Group has agreed to supply the Steel Products in accordance to the terms and conditions of the Steel Master Procurement Agreement.

With reference to the Letter from the Board, being a standard procurement procedure, the Group shall obtain quotations and if the quotations are satisfied by the Group, procure the Steel Products from Shougang Group from time to tome upon receiving orders placed by the Group's customers for the Steel Products. For each transaction, the Group will act as principal and bear the inventory risk and credit risk.

As advised by the management of the Group, since Shougang is a renowned supplier of the Steel Products, the entering into of the Steel Master Procurement Agreement will assist the Company to gain a stable supply of the steel products for trading purchase, thereby providing it with an opportunity to generate income and trading profits. By entering into of the Steel Master Procurement Agreement, the Group could generate more revenue and create potential sales growth.

As disclosed in the 2025 Interim Report, taking advantage of its industrial advantages and competitive edges, the Group will continue to focus on the provision of customised and comprehensive financial service solutions to the steel industry and upstream and downstream customers on the industry chain. We have discussed with the management of the Group and noted that the Company has provided finance lease services to many steel manufacturers and traders and gradually built up its customer base. By utilising its resource advantages and the strong demand for steel products among its customers, the Company could supply steel products to its clients.

Taking into account that (a) steel product trading and logistics under the supply chain management and financial technology business segment was one of the principal business of the Group and the Group has accumulated the relevant industry experience; (b) the Group recorded revenue from trading of steel related products under its supply chain management business of approximately RMB1,788.3 million and RMB263.6 million for the years ended 31 December 2021 and 2022, respectively, which demonstrated the Group's capability to pursue the steel product trading and logistics business and the relevant market demand; (c) the trading of steel products is in line with the Group's business diversification strategy and is expected to strengthen the strategic cooperation between the Group and Shougang Group, further enhance the business opportunities of the Group and broaden the revenue base of the Group; and (d) as disclosed in the Letter from the Board, the Group is experienced in the supply chain management in respect of the business-to-business trading of goods in various industries and has maintained the management and staff who are experienced in supply chain management and relevant operation system, we concur with the Directors that the entering into of the Steel Master Procurement Agreement and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Principal terms

Details of the terms of the Steel Master Procurement Agreement are set out in the Letter from the Board, which are summarised as follows:

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

Scope	:	The Group agreed to purchase and Shougang Group agreed to supply the Steel Products in accordance with the terms and conditions of the Steel Master Procurement Agreement and the specific purchase orders to be entered into between the Group and Shougang Group. The Group and Shougang Group may enter into individual agreements or orders to set out specific terms with respect to the purchase of the Steel Products under the Steel Master Procurement Agreement in accordance with the principal terms thereunder.
Term	:	The Steel Master Procurement Agreement has a term of three (3) years commencing on the Effective Date of the Steel Master Procurement Agreement.
Pricing policy	:	The purchase price of the Steel Products will be determined with reference to the prevailing comparable market price after arm's length negotiation between the Group and Shougang Group from time to time. The Group will purchase the Steel Products from Shougang Group on an as-needed basis.

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

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

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

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

Conditions precedent : The Steel Master Procurement Agreement is conditional upon the Steel Master Procurement Agreement, the Proposed Annual Caps of the Steel Master Procurement Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders at the SGM.

In assessing the fairness and reasonableness of the terms of the Steel Master Procurement Agreement, we have discussed with the management of the Group and noted that in order to ensure that the terms and the pricing policy of the transactions contemplated under the Steel Master Procurement Agreement are on normal commercial terms and no less favourable to the Group than those of the similar transactions contemplated with the Independent Suppliers at the relevant times, the Company will obtain quotations from not less than two Independent Suppliers that provide similar Steel Products for comparison purposes when determining the respective terms and prices. In addition, in determining the purchase price of the Steel Products, the Group will monitor the market transaction prices of similar products by making reference to the websites of major players in the steel industry or industry associations (including but not limited to Zhong Gang Wang (中鋼網) http://baojia.steelcn.cn and My Steel (我的鋼鐵網) www.mysteel.com). The aforesaid websites can be obtained on a daily basis and the market prices of steel products are highly transparent in the open market. In this regard, we have visited the aforesaid websites and noted that Zhong Gang Wang and My Steel provide the timely market prices of various types of steel products. Based on the above, we concur with the Directors that these websites together with quotations from the Independent Suppliers are appropriate reference in determining the purchase price of the Steel Products.

As disclosed in the Letter from the Board, the Group has adopted and implemented certain internal control procedures to ensure the terms and pricing basis of the transactions contemplated under the Steel Master Procurement Agreement will be based on normal commercial terms which are no less favourable to the Group than those available from the Independent Third Parties. We have reviewed the internal control measures which include, among others, (a) the finance department of the Group will collect and summarise the transaction amounts, prepare the reports on an annual basis and submit the annual reports to the finance officer of the Group. The finance officer of the Company will review the annual reports and ensure that the transaction amounts incurred under the Steel Master Procurement Agreement and the anticipated transaction amounts will not exceed the Proposed Annual Caps of the Steel Master Procurement Agreement; (b) the purchasing department of the Group will ensure the terms, including but not limited to the price, brand, model and specification, payment and delivery terms, offered by Shougang Group will be no less favourable than those offered by the Independent Third Parties to the Group. In the event that the terms offered by Shougang Group are less favourable than those offered by the Independent Third Parties, the Group will have the right not to purchase the Steel Products from Shougang Group; (c) the purchasing department and finance department of the Group will conduct regular checks and assess whether the transactions contemplated under the Steel Master Procurement Agreement are conducted in accordance with the terms set out in the Steel Master Procurement

Agreement; and (d) the Group's audit committee, independent non-executive Directors and the auditors will conduct an annual review on the transactions under the relevant continuing connected transaction as well as the pricing terms and annual caps thereof. Although the procurement of steel products has been suspended since 2022, taking into account that (a) different departments of the Group will properly authorise, check and assess the terms, in particular the pricing policy, of each transaction under the Steel Master Procurement Agreement; (b) there will be ongoing monitoring of the transactions under the Steel Master Procurement Agreement; (c) the requirements under the Listing Rules for the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the transactions under the Steel Master Procurement Agreement; and (d) we have reviewed the implementation of internal control procedures in respect of the Group's other continuing connected transactions contemplated under the master facilities agreement, technology license agreement, finance lease agreement and master services agreement. Based on our review, we noted that the internal control measures adopted by the Group have been effectively implemented to continuously monitor and assess the annual caps and pricing terms. For details, please refer to the Company's circulars dated 9 October 2024 and 3 September 2025, we concur with the Directors that adequate internal control measures are in place to ensure that the transactions contemplated under the Steel Master Procurement Agreement will be appropriately monitored and conducted on commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Taking into account that (a) the above pricing policy safeguards the pricing terms of the Steel Master Procurement Agreement to be no less favourable to the Group than those with the Independent Suppliers; (b) adequate internal control measures are implemented to ensure the terms of the transactions contemplated under the Steel Master Procurement Agreement are fair and reasonable and no less favourable to the Group than those available from the Independent Suppliers; and (c) the cooperation between the Company and Shougang Group under the Steel Master Procurement Agreement is on non-exclusive basis with no obligation on the Company's options to accept any terms and conditions (including pricing terms) for the Steel Master Procurement Agreement which are less favourable to the Group than those with the Independent Suppliers at the relevant times, we consider the terms of the Steel Master Procurement Agreement are on normal commercial terms which are fair and reasonable.

(iii) Assessment of the proposed annual caps

Pursuant to the Steel Master Procurement Agreement, the proposed annual caps for the transactions under the Steel Master Procurement Agreement are set out below:

	From the Effective Date of the Steel Master Procurement Agreement to 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027	From 1 January 2028 to the last day of the term of the Steel Master Procurement Agreement
	RMB'million	*RMB'million*	*RMB'million*	*RMB'million*
Proposed annual caps	40	200	200	200

In assessing the reasonableness of the proposed annual caps for the Steel Products to be purchased by the Group from Shougang Group under the Steel Master Procurement Agreement, we have discussed with the management of the Group on the basis and assumptions underlying the projections. As advised by the management of the Group, in determining the proposed annual caps, they have taken into account, among others, (a) the anticipated demand of the Group for the Steel Products for the three years commencing from the Effective Date of the Steel Master Procurement Agreement, which is determined based on the purchase plan prepared by the Group. Such purchase plan was made with reference to the estimated selling quantities of the Steel Products determined based on the estimated demand for the Steel Products from the potential customers; (b) the anticipated purchase price of the Steel Products for the three years ending commencing from the Effective Date of the Steel Master Procurement Agreement; and (c) the purchase price for similar Steel Products that the Group can procure from other Independent Third Parties in open market.

We have discussed with the management of the Group on each of the above factors and their potential impacts on the proposed annual caps and reviewed the relevant calculations. As discussed in the sub-section headed "(i) Background and reasons" above, the Group has entered into a master purchase agreement to purchase steel products from Beijing Shougang since August 2021 for the Group's supply chain management business. However, as a result of the Group's business transformation in accordance with market condition, the Group suspended the business covering full-process services including steel product trading and logistics under the supply chain management and financial technology business segment since August 2022. In view of that the Group's supply chain financial technology service platform has been gradually established over the years, the Group decided to resume its steel product trading and logistics under the supply chain management and financial technology business segment. We have reviewed the Group's annual reports for the year ended 31 December 2022 and noted that the Group recorded revenue from trading of steel related products under its supply chain management business of approximately RMB1,788.3 million and RMB263.6 million for the years ended 31 December 2021 and 2022, respectively, which demonstrated the Group's capability to pursue the steel product trading and logistics business and the relevant market demand.

As advised by the management of the Group, taking advantage of its industrial advantages and competitive edges, the Company prioritised the development of its supply chain financial services in the steel industry serving the upstream and downstream customers of Shougang Group, and centred around core enterprises in the industry to expand supply chain management and financial service business. As the Company has provided finance lease services to many steel manufacturing and trading companies, it has gradually built up its customer base. After thorough analysis and research and initial negotiations with the Company's existing customers on their demand for the Steel Products, the Directors believe that the market demand and trading volume for the Steel Products are expected to be approximately 45,000 tons per annum for the coming three years. In this regard, we have obtained and reviewed the Group's target customers list for the steel product trading and logistics business who have built years of collaborate relationship with the Group and have demand on the Steel Products in their ordinary course of business. Based on our independent market research on the aforesaid target customers, we noted that most of them are construction or trading companies in the PRC and require steel products in their ordinary and usual course of business. Since Shougang is a renowned supplier of steel products, the entering into of the Steel Master Procurement Agreement will assist the Company to gain a stable supply of steel products for trading purchase, thereby providing it with an opportunity to generate income and trading profits along with the expected increase in market demand and trading volume for the steel products.

In respect of the Company's estimation on the unit purchase prices of the Steel Products for the coming three years, we are advised by the management of the Group that the unit purchase prices are projected with reference to the average market prices of the Steel Products from 1 January 2025 to 1 July 2025 published by My Steel (我的鋼鐵網). We have cross checked the aforesaid pricing data on My Steel (我的鋼鐵網) and noted that the average market prices of the Steel Products during the aforesaid period were consistent with the estimated unit purchase prices adopted in determining the proposed annual caps in the coming three years. On this basis, we consider the estimation of the unit purchase prices of the Steel Products for the coming three years to be fair and reasonable.

In respect of the supply capacity of Shougang Group, based on our review of the 2025 Offering Circular, we noted that Shougang Group owns and manages eight production bases with coking, ironmaking, steelmaking and steel-rolling capacity in China, reaching the steel production capacity of over 30 million tonnes per annum for FY2024.

Taking into account (a) the basis of determination of the proposed annual caps; (b) the Group's capability to pursue the steel product trading and logistics business and the relevant market demand; and (c) the strong background and supply capacity of Shougang Group, we consider the proposed annual caps under the Steel Master Procurement Agreement to be fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Although each of the proposed annual cap of RMB200 million for 2028 under the EMC Master Procurement Agreement and the proposed annual caps of RMB200 million from 2026 to 2028 under the Steel Master Procurement Agreement represents approximately 113% of the Group's revenue of HK$191.6 million for FY2024, indicating that the sales of the EMC Products to Shougang Group under the EMC Master Procurement Agreement and the procurement of the Steel Products from Shougang Group under the Steel Master Procurement Agreement will both be substantial to the Group, taking into account that (a) the proposed annual caps under the EMC Master Procurement Agreement and the Steel Master Procurement Agreement represent the maximum sales amounts and procurement amounts between the Group and Shougang Group while the cooperation between the Company and Shougang Group is on non-exclusive basis with no obligation on the Company's options to accept any terms and conditions for the EMC Master Procurement Agreement and the Steel Master Procurement Agreement. In any case, if the Group has any concerns on the transactions under the EMC Master Procurement Agreement and the Steel Master Procurement Agreement, it can reject to pursue the transactions without any penalty; (b) the prices and terms of the sales transactions and procurement transactions between the Group and Shougang Group under the EMC Master Procurement Agreement and the Steel Master Procurement Agreement shall be determined under a fair and reasonable basis and shall be no less favourable to the Group than those with the Independent Third Party suppliers or customers; (c) the Group had recorded revenue from trading of steel related products under its supply chain management business of approximately RMB1,788.3 million for FY2021, which was much higher than the proposed annual caps under the EMC Master Procurement Agreement and the Steel Master Procurement Agreement, which also demonstrated the Group's capability to pursue and develop the steel trading business; (d) the customers of the transactions contemplated under the Steel Master Procurement Agreement are independent third parties to the Group; and (e) after the Group accumulated more experience and track record for the trading of the EMC Products and the Steel Products, the Group would be able to reach out to more independent customers and suppliers in the market, expand its customer base and supplier base and hence reduce its reliance on Shougang Group in the long run, we consider that the entering into of the EMC Master Procurement Agreement and the Steel Master Procurement Agreement would not give rise to material reliance of the Company on Shougang Group.

5. Reporting requirements and conditions of the continuing connected transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the transactions contemplated under the Agreements (the "**Transactions**") are subject to the following annual review requirements:

(i) the independent non-executive Directors must review the Transactions and confirm in the annual report and accounts that the Transactions have been entered into:

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or better; and

(c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

(ii) the Company must engage its auditors to report on the Transactions every year. The Company's auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the Transactions:

(a) have not been approved by the Board;

(b) were not, in all material respects, in accordance with the pricing policies of the Group if the Transaction involves the provision of goods or services by the Group;

(c) were not entered into, in all material respects, in accordance with the relevant agreements governing the Transactions; and

(d) have exceeded the relevant proposed annual caps;

(iii) the Company must allow, and ensure that the counter-parties to the Transactions allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Transactions as set out in paragraph (ii); and

(iv) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors of the Company cannot confirm the matters as required.

In light of the reporting requirements attached to the Transactions, in particular, (i) the restriction of the value of the Transactions by way of the relevant proposed annual caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the Transactions and the relevant proposed annual caps not being exceeded, we are of the view that appropriate measures are in place to monitor the conduct of the Transactions and assist in safeguarding the interests of the Independent Shareholders.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the entering into of the Agreements are conducted in the ordinary and usual course of business of the Group; and (ii) the terms of the Agreements (including the proposed annual caps) are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favor of the relevant resolutions to be proposed at the SGM to approve the Transactions.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

1. FINANCIAL SUMMARY

Financial information of the Group for each of the three financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 and the six months ended 30 June 2025 are disclosed in the following documents, which can be accessed on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (http://www.capital-ifs.com/).

(i) 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

(ii) 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

(iii) Annual report of the Company for the year ended 31 December 2024 (pages 86–214), which can be accessed via the link at:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0414/2025041401178.pdf

(iv) Interim report of the Company for the six months ended 30 June 2025 (pages 4–37), which can be accessed via the link at:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0912/2025091200780.pdf

2. STATEMENT OF INDEBTEDNESS

Borrowings and lease liabilities

At the close of business on 31 August 2025, 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$2,825,000 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$16,380,000 which is unsecured.

Pledge of assets

At the close of business on 31 August 2025, the Group had no charge on its assets.

Debt securities

At the close of business on 31 August 2025, the Group had no debt securities.

Contingent liabilities

The Group did not have any material contingent liabilities as at the close of business as at 31 August 2025.

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 31 August 2025.

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 ADVERSE CHANGE

As at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND OPERATIONAL 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, since 31 December 2024, being the date to which the accounts of the Company were made up, 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.

As at 31 December 2024, the Group has no specific plan for material investments or capital assets. The Group will continue to allocate a reasonable amount of resources, better utilisation of the Company's assets and improvement of capital assets to improve operations efficiency and to meet customer needs and market demands. Sources of funding are expected to come primarily from the revenue that the Group will generate from operations and alternative debt and equity financing.

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 Company. 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

(a) Interests of Directors and chief executives of the Company and its associated corporation

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (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 or 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 Director 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 3,953,938,703 listed Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company or any of their associates had any interests or short positions in any 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 Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, which they are taken or deemed to have under such provisions of the SFO); or (b) which were required to be entered in the register required to be kept pursuant to Section 352 of the SFO; or (c) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Furthermore, Mr. Fu Yao (an executive Director) is also a director of certain subsidiaries of Shougang and is therefore fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) 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 *(Note 3)*	Interests of controlled corporations	2,425,736,972	61.35%
Wheeling Holdings Limited (“**Wheeling**”) *(Note 3)*	Beneficial owner	2,025,736,972	51.23%
Beijing Shougang Fund Co., Ltd (“**Shougang Fund**”) *(Note 3)*	Interests of controlled corporations	400,000,000	10.12%
Jingxi Holdings Limited (“**Jingxi Holdings**”) *(Note 3)*	Beneficial owner	400,000,000	10.12%
Yip Wang Ngai *(Note 4)*	Interests of controlled corporations	213,600,000	5.40%
HY Holdings Limited (“**HY Holdings**”) *(Note 4)*	Beneficial owner	213,600,000	5.40%
Chong Tin Lung Benny *(Note 5)*	Interests of controlled corporations	254,413,000	6.43%
VMS Investment Group Limited (“**VMS Investment**”) *(Note 5)*	Beneficial owner	254,413,000	6.43%

Notes:

(1) The Letter "L" denotes the person's long position in the Shares.

(2) The percentage is calculated based on 3,953,938,703 listed Shares in issue as at the Latest Practicable Date.

(3) Shougang Group indicated in its disclosure form dated 14 February 2025 (being the latest disclosure form filed up to 30 June 2025) that as at 14 February 2025, its interest in the Company was held by Wheeling 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 30 June 2025) that as at 30 July 2019, his interest in the Company was held by HY Holding which in turn was held as to 80% by Mr. Yip Wang Ngai.

(5) Mr. Chong Tin Lung Benny indicated in his disclosure form dated 10 April 2025 (being the latest disclosure form filed up to 30 June 2025) that as at 10 April 2025, his interest in the Company was held by VMS Investment which in turn was held as to 100% by Mr. Chong Tin Lung Benny.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any other person (other than the Directors and chief executives of the Company) who (a) had an interest or short position in the shares and/or underlying shares of the Company who was required 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.

3. MATERIAL LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance to the Group, and no litigation, arbitration or claim of material importance to the Group was pending or threatened against any member of the Group.

4. DIRECTOR'S 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. DIRECTORS' INTEREST 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 2024 (being the date of which the latest published audited financial statements of the Group were made up).

6. DIRECTORS' COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their associates 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

As at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2024, 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. EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
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

The letter and recommendation from the above expert is given as of the date of this circular for incorporation herein:

(a) did not have any shareholding, direct or indirect, in any members of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;

(b) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up); and

(c) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name and its letter in the form and context in which they respectively appear.

10. MISCELLANEOUS

(a) The registered office of the Company is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM 10, Bermuda.

(b) The principal place of business of the Company in Hong Kong is at Suite 803, 8/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

(c) The Company's Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited, 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**"). 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) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

11. DOCUMENTS ON DISPLAY

Copies of the following documents are on display and will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at http://www.capital-ifs.com/ for a period of 14 days from the date of this circular:

(a) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 28 to 29 of this circular;

(b) the letter from Rainbow Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 30 to 54 of this circular;

(c) the written consent referred to in the paragraph headed "Expert and Consent" in this Appendix;

(d) the EMC Master Procurement Agreement; and

(e) the Steel Master Procurement Agreement.

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)

NOTICE IS HEREBY GIVEN that a special general meeting of Capital Industrial Financial Services Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") will be held at 11:00 a.m. on Thursday, 13 November 2025 at 4/F, Building 5, Jinankehuan Plaza, Shougang Park Group, Shijingshan District, Beijing, PRC (the "**SGM**") for the purposes of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**

   (a) the EMC master procurement agreement (the "**EMC Master Procurement Agreement**") dated 19 September 2025 entered into between the Company and Shougang Group Co., Ltd. (首鋼集團有限公司) ("**Shougang**"), a copy of which is tabled at the SGM and marked "A" and initialed by the Chairman of the SGM for identification purpose, pursuant to which the Group has agreed to supply and Shougang Group has agreed to purchase the EMC Products by the terms and conditions of the EMC Master Procurement Agreement be and is hereby approved, ratified and confirmed;

   (b) the annual caps for the EMC Products to be supplied by the Group to Shougang Group under the EMC Master Procurement Agreement as set out in the circular of the Company dated 23 October 2025 be and is hereby approved; and

   (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the EMC Master Procurement Agreement."

* *For identification purposes only*

2. "**THAT**

(a) the steel master procurement agreement (the "**Steel Master Procurement Agreement**") dated 19 September 2025 entered into between the Company and Shougang, a copy of which is tabled at the SGM and marked "B" and initialed by the Chairman of the SGM for identification purpose, pursuant to which Shougang Group has agreed to supply and the Group has agreed to purchase the Steel Products in accordance with the terms and conditions of the Steel Master Procurement Agreement be and is hereby approved, ratified and confirmed;

(b) the annual caps for the Steel Products to be purchased by the Group under the Steel Master Procurement Agreement as set out in the circular of the Company dated 23 October 2025 be and is hereby approved; and

(c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the Steel Master Procurement Agreement."

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

Hong Kong, 23 October 2025

Registered office:
Victoria Place, 5/F
31 Victoria Street
Hamilton HM 10
Bermuda

Head office and Principal place of business in Hong Kong:
Suite 803, 8/F
Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of any officer or attorney duly authorised.

2. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the SGM, or any adjourned meeting thereof.

3. The register of members of the Company will be closed from Monday, 10 November 2025 to Thursday, 13 November 2025, inclusive, during such period no transfer of shares of the Company will be registered. The record date for determining the entitlement of members of the Company to attend and vote at the SGM is fixed at the close of business on Thursday, 13 November 2025. In order to qualify for the entitlement to attend and vote at the SGM, all documents for the transfer of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 7 November 2025. The record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the SGM is therefore Thursday, 13 November 2025.

4. Completion and return of the form of proxy shall not preclude members of the Company from attending and voting in person at the SGM or at any adjourned meeting thereof should they so wish, and in such event, the form of proxy shall be deemed to be revoked.

5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the SGM, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereof.