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CAPITAL REALM FINANCIAL HOLDINGS GROUP LIMITED

資本界金控集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 204)

I. PROPOSED CAPITAL REORGANISATION; II. PROPOSED CHANGE IN BOARD LOT SIZE; AND III. PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) ADJUSTED SHARE HELD ON RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial adviser to the Company



Placing Agents

Cheong Lee Securities Limited

ChaoShang Securities Limited

PROPOSED CAPITAL REORGANISATION

The Board proposes the Capital Reorganisation to be implemented in the following manner:

- (i) the Share Consolidation whereby every twenty (20) issued and unissued Existing Shares of par value of HK\$0.10 each will be consolidated into one (1) Consolidated Share of par value of HK\$2.00 each;

- (ii) the Capital Reduction whereby (a) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation will be cancelled, and (b) the par value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$1.99 on each issued Consolidated Share;
- (iii) the Share Sub-division whereby immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK\$2.00 (including the authorised but unissued Consolidated Shares arising from the Capital Reduction) each will be subdivided into 200 Adjusted Shares of par value of HK\$0.01 each; and
- (iv) the credit arising from the Capital Reduction be applied towards offsetting accumulated loss of the Company as at the effective date of the Capital Reorganisation, thereby reducing the accumulated loss of the Company and the balance of the credit (if any) will be credited to the contributed surplus account of the Company to be applied by the Company in any manner as permitted by all applicable laws and the Bye-laws.

The Capital Reorganisation is conditional upon fulfillment of the conditions as set out under the section headed “Conditions of the Capital Reorganisation” in this announcement.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 20,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 20,000 Existing Shares to 5,000 Adjusted Shares subject to and upon the Capital Reorganisation becoming effective.

PROPOSED RIGHTS ISSUE

The Board proposes, subject to the Capital Reorganisation becoming effective, to conduct the Rights Issue on the basis of three (3) Rights Shares for every one (1) Adjusted Share held on the Record Date at the Subscription Price of HK\$1.00 per Rights Share, to raise gross proceeds up to approximately HK\$155.7 million before expenses by way of Rights Issue of up to 155,659,455 Rights Shares (assuming there is no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation) to Qualifying Shareholders.

Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders. In the event of an undersubscription of the Rights Issue, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be placed on a best effort basis by the Placing Agents to independent placees under the Placing. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There will be no excess application arrangement in relation to the Rights Issue.

The estimated maximum net proceeds from the Rights Issue (after deducting the estimated expenses in relation to the Rights Issue) is expected to be up to approximately HK\$154.5 million. Details of the use of proceeds are set out in the section headed “Reasons for the Rights Issue and use of proceeds” in this announcement.

Placing Agreement

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent Placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. Accordingly, on 13 May 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents to place the Unsubscribed Rights Shares and the ES Unsold Rights to independent Placees on a best effort basis.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within 12 months period immediately preceding the date of this announcement (after taking into account the effect of the Capital Reorganisation), the Rights Issue is conditional upon the Independent Shareholders’ approval at the SGM, and any controlling shareholders of the Company and their associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the SGM.

As at the date of this announcement, the Company has no Controlling Shareholder as defined under the Listing Rules. Mr. Zhu Zhikun, a non-executive Director, holds 4,890,000 Existing Shares by himself. Therefore, Mr. Zhu Zhikun and his respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A(1) of the Listing Rules at SGM. Apart from the above mentioned, no shareholders shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A(1) of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Shi Zhu, Ms. Chen Shunqing and Mr. Ding Jiasheng, to advise the Independent Shareholders in respect of the Rights Issue and as to the voting action therefor.

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve, the Capital Reorganisation, the Rights Issue and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Capital Reorganisation, the Change in Board Lot Size and the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the SGM, is expected to be despatched to the Shareholders on or before Monday, 26 May 2025.

Subject to the approval of the Capital Reorganisation and the Rights Issue by the Shareholders or Independent Shareholders (as the case may be) at the SGM, Prospectus Documents containing further information regarding, among other things, the Rights Issue, are expected to be despatched to the Qualifying Shareholders on Tuesday, 24 June 2025.

PROPOSED CAPITAL REORGANISATION

The Board proposes the Capital Reorganisation to be implemented in the following manner:

- (i) the Share Consolidation whereby every twenty (20) issued and unissued Existing Shares of par value of HK\$0.10 each will be consolidated into one (1) Consolidated Share of par value of HK\$2.00 each;
- (ii) the Capital Reduction whereby (a) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation will be cancelled, and (b) the par value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$1.99 on each issued Consolidated Share;
- (iii) the Share Sub-division whereby immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of par value of HK\$2.00 each (including the authorised but unissued Consolidated Shares arising from the Capital Reduction) will be subdivided into 200 Adjusted Shares of par value of HK\$0.01 each; and
- (iv) the credit arising from the Capital Reduction be applied towards offsetting accumulated losses of the Company as at the effective date of the Capital Reorganisation, thereby reducing the accumulated loss of the Company and the balance of the credit (if any) will be credited to the contributed surplus account of the Company to be applied by the Company in any manner as permitted by all applicable laws and the Bye-laws.

Effect of the Capital Reorganisation

As at the date of this announcement, the total authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Existing Shares of HK\$0.10 each, of which 1,037,729,718 Existing Shares have been issued and fully paid or credited as fully paid. Immediately following the Capital Reorganisation, 3,000,000,000 Existing Shares of HK\$0.10 each will become 30,000,000,000 Adjusted Shares of HK\$0.01 each, of which 51,886,485 Adjusted Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will become HK\$518,864.85 (assuming that no further Existing Shares are issued or repurchased from the date of this announcement until the effective date of the Capital Reorganisation). A credit of approximately HK\$103,254,106.95 will arise as a result of the Capital Reduction becoming effective which will be applied towards offsetting accumulated loss of the Company as at the effective date of Capital Reorganisation. The balance of the credit (if any) will be credited to the contributed surplus account to be applied by the Company in any manner as permitted by all applicable laws and the Bye-laws.

Assuming no Existing Shares are issued or repurchased from the date of this announcement, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately upon the Share Consolidation becoming effective	Immediately upon the Capital Reorganisation becoming effective
Amount of authorised share capital	HK\$300,000,000	HK\$300,000,000	HK\$300,000,000
Nominal value of each Existing Share/ Consolidated Share/Adjusted Share	HK\$0.10 per Existing Share	HK\$2.00 per Consolidated Share	HK\$0.01 per Adjusted Share
Number of authorised Existing Shares/ Consolidated Shares/Adjusted Shares	3,000,000,000 Existing Shares	150,000,000 Consolidated Shares	30,000,000,000 Adjusted Shares
Number of issued Existing Shares/ Consolidated Shares/Adjusted Shares	1,037,729,718 Existing Shares	51,886,485 Consolidated Shares	51,886,485 Adjusted Shares
Issued and fully paid-up share capital	HK\$103,772,971.80	HK\$103,772,970.00	HK\$518,864.85

The Adjusted Shares in issue immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders, save for any fractional Adjusted Shares which may arise. Fractional Adjusted Shares arising from the Capital Reorganisation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Adjusted Shares will be aggregated and, if possible, sold for the benefits of the Company. Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Adjusted Shares.

Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Group.

The 2024 Share Option Scheme was adopted on 30 September 2024. Since its adoption and up to the date of this announcement, no share options have been granted thereunder. As at the date of this announcement, the available scheme mandate limit under the 2024 Share Option Scheme was 86,478,971. Upon the Capital Reorganisation becoming effective, the available scheme limit under the 2024 Share Option Scheme will be 4,323,948.

As at the date of this announcement, the Company does not have any outstanding options granted under its old share option scheme, warrants or other securities in issue which are convertible or exchangeable into any Shares.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (i) the passing of the necessary special resolution(s) by the Shareholders approving the Capital Reorganisation at the SGM;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation;
- (iii) the Directors being satisfied that on the date of the Capital Reorganisation is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due in compliance with the Companies Act; and
- (iv) all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation having been obtained.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the Adjusted Shares arising from the Capital Reorganisation, the Company will procure an arrangement with an agent to stand in the market to provide matching services for sale and purchase of odd lots of the Adjusted Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the circular.

Holders of odd lots of the Adjusted Shares should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Exchange of share certificates

Subject to the Capital Reorganisation having become effective, Shareholders may, on or after Thursday, 12 June 2025 and until Monday, 21 July 2025 (both days inclusive), submit the existing share certificates for the Existing Shares to the Registrar in Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Adjusted Shares. Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Adjusted Shares at the expense of the Shareholders on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Adjusted Shares (whichever is higher) but are not acceptable for trading, settlement and registration.

The new share certificates for the Adjusted Shares will be issued in blue colour in order to distinguish them from the existing share certificate in purple colour.

Application for listing and dealings

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation and all necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS.

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange upon the Capital Reorganisation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the Adjusted Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 20,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 20,000 Existing Shares to 5,000 Adjusted Shares subject to and upon the Capital Reorganisation becoming effective.

Based on the closing price of HK\$0.048 per Existing Share (equivalent to HK\$0.96 per Adjusted Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 5,000 Adjusted Shares, assuming the Capital Reorganisation and the Change in Board Lot Size had become effective, would be HK\$4,800.

REASONS FOR THE CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. According to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Stock Exchange, (i) market price of the securities of an issuer at a level less than HK\$0.10 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) the expected value per board lot should be greater than HK\$2,000.

As at the date of this announcement, the closing price of the Existing Share is HK\$0.048 per Share, with a board lot size of 20,000 Shares, the existing board lot value is only HK\$960, which is less than HK\$2,000. In view of the recent trading prices of the Existing Shares at the level of below HK\$0.10 and board lot value of below HK\$2,000, Directors resolved to propose the Share Consolidation and Change in Board Lot Size with the view to complying with the trading requirements under the Listing Rules. The Directors considered that the Share Consolidation and Change in Board Lot Size would bring about a corresponding upward adjustment in the market price of the Consolidated Shares which would enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Consolidated Shares. Assuming that the Capital Reorganisation and the proposed Change in Board Lot Size has become effective, based on the closing price of HK\$0.048 per Existing Share (equivalent to the theoretical closing price of HK\$0.96 per Adjusted Share) as at the date of this announcement, the estimated new board lot value would be HK\$4,800.

Upon the Share Consolidation becoming effective but before implementation of the Capital Reduction, the par value of the Existing Shares will be consolidated from HK\$0.10 into HK\$2.00 per Consolidated Share. Under Bermuda law, a company may not issue shares at a discount to the par value of such shares. The Capital Reorganisation involves the Capital Reduction which will reduce the par value from HK\$2.00 per Consolidated Share to HK\$0.01 per Adjusted Share, which will facilitate the proposed Rights Issue as discussed below and allow greater flexibility in the pricing for any issue of new Shares in the future when necessary. The credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reorganisation, thereby reducing the accumulated losses of the Company. The balance of the credit (if any) of the contributed surplus account after offsetting the accumulated losses will be applied by the Company in any manner as permitted by all applicable laws and the Bye-laws.

In view of the above, the Board considers that the proposed Capital Reorganisation and the proposed Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon satisfaction of conditions set out in the paragraph headed “Conditions of the Capital Reorganisation” in this announcement. Therefore, the Capital Reorganisation may or may not proceed.

PROPOSED RIGHTS ISSUE

The Board proposes, subject to the Capital Reorganisation becoming effective, to conduct the Rights Issue on the basis of three (3) Rights Shares for every one (1) Adjusted Share held as at the Record Date. Details of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue:	Three (3) Rights Shares for every one (1) Adjusted Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price:	HK\$1.00 per Rights Share
Net price per Rights Shares (i.e. Subscription Price less cost and expenses incurred in the Rights Issue):	Approximately HK\$0.99 per Rights Share (on the basis that all the Rights Shares will be taken up)

Number of Shares in issue as at the date of this announcement:	1,037,729,718 Existing Shares
Number of Adjusted Shares in issue upon the Capital Reorganisation becoming effective:	51,886,485 Adjusted Shares (assuming there is no change in number of Shares in issue up to the effective date of the Capital Reorganisation)
Number of Rights Shares (Shares to be issued pursuant to the Rights Issue):	Up to 155,659,455 Rights Shares (assuming there is no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation) with an aggregate nominal value of HK\$1,556,594.55
Total number of Adjusted Shares in issue upon completion of the Rights Issue:	Up to 207,545,940 Adjusted Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)
Gross proceeds from the Rights Issue:	Up to approximately HK\$155.7 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation)

As at the date of this announcement, Company has no outstanding derivatives, convertible securities, options, warrants or other similar securities in issue which would otherwise confer any right to subscribe for, convert or exchange into Shares. The Company has no intention to issue or grant any Shares, convertible securities and/or options on or before the Record Date.

Assuming no change in the number of Shares in issue on or before the Record Date, other than the Capital Reorganisation becoming effective, the aggregate 155,659,455 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 300.0% of the total number of issued Adjusted Shares upon the Capital Reorganisation becoming effective and approximately 75.0% of the total number of issued Adjusted Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

Subscription Price

The Subscription Price is HK\$1.00 per Rights Share, which shall be payable in full by Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares. According to the relevant Bermuda laws, the Company shall not issue Shares at a price below its par value.

The Subscription Price represents:

- (i) a premium of approximately 4.17% to the adjusted closing price of HK\$0.96 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the closing price of HK\$0.048 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 21.36% to the adjusted average closing price of HK\$0.824 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of HK\$0.0412 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 29.53% to the adjusted average closing price of HK\$0.772 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of approximately HK\$0.0386 per Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) given the Subscription Price is at the premium to the benchmarked price of approximately HK\$0.96 per Adjusted share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Adjusted Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average closing price of the five (5) previous consecutive trading days prior to the date of this announcement and taking into account the effect of the Capital Reorganisation); and
- (v) a discount of approximately 86.28% to the net asset value of the Company of approximately HK\$7.29 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the net asset value attributable to owners of the Company of approximately HK\$378,125,000 as at 31 March 2024 and 51,886,485 Adjusted Shares assuming the Capital Reorganisation has become effective.

The Subscription Price was determined with reference to, among other things, (i) the market price of the Existing Shares under the prevailing market conditions; (ii) the current business performance and financial position of the Group; and (iii) the reasons for and benefits of proposed Rights Issue as discussed in the section head “Reasons for the Rights Issue and Use of Proceeds”, and the amount of funds the Company intends to raise under the Rights Issue.

In determining the Subscription Price, the Directors have considered, among other thing as mentioned above, the closing price in the past three months prior to and including the Last Trading Day (the “**Relevant Period**”), as a benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant Period, the Shares were traded on the Stock Exchange with an average closing price of approximately HK\$0.0553 per Existing Share. The Subscription Price represents a discount of approximately 9.58% to the closing price of HK\$1.106 per Adjusted Share (after taking into account the effect of the Capital Reorganisation) based on the average closing price of the Shares of HK\$0.0553 per Existing Share under the Relevant Period. Taking into account the prevailing closing prices of the Shares and market conditions of the capital market in Hong Kong during the Relevant Period, the Subscription Price was determined at a discount to the recent closing prices of the Shares with an aim to lowering the further investment cost of the Qualifying Shareholders so as to encourage them to take up their entitlements to maintain their shareholdings in the Company, thereby minimising any dilution impact.

The Directors have noted the relatively large discount mentioned in (v) above. Nevertheless, taking into account of the fact that the Existing Shares were traded at a discount to the net asset value attributable to owners of the Company per Existing Share during the Relevant Period, the Directors are of the view that the net asset value per Adjusted Share may not be a meaningful reference to determine the Subscription Price.

In view the above and having considered (i) all Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue at a relatively low price as compared to the historical market price of the Shares and at a discount to the recent closing prices of the Shares; and (ii) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid Rights Shares in the market. As such, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the independent financial adviser) consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of an undersubscription of the Rights Issue, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be placed on a best effort basis by the Placing Agents to independent placees under the Placing. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no applicable statutory requirements under the laws of the Bermuda regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules.

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (i) the Capital Reorganisation having become effective;
- (ii) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the SGM for the transactions contemplated under the Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;
- (iii) the electronic delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong and the filing and registration with the Registrar in Hong Kong of the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (iv) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus on the website of the Stock Exchange on or before the Posting Date;
- (v) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked); and
- (vi) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied at or before 4:00 p.m. on Monday, 21 July 2025 (or such later date as the Company may determine), the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Adjusted Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, Shareholder must be registered as a member of the Company on the Record Date and not be an Excluded Shareholder.

In order to be registered as members of the Company prior to the closing of business on the Record Date, all transfers of Adjusted Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the Registrar, by 4:00 p.m. on Monday, 16 June 2025.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 17 June 2025 to Monday, 23 June 2025 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Basis of provisional allotment

The basis of the provisional allotment shall be three (3) Rights Shares (in nil-paid form) for every one (1) Adjusted Share held by the Qualifying Shareholders as at close of business on the Record Date. There will be no excess application arrangements in relation to the Rights Issue.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being accepted with the Registrar by the Latest Time for Acceptance.

Arrangement on odd lot trading

To alleviate the difficulties in trading odd lots of the Shares arising from the Rights Issue, the Company will appoint an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Thursday, 26 June 2025 to 4:00 p.m. on Thursday, 17 July 2025 (both dates inclusive). Holders of the Shares in odd who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker during such period. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding ES Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Rights of the Overseas Shareholders (if any)

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Issue to Overseas Shareholders, if any. If, based on the legal advice to be provided by the legal advisor of the Company, the Board considers that it would be necessary or expedient not to offer the Rights Shares to Overseas Shareholders on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in such relevant jurisdiction, the Rights Issue will not be extended to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Excluded Shareholders. The basis for excluding the Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp

duty, of more than HK\$100 will be paid to the Excluded Shareholders pro rata to their shareholdings held on the Record Date. In light of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Overseas Shareholders should note that they may or may not be entitled to participate in the Rights Issue, subject to the results of the enquiries to be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rule to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue. On 13 May 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents in relation to the placing of Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company appointed the Placing Agents to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agents will on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 18 July 2025, placees to subscribe for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain not placed after completion of the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on a pro rata basis (but rounded down to the nearest cent):

- (i) the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- (ii) the relevant Excluded Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Excluded Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholders and Excluded Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realized, and accordingly the No Action Shareholders may or may not receive any Net Gain.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Friday, 25 July 2025 to those entitled thereto at their registered addresses by ordinary post at their own risk. Each Shareholder will receive one share certificate for all allotted Shares. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Friday, 25 July 2025 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

No Fractional Entitlement

On the basis of provisional allotment of three (3) Rights Shares for every one (1) Adjusted Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

The nil-paid and fully-paid Rights Shares will be traded in board lots of 5,000 Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

THE PLACING AGREEMENT

On 13 May 2025 (after trading hours), the Company and the Placing Agents entered into the Placing Agreement, pursuant to which the Placing Agents has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure independent Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Placing Agreement are as follows:

Date:	13 May 2025 (after trading hours)
Issuer:	The Company
Placing Agents:	Cheong Lee Securities Limited and ChaoShang Securities Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agents and their ultimate beneficial owners are Independent Third Parties.
Fee and expenses:	3.0% of the amount which is equal to the placing price multiplied by the Unsubscribed Rights Shares and the ES Unsold Rights Shares that are successfully placed by the Placing Agents pursuant to the terms of the Placing Agreement and reimbursed for the expenses in relation to the Placing, which the Placing Agents are authorised to deduct from the payment to be made by the Placing Agents to the Company at completion.
Placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares:	The placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares shall be at least equal to the Subscription Price. The final price is dependent on the demand and market conditions of the Unsubscribed Rights Shares and the ES Unsold Rights Shares during the process of placement.

Placees:	The individuals, corporate, institutional investors or other investors who are professional investors as defined under the SFO procured by the Placing Agents and/or their sub-placing agents to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares.
Ranking of the Unsubscribed Rights Shares and ES Unsold Rights Shares:	The Unsubscribed Rights Shares and ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the Shares then in issue.
Termination:	<p>The Placing shall end on Friday, 18 July 2025 or any other date by mutual written agreement between the Placing Agents and the Company.</p> <p>The Placing Agents shall be entitled by notice in writing to the Company given prior to 4:00 p.m. on Monday, 21 July 2025 to terminate the Placing Agreement if any of the following events occur:</p> <ul style="list-style-type: none"> (i) any material breach of any of the representations and warranties by the Company under the Placing Agreement or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of the placing completion if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; (ii) any moratorium, suspension or restriction in the trading of the Shares on the Stock Exchange due to exceptional financial circumstances; (iii) any force majeure occurrence which would be likely to result in the Company and the Placing Agents being unable to fulfill their respective duties and responsibilities under the Placing Agreement; and (iv) any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agents, may make them inadvisable to continue the engagement.

Conditions Precedent:

The obligations of the Placing Agents and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agents in writing, if applicable):

- (i) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares (including the Unsubscribed Rights Shares and ES Unsold Rights Shares);
- (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The Placing Agents may, in their absolute discretion, waive the fulfilment of all or any part of the conditions precedent to the Placing Agreement (other than those set out in paragraph (i) above) by notice in writing to the Company.

Completion:

Placing completion shall take place on Friday, 25 July 2025 or such other date as the Company and the Placing Agents may agree in writing.

The Placing Agents shall ensure that the Unsubscribed Rights Shares and ES Unsold Rights Shares are placed (i) only to institutional, corporate or individual investors who are professional investors as defined under the SFO (Cap 571) and who and whose ultimate beneficial owners shall be Independent Third Parties; (ii) such that the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iii) such that the Placing will not result in the Company incapable of complying with the Public Float Requirement under the Listing Rules immediately following the Placing.

The engagement between the Company and the Placing Agents in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (including the commission and expenses payable) was determined after arm's length negotiation between the Placing Agents and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Board (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the independent financial adviser) considers that the terms of Placing Agreement in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (including the commission and expenses payable) are on normal commercial terms.

As explained above, the Unsubscribed Rights Shares and ES Unsold Rights Shares will be placed by the Placing Agents to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and ES Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Board considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the interests of the Company's minority Shareholders since the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the ES Shareholders; and (iii) a compensatory mechanism for the No Action Shareholders and the ES Shareholders.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment company listed under Chapter 21 of the Listing Rules and its purpose is to achieve short to long-term capital appreciation as well as income from interest and dividend by investing principally in listed and unlisted securities.

Since the second half of 2024, capital market sentiment in Hong Kong and the PRC has shown signs of recovery despite the continuing geopolitical tension and other macroeconomic uncertainties. Hang Seng Stock Index has steadily increased and exceeded 24,000 level in February 2025 for the first time in three years while Chinese assets outperformed the other markets in the first quarter of this year. Furthermore, the National Bureau of Statistics of China recently released data on retail sales and industrial production, reflecting modest economic growth in China at the beginning of 2025. Meanwhile, the Chinese government unveiled a wide-ranging plan to stimulate domestic consumption which further bolstered market confidence. To deliver better returns to its Shareholders and expand its investment portfolio, the Group has adopted cautious yet proactive approach, actively identifying and pursuing potential business opportunities.

According to the Group's unaudited management account for the eleven months ended 28 February 2025, as at 28 February 2025, the Group's total bonds and bonds interest payables amounted to approximately HK\$79.9 million which will be due on or before 31 December 2025 while the cash and cash equivalents was only HK\$4.2 million. The table below sets forth details of the Group's bonds payables as at 28 February 2025:

Maturity date	Principal amount (HK\$'000)	Accrued interest (HK\$'000)
April 2025	40,000	748
May 2025	9,600	124
June 2025	3,000	29
July 2025	22,639	759
December 2025	3,000	32
	<hr/>	<hr/>
Total	<u>78,239</u>	<u>1,692</u>

The bonds originally scheduled to mature in April 2025 have been extended to October 2025. As at the date of this announcement, based on the current operating conditions, the Group intends to engage in a negotiation with relevant bondholder to extend the maturity date of the bond currently set to due in May 2025.

In view of the above, the Directors consider that it is commercially reasonable and justifiable to obtain external financing to strengthen its capital structure and expand its investment portfolio with a view to achieving improvement of the Group's future business prospect.

Besides the Rights Issue, the Directors have considered other fundraising methods available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares or open offer. In respect of debt financing, the Directors are of the view that it is unfavorable for the Company to borrow funding as the Company do not have assets to be pledged and have net loss financial position in the past few years. In respect of equity financing, the Directors are of the view that placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. In addition, the Company conducted placing of new Shares under general mandate on 23 October 2024 and such placing was completed on 14 November 2024, hence, the Company has utilised the entire general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 30 September 2024 to allot and issue new Shares. As for open offer, although it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market unlike a rights issue, which would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto. On the other hand, the Rights Issue is an offer to existing Shareholders to participate in the enlargement of the capital base of the Company and enables the Shareholders to maintain their proportionate interests in the Company and continue to participate in development of the Company in the future should they wish to do so. However, those Shareholders who do not participate in the Rights Issue to which they are entitled should note that their shareholding interest in the Company will be diluted.

The Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the independent financial adviser) consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the Rights Issue to be fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the nil-paid rights in the market; (ii) the proposed Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares; and (iii) Rights Issue will allow the Group to strengthen its financial position and liquidity to support its business operation and development, without incurring additional debt financing cost.

Assuming full subscription under the Rights Issue, the gross proceeds from the Rights Issue will be approximately HK\$155.7 million and the estimated net proceeds of the Rights Issue will be approximately HK\$154.5 million. The estimated expenses of the Rights Issue are approximately HK\$1.2 million, which include professional fees payable to the independent financial advisers, financial advisers, legal counsels, financial printer and other parties involved in the Rights Issue and will be borne by the Company.

The Company intends to use the net proceeds from the Rights Issue for the following purposes:

- (i) approximately HK\$72.0 million, representing approximately 46.6% of net proceeds, will be utilised by August 2026 for repayment of the Group bonds principal amount and accrued interests. Nevertheless, in the event there is any shortfall in the net proceeds from the Rights Issue, the Group will consider to utilise internal resources to fulfill the bond repayment obligation;
- (ii) approximately HK\$68.1 million, representing approximately 44.1% of net proceeds, will be utilised by August 2026 for future investments pursuant to the investment objectives of the Company for the upcoming twelve (12) months. The Group plans to invest in, including but not limited to, (i) trust products that, in turn, invest in unlisted companies across various industries, (ii) unlisted companies operating in industries primarily related to digital technology and information technology and/or (iii) equity securities of listed companies across various industries. Such investments are in line with the Group's investment policies. The Group will seek to identify companies established in, or with their operations principally located within, Greater China or the Asia-Pacific region, with a record of profits growth, strong management, high levels of technical expertise and research and development capabilities as well as management commitment to the long term growth. As at the date of this announcement, no target companies have been identified; and
- (iii) approximately HK\$14.4 million, representing approximately 9.3% of net proceeds, will be utilised by August 2026 as general working capital of the Group which mainly includes directors' emoluments, salaries, legal and professional fees and rental expenses.

The Rights Issue will proceed irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that there is an under subscription of the Rights Issue, the net proceeds of the Rights Issue will be allocated and utilised in accordance with the same proportion to the above uses. Nevertheless, in the event that there is any shortfall in net proceeds from the Rights Issue, the Company will further evaluate the available options according to the operating conditions and may consider to realise investments on hands and debt financing, as and when appropriate.

EFFECTS ON SHAREHOLDING STRUCTURE

To the best knowledge of the Directors, set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Capital Reorganisation; (iii) immediately after the Capital Reorganisation and the completion of the Rights Issue, assuming full acceptance by all Qualifying Shareholders under the Rights Issue; and (iv) immediately after the Capital Reorganisation and the completion of the Rights Issue, assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Unsubscribed Rights Shares and the ES Unsold Rights Shares are placed to Independent Third Parties under the Placing:

	As at the date of this announcement		Immediately after the Capital Reorganisation		Immediately after the Capital Reorganisation and completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders		assuming (a) nil subscription by the Qualifying Shareholders; and (b) all the Unsubscribed Rights Shares and the ES Unsold Rights Shares are placed to Independent Third Parties under the Placing	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Zhang Hai (Note 1)	25,614,000	2.47	1,280,700	2.47	5,122,800	2.47	1,280,700	0.62
Infinite Apex International Corporation (Note 1)	78,859,945	7.60	3,942,997	7.60	15,771,988	7.60	3,942,997	1.90
Yitong Enterprise Group Holdings Limited (Note 2)	61,264,000	5.90	3,063,200	5.90	12,252,800	5.90	3,063,200	1.48
Shuo Kang International Limited (Note 3)	58,144,000	5.60	2,907,200	5.60	11,628,800	5.60	2,907,200	1.40
China Hui Shang Enterpriser Association International Group Limited (Note 4)	56,000,000	5.40	2,800,000	5.40	11,200,000	5.40	2,800,000	1.35
Yang Weixu	53,222,000	5.13	2,661,100	5.13	10,644,400	5.13	2,661,100	1.28
Ng Yu	52,560,000	5.07	2,628,000	5.07	10,512,000	5.07	2,628,000	1.26
Zhu Zhikun (Note 5)	4,890,000	0.47	244,500	0.47	978,000	0.47	244,500	0.12
Placees (Note 6)	—	—	—	—	—	—	155,659,455	75.00
Other public Shareholders	647,175,773	62.36	32,358,788	62.36	129,435,152	62.36	32,358,788	15.59
Total	<u>1,037,729,718</u>	<u>100.00</u>	<u>51,886,485</u>	<u>100.00</u>	<u>207,545,940</u>	<u>100.00</u>	<u>207,545,940</u>	<u>207,545,940</u>

Notes:

1. Infinite Apex International Corporation is majority owned by Mr. Zhang Hai.
2. Yitong Enterprise Group Holdings Limited is wholly owned by Ms. Yao Aiyun.
3. Shuo Kang International Limited is wholly owned by Ms. Yang Dandan.
4. China Hui Shang Enterpriser Association International Group Limited is wholly owned by Zhang Qiaoyun.
5. Mr. Zhu Zhikun is the non-executive Director.

6. Pursuant to the Placing Agreement, the Placing Agents shall ensure that the Unsubscribed Rights Shares and ES Unsold Rights Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties; (ii) such that the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iii) such that the Placing will not result in the Company incapable of complying with the Public Float Requirement under the Listing Rules immediately following the Placing.

EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities in the past twelve months immediately prior to the date of this announcement:

Date of announcement	Completion date	Fund raising	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
23 October 2024	14 November 2024	Placing of new Shares under general mandate	HK\$39.8 million	(i) approximately HK\$5.0 million repayment of borrowings; (ii) approximately HK\$4.8 million for general working capital; and (iii) approximately HK\$30.0 million for future investment opportunities as identified by the Group from time to time	Fully utilised as intended

Save as disclosed above, the Company did not conduct any equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

EXPECTED TIMETABLE FOR THE CAPITAL REORGANISATION, THE CHANGE IN BOARD LOT SIZE AND THE RIGHTS ISSUE

The expected timetable for the Capital Reorganisation, the Change in Board Lot Size and the Rights Issue is set out below which is indicative only and has been prepared on the assumption that all the conditions of the Capital Reorganisation and the Rights Issue will be fulfilled. The expected timetable is subject to change and further announcement(s) will be made by the Company should there be any changes to the expected timetable.

Event	Time and Date
Publication of this announcement	Tuesday, 13 May 2025
Despatch date of the circular, proxy form and notice of the SGM	Monday, 26 May 2025
Latest time for lodging share transfer documents in order to qualify for attendance and voting at the SGM	4:00 p.m. on Tuesday, 3 June 2025
Closure of register of members of the Company to determine entitlement to attend and vote at the SGM (both dates inclusive)	Wednesday, 4 June 2025 to Tuesday, 10 June 2025
Latest time for lodging proxy forms for the SGM.....	10:30 a.m. on Sunday, 8 June 2025
Record date for determining attendance and voting at the SGM	Tuesday, 10 June 2025
Expected date and time of the SGM	10:30 a.m. on Tuesday, 10 June 2025
Announcement of poll results of the SGM	Tuesday, 10 June 2025
Re-opening of the register of members of the Company.....	Wednesday, 11 June 2025

The following events are conditional on the fulfilment of the conditions relating to the implementation of the Capital Reorganisation and the Rights Issue and therefore the dates are tentative only:

Effective date of the Capital Reorganisation Thursday, 12 June 2025

Commencement of dealings in the Adjusted Shares 9:00 a.m. on
Thursday, 12 June 2025

Original counter for trading in Existing Shares in the board
lot size of 20,000 Existing Shares (in the form of
existing share certificates) temporarily closes 9:00 a.m. on
Thursday, 12 June 2025

Temporary counter for trading in the Adjusted Shares
in the board lot size of 1,000 Adjusted Shares
(in the form of existing share certificates) opens 9:00 a.m. on
Thursday, 12 June 2025

First day for free exchange of existing share certificates
for the Existing Shares into new share certificates
for the Adjusted Shares Thursday, 12 June 2025

Last day of dealings in the Adjusted Shares
on a cum-rights basis for the Rights Issue Thursday, 12 June 2025

First day of dealings in the Adjusted Shares
on an ex-rights basis for the Rights Issue. Friday, 13 June 2025

Latest time for lodging share transfer documents
of the Adjusted Shares in order to qualify for the Rights Issue 4:00 p.m. on
Monday, 16 June 2025

Closure of register of members to determine
the entitlements to the Rights Issue (both dates inclusive) Tuesday, 17 June 2025 to
Monday, 23 June 2025

Record Date for the Rights Issue Monday, 23 June 2025

Re-opening of the register of members of the Company Tuesday, 24 June 2025

Despatch of Prospectus Documents (in the case of the Excluded Shareholders, the Prospectus only) for the Rights Issue.	Tuesday, 24 June 2025
First day of dealings in nil-paid Rights Shares in board lots of 5,000 Rights Shares.	9:00 a.m. on Thursday, 26 June 2025
Original counter for trading in the Adjusted Shares in board lot of 5,000 Adjusted Shares (in the form of new share certificates) re-opens.	9:00 a.m. on Thursday, 26 June 2025
Parallel trading in the Adjusted Shares (in the form of both existing share certificates and new share certificates) commences	9:00 a.m. on Thursday, 26 June 2025
Designated broker starts to stand in the market to provide matching services for odd lots of the Adjusted Shares	9:00 a.m. on Thursday, 26 June 2025
Latest time for splitting of PAL.	4:00 p.m. on Monday, 30 June 2025
Last day of dealings in nil-paid Rights Shares in board lots of 5,000 Rights Shares.	4:00 p.m. on Friday, 4 July 2025
Latest Time for Acceptance and payment for the Rights Shares.	4:00 p.m. on Wednesday, 9 July 2025
Announcement of the number of the Unsubscribed Rights Shares and ES Unsold Rights Shares subject to the Compensatory Arrangements.	Friday, 11 July 2025
Commencement of the placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agents.	Monday, 14 July 2025
Designated broker ceases to provide matching services for odd lot of the Adjusted Shares	4:00 p.m. on Thursday, 17 July 2025

Temporary counter for trading in the Adjusted Shares
in board lot of 1,000 Adjusted Shares
(in the form of existing share certificates) closes. 4:10 p.m. on
Thursday, 17 July 2025

Parallel trading in the Adjusted Shares
(in the form of both existing share certificates and
new share certificates) ends 4:10 p.m. on
Thursday, 17 July 2025

Latest time of placing of Unsubscribed Rights Shares and
ES Unsold Rights Shares by the Placing Agents 4:00 p.m. on
Friday, 18 July 2025

Last day for free exchange of existing share certificates
for the Existing Shares into new share certificates
for the Adjusted Shares Monday, 21 July 2025

Latest time for termination of the Placing Agreement and
for the Rights Issue to become unconditional 4:00 p.m. on
Monday, 21 July 2025

Announcement of the results of the Rights Issue
(including the results of the Placing and the Net Gain) Thursday, 24 July 2025

Despatch of share certificates for the Rights Shares and
refund cheques (if the Rights Issue is terminated) Friday, 25 July 2025

Commencement of dealings in fully-paid Rights Shares. 9:00 a.m. on
Monday, 28 July 2025

Payment of Net Gain to relevant No Action
Shareholders (if any) or Excluded Shareholders (if any) Thursday, 31 July 2025

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Capital Reorganisation, the Change in Board Lot Size and the Rights Issue set out above and all dates and deadlines specified in this announcement are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place as scheduled if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning or “extreme conditions” caused by super typhoons issued by the Hong Kong Observatory:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance falls. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warning in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares does not take place on the currently scheduled date, the dates mentioned in the section headed “EXPECTED TIMETABLE FOR THE CAPITAL REORGANISATION, THE CHANGE IN BOARD LOT SIZE AND THE RIGHTS ISSUE” in this announcement may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the excepted timetable as soon as practicable.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within 12 months period immediately preceding the date of this announcement (after taking into account the effect of the Capital Reorganisation), the Rights Issue is conditional upon the Independent Shareholders’ approval at the SGM, and any controlling shareholders of the Company and their associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the SGM.

As at the date of this announcement, the Company has no Controlling Shareholder as defined under the Listing Rules. Mr. Zhu Zhikun, a non-executive Director, holds 4,890,000 Existing Shares by himself. Therefore, Mr. Zhu Zhikun and his respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A(1) of the Listing Rules at SGM. Apart from the above mentioned, no shareholders shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A(1) of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Shi Zhu, Ms. Chen Shunqing and Mr. Ding Jiasheng, to advise the Independent Shareholders in respect of the Rights Issue and as to the voting action therefor.

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve, the Capital Reorganisation, the Rights Issue and the transactions contemplated thereunder. A circular containing, among other things, (i) further details of the Capital Reorganisation, the Change in Board Lot Size and the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the SGM, is expected to be despatched to the Shareholders on or before Monday, 26 May 2025.

Subject to the approval of the Capital Reorganisation and the Rights Issue by the Shareholders or Independent Shareholders (as the case may be) at the SGM, Prospectus Documents containing further information regarding, among other things, the Rights Issue, are expected to be despatched to the Qualifying Shareholders on Tuesday, 24 June 2025. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.00204.com.hk) and the Stock Exchange (www.hkexnews.hk). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Excluded Shareholders for their information only but will not send the PAL to them.

WARNING OF THE RISKS OF DEALING IN THE SHARES, THE ADJUSTED SHARES AND/OR THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Capital Reorganisation are conditional upon satisfaction of conditions set out in the paragraph headed “Conditions of the Capital Reorganisation” in this announcement. Therefore, the Capital Reorganisation may or may not proceed.

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Proposed Rights Issue — Conditions of the Rights Issue” in this announcement.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“2024 Share Option Scheme”	the share option scheme adopted by the Company on 30 September 2024
“Adjusted Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“AFRC”	The Accounting and Financial Reporting Council in Hong Kong
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“Business Day”	a day (excluding a Saturday, a Sunday, a public holiday and any day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general banking business in Hong Kong throughout their normal business hours
“Bye-Laws”	the bye-laws of the Company as amended from time to time
“Capital Reduction”	the proposed reduction of the issued share capital of the Company whereby (i) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled; and (ii) the par value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.01 by cancelling the paid-up share capital of the Company to the extent of HK\$1.99 on each issued Consolidated Share
“Capital Reorganisation”	the proposed capital reorganisation involving the Share Consolidation, the Capital Reduction, the Share Sub-division
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Existing Shares to 5,000 Adjusted Shares
“ChaoShang Securities Limited”	ChaoShang Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO, being the placing agent appointed by the Company to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements

“Cheong Lee Securities Limited”	Cheong Lee Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 5 (advising on futures contracts) regulated activities under the SFO, being the placing agent appointed by the Company to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements
“Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time
“Company”	Capital Realm Financial Holdings Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agents on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$2.00 each in the share capital of the Company immediately following the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“ES Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Excluded Shareholder(s) in nil-paid form that has/have not been sold by the Company
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Existing Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company prior to the Capital Reorganisation becoming effective

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors established for the purpose of giving a recommendation to Independent Shareholders of the Rights Issue
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the SGM under the Listing Rules
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules
“Last Trading Day”	13 May 2025, being the last full trading day of the Existing Shares on the Stock Exchange prior to the release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 9 July 2025 (or such other time and date as may be determined by the Company), being the latest time for the acceptance of, and payment for, the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Monday, 21 July 2025 or such later time as may be agreed between the Company and the Placing Agents in writing
“Listing Committee”	the listing committee of the Stock Exchange for considering application for listing and the granting of listing

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees) after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the ES Unsold Rights Shares placed by the Placing Agents under the Placing Agreement
“No Action Shareholder(s)”	Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any nil-paid rights at the time such nil-paid rights lapse
“Overseas Shareholder(s)”	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders
“Placee(s)”	individuals, corporate, institutional investors or other investor who are professional investors as defined under the SFO (Cap 571), procured by the Placing Agents and/or their sub-placing agents to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement and the subscription amount of each Placee shall not be less than HK\$500,000
“Placing”	arrangements to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares on a best effort basis pursuant to the Placing Agreement
“Placing Agents”	Cheong Lee Securities Limited and ChaoShang Securities Limited
“Placing Agreement”	the placing agreement dated 13 May 2025 entered into between the Company and the Placing Agents in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares

“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Prospectus”	the prospectus (including any supplementary prospectus, if any) to be despatched to the Qualifying Shareholders (and the Excluded Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)
“Prospectus Posting Date”	Tuesday, 24 June 2025 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Public Float Requirement”	the public float requirement under Rule 8.08 of the Listing Rules which requires, inter alia, at least 25% of the issuer’s total number of issued shares (excluding treasury shares) must at all times be held by the public
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Monday, 23 June 2025, or on such other date as the Company may determine, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Union Registrars Limited, at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Rights Issue”	the proposed issue by way of rights on the basis of three (3) Rights Shares for every one (1) Adjusted Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents

“Rights Share(s)”	up to 155,659,455 Adjusted Shares to be allotted and issued pursuant to the Rights Issue (assuming no change in the number of Shares in issue on or before Record Date)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or the Adjusted Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Existing Shares of par value of HK\$0.10 each into one (1) Consolidated Share of par value of HK\$2.00 each
“Share Sub-division”	the proposed sub-division of each of the authorised but unissued Consolidated Shares of HK\$2.00 each into two hundred (200) Adjusted Shares of HK\$0.01 each
“Shareholder(s)”	the holder(s) of the Existing Share(s), the Consolidated Share(s) or the Adjusted Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$1.00 per Rights Share
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent.

By order of the Board of
Capital Realm Financial Holdings Group Limited
Deng Dongping
Chairman

Hong Kong, 13 May 2025

As at the date of this announcement, the Board comprises Mr. Chan Cheong Yee and Mr. Chan Yiu Pun Clement as executive Directors; Mr. Deng Dongping (Chairman), Mr. Zhu Zhikun, Ms. Mo Xiuping and Mr. Ge Zhifu as non-executive Directors; and Mr. Shi Zhu, Ms. Chen Shunqing and Mr. Ding Jiasheng as independent non-executive Directors.