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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)

VOLUNTARY ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING
IN RESPECT OF A POSSIBLE STRATEGIC COOPERATION

Reference is made to the Company's announcement dated 15 July 2024 relating to the letter of intent of strategic cooperation. The Board is pleased to announce that on 31 July 2024, the Company entered into the MOU with the Partner, pursuant to which the Company and the Partner intend to co-operate, including but not limited to, industrial planning and recommend potential projects, improve professional capabilities and utilize international resources to achieve diversified development. Save for certain clauses regarding confidentiality and representation, the MOU is not legally binding on the Company and the Partner.

No definitive agreement in relation to the Possible Strategic Cooperation has been entered into by the Group as at the date of this announcement. The Board wishes to emphasise that the Possible Strategic Cooperation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Strategic Cooperation will be made by the Company as and when appropriate in accordance with the Listing Rules.

This announcement is made by the Company on a voluntary basis.

MEMORANDUM OF UNDERSTANDING

The Board is pleased to announce that on 31 July 2024, the Company entered into the MOU with the Partner, pursuant to which the Company and the Partner intend to cooperate, including but not limited to, industrial planning and recommend potential projects, improve professional capabilities and utilize international resource to achieve diversified development (the “**Possible Strategic Cooperation**”). Details are set out as below.

— industrial planning and recommend potential projects

Focusing on the industrial planning direction of Xinghua City and the existing industrial base of Xinghua Economic Development Zone, we will actively recommend and introduce high-quality potential enterprises that are in line with the local industrial development direction and industrial characteristics to Partner.

— improve professional capabilities

Provide professional services in investment and financing. Assist in gradually improving the modularization of investment and financing processes and the standardization of decision-making to Partner.

— utilize international resource to achieve diversified development

Make full use of our experience and resources in the international capital market to help Partner to expand investment and financing opportunities in the international capital market and help build channels for overseas direct investment and financing.

Date

31 July 2024

Parties

- (a) Xinghua Economic Development Co., Ltd.* (興化市經濟發展有限公司) (“**Xinghua Economic Development**”). Xinghua Economic Development is a state-owned enterprise established in 1996 with the approval of the Xinghua Municipal Party Committee and Municipal Government. It is mainly responsible for the investment and financing, development and construction, asset operation, and investment promotion of the development zone. The registered capital is RMB280 million, of which the municipal state-owned assets office invested RMB200 million, accounting for 71.43% of the shares, and the Development Zone Investment Center invested RMB80 million, accounting for 28.57% of the shares. The main business scope of Xinghua

Economic Development includes: real estate development and operation, project investment, technology development, information consulting, construction material sales, property services, investment services, asset leasing, landscaping services, land consolidation and development, housing demolition investment, resettlement housing investment, industrial investment, construction engineering construction, infrastructure construction and municipal public facilities project investment and maintenance, etc. As at 31 December 2023, Xinghua Economic Development has total assets of RMB16.57 billion and a credit rating of AA. Xinghua Economic Development is based on the construction and development of service parks, accelerating the physical transformation layout. The current key physical projects include Xinghua Port Green Building Materials Co., Ltd.*, Xinghua Economic Development Technology Industrial Park Operation Management Co., Ltd.*, and Jiangsu Lize Construction Co., Ltd.*, Xinghua Huayun Express Co., Ltd.*; and

(b) the Company.

Formal Agreement

The Company and the Partner shall use their best endeavours to enter into the Formal Agreement in relation to the Possible Strategic Cooperation.

Validity Period

This agreement is valid for 3 years and will come into effect when signed by authorized representatives of both parties and stamped with their official seals. Within one year after the agreement takes effect, if both parties do not sign a specific project contract to be implemented in Xinghua City, this agreement will automatically terminate.

Non-legally binding effect

Save for certain clauses regarding confidentiality and representation contained therein, the MOU does not create legally binding obligations on the Company and the Partner.

REASONS AND BENEFITS OF ENTERING INTO THE MOU

The Company is an investment company under Chapter 21 of the Listing Rules and the Group is principally engaged in investment in listed and unlisted securities. In view of the experience of the Company and Partner who is mainly in the real estate industry in China, the Directors consider that the Possible Strategic Cooperation is in line with the Group's long-term development objectives and business development strategy. The strategic cooperation with Xinghua Economic Development will potentially bring profit growth for both parties, which is in the interests of the Company and its shareholders as a whole.

As at the date of this announcement, the Group has not entered into any legally binding agreement in connection with the Possible Strategic Cooperation. As the transaction of the establishment of the Possible Strategic Cooperation is subject to final confirmation, potential investors and Shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

“Board”	board of Directors
“Company”	Capital Realm Financial Holdings Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Formal Agreement”	The legally binding formal agreement which may or may not be entered into in relation to the Possible Strategic Cooperation
“Group”	the Company and the Subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-legally binding memorandum of understanding entered into between the Company and the Partner on 31 July 2024 in relation to the Possible Strategic Cooperation
“Partner”	Xinghua Economic Development Co., Ltd.* (興化市經濟發展有限公司)
“Share(s)”	ordinary shares in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiaries” the subsidiaries of the Company for the time being and from time to time

“Substantial Shareholder” has the meaning ascribed thereto under the Listing Rules

By Order of the Board
Capital Realm Financial Holdings Group Limited
Han Zhenghai
Joint Chairman

Hong Kong, 31 July 2024

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

* *for identification purposes only*