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If you have sold or transferred all your shares in **Capital Realm Financial Holdings Group Limited**, you should at once hand this circular and the accompanied proxy form to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

**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)

**ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting of the Company to be held at Suite No. 7, 17/F, Tower 1, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 28 November 2024 at 11:00 a.m., is set out on pages 16 to 17 of this circular. Whether or not you propose to attend the meeting, you are advised to complete the form of proxy attached to the notice of the special general meeting in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

12 November 2024

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DEFINITIONS

In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:

“Acquisition”	the acquisition of the Guoxin Target pursuant to the Guoxin Agreement
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong) on which banks in Hong Kong are generally open for business
“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
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company and each a “Director”
“Group”	the Company and its subsidiaries
“Guoxin Agreement”	the sale and purchase agreement dated 31 July 2024 made between the Guoxin Vendor and the Company relating to the sale and purchase of 21.875% of the Guoxin Target
“Guoxin Consideration Shares”	148,936,170 new Shares to be issued by the Company pursuant to the Guoxin Agreement
“Guoxin Opco”	國信雙創科技產業集團有限公司 (Guoxin Shuangchuang Technology Industry Group Co. Ltd.*), a company incorporated in Mainland China

DEFINITIONS

“Guoxin Reorganization”	the proposed reorganization involving the Guoxin Target, its subsidiaries and the Guoxin Opco pursuant to the Guoxin Agreement to the intent that, after the reorganization, the Guoxin Target shall indirectly hold 32% equity interest in the Guoxin Opco through its wholly own subsidiaries
“Guoxin Target”	Global M&A Listed Alliance Co., Limited (全球併購上市聯盟有限公司), a company incorporated in the British Virgin Islands
“Guoxin Vendor”	國信達晟（深圳）產業發展集團有限公司 (Guoxin Dasheng (Shenzhen) Industrial Group Co. Ltd.*), a company incorporated in Mainland China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and its connected persons
“Issue Price”	the issue price of HK\$0.47 per Share of the Guoxin Consideration Shares
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	7 November 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“RMB”	Renminbi, the lawful currency of Mainland China

DEFINITIONS

“SGM”	the special general meeting of the Company to be held at Suite No. 7, 17/F, Tower 1, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 28 November 2024 at 11:00 a.m. to consider and, if thought fit, approve the specific mandate for the allotment and issue of the Guoxin Consideration Shares
“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Shareholder”	holders of the Shares
“Specific Mandate”	the specific mandate for the allotment and issue of the Guoxin Consideration Shares to be granted to the Directors by the Shareholders at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chan Cheong Yee
Mr. Chan Yiu Pun Clement

Non-executive Directors:

Mr. Han Zhenghai (*Joint Chairman*)
Mr. Deng Dongping (*Joint Chairman*)
Mr. Zhu Zhikun (*Deputy Chairman*)
Mr. Ge Zhifu (*Deputy Chairman*)
Ms. Mo Xiuping

Independent non-executive Directors:

Ms. Mo Li
Mr. Shi Zhu
Ms. Chen Shunqing
Mr. Ding Jiasheng

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business

in Hong Kong:

Suite No. 7, 17/F Tower 1
China Hong Kong City
33 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong

12 November 2024

To Shareholders of the Company:

Dear Sir or Madam,

ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE
AND
NOTICE OF SPECIAL GENERAL MEETING

LETTER FROM THE BOARD

INTRODUCTION

The Company announced on 31 July 2024 that the Company entered into the Guoxin Agreement with the Guoxin Vendor in respect of the acquisition of 21.875% of the Guoxin Target at the consideration of HK\$70 million to be settled by the allotment and issue of the Guoxin Consideration Shares.

Completion of the Acquisition is conditional upon, among others, the passing of a resolution at the SGM to approve the Specific Mandate to allot and issue the Guoxin Consideration Shares.

The purpose of this circular is to provide you with information of the Acquisition and to give you notice of the SGM at which a resolution will be proposed to consider and, if thought fit, approve the Specific Mandate.

THE GUOXIN AGREEMENT

Date:

31 July 2024

Parties:

1. 國信達晟（深圳）產業發展集團有限公司 (Guoxin Dasheng (Shenzhen) Industrial Group Co. Ltd.*) as vendor;
2. The Company as purchaser.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Guoxin Vendor is ultimately owned by Zheng Bing, and both the Guoxin Vendor and its ultimate beneficial owner are Independent Third Parties. The Guoxin Vendor is principally engaged in commercial services.

Assets to be acquired

The Company shall acquire 21.875% of the issued shares in the Guoxin Target. After completion of the Guoxin Reorganization, the Guoxin Vendor shall hold 100% interest in the Guoxin Target which shall indirectly through its wholly owned subsidiaries hold 32% equity interest of the Guoxin Opco, which is the sole material asset of the Guoxin Target. After completion of the Guoxin Agreement, the effective interest of the Company in the Guoxin Opco shall be 7%.

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Consideration

The consideration of HK\$70 million shall be paid to the Guoxin Vendor upon completion by the allotment and issue of the Guoxin Consideration Shares to the Guoxin Vendor.

Basis of consideration

The consideration of HK\$70 million was determined after arm's length negotiations between the Company and the Guoxin Vendor with reference to (i) the financial position of the Guoxin Opco for the year ended 31 December 2023; (ii) the profit guarantee provided by the Guoxin Vendor under the Guoxin Agreement as set out under the section headed "Profit guarantee and compensation" below; and (iii) the future prospects of the business of the Guoxin Opco.

Based on the Guaranteed Profits mentioned below for the two financial years ending 31 December 2025, the average Guaranteed Profits for each financial year is RMB100 million (equivalent to approximately HK\$107 million). Based on the consideration of HK\$70 million for an effective interest of 7% in the Guoxin Opco, the market value of 100% equity interest in the Guoxin Opco is HK\$1 billion. Hence the Acquisition represents a price to earnings (P/E) ratio of approximately 10 times, which the Directors consider to be reasonable when compared with other companies engaging in similar businesses in Mainland China.

The Guoxin Opco and its subsidiaries are principally engaged in providing online platforms and digital services in Mainland China. Its major businesses include (i) providing flexible staffing and recruitment services including automated digital services for settlement of wages and commissions payable to workers for the major players in the new economy industry such as food delivery companies; (ii) providing an online platform and digital solutions to facilitate light equipment leasing for the construction industry by providing matching services, leasing information, contract documentations and compliance materials to both lessors and lessees; (iii) providing an online platform for mediation and dispute resolution for small and medium enterprises which includes the provision of mediators and liaison with different levels of the People's Court in China; and (iv) providing digital solutions to enterprises on financial management, tax filings and book keeping.

Since the nature of the Guoxin Opco's business is in the provision of services without substantial capital investments in tangible assets, the Board considers that the asset value of the Guoxin Opco is not an appropriate measure for the enterprise value of the Guoxin Opco. Valuation based on discounted cash flows is also not appropriate as it involves estimations and projections of future profits of the Guoxin Opco which are subject to various assumptions and limitations. Given the historical revenue generated from the Guoxin Opco's business and the profit guarantee provided by the Guoxin Vendor, the Board noted that the Guoxin Opco has recorded exponential

LETTER FROM THE BOARD

growth in profits since 2022 which is poised to remain sustainable through 2025. Hence the Board considers that the guaranteed profits of the Guoxin Opco is appropriate for determining the consideration. Based on the consideration of the Acquisition and the Guaranteed Profits for 2024 and 2025 mentioned below, the Acquisition represents a forward P/E ratio of approximately 10 times. In this regard, the Company has obtained from public sources similar comparable companies with forward P/E for comparison as set out below.

For the year ended 31 December 2023, the Guoxin Opco and its subsidiaries derive most of its revenue from providing online platform and digital services primarily focused on providing flexible staffing and recruitment services in China. The Company has obtained from S&P Capital IQ, a platform under S&P Global Market Intelligence providing financial data and analysis, an exhaustive list of companies listed on major stock exchanges which are engaged in the provision of online platform and digital services with flexible staffing and recruitment services in Mainland China or in the provision of flexible staffing and recruitment services in Mainland China:

	Name	Stock code	Location of listing	Market capitalization RMB (million)	Forward P/E FY2024
1.	Beijing Career International Co., Ltd	SZSE:300662	China	2,938	11.7
2.	FESCO Group Co., Ltd.	SHSE:600861	China	8,877	15.5
3.	Lucas GC Limited	NasdaqCM:LGCL	United States	1,436	N/A
4.	ManpowerGroup Greater China Limited	SEHK:2180	Hong Kong	921	N/A
5.	Renrui Human Resources Technology Holdings Limited	SEHK:6919	Hong Kong	771	7.2
6.	Shanghai Foreign Service Holding Group Co., Ltd.	SHSE:600662	China	10,276	20.8
7.	Quhuo Limited	NasdaqGM:QH	United States	33	N/A

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The forward P/E of the comparables were quoted from S&P Capital IQ which were based on the projected net income of the comparables for the financial year 2024. The average and median forward P/E ratio of the above companies (after excluding comparables No. 3, 4 and 7 with no projected net income and No. 6 with extreme P/E as outliers) as at the date of the Agreement was 11.5 and 11.7 respectively. The lack of marketability of the Guoxin Opco have been taken into account in assessing the P/E ratio of 10 of the Acquisition, which is at a discount of approximately 15% to the median forward P/E ratio of the comparable companies. According to the “Stout Restricted Stock Study Companion Guide 2023 Edition” published by Stout Risius Ross, LLC (<https://www.bvresources.com>), the median discount on lack of marketability was 15.7%, which is close to the said discount of 15% under the Acquisition. The Guoxin Opco has been engaged in the provision of online platform and digital services with flexible staffing and recruitment services in Mainland China since 2021. The comparables No. 1, 2 and 5 have been engaged in the provision of online platform and digital services with flexible staffing and recruitment services in Mainland China or in the provision of flexible staffing and recruitment services in Mainland China since 2005, 2023 and 2010 respectively according to their annual reports. It is typical for startups to experience a relatively rapid growth during the early stage of their business which will gradually slow down. Therefore it is expected that the Guoxin Opco will exhibit a similar trend. It appears from the comparables that the less mature one enjoy the highest forward P/E. Hence the maturity stage of the comparables are consistent with their forward P/E. Given that the Guoxin Opco is also in its early stage, it is expected that the Guoxin Opco will record growth which exceeds the Guaranteed Profits, which assumed no growth from 2024 to 2025, rendering the forward P/E ratio of the Acquisition conservative. The Board considered that the comparable companies were fair, representative and comparable under the above circumstances. Accordingly the Board considered that the P/E ratio of 10 for the Acquisition is fair and reasonable and the consideration for the Acquisition is fair and reasonable.

Profit guarantee and compensation

The Guoxin Vendor guarantees to the Company that the aggregate audited net profit before tax of the Guoxin Opco for the two years ending 31 December 2024 and 31 December 2025 shall be no less than RMB200 million (the “**Guaranteed Profits**”). If the aggregate actual audited net profit before tax of the Guoxin Opco for the two years ending 31 December 2024 and 31 December 2025 (the “**Actual Profits**”) shall be less than the Guaranteed Profits, the Guoxin Vendor shall pay compensation (the “**Compensation**”) to the Company according to the following formula:

$$A = \text{HK\$70,000,000} \times \frac{\text{Guaranteed Profits} - \text{Actual Profits}}{\text{Guaranteed Profits}}$$

LETTER FROM THE BOARD

where A is the Compensation payable to the Company. For the avoidance of doubt, any loss recorded for any year shall reduce the profit of the other year. If the final Actual Profits shall be negative, it shall be deemed to be zero. The maximum amount of the Compensation shall be HK\$70 million. The Guoxin Vendor and the Company shall procure the completion of the audited financial statements of the Guoxin Opco for the two years ending 31 December 2024 and 31 December 2025 within 3 months after 31 December 2025. The Compensation (if any) shall be paid by the Guoxin Vendor to the Company within 7 Business Days after determination of the Actual Profits by way of selling to the Company the relevant number of Guoxin Consideration Shares at the Issue Price and the purchase price thereof shall be set off against the Compensation payable by the Guoxin Vendor to the Company. The Guoxin Consideration Shares repurchased by the Company above shall be either cancelled or held as treasury shares.

The net profits before tax of the Guoxin Opco for the financial year 2023 was approximately RMB33 million which represented a rapid increase of approximately 300% from the prior year. According to the unaudited management account of the Guoxin Opco for the 6 months ended 30 June 2024, the net profits before tax was approximately RMB52 million, which is more than 50% of the average yearly Guaranteed Profits of RMB100 million. Therefore the Board considered that the Guaranteed Profits are reasonable and achievable.

Conditions precedent

Completion of the Guoxin Agreement shall be conditional upon and subject to:

- (a) the Company in its sole opinion being satisfied with the results of its due diligence review of the assets, liabilities, operations and affairs of the Guoxin Target and its subsidiaries, and the Guoxin Opco and its subsidiaries, including but not limited to the Guoxin Reorganization;
- (b) all necessary consents and approvals required to be obtained on the part of the Guoxin Vendor, the Guoxin Target and the Company in respect of the Guoxin Agreement and the transactions contemplated thereunder having been obtained;
- (c) all necessary waiver, consent, approval, licence, authorisation, permission, order and exemption from the relevant governmental or regulatory authorities or other third parties which are necessary in connection with the Guoxin Agreement and the transactions contemplated thereunder having been obtained;
- (d) the Company's shareholders having passed a resolution at the general meeting to approve the allotment and issue of the Guoxin Consideration Shares;

LETTER FROM THE BOARD

- (e) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Guoxin Consideration Shares; and
- (f) the warranties set out in the Guoxin Agreement remaining true and accurate in all material respects.

If the above conditions have not been satisfied (or as the case may be, waived by the Company in respect of (a) and (f) only) on or before 5:00 p.m. on 31 July 2025 (the “**Long Stop Date**”), or such later date as the Guoxin Vendor and the Company may agree, the Guoxin Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof. The Long Stop Date was set to provide a sufficient time window for the parties to fulfill the conditions precedent under the Guoxin Agreement including but not limited to completion of the Guoxin Reorganization and due diligence review. The parties shall use their best endeavours to complete the Acquisition as soon as possible.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

Guoxin Reorganization

Pursuant to the Guoxin Agreement, the Guoxin Vendor shall undertake a reorganization involving the Guoxin Target, its subsidiaries and the Guoxin Opco to the intent that after the Guoxin Reorganization, the Guoxin Vendor shall hold 100% interest in the Guoxin Target which shall indirectly hold 32% equity interest in the Guoxin Opco through its wholly own subsidiaries. The Guoxin Opco is the sole material asset of the Guoxin Target.

Completion

Completion shall take place within five Business Days after fulfillment of all the conditions precedent of the Guoxin Agreement or on such other date as the Guoxin Vendor and the Company shall agree.

INFORMATION ON THE GUOXIN TARGET AND GUOXIN OPCO

The Guoxin Target is a limited company incorporated in the British Virgin Islands and is wholly owned by a related party of the Guoxin Vendor. After completion of the Guoxin Reorganization, the Guoxin Vendor shall hold 100% interest in the Guoxin Target which shall indirectly hold 32% equity interest in the Guoxin Opco through its wholly owned subsidiaries. The principal business of each of the Guoxin Target and its subsidiaries are investment holding. The Guoxin Opco is the sole material asset of the Guoxin Target.

LETTER FROM THE BOARD

The Guoxin Opco and its subsidiaries are principally engaged in providing online platforms and digital services in Mainland China. Its major businesses include (i) providing flexible staffing and recruitment services including automated digital services for settlement of wages and commissions payable to workers for the major players in the new economy industry such as food delivery companies; (ii) providing an online platform and digital solutions to facilitate light equipment leasing for the construction industry by providing matching services, leasing information, contract documentations and compliance materials to both lessors and lessees; (iii) providing an online platform for mediation and dispute resolution for small and medium enterprises which includes the provision of mediators and liaison with different levels of the People's Court in China; and (iv) providing digital solutions to enterprises on financial management, tax filings and book keeping.

Set out below is the financial information of the Guoxin Opco extracted from its unaudited consolidated financial statements for the years ended 31 December 2022 and 31 December 2023:

	Year ended 31 December 2022 <i>RMB'000</i>	Year ended 31 December 2023 <i>RMB'000</i>
Profit before taxation	11,249	33,213
Profit after taxation	10,753	30,027
Net assets	6,831	36,730

GUOXIN CONSIDERATION SHARES AND ISSUE PRICE

The Guoxin Consideration Shares will be allotted and issued at the issue price of HK\$0.47 per Share, which represents:

- (i) a discount of approximately 9.62% to the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the date of the Guoxin Agreement;
- (ii) a discount of approximately 0.21% to the average closing price of approximately HK\$0.471 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares prior to the date of the Guoxin Agreement;
- (iii) a premium of approximately 12.98% over the net asset value per Share of approximately HK\$0.416 as at 31 August 2024;

LETTER FROM THE BOARD

- (iv) a premium of approximately 94.21% to the closing price of HK\$0.242 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The issue price was determined after arm's length negotiation between the Company and Vendors with reference to the prevailing market price of the Shares. The Directors consider that the issue price is fair and reasonable.

The Guoxin Consideration Shares represent approximately 17.22% of the existing number of issued shares of the Company as at the date of this circular and represent approximately 14.69% of the total number of issued shares of the Company as enlarged by the allotment and issue of the Guoxin Consideration Shares.

LOCK UP

The Guoxin Vendor irrevocably undertake to the Company that none of the Guoxin Consideration Shares may be transferred, sold, the subject of any encumbrance or otherwise disposed of, from the date of allotment and issue of the Guoxin Consideration Shares until and after the Actual Profits were determined and all Compensation (if any) has been fully paid.

THE SPECIFIC MANDATE

The Guoxin Consideration Shares will be allotted and issued pursuant to the Specific Mandate to be sought at the SGM. The Specific Mandate will be valid until 31 December 2025.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Guoxin Consideration Shares. The Guoxin Consideration Shares, when issued, will rank pari passu in all respects with the existing Shares in issue.

REASONS FOR THE ACQUISITION

The Company is an investment company under Chapter 21 of the Listing Rules and makes its investments in accordance with its investment objectives and policies. The Group is principally engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities.

LETTER FROM THE BOARD

As disclosed above, the Guoxin Opco and its subsidiaries are principally engaged in providing online platforms and digital services in Mainland China. Its major businesses include (i) providing flexible staffing and recruitment services including automated digital services for settlement of wages and commissions payable to workers for the major players in the new economy industry such as food delivery companies; (ii) providing an online platform and digital solutions to facilitate light equipment leasing for the construction industry by providing matching services, leasing information, contract documentations and compliance materials to both lessors and lessees; (iii) providing an online platform for mediation and dispute resolution for small and medium enterprises which includes the provision of mediators and liaison with different levels of the People's Court in China; and (iv) providing digital solutions to enterprises on financial management, tax filings and book keeping. The digital economy in China has been growing in leaps and bounds. Therefore the Directors consider that the Acquisition enjoy significant growth potential. It is intended that the Acquisition will be held for medium to long term capital appreciation purpose.

The Directors are of the view that the terms and conditions of the Guoxin Agreement are fair and reasonable and the Acquisition are in the interests of the Company and the Shareholders as a whole.

EFFECTS ON THE SHAREHOLDING STRUCTURE

The following table summarises the shareholding structure of the Company as at the Latest Practicable Date and upon issue of the Guoxin Consideration Shares (assuming that there is no other change in the share capital of the Company):

	As at the Latest Practicable Date		Immediate after issue of Consideration Shares	
	No. of Shares	%	No. of Shares	%
Zhang Hai (<i>Note 1</i>)	25,614,000	2.96	25,614,000	2.53
Infinite Apex International Corporation (<i>Note 1</i>)	78,859,945	9.12	78,859,945	7.78
Shi Zhu (<i>Note 2</i>)	4,890,000	0.57	4,890,000	0.48
Guoxin Vendor	—	—	148,936,170	14.69
Other public Shareholders	755,425,773	87.35	755,425,773	74.52
Total	<u>864,789,718</u>	<u>100.00</u>	<u>1,013,725,888</u>	<u>100.00</u>

Note:

1. Infinite Apex International Corporation is majority held by Mr. Zhang Hai
2. Director of the Company

LETTER FROM THE BOARD

SGM

A notice convening the SGM is set out on pages 16 to 17 of this circular. All resolutions to be proposed at the SGM will be voted on by poll.

A form of proxy for the SGM is enclosed with this circular. Whether or not you intend to be present at the SGM, you are advised to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the SGM. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the proposed resolution at the SGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Monday, 25 November 2024 to Thursday, 28 November 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the SGM, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 22 November 2024.

RECOMMENDATION

The Directors consider that the terms of the Guoxin Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and its shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolution to be proposed at the SGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,

On behalf of the Board of

Capital Realm Financial Holdings Group Limited

Han Zhenghai

Joint Chairman

* *For identification purpose only*

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN THAT a Special General Meeting of Capital Realm Financial Holdings Group Limited (the “**Company**”) will be held at Suite No. 7, 17/F, Tower 1, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Thursday, 28 November 2024 at 11:00 a.m. to consider and, if thought fit, to pass with or without amendments, the following resolution:

ORDINARY RESOLUTION

“**THAT**

- (a) the conditional Guoxin Agreement as defined in the circular dated 12 November 2024 despatched to the shareholders of the Company (the “**Circular**”), a copy of the Guoxin Agreement has been produced to this meeting marked “A” and signed by the chairman hereof for the purpose of identification, and all the transactions contemplated thereunder, including but not limited to the allotment and issue of the Guoxin Consideration Shares (as defined in the Circular), be and are hereby approved, confirmed and ratified;
- (b) any one director of the Company be and is hereby authorised to do all such acts and things as he in his sole and absolute discretion deems necessary, desirable or expedient to implement, give effect to and/or complete the Guoxin Agreement and the transactions contemplated thereunder and, where required, any amendment of the terms of the Guoxin Agreement as required by, or for the purposes of obtaining the approval of, relevant authorities or to comply with all applicable laws, rules and regulations.”

By order of the Board

Capital Realm Financial Holdings Group Limited

Han Zhenghai

Joint Chairman

Hong Kong, 12 November 2024

NOTICE OF SPECIAL GENERAL MEETING

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:

Suite No. 7, 17/F, Tower 1
China Hong Kong City 33 Canton Road
Tsim Sha Tsui Kowloon
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Bye-laws, vote in his stead. A proxy need not be a member of the Company but must be an individual and be present in person at the meeting to represent the member. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each of such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the office of Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting, and in such event the instrument appointing a proxy shall be deemed to be revoked.
4. For the purpose of determining shareholders' entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Monday, 25 November 2024 to Thursday, 28 November 2024 (both days inclusive), during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the meeting, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 22 November 2024.

As at the date of this notice, 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, 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.