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CAPITAL REALM FINANCIAL HOLDINGS GROUP LIMITED **資本界金控集團有限公司**

(formerly known as China Investment Development Limited
中國投資開發有限公司)

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

(Stock Code: 204)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

The Board of Directors (the “**Board**”) of Capital Realm Financial Holdings Group Limited (the “**Company**”) announces that the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2024 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	5	–	–
Other income	5	8,082	10,331
Net (losses)/gains on financial assets at fair value through profit or loss		(787)	2,518
Impairment losses under the expected credit loss model, net of reversal	6	(1,619)	(6,687)
Gain on disposal of a subsidiary		344	–
Administrative and other expenses		(32,482)	(26,132)
Finance costs	7	(2,265)	(2,832)
Loss before income tax expense	8	(28,727)	(22,802)
Income tax expense	9	–	–
Loss for the year attributable to owners of the Company		(28,727)	(22,802)

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Other comprehensive (expense)/income			
Item that will not be reclassified to profit or loss:			
— Change in fair value of financial assets at fair value through other comprehensive income		(11,798)	(9,166)
Item that may be reclassified subsequently to profit or loss:			
— Exchange differences on translation of financial statements of PRC subsidiaries		(1,553)	(2,189)
— Release of reserves upon disposal of subsidiaries		<u>—</u>	<u>90</u>
Other comprehensive expense for the year, net of tax		<u>(13,351)</u>	<u>(11,265)</u>
Total comprehensive expense for the year		<u>(42,078)</u>	<u>(34,067)</u>
			(Restated)
Loss per share	<i>11</i>		
— Basic (HK cent per share)		<u>(4.27)</u>	<u>(5.59)</u>
— Diluted (HK cent per share)		<u>(4.27)</u>	<u>(5.59)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		1,369	26
Financial assets at fair value through other comprehensive income	<i>12</i>	–	48,304
Financial assets at fair value through profit or loss	<i>13</i>	157,714	–
		159,083	48,330
Current assets			
Financial assets at fair value through other comprehensive income	<i>12</i>	36,506	–
Financial assets at fair value through profit or loss	<i>13</i>	103,068	49,922
Other receivables, deposits paid	<i>14</i>	122,531	121,640
Other financial assets at amortised cost	<i>15</i>	83,347	100,809
Amount due from a shareholder		–	949
Cash and cash equivalents		16,166	3,997
		361,618	277,317
Current liabilities			
Other payables and accrued charges	<i>16</i>	142,576	50,474
Lease liabilities		–	1,497
		142,576	51,971
Net current assets		219,042	225,346
Net assets		378,125	273,676

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>17</i>	86,478	36,039
Reserves		291,647	237,637
		<hr/>	<hr/>
Total equity		378,125	273,676
		<hr/> <hr/>	<hr/> <hr/>

1. GENERAL INFORMATION

Capital Realm Financial Holdings Group Limited (formerly known as China Investment Development Limited) (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 25 March 1998 and was de-registered on 11 March 2011 and was registered by way of continuation as an exempted company in Bermuda on 2 March 2011. The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 12 December 2000. Its registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong is located at Suite No. 7, 17/F., Tower 1, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company and its subsidiaries are principally engaged in investment holding for short to long-term capital appreciation purposes, and investment in listed and unlisted securities.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”)

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs that are first effective for the current accounting period of the Group:

- HKFRS 17, *Insurance Contracts (including the October 2020 and February 2022 Amendments to HKFRS 17)*
- Amendments to HKAS 1 and HKFRS Practice Statement 2, *Disclosure of accounting policies*
- Amendments to HKAS 8 *Definition of accounting estimates*
- Amendments to HKAS 12 *Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12 *International tax reform-Pillar Two model rules*

Except as described below, the application of the new and amendments to HKFRSs listed above in the current year has had no material effect on the Group’s financial performance and positions for the current and prior year and on the disclosures set out in these consolidated financial statements.

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

Amendments to HKAS 12 Deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. This change in accounting policy did not have any material impact on the Group's financial position and performance. It also did not have any material impact on the opening balance of equity at the earliest period.

HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) — Long Service Payment (“LSP”) offsetting mechanism in Hong Kong

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance retrospectively. This change in accounting policy did not have any material impact on the opening balance of equity at 1 April 2023, and the cash flows and loss per share amount for the year ended 31 March 2023. It also did not have a material impact on the company-level statement of financial position as at 31 March 2023 and 2024.

Amendments to HKFRSs in issue but not yet effective

The Group has not applied the following amendments to HKFRSs that have been issued but are not yet effective for the current accounting period. The Group has already commenced an assessment of the impact of these amendments to HKFRSs but is not yet in a position to state whether these amendments to HKFRSs would have a material impact on its results of operations and financial position:

	Effective for accounting periods beginning on or after
• Amendments to HKAS 1, <i>Classification of liabilities as current or non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>	1 January 2024
• Amendments to HKAS 1, <i>Non-current liabilities with covenants</i>	1 January 2024
• Amendments to HKFRS 10 and HKAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined
• Amendments to HKFRS 16, <i>Lease liability in a sale and leaseback</i>	1 January 2024
• Amendments to HKAS 7 and HKFRS 7, <i>Supplier finance arrangements</i>	1 January 2024
• Amendments to HKAS 21, <i>Lack of exchangeability transaction</i>	1 January 2025

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through other comprehensive income (“**FVTOCI**”) and financial assets at fair value through profit or loss (“**FVTPL**”), which are measured at fair values.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”). Each entity in the Group maintains its books and record in its own functional currency. The functional currency of the Company is HK\$.

4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker ("CODM") in order to allocate resources and assess performance of the segment. For the years ended 31 March 2024 and 2023, the information reported to the executive directors, who are the CODM, for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each business line or geographical area and the executive directors reviewed the financial results of the Group as a whole reported under HKFRSs. Therefore, the executive directors have determined that the Group has only one single operating and reportable segment as the Group is only engaged in investment holding. The executive directors allocate resources and assess performance on an aggregated basis. Accordingly, no operating segment information is presented.

The following table provides an analysis of the Group's revenue and non-current assets including property, plant and equipment (i.e. "specified non-current assets") by geographical locations, determined based on physical location of the assets:

	Revenue from external customers		Specified non-current assets	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Hong Kong (place of domicile)	<u>–</u>	<u>–</u>	<u>1,369</u>	<u>26</u>

5. REVENUE AND OTHER INCOME

	2024 HK\$'000	2023 HK\$'000
Revenue	<u>–</u>	<u>–</u>
Other income		
Bank interest income	80	–
Government subsidy (<i>note</i>)	–	111
Interest income from other financial assets at amortised cost	7,972	9,519
Waiver of amount due to a former director	–	600
Others	<u>30</u>	<u>101</u>
Total revenue and other income	<u>8,082</u>	<u>10,331</u>

No other source of income contributed to the Group's revenue for both 2024 and 2023.

Note:

Employment support scheme were granted from HKSAR Government in relation to the employment during COVID-19 without unfulfilled conditions or other contingencies attaching to the subsidies.

6. IMPAIRMENT LOSSES UNDER THE EXPECTED CREDIT LOSS (“ECL”) MODEL, NET OF REVERSAL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Impairment losses, (net of reversal) on:		
Other financial assets at amortised cost (<i>note (i)</i>)	1,212	7,564
Deposits paid (<i>note (ii)</i>)	<u>407</u>	<u>(877)</u>
	<u>1,619</u>	<u>6,687</u>

Notes:

- (i) For the year ended 31 March 2024, balance included reversal of impairment losses on promissory notes classified as other financial assets at amortised cost of approximately HK\$11,234,000 (2023: Nil).
- (ii) For the year ended 31 March 2024, balance included reversal of impairment losses on deposits paid for potential investment of approximately HK\$2,431,000 (2023: HK\$877,000).

7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expenses on lease liabilities	185	263
Interest expenses on bonds	<u>2,080</u>	<u>2,569</u>
	<u>2,265</u>	<u>2,832</u>

8. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is stated after charging the following:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Staff costs		
Salaries	4,908	4,220
Provident fund contributions	8	105
	<u>4,916</u>	<u>4,325</u>
Total staff costs excluding directors' remuneration		
	<u>4,916</u>	<u>4,325</u>
Auditor's remuneration	540	470
Depreciation of property, plant and equipment	185	89
Directors' remuneration		
— Fees	1,860	1,723
Investment manager's fee	480	480
Short-term leases	3,815	1,154
Legal and professional fees	3,423	4,106
Net exchange losses	13,124	11,364
Impairment of property, plant and equipment*	<u>—</u>	<u>60</u>

* Amount included in “administrative and other expenses” in the consolidated statement of profit or loss and other comprehensive income.

9. INCOME TAX EXPENSE

Pursuant to the Inland Revenue (Amendment) Bill 2017, profits tax rate for the first HK\$2 million of assessable profits of a qualifying corporation in the Group is lowered to 8.25% with the excess assessable profits continue to be taxed at 16.5%. Overseas tax is calculated at the rates applicable in the respective jurisdictions. No provision for income tax expense is required since the Group has no assessable profits either arising from Hong Kong or other jurisdictions during the year (2023: Nil).

10. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2024 (2023: Nil).

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss		
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	<u><u>(28,727)</u></u>	<u><u>(22,802)</u></u>
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u><u>672,362,605</u></u>	<u><u>407,909,139</u></u>

Note:

The weighted average number of ordinary shares for the years ended 31 March 2024 and 2023 for the purposes of basic and diluted loss per share have been retrospectively adjusted for the bonus element of the rights issue of shares during the year ended 31 March 2024 which was completed in August 2023.

The computation of diluted loss per share for both years did not assume the exercise of the Company's outstanding share options since it would result in a decrease in loss per share. Therefore, the diluted loss per share is the same as the basic loss per share for both years.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Unlisted equity securities in PRC, at cost	53,225	53,225
Accumulated fair value adjustment	<u>(16,719)</u>	<u>(4,921)</u>
	<u>36,506</u>	<u>48,304</u>
Analysed for reporting purpose as:		
Non-current	–	48,304
Current	<u>36,506</u>	<u>–</u>
	<u>36,506</u>	<u>48,304</u>

Particulars of investments in unlisted equity securities held by the Group as at 31 March 2024 and 2023 are as follows:

Name of investee companies	Place of incorporation	Percentage of effective interest held at 2024	At cost		Accumulated fair value adjustment		Carrying value		Dividend receivable/ received 2024 <i>HK\$'000</i>	Percentage of the total assets of the Group 2024	Dividend receivable/ received 2023 <i>HK\$'000</i>	Percentage of the total assets of the Group 2023
			2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>				
Qingzhou Jiajiafu Modern Agricultural PRC Group Co., Ltd.* (“Jiajiafu”)	PRC	7% (2023: 7%)	29,825	29,825	(9,413)	(1,439)	20,412	28,386	–	3.92%	–	8.72%
Lanzhou Wole Home Furnishing Service Co., Ltd.* (“Wole”)	PRC	30% (2023: 30%)	23,400	23,400	(7,306)	(3,482)	16,094	19,918	–	3.09%	–	6.12%
			<u>53,225</u>	<u>53,225</u>	<u>(16,719)</u>	<u>(4,921)</u>	<u>36,506</u>	<u>48,304</u>				

* For identification purpose only

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong listed equity securities, at market value (<i>note a</i>)	103,068	24,662
Investments in convertible bonds, at fair value (<i>note b</i>)	–	15,180
Unlisted equity securities in PRC, at fair value (<i>note c</i>)	157,714	–
Equity interests in private equity funds, at fair value (<i>note d</i>)	–	10,080
	<u>260,782</u>	<u>49,922</u>
Analysed for reporting purpose as:		
Non-current	157,714	–
Current	<u>103,068</u>	<u>49,922</u>
	<u>260,782</u>	<u>49,922</u>

- (a) Particulars of the Group's major investments of listed equity securities held by the Group as at 31 March 2024 and 2023 are as follows:

2024

Name of investee companies	Number of shares held	Percentage of interest held	Cost <i>HK\$'000</i>	Market value <i>HK\$'000</i>	Accumulated unrealised gain/(loss) arising on revaluation <i>HK\$'000</i>	Change in fair value <i>HK\$'000</i>	Dividend received/receivable <i>HK\$'000</i>	Percentage of the total assets of the Group
Icon Culture Global Company Limited	42,750,000 ordinary shares	19.7917%	29,070	26,078	(2,992)	(2,992)	–	5.01%
International Genius Company (“Intl Genius”)	9,564,000 ordinary shares	1.7132%	13,781	76,990	63,209	53,941	–	14.79%
				<u>103,068</u>				

2023

Name of investee companies	Number of shares held	Percentage of interest held	Cost HK\$'000	Market value HK\$'000	Accumulated	Change in fair value HK\$'000	Dividend received HK\$'000	Percent-age of the total assets of the Group
					unrealised gain/(loss) arising on revaluation HK\$'000			
Worldgate Global Logistics Ltd	7,500,000 ordinary shares	1.1800%	6,015	1,613	(4,402)	(4,402)	–	0.50%
Intl Genius	9,564,000 ordinary shares	1.7802%	13,781	23,049	9,268	8,225	–	7.08%
Target Insurance (Holdings) Limited	4,228,000 ordinary shares	0.8109%	4,298	–	(4,298)	–	–	–
				24,662				

- (b) Particulars of investments in convertible bonds held by the Group as at 31 March 2024 and 2023 are as follows:

Name of investee companies	Place of incorporation	Unlisted securities, at cost		Fair value adjustment		Carrying value		Interest received/receivable	Percentage of the total assets of the Group	Interest received/receivable	Percentage of the total assets of the Group
		2024	2023	2024	2023	2024	2023	2024	2024	2023	2023
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		HK\$'000	
Guanwan Investments Limited ("Guanwan") (Note)	BVI	20,000	20,000	(20,000)	(4,820)	–	15,180	–	–	–	4.66%

Note:

On 23 December 2020, the maturity date of the convertible bonds were further renewed and extended to 22 December 2023.

During the year ended 31 March 2024, the Group's investments in convertible bonds were in default as Guanwan failed to repay the convertible bonds on 22 December 2023. As the event of default has happened, the fair value of the convertible bonds has been decreased to HK\$nil for the year ended 31 March 2024.

- (c) Particulars of the Group’s major investments of unlisted equity securities held by the Group as at 31 March 2024 are as follows:

Name of investee companies	Place of incorporation	Percentage of effective interest held	Accumulated fair value		Carrying value	Dividend receivable/ received	Percentage of the total assets of the Group
		at	At cost	adjustment	31 March	31 March	31 March
		31 March 2024	31 March 2024	31 March 2024	31 March 2024	31 March 2024	31 March 2024
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Zhonghe Huinong (Beijing) Technology Development Co., Ltd* (“Zhonghe Huinong”)	PRC	27.54%	40,503	(14,136)	26,367	–	5.06%
Shenzhen Qianhai CIC Dingsheng Investment Consulting Co., Ltd* (“Shenzhen Qianhai”)	PRC	30.00%	41,402	(13,357)	28,045	–	5.39%
Huangbao International Financial Leasing (Shenzhen) Co., Ltd* (“Huanghao”)	PRC	22.85%	38,789	2,959	41,748	–	8.02%
Zhong Ying Hua Xia Investment Holdings (Shenzhen) Co., Ltd* (“Zhong Ying Hua Xia”)	PRC	30.00%	29,482	(347)	29,135	–	5.60%
Hui Tong Yun (Shenzhen) Enterprise Management Co., Ltd* (“Hui Tong Yun”)	PRC	30.00%	32,666	(247)	32,419	–	6.23%
			<u>182,842</u>	<u>(25,128)</u>	<u>157,714</u>		

* for identify purpose only

- (d) The Group subscribed Mount Peak Fund SPC — Mount Peak Currency Fund SP (the “**Currency Fund**”) for approximately HK\$10,012,000 at cost, bearing coupon interest rate of 7.5% per annum. For the year ended 31 March 2024, the unrealised interest income for the Currency Fund was approximately HK\$336,000 (2023: HK\$68,000). The Currency Fund is for investors with different needs and risks, which match the corresponding fund products. It has asset management licenses in Hong Kong and Singapore and offshore investment manager qualifications in Cayman and the BVI. The core fund products are hedge funds.

In August 2023, the operation of the Currency Fund was terminated and subsequently the Currency Fund was put into liquidation process voluntarily. In February 2024, the terms of the Currency Fund were expired, the Group’s equity interest in the Currency Fund has already applied for redemption. The liquidation process was not completed by February 2024 and the redeeming was not completed on 31 March 2024. As a result of it, the fair value of the Currency Fund has been decreased to HK\$nil for the year ended 31 March 2024.

14. OTHER RECEIVABLES AND DEPOSITS PAID

	2024 HK\$'000	2023 HK\$'000
Deposits paid (note)	154,411	153,105
Other receivables	958	966
	<u>155,369</u>	<u>154,071</u>
Less: ECL allowance	<u>(32,838)</u>	<u>(32,431)</u>
	<u>122,531</u>	<u>121,640</u>

Note: As at 31 March 2024, balance mainly represented deposits paid for potential investments in unlisted equities in PRC with gross carrying amount of HK\$154,411,000 (2023: HK\$153,105,000). During the year ended 31 March 2024, refundable deposits with gross carrying amount of HK\$120,675,000 (equivalent to RMB108,000,000) as at 31 March 2023 was utilised as the cash consideration for the acquisition of shares of Zhonghe Huinong, Shenzhen Qianhai and Huanghao classified as financial assets at FVTPL (see note 13(c)); and with gross carrying amount of HK\$59,434,000 (equivalent to RMB55,000,000) as at 31 March 2024 was subsequently refunded before the report date. Accordingly, a reversal of ECL of HK\$2,431,000 (2023: Nil) has been recognised in profit or loss during the year.

15. OTHER FINANCIAL ASSETS AT AMORTISED COST

At 31 March 2024, the other financial assets at amortised cost included promissory notes held by the Group, amounted to approximately HK\$83,347,000 (2023: HK\$77,437,000) which are unsecured, interest bearing, non-transferrable, non-trading related in nature and issued by private entities.

At 31 March 2023, the other financial assets at amortised cost also included a secured bond held by the Group, amounted to approximately HK\$23,372,000 which was secured, interest bearing, non-transferrable, non-trading related in nature and issued by a private entity.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At amortised cost	95,793	112,043
Less: ECL allowance	<u>(12,446)</u>	<u>(11,234)</u>
	<u>83,347</u>	<u>100,809</u>

Ageing analysis

As of the end of the reporting period, the ageing analysis of promissory notes and secured bond, net of allowance for credit losses, based on the maturity date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Mature within 1 year	<u>83,347</u>	<u>100,809</u>

16. OTHER PAYABLES AND ACCRUED CHARGES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bonds interest payables	755	1,915
Bonds payables (<i>note (i)</i>)	58,870	42,270
Deposit received (<i>note (ii)</i>)	73,617	—
Accruals and other payables	<u>9,334</u>	<u>6,289</u>
	<u>142,576</u>	<u>50,474</u>

Notes:

- (i) For the year ended 31 March 2024, the Company has entered into short-term unsecured bond agreements for issuance of bonds of approximately HK\$58,870,000 with independent parties bearing interest rates from 5%–15% per annum. All of the bonds outstanding as at 31 March 2024 are due within one year.

For the year ended 31 March 2023, the Company had entered into short-term unsecured bond agreements for issuance of bonds of approximately HK\$20,270,000 with independent parties bearing interest rates from 5%–12% per annum. All of these bonds outstanding at 31 March 2023 was due within one year. The Company had also entered into short-term secured bond agreement of approximately HK\$22,000,000 with independent party bearing interest rate at 5% per annum. The bond outstanding at 31 March 2023 was settled during the year ended 31 March 2024. The Group had pledged its financial assets at FVTPL for the said bond.

- (ii) During the year, the Group received deposit of approximately HK\$73,617,000 from an independent third party for potential investment by this independent third party in the Company. The amount is unsecured, non-interest bearing and repayable on demand.

17. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Authorised		
At 1 April 2022 at HK\$0.01 each	10,000,000	100,000
Share consolidation (<i>note (vi)</i>)	(9,000,000)	N/A
	<hr/>	<hr/>
At 31 March 2023 at HK\$0.1 each	1,000,000	100,000
	<hr/>	<hr/>
At 1 April 2023 at HK\$0.1 each	1,000,000	100,000
Increase in authorised share capital (<i>note (vii)</i>)	2,000,000	200,000
	<hr/>	<hr/>
At 31 March 2024 at HK\$0.1 each	<u>3,000,000</u>	<u>300,000</u>
Issued and fully paid		
At 1 April 2022	2,285,579	22,856
Exercise of share option (<i>note (iii)</i>)	175,450	1,754
Placing of new shares (<i>note (iv)</i>)	492,200	4,922
Issue of consideration shares (<i>note(v)</i>)	650,720	6,507
Share consolidation (<i>note (vi)</i>)	(3,243,555)	N/A
	<hr/>	<hr/>
At 31 March 2023 and 1 April 2023	360,394	36,039
Rights issue (<i>note (i)</i>)	360,394	36,039
Placing of new shares (<i>note (ii)</i>)	144,000	14,400
	<hr/>	<hr/>
At 31 March 2024	<u>864,788</u>	<u>86,478</u>

All shares issued during the year rank pari passu with the then existing shares in all respects.

Notes:

- (i) The Company has raised gross proceeds of approximately HK\$54.1 million before expenses by way of a rights issue of up to 360,394,859 rights shares at a price of HK\$0.15 per rights share on the basis of one (1) rights share for every one (1) existing share held by the qualifying shareholders on the record date.

The net proceeds from the rights issue, after deducting all relevant expenses of approximately HK\$197,000 for the rights issue, were approximately HK\$53.9 million. Details are set out in the Company's announcements dated 2 August 2023 and 11 August 2023.

- (ii) On 25 January 2024, the Company and the placing agents entered into the placing agreement pursuant to which the placing agents agreed to place, on a best effort basis, up to 144,000,000 placing shares at a placing price of HK\$0.65 to not less than six placees who are independent third parties. On 19 February 2024, the Company and the placing agents entered into a letter of confirmation to extend the long stop date of the placing agreement.

A total of 144,000,000 placing shares have been successfully placed to not less than six placees (who are individual, corporate and/or institutional investors), who and whose ultimate beneficial owner(s) are independent third parties. The net proceeds from the placing, after deducting all relevant expenses of approximately HK\$936,000, amount to approximately HK\$92.7 million, which is intended to be utilised for repayment of borrowings, general working capital of the Group and future investment opportunities as may be identified by the Group from time to time. Details are set out in the Company's announcements dated 25 January 2024, 19 February 2024 and 23 February 2024.

- (iii) A total of 175,450,000 share options with exercise price per share of HK\$0.068 were exercised under the Company's share option scheme during the year ended 31 March 2023. The subscriptions monies from share option holders amounted to approximately HK\$11,931,000. The share allotment for the subscription of 161,950,000 ordinary shares and 13,500,000 ordinary shares were completed on 14 April 2022 and 17 April 2022 respectively.

- (iv) On 15 September 2022, the placing agents and the Company entered into the placing agreement pursuant to which the placing agents agreed to place, on a best effort basis, up to 492,200,000 new Shares at a price of HK\$0.077 per placing share, for and on behalf of the Company

A total of 492,200,000 placing shares have been successfully placed to not less than six placees (who are individual, corporate and/or institutional investors), who and whose ultimate beneficial owner(s) are independent third parties. The net proceeds from the placing, after deducting all related costs, commission and expenses, amounted to approximately HK\$37.5 million, which is intended to be utilised for the general working capital of the Group and future investment opportunities as may be identified from time to time. Details are set out in the Company's announcements dated 15 September 2022 and 18 October 2022.

- (v) In April 2022, the Company entered into the following agreements:
1. The agreement with an independent third party in respect of the acquisition of 7% of Jijiaifu at the consideration to be satisfied (a) by cash of HK\$10,928,000 (equivalent to RMB9,000,000) and (b) by the allotment and issue of 290,720,000 ordinary shares of the Company on 6 April 2022.
 2. The agreement with an independent third party in respect of the acquisition of 30% of Wole at the consideration to be satisfied by the allotment and issue of 360,000,000 ordinary shares of the Company on 8 April 2022.

All conditions precedent of the agreements have been fulfilled and completion of the Agreements took place on 17 January 2023 whereupon a total of 650,720,000 new Shares were issued to the independent third parties pursuant to the agreements. The closing price of the Company was HK\$0.065 at completion day.

Details are set out in the Company's announcements dated 6 April 2022, 7 April 2022 and 8 April 2022 and circular dated 10 May 2022 relating to the issue of consideration shares under specific mandate.

- (vi) Share consolidation of every 10 issued and unissued existing shares into 1 consolidated share became effective from 15 February 2023. Details are set out in the Company's announcements on 20 December 2022, 4 January 2023, 31 January 2023 and 10 February 2023, and circular dated 10 January 2023.
- (vii) Pursuant to the ordinary resolution passed at the annual general meeting of the Company held on 30 August 2023, the authorised share capital of the Company was increased from HK\$100,000,000 divided into 1,000,000,000 ordinary shares of HK\$0.10 each to HK\$300,000,000 divided into 3,000,000,000 ordinary shares by the creation of an additional 2,000,000,000 unissued ordinary shares. Details of which are set out in the circular of the Company dated 31 July 2023.

18. NET ASSET VALUE PER SHARE

Net asset value per share is HK\$0.437 (2023: HK\$0.759) which is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK\$378,125,000 (2023: HK\$273,676,000) and the number of ordinary shares in issue as at 31 March 2024, being 864,788,000 (2023: 360,394,000).

19. CONTINGENT LIABILITIES

As at 31 March 2024, the Group had contingent liabilities to the extent of RMB15,000,000 (equivalent to HK\$16,209,000) in respect of financial support given by the Group to Icon for its continuing operation for a period of at least 15 months from 28 March 2024. The directors considered that a reliable estimate cannot be made of the amount of the outflow of resources that might be required in respect of the financial support and therefore, no provision was made as at 31 March 2024.

20. EVENTS AFTER THE REPORTING PERIOD

In April 2024, the Group entered into share transfer agreements with an independent third party for the disposal of its entire equity interests in Jiajiafu and Wole at the consideration of HK\$20,412,000 and RMB14,849,000 (equivalent to approximately HK\$16,046,000 respectively.) Completion of these share transfer agreements is expected to take place by July 2024.

In June 2024, the Group entered into share transfer agreements with other shareholders of Zhong Ying Hua Xia and Hui Tong Yun for the transfer of its entire equity interests in Zhong Ying Hua Xia and Hui Tong Yun at the consideration of RMB27,000,000 (equivalent to approximately HK\$29,176,000) and RMB30,000,000 (equivalent to approximately HK\$32,418,000) respectively. Completion of these share transfer agreements is expected to take place by July 2024.

On 28 June 2024, the closing market share of Intl Genius was HK\$3.56 per share. Based on the share price of HK\$3.56 per share, the fair value of the Group's interest in the shares of Intl Genius would be approximately HK\$34,048,000, representing a decrease of approximately HK\$42,942,000 or 56% as compared to the carrying value of approximately HK\$76,990,000 as at 31 March 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group's revenue for the year ended 31 March 2024 was nil (2023: nil), which remained unchanged when compared with that of last year. The Group incurred a loss for the year attributable to owners of the Company amounting to approximately HK\$28,727,000 which increased by approximately HK\$5,925,000 or 25.98% when compared with the loss of approximately HK\$22,802,000 incurred in last year. The increased in the loss for the year was mainly attributable to the increase in administrative and other expenses during the year under review. The net asset value per share of the Group as at 31 March 2024 amounted to HK\$0.437 (2023: HK\$0.759). The Board has decided not to declare a final dividend for the year.

Investment Portfolio

Details of all investments of the Group are included in notes 12, 13, 14 and 15 to this Announcement.

Financial Resources and Liquidity

As at 31 March 2024, the Group had cash and cash equivalents of approximately HK\$16,166,000 (2023: HK\$3,997,000). The Group had net current assets and the net assets of approximately HK\$219,042,000 (2023: HK\$225,346,000) and approximately HK\$378,125,000 (2023: HK\$273,676,000) respectively as at 31 March 2024. The Group had other borrowing of approximately HK\$59,625,000 at 31 March 2024 (2023: HK\$44,185,000). The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 2.54 (2023: 5.34) as at 31 March 2024.

As at 31 March 2024, the gearing ratio of the Group was approximately 15.77% (2023: 16.15%).

The gearing ratio is calculated as total debts HK\$59,625,000 (2023: HK\$44,185,000) divided by equity attributable to owners of the Company HK\$378,125,000 (2023: HK\$273,676,000) as at 31 March 2024.

Capital Structure

Details in the changes of the capital structure of the Company during the year ended 31 March 2024 are set out in note 17 to this Announcement. The capital of the Company comprises only ordinary shares as at 31 March 2024.

Foreign Exchange Exposure

Most of the business transactions of the Group are denominated in Hong Kong dollars and Renminbi. The management of the Group will closely monitor the fluctuation in these currencies and take appropriate actions when needed. As at 31 March 2024, the Group did not engage in currency hedging nor did it adopt any formal hedging activities.

Pledge of Assets and Contingent Liabilities

As at 31 March 2024, the Group did not have any pledge of assets.

Details of contingent liabilities is set out in note 19 of this Announcement.

Other Income

For the year ended 31 March 2024, the Group's other income was approximately HK\$8,082,000 which decreased by approximately HK\$2,249,000 or 21.77% when compared of approximately HK\$10,331,000 for the year ended 31 March 2023. The decrease is mainly attributable to interest income from other financial assets at amortised cost of HK\$7,972,000 for the year ended 31 March 2024.

Net Loss/Gain on Financial Assets at Fair Value Through Profit or Loss

For the year ended 31 March 2024, the net loss was approximately HK\$787,000 as compared to the net gain of approximately HK\$2,518,000 for the year ended 31 March 2023. The net loss is mainly attributable to net effect of the net gain on listed equity investments, net loss of unlisted equity investments in PRC, loss of investment in convertible bond and loss in the Currency Fund for the year ended 31 March 2024.

Impairment Losses Under the Expected Credit Loss (“ECL”) Model, Net of Reversal

A net amount of approximately HK\$1,619,000 was recognised for impairment loss under the ECL model for the year ended 31 March 2024 which decreased by approximately HK\$5,068,000 or 75.79% when compared of approximately HK\$6,687,000 for the year ended 31 March 2023. The decrease is mainly attributable to the net effect of the reversal of ECL and loss on other financial assets at amortised cost and other receivables for the year ended 31 March 2024.

Staff Cost (Included in Administrative and Other Expenses)

As at 31 March 2024, the Group had 11 (2023: 14) full time employees (exclusive of directors). The Group's total staff costs (including directors' remuneration) amounted to approximately HK\$6,776,000 for the year ended 31 March 2024 (2023: HK\$6,048,000). The employees were remunerated based on their responsibilities and performance.

Administrative and Other Expenses

Administrative and other expenses for the year ended 31 March 2024 amounted to approximately HK\$32,482,000 (2023: HK\$26,132,000), representing an increase of approximately HK\$6,350,000 or 24.30%, which was mainly due to increase in staff costs, short-term leases and exchange losses.

Finance Costs

Finance costs for the year ended 31 March 2024 amounted to approximately HK\$2,265,000 (2023: HK\$2,832,000), represented a decrease of approximately HK\$567,000. Such decrease was mainly due to the decrease of interest on bonds during the year ended 31 March 2024.

Events After The Reporting Period

Details are set out in note 20 to this Announcement.

Prospect

The Board has reassessed recent market condition and determined that the Company should adopt a more active approach in its investment strategies as the markets gained momentum on back of robust recovery in the Chinese economy. In fact, the listed securities held by the Company have made net gain this year and the Company considered that it should continue to hold on to these listed securities for medium to long term appreciation.

In the new financial year, the Group will continue to adopt a cautious and proactive attitude in seeking potential business opportunities in the market. In addition, the Group's investment strategy will explore more diversified investment opportunities with various industries. The Group is aiming at implementing an efficient and compliant internal control, pragmatically deploying its investment strategy, and strengthen its financial situation in order to bring favorable return to our Shareholders.

Purchase, Sale or Redemption of Listed Securities of the Company

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the year.

CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of corporate governance practice of a listed company and is committed to adopting the standards of corporate governance. The board is responsible for performing the corporate governance duties. It is in the interest of the shareholders and stakeholders for a listed company to operate in a transparent manner with the adoptions of various self-regulatory policies, procedures and monitoring mechanisms with a clear definition of accountability of directors and management. The Company and the Directors confirm, to the best of their knowledge, that the Company has complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules during the year ended 31 March 2024, except for the following deviations:

- (i) The code provision C.1.6 of the CG Code requires that the independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings and develop a balanced understanding of the views of shareholders. Some directors were unable to attend the annual general meeting of the Company held on 30 August 2023 due to other important engagement.
- (ii) The code provision C.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Since Ms. Lin Yudan resigned as the Chief Executive Officer of the Company on 12 July 2021, nobody has been appointed. The executive Board which includes all executive directors, investment manager and senior management have been delegated with the authority and responsibility by the Board for the day-to-day operations of the Group while reserving certain key matters for the approval by the Board. After evaluation of the current situation of the Company and considering of the board composition, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for such arrangement as it helps to maintain the continuity of the policies and the stability of the operations of the Company.

- (iii) The code provision F.2.2 of the CG Code requires that the chairman of the board should attend the annual general meeting. The chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, the chairman should invite another member of the committee or failing this their duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. Some of the committee chairmen were unable to attend the annual general meeting of the Company held on 30 August 2023 due to other important engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS

During the year ended 31 March 2024, the Company complied with the code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Model Code in Appendix C3 to the Listing Rules. Having made specific enquiry to all directors, all of them confirmed that they had complied with the required standard of dealings and its code of conduct regarding securities transactions by directors throughout the year ended 31 March 2024.

AUDIT COMMITTEE

The Company has an Audit Committee with written terms of reference in compliance with the Listing Rules. Amongst other duties, the principal duties of the Audit Committee are to review and supervise the financial reporting process and internal control of the Group.

The Audit Committee comprises three independent non-executive Directors, namely, Ms. Mo Li, Ms. Chen Shunqing and Mr. Shi Zhu, and is chaired by Ms. Chen Shunqing. The audited financial statements of the Group for the year ended 31 March 2024 have been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The Company has a Remuneration Committee with written terms of reference. The Remuneration Committee consists of one non-executive Director and three independent non-executive Directors, namely, Mr. Han Zhenghai, Ms. Mo Li, Mr. Shi Zhu and Ms. Chen Shunqing, and is chaired by Ms. Mo Li.

NOMINATION COMMITTEE

The Company has a Nomination Committee with written terms of reference. The Nomination Committee consists of one non-executive Director and three independent non-executive Directors, namely, Mr. Han Zhenghai, Ms. Mo Li, Ms. Chen Shunqing and Mr. Shi Zhu, and is chaired by Mr. Han Zhenghai.

RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee with written terms of reference. The Risk Management Committee consists of one executive Director Mr. Chan Cheong Yee and three independent non-executive Directors, namely, Ms. Mo Li, Ms. Chen Shunqing, Mr. Shi Zhu, and is chaired by Mr. Chan Cheong Yee.

SCOPE OF WORK OF FAN, CHAN & CO. LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2024 as set out in the announcement have been agreed by the Group's auditor, Fan, Chan & Co. Limited (the "**Auditor**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

By Order of the Board
China Investment Development Limited
Han Zhenghai
Joint Chairman

Hong Kong, 28 June 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.