



CAPITAL REALM FINANCIAL HOLDINGS GROUP LIMITED

資本界金控集團有限公司

(formerly known as China Investment Development Limited)

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

(Stock Code: 204)

2024

INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

CHAN Cheong Yee

CHAN Yiu Pun Clement

Non-executive Directors

HAN Zhenghai (*Joint Chairman*)

DENG Dongping (*Joint Chairman*)

ZHU Zhikun (*Deputy Chairman*)

GE Zhifu (*Deputy Chairman*)

LYU Ping (*deceased on 13 October 2024*)

MO Xiuping

Independent Non-executive Directors

MO Li

SHI Zhu

CHEN Shunqing

DING Jiasheng

AUDIT COMMITTEE

CHEN Shunqing (*Chairlady*)

MO Li

SHI Zhu

REMUNERATION COMMITTEE

MO Li (*Chairlady*)

HAN Zhenghai

CHEN Shunqing

SHI Zhu

NOMINATION COMMITTEE

HAN Zhenghai (*Chairman*)

MO Li

CHEN Shunqing

SHI Zhu

RISK MANAGEMENT COMMITTEE

CHAN Cheong Yee (*Chairman*)

MO Li

CHEN Shunqing

SHI Zhu

COMPANY SECRETARY

WONG Shiu Wah Williamson

AUTHORISED REPRESENTATIVES

HAN Zhenghai

CHEN Shunqing

PRINCIPAL BANKERS

China Citic Bank International Limited

Bank of Communications

AUDITORS

Fan, Chan & Co., Limited

Certified Public Accountants

PRINCIPAL SHARE REGISTRAR

MUFG Fund Service (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road, Pembroke HM08

Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301–04, 33/F.

Two Chinachem Exchange Square,

338 King's Road,

North Point, Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

PRINCIPAL PLACE OF BUSINESS

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China Hong Kong City

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STOCK CODE

204

The board of directors (the “**Board**”) of Capital Realm Financial Holdings Group Limited (the “**Company**”) announces the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2024 (the “**Period**”) together with the comparative figures for the corresponding period in 2023. The unaudited interim results have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	5	–	–
Other income	5	7,629	4,715
Change in fair value of financial assets at fair value through profit or loss		(20,220)	29,288
Net realised gain/(loss) on financial assets at fair value through profit or loss		–	–
Impairment loss under the ECL model, net of reversal		10,770	–
Administrative expenses		(8,253)	(12,117)
Operating (loss)/profit		(10,074)	21,886
Finance costs	6	(523)	(1,529)
(Loss)/profit before income tax expense	7	(10,597)	20,357
Income tax expense	8	–	–
(Loss)/profit for the period attributable to owners of the Company		(10,597)	20,357

	Notes	Six months ended 30 September	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
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		–	(11,778)
Item that may be reclassified subsequently to profit or loss:			
– Exchange difference on translation of financial statements of foreign operations		2,594	3,208
Other comprehensive income/(expense) for the period, net of tax		2,594	(8,570)
Total comprehensive (expense)/income for the period		(8,003)	11,787
(Loss)/earnings per share	10		
– Basic (<i>HK cent per share</i>)		(1.23)	4.47
– Diluted (<i>HK cent per share</i>)		(1.23)	4.47
Proceeds from disposal of financial assets at fair value through profit or loss		–	–

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	1,185	1,369
Financial assets at fair value through profit or loss	13	92,772	157,714
		93,957	159,083
Current assets			
Financial assets at fair value through other comprehensive income	12	–	36,506
Financial assets at fair value through profit or loss	13	111,415	103,068
Other receivables, deposits and prepayments	14	78,230	122,531
Other financial assets at amortised cost	15	116,058	83,347
Cash and cash equivalents		7,169	16,166
		312,872	361,618
Current liabilities			
Other payables and accrued charges	16	36,707	142,576
		36,707	142,576
Net current assets		276,165	219,042
Net assets		370,122	378,125

		30 September 2024	31 March 2024
	Notes	HK\$'000 (unaudited)	HK\$'000 (audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital	17	86,478	86,478
Reserves		283,644	291,647
Total equity		370,122	378,125

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Share capital HK\$'000	Share premium HK\$'000	Shareholder's contribution HK\$'000	Investment revaluation reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 31 March 2024 (audited) & 1 April 2024	86,478	735,693	10,934	(16,719)	8,275	(5,187)	(441,349)	378,125
Loss for the year	-	-	-	-	-	-	(10,597)	(10,597)
Other comprehensive income								
- Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
- Exchange difference on translation of financial statements of PRC subsidiaries	-	-	-	-	-	2,594	-	2,594
Total comprehensive income/(expense) for the period	-	-	-	-	-	2,594	(10,597)	8,003
At 30 September 2024 (unaudited)	86,478	735,693	10,934	(16,719)	8,275	(2,593)	(451,946)	370,122
At 31 March 2023 (audited) & 1 April 2023	36,039	639,605	10,934	(4,921)	9,436	(3,634)	(413,783)	273,676
Profit for the year	-	-	-	-	-	-	20,357	20,357
Other comprehensive (expense)/income								
- Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	(11,778)	-	-	-	(11,778)
- Exchange difference on translation of financial statements of PRC subsidiaries	-	-	-	-	-	3,208	-	3,208
Total comprehensive (expense)/income for the period	-	-	-	(11,778)	-	3,208	20,357	11,787
Rights issue (note 16(ii))	36,039	18,021	-	-	-	-	-	54,060
Rights issue expenses	-	(1,360)	-	-	-	-	-	(1,360)
At 30 September 2023 (unaudited)	72,078	656,266	10,934	(16,699)	9,436	(426)	(393,426)	338,163

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Net cash generated from/(used in) operating activities	22,270	(7,495)
Net cash used in investing activities	–	(55)
Net cash (used in)/generated from financing activities	(31,267)	11,457
Net (decrease)/increase in cash and cash equivalents	(8,997)	3,907
Cash and cash equivalents at 1 April	16,166	3,997
Effect of foreign exchange rates changes	–	114
Cash and cash equivalents at 30 September	7,169	8,018
Analysis of the balance of cash and cash equivalents		
Bank balances and cash	7,169	8,018

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Capital Realm Financial Holdings Group 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 is principally engaged in investment holding for short to long-term capital appreciation purposes, and investment in listed and unlisted securities.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial assets of fair value through other comprehensive income which have been measured at fair value. These condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest dollar except when otherwise indicated.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

In the Period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendment to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

The application of the amendments to HKFRSs has no material impact on the Group's financial position and financial performance for the current and/or prior periods and/or on the disclosure set out in the condensed consolidated financial statements.

The Group has not applied any new and amendments to HKFRSs that have been issued but not yet effective for the current accounting period.

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 in order to allocate resources and assess performance of the segment. For the six months ended 30 September 2024 and 2023, the information reported to the executive directors, who are the chief operating decision makers 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 result of the Group as a whole reported under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business component/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 is presented.

The following table provides an analysis of the Group's revenue and non-current assets, property, plant and equipment (i.e. "specified non-current assets") by geographical locations, determined based on physical location of the assets or location of operations in case of interest in an associate, is as follows:

	Revenue from external customers		Specified non-current assets	
	Six months ended		assets	
	30 September		30 September	31 March
	2024	2023	2024	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Hong Kong (place of domicile)	-	-	1,185	1,369

5. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue	-	-
Other income:		
Others	4	4
Dividend income from listed investments	-	-
Interest income from other financial assets at amortised cost	3,366	4,711
Exchange gain	4,259	-
	7,629	4,715
Total revenue and other income	7,629	4,715

6. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest expenses on lease liabilities	–	52
Interest expenses on bonds	523	1,477
	523	1,529

7. (LOSS)/PROFIT BEFORE INCOME TAX EXPENSE

(Loss)/profit before income tax expense was stated after charging the following:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Employee benefit expenses (including directors' remuneration)	2,258	3,010
Depreciation		
Property, plant and equipment	184	11
Rent & Rates	1,494	474
Exchange loss	–	7,062

8. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% (2023: 16.5%) on the estimated assessable profits for the Period. 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 taxable profits either arising from Hong Kong or other jurisdictions during the Period (2023: Nil).

9. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2024 (2023: Nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share amounts is based on the (loss)/earnings for the Period attributable to owners of the Company and the weighted average number of ordinary shares of 864,789,718 (2023: 454,924,658) in issue during the Period.

The computation of diluted (loss)/earnings per share for the Period did not assume the exercise of the Company's outstanding share options because the effect was anti-dilutive. Therefore, the diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share for the Period.

11. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of approximately HK\$nil.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Unlisted equity securities in PRC, at cost	–	53,225
Fair value adjustment	–	(16,719)
	–	36,506

Particulars of investments in unlisted equity securities held by the Group disclosed are as follows:

Name of investee companies	Place of incorporation	Percentage of effective interest held at		Accumulated fair value				Dividend received/		Percentage of total assets of the Group		Dividend received/ Percentage of total asset of the Group	
		30	30	At cost		adjustment		Carrying value		received	the Group	received	of the Group
		September 2024	September 2024	March 2024	September 2024	March 2024	September 2024	March 2024	September 2024	September 2024	March 2024	March 2024	March 2024
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
Qingzhou Jiajiafu Modern Agricultural Group Co., Ltd.* ("Jiajiafu") (note (j))	PRC	-	-	29,825	-	(9,413)	-	20,412	-	-	-	-	3.92%
Lanzhou Wole Aome Furnishing Service Co., Ltd.* ("Lanzhou Wole") (note (j))	PRC	-	-	23,400	-	(7,306)	-	16,094	-	-	-	-	3.09%
				-	53,225	-	(16,719)	-	36,506				

Notes:

- (i) Jiajiafu is a modern agricultural development enterprise that integrates green and organic fruit and vegetable cultivation, processing, and sales, poultry breeding, processing, and sales, agricultural technology services, farmer credit mutual assistance, agricultural material distribution and supply, and international trade.

The Group has no significant influence as the Group has no power to participate in the operating and financial policy decisions of Jiajiafu. The directors have elected to designate this investment in equity instruments as at FVTOCI as they believe that this investment is not held for trading and not expected to be sold in foreseeable future.

During the Period, Jiajiafu was sold at carrying amount. Thus, no gain or loss was recognised on disposal during the Period.

- (ii) Lanzhou Wole's business focuses on the manufacturing of integrated cabinets and full house customization, continuously upgrading the design and improving the intelligent chemical factory that combines "industrialization" and "informatization", providing consumers with beautifully designed, exquisite craftsmanship, and reliable quality customized home products.

The Group has no significant influence as the Group has no power to participate in the operating and financial policy decisions of Lanzhou Wole. The directors have elected to designate this investment in equity instruments as at FVTOCI as they believe that this investment is not held for trading and not expected to be sold in foreseeable future.

During the Period, Lanzhou Wole was sold at carrying amount. Thus, no gain or loss was recognised on disposal during the Period.

* For identification purpose only

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Hong Kong listed equity securities, at market value (<i>note a</i>)	111,415	103,068
Investment in unlisted equity securities in PRC, at fair value (<i>note b</i>)	92,772	157,714
	204,187	260,782

Notes:

- (a) Particulars of the Group's major investment of listed equity security held by the Group as at 30 September 2024 and 31 March 2024 are as follows:

30 September 2024

Name of investee companies	Notes	Number of shares held	Percentage of interest held	Cost HK\$'000	Market value HK\$'000	Accumulated unrealised gain arising on revaluation HK\$'000	Change in fair value during the Period gain/(loss) HK\$'000	Dividend received/ receivable HK\$'000	Percentage of the total assets of the Group
Icon Culture Global Company Limited ("Icon")	(i)	85,500,000 ordinary shares	19.7917%	39,758	47,025	7,267	10,260	-	11.56%
International Genius Company ("Intl Genius")	(ii)	12,878,000 ordinary shares	2.31%	28,283	64,390	36,107	(27,092)	-	15.83%
					111,415				

Notes:

- (i) Icon was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares were listed on the GEM of The Stock Exchange of Hong Kong Limited (stock code: 8500). The principal activities of the Company (together with its subsidiaries) are rendering of traditional offline media advertising, online media advertising, public relations, marketing campaigns and other services. For the year ended 31 December 2023, the audited consolidated loss attributable to equity shareholders of the Icon was approximately HK\$84,647,000 with basic and diluted loss per share of HK\$0.47 cents. As at 31 December 2023, its audited consolidated net liabilities attributable to owners of the company was approximately HK\$14,303,000. No dividend was received by the Group during the year ended 31 December 2023.

- (ii) Intl Genius was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 33). Its principal activities are (i) trading of party products and metals and minerals, (ii) securities brokerage and assets management, advancing business, credit guarantee and (iii) investment business and trading of commodities. For the year ended 30 June 2024, the audited consolidated loss attributable to equity shareholders of Intl Genius was approximately HK\$39,991,000 with basic and diluted loss per share of HK\$7.36 cents. As at 30 June 2024, its audited consolidated net assets attributable to owners of the company was approximately HK\$693,411,000. No dividend was received by the Group during the year ended 30 June 2024.

The fair values of the Group's investments in listed equity securities are based on quoted market price.

The proceeds from disposal of financial assets at fair value through profit or loss during the six months ended 30 September 2024 was HK\$nil.

31 March 2024

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

(b)

30 September 2024

Name of investee companies	Place of incorporation	Percentage of effective interest held at 30 September 2024	At cost 30 September 2024	Accumulated fair value adjustment 30 September 2024	Carrying value 30 September 2024	Dividend receivable/ received 30 September 2024	Percentage of total assets of the Group 30 September 2024	Principal activities
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Zhonghe Huinong (Beijing) Technology Development Co., Ltd* ("Zhonghe Huinong") <i>(note i)</i>	PRC	27.54	40,503	(19,927)	20,576	–	5.06	Scientific research and technical services industry
Shenzhen Qianhai CIC Dingsheng Investment Consulting Co., Ltd* ("Shenzhen Qianhai") <i>(note ii)</i>	PRC	30.00	41,402	(17,197)	24,205	–	5.95	Rental and business services
Huanghao International Financial Leasing (Shenzhen) Co., Ltd* ("Huanghao") <i>(note iii)</i>	PRC	22.85	38,789	9,202	47,991	–	11.80	Financial industry
					92,772			

* for identification purpose only

31 March 2024

Name of investee companies	Place of incorporation	Percentage of effective interest held at	Accumulated fair value		Carrying value	Dividend receivable/	Percentage of total asset of the Group	Principal activities
		31 March	At cost	adjustment	value	received	31 March	
		2024	31 March	2024	31 March	2024	2024	
			HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Zhonghe Huinong (note (i))	PRC	27.54%	40,503	(14,136)	26,367	—	5.06%	Scientific research and technical services industry
Shenzhen Qianhai (note (ii))	PRC	30.00%	41,402	(13,357)	28,045	—	5.39%	Rental and business services
Huanghao (note (iii))	PRC	22.85%	38,789	2,959	41,748	—	8.02%	Financial industry
Zhong Ying Hua Xia Investment Holdings (Shenzhen) Co., Ltd* ("Zhong Ying Hua Xia") (note (iv))	PRC	30.00%	29,482	(347)	29,135	—	5.60%	Rental and business services
Hui Tong Yun (Shenzhen) Enterprise Management Co., Ltd* ("Hui Tong Yun") (note (v))	PRC	30.00%	32,666	(247)	32,419	—	6.23%	Wholesale and retail business
						157,714		

* for identification purpose only

Notes:

- (i) Business of Zhonghe Huinong are Technology development, technology transfer, technology consulting, technology services, technology promotion and data processing.

The investment in the Zhonghe Huinong is recognised as a financial asset at fair value through profit or loss and recognised at fair value, with changes in fair value recognised in profit or loss.

- (ii) Business of Shenzhen Qianhai are investment consulting, business management consulting and economic information consulting.

The investment in the Shenzhen Qianhai is recognised as a financial asset at fair value through profit or loss and recognised at fair value, with changes in fair value recognised in profit or loss.

- (iii) Business of Huanghao are financial leasing business, leasing business, purchase of leased properties at home and abroad and treatment and maintenance of residual value of leased properties.

The investment in the Huanghao is recognised as a financial asset at fair value through profit or loss and recognised at fair value, with changes in fair value recognised in profit or loss.

- (iv) During the Period, investment in Zhong Ying Hua Xia was all refunded at carrying amount. Thus, no gain or loss was recognised during the Period.

- (v) During the Period, investment in Hui Tong Yun was all refunded at carrying amount. Thus, no gain or loss was recognised during the Period.

14. OTHER RECEIVABLES AND DEPOSITS PAID

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Deposits paid (<i>note a</i>)	98,481	154,411
Other receivables (<i>note b</i>)	11,817	958
	110,298	155,369
Less: ECL allowance	(32,068)	(32,838)
	78,230	122,531

Notes:

- (a) As at 30 September 2024, balance mainly represented deposits paid for potential investments in unlisted equities in PRC with gross carrying amount of HK\$98,481,000.

For the period ended 30 September 2024, in addition to the ECL of HK\$30,000,000 recognised in prior years on deposits paid for potential investments and other receivables which are categorised as doubtful under the Group's credit risk grading framework, the directors of the Company estimated the loss allowance on the remaining deposits paid for potential investment and other receivables with aggregate gross carrying amount of approximately HK\$68,481,000 at the end of the reporting period on an individual basis, at an amount equal to 12-month ECL taking into account the expected collection period as the deposits paid are categorised as low risk under the Group's credit risk grading framework. Thus, an amount of HK\$2,068,000 was provided for impairment losses under the ECL model.

- (b) It mainly included an amount of HK\$10,000,000 in respect of the disposal of Mount Peak Fund SPC — Mount Peak Currency Fund SP. It was fully settled after the Period.

15. OTHER FINANCIAL ASSETS AT AMORTISED COST

At 30 September 2024, the other financial assets at amortised cost included promissory notes held by the Group, amounted to approximately HK\$116,058,000 (2024: HK\$83,347,000) which are unsecured, interest bearing, non-transferrable, non trading related in nature and issued by private entities.

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
At amortised cost	128,504	95,793
Less: ECL allowance	(12,446)	(12,446)
	116,058	83,347

Ageing analysis

As of the end of the Period, the ageing analysis of promissory notes, net of allowance for credit losses, based on the maturity date is as follows:

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Within 1 year	116,058	83,347
1 to 2 years	–	–
	116,058	83,347

Particulars of the promissory notes classified as at other financial assets at amortised cost held by the Group as at 30 September 2024 and 31 March 2024 disclosed are as follows:

30 September 2024

Name of issuer	Place of incorporation/ operation	Amortised		ECL	Net carrying amount	Interest rate	Interest received/ during the Period	Percentage of the total assets of the Group
		Cost	cost					
		HK\$'000	HK\$'000	HK\$'000	HK\$'000		HK\$'000	
1. Guangdong Juhong Technology Industrial Park Co., Ltd.* ("Juhong Technology") (note i)	PRC	58,869	60,278	(3,935)	56,343	6%	1,409	13.50%
2. Guangdong Yijushang Information Technology Co., Ltd.* ("Yijushang Information") (note ii)	PRC	66,269	68,226	(8,511)	59,715	6%	1,957	14.20%
					116,058			

31 March 2024

Name of issuer	Place of incorporation/ Operation	Amortised		ECL	Net carrying amount	Interest rate	Interest received/ receivable	Percentage of the total assets of the Group
		Cost	cost					
		HK\$'000	HK\$'000	HK\$'000	HK\$'000		HK\$'000	
Juhong Technology (note i)	PRC	30,257	30,383	(3,935)	26,448	6%	124	5.08%
Yijushang Information (note ii)	PRC	64,837	65,410	(8,511)	56,899	6%	570	10.93%
					83,347			

* for identification purpose only

Notes:

Business of issuers and terms of promissory notes and a secured bond

- (i) Juhong Technology is a comprehensive investment enterprise that focuses on property leasing, property management, parking lot operation, and consulting services, covering commodity information consulting services, hotel management, catering management, large-scale event organization planning services, corporate image planning services, conference and exhibition services, logistics transportation, professional alcohol trading market investment, supply chain financing, market services, and more.

The promissory note is unsecured, interest bearing at 6% per annum, and repayable with maturity terms of within 1 year of end of the Period. The net carrying amount as at 30 September 2024 was approximately to fair value.

- (ii) Yijushang Information is based on high-end IT technology services and focuses on building a high-tech, efficient, and high-quality professional technical team. The company is committed to integrating the entire IT resources and wholeheartedly building the most professional IT service team in Guangdong Province, providing scientific, accurate, and user-friendly professional IT technical services.

The promissory note is unsecured, interest bearing at 6% per annum, and repayable with maturity terms of within 1 year of end of the Period. The net carrying amount as at 30 September 2024 was approximately to fair value.

16. OTHER PAYABLES AND ACCRUED CHARGES

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Bonds interest payables	917	755
Bonds payables (<i>note (i)</i>)	28,126	58,870
Deposit received	–	73,617
Accruals and other payables	7,664	9,334
	36,707	142,576

Note:

(i) As at 30 September 2024:

The Company has had short-term unsecured bonds with independent parties, bearing interest rate at 5% per annum, and maturity dates of the bonds outstanding at 30 September 2024 is up to 29 July 2025.

17. SHARE CAPITAL

	Number of ordinary shares of HK\$0.1 each '000	HK\$'000
Authorised:		
At 31 March 2024 (audited), 1 April 2024 and 30 September 2024 (unaudited)	3,000,000	300,000
Issued and fully paid:		
At 31 March 2024 (audited), 1 April 2024 and 30 September 2024 (unaudited)	864,788	86,478

18. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the net assets included in the condensed consolidated statement of financial position of approximately HK\$370,122,000 (31 March 2024: HK\$378,125,000) and the number of ordinary shares in issue as at 30 September 2024, being 864,789,718 (31 March 2024: 864,789,718). The net asset value per share was HK\$0.428 as at 30 September 2024 (31 March 2024: HK\$0.437).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Period, the principal business of the Company remained investment holding for short to long-term capital appreciation purposes, and investment in listed and unlisted securities.

The Group adopted a prudent approach for its investment. In respect of investment in unlisted companies, the Group has investments in unlisted equity interests of companies in mainland China in various sectors with development potential during the Period (details are set up in note 13(b) to the condensed consolidated financial statements).

During the Period, although it was not a principal business of investment, the Company has invested in other financial assets at amortised cost (details are set up in note 15 to the condensed consolidated financial statements) which allow earning stable income of interest and bring favourable return to our Shareholders. The Group has adopted cautious, proactive attitude and strategy in seeking low-risk and reputable for interest earning investment as other financial assets at amortised cost.

FINANCIAL REVIEW

For the Period, the Group's revenue was HK\$nil (2023: HK\$ nil), which remain unchanged when compared with the corresponding period of last year. Loss for the Period attributable to owners of the Company was approximately HK\$10,597,000, as compared to profit for the corresponding period ended 30 September 2023. It was mainly attributable to fair value loss on financial assets at fair value through profit or loss.

Loss per share for the Period was HK1.23 cents (2023: earnings per share HK4.47 cents). As at 30 September 2024, the net asset value per share of the Group was HK\$0.428 (31 March 2024: HK\$0.437).

Other income

The Group's other income increased by approximately 61.8% from approximately HK\$4,715,000 for the six months ended 30 September 2023 to approximately HK\$7,629,000 for the six months ended 30 September 2024. Such increase was mainly due to the increase in exchange gain of approximately HK\$4,259,000.

Change in fair value of financial assets at fair value through profit or loss

The fair value loss of financial assets through profit or loss was approximately HK\$20,220,000 for the six months ended 30 September 2024, which represented an 169.04 times from approximately gain HK\$29,288,000 for the six months ended 30 September 2023.

Net realised gain/(loss) on financial assets at fair value through profit or loss

The Group's net realised gain/(loss) on financial assets at fair value through profit or loss was HK\$nil for the Period and for the six months ended 30 September 2023.

Impairment loss under the ECL model, net of reversal

The Group's impairment loss under the ECL model, net of reversal, was HK\$10,770,000 for the Period and was nil for the six months ended 30 September 2023.

Share-based payment expenses

The Group's share-based payment expenses was HK\$ nil for the Period and for the six months ended 30 September 2023.

Administrative expenses

The Group's administrative expenses decreased by approximately 31.89% from approximately HK\$12,117,000 for the six months ended 30 September 2023 to approximately HK\$8,253,000 for the six months ended 30 September 2024. Such decrease was mainly due to the decrease in exchange loss.

Finance costs

The Group's finance costs decreased by approximately 65.79% from approximately HK\$1,529,000 for the six months ended 30 September 2023 to approximately HK\$523,000 for the six months ended 30 September 2024. Such decrease was mainly due to the decrease in interest expenses on bonds.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at 30 September 2024, the Group's other financial assets at fair value through other comprehensive income was HK\$ nil (31 March 2024: HK\$36,506,000), due to the disposal for the Period.

OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

As at 30 September 2024, the Group's other receivables and deposits paid were mainly refundable deposits paid. The decrease was mainly due to the decrease in deposits paid for investment in unlisted equity interests in PRC companies.

OTHER FINANCIAL ASSETS AT AMORTISED COST

As at 30 September 2024, the Group's other financial assets at amortised cost was HK\$116,058,000 (31 March 2024: HK\$83,347,000). The increased was mainly due to the increase in such assets for the Period.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30 September 2024, the Group's financial assets at fair value through profit or loss was HK\$204,187,000 (31 March 2024: HK\$260,782,000), mainly due to the Group's decrease in investments in unlisted equity interests in PRC's companies.

CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY

As at 30 September 2024, the total number of ordinary shares of HK\$0.1 each in the Company in issue were 864,789,718.

As at 30 September 2024, the Group had cash and cash equivalents of approximately HK\$7,169,000 (31 March 2024: approximately HK\$16,166,000). The Group had net current assets and net assets of approximately HK\$276,165,000 (31 March 2024: HK\$219,042,000) and approximately HK\$370,122,000 (31 March 2024: HK\$378,125,000) respectively as at 30 September 2024. The Group had bonds payable of approximately HK\$28,126,000 as at 30 September 2024.

The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 8.5 as at 30 September 2024 (31 March 2024: 2.5).

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 30 September 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 30 September 2024, there were no charges on the Group's assets and the Group had no material contingent liabilities.

COMMITMENTS

The Group did not have material capital commitments as at 30 September 2024.

STAFF COST AND REMUNERATION POLICY

As at 30 September 2024, the Group's total staff costs (including directors' remuneration) amounted to approximately HK\$2,258,000 (2023: HK\$3,010,000) for the Period. The Company adopted the model set out in Code Provision B.1.2(c)(ii) of Appendix C1 to the Listing Rules as its remuneration model for determining the emoluments of the directors. This model stipulates that the remuneration committee shall make recommendations to the Board on the remuneration packages of individual executive directors and senior management. The remuneration committee of the Company would take into consideration, among other things, the duties and responsibilities of the directors and senior management and prevailing market conditions when determining their remuneration.

The Company has adopted a share option scheme to provide incentives to eligible persons, including directors, employees, consultants, suppliers and customers of the Group.

PROSPECT

The Group continue to implement a proactive fiscal policy and a prudent monetary policy. Proactive fiscal policy should improve efficiency and pay more attention to precision and sustainability. It is necessary to ensure the intensity of fiscal expenditure and accelerate the progress of expenditure. The external environment has become more complex, severe and uncertain. Therefore, it is required that in 2024, "focus on stabilizing the macroeconomic market and keep the economy operating within a reasonable range", "all regions and departments should shoulder the responsibility of stabilizing the macro economy, and all parties should actively introduce policies that are conducive to economic stability". The Group has adopted more 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 favourable return to our Shareholders.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, the interests and short positions held by the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, the "SFO") as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules were as follows:

(A) Long positions in shares of the Company

Name of Director/chief executive	Capacity in which interests are held	Number of shares held	Approximate percentage of shareholding (Note)
Zhu Zhikun	Beneficial owner	4,890,000	0.57%

Note: The percentage of shareholding is calculated on the basis of the Company's issued share capital of 864,789,718 shares as at 30 September 2024.

(B) Interests in underlying shares in the Company

Name of Director	Capacity	Number of underlying shares held	Percentage of the issued share capital of the company
Han Zhenghai	Beneficial owner (Note)	1,110,900	0.13%
Deng Dongping	Beneficial owner (Note)	1,110,900	0.13%
Mo Li	Beneficial owner (Note)	111,088	0.01%
Shi Zhu	Beneficial owner (Note)	125,926	0.01%
		2,458,814	0.28%

Note: These underlying shares represent the shares to be issued and allotted upon the exercise of the options granted by the Company to the directors pursuant to the share option scheme of the Company.

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executive of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2024, the following persons, other than the Director and chief executive of the Company as disclosed in the section titled “Directors’ and Chief Executive’s Interests in shares, underlying shares and debentures”, were interested or had short positions in more than 5% of the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholder	Capacity in which interests are held	Number of shares held	Approximate percentage of shareholding (Note 1)
Zhang Hai (Note 2)	Beneficial owner	25,614,000	2.96%
	Interest of Controlled Corporation	78,859,945	9.12%
Infinite Apex International Corporation (Note 2)	Beneficial owner	104,473,945	12.08%
China Investment Limited (Note 3)	Interest of Controlled Corporation	78,859,945	9.12%
Yitong Enterprise Group Holdings Limited (Note 4)	Beneficial owner	61,264,000	7.08%
Shuo Kang International Limited (Note 5)	Beneficial owner	58,144,000	6.72%
China Hui Shang Enterpriser Association International Group Limited (Note 6)	Beneficial owner	56,000,000	6.48%
Yang Weixu	Beneficial owner	53,222,000	6.15%
Ng Yu	Beneficial owner	52,560,000	6.08%

Notes:

- (1) The percentage of shareholding is calculated on the basis of the Company’s issued share capital of 864,789,718 shares as at 30 September 2024.

- (2) Infinite Apex International Corporation (“**Infinite Apex**”) is owned by Mr. Zhang Hai (51%) and China Investment Limited (49%). Therefore, Mr. Zhang Hai and China Investment Limited are deemed to be, or taken to be, interested in all the shares held by Infinite Apex for the purpose of the SFO.
- (3) China Investment Limited (“**CIL**”) is owned by Mr. Zhang Hai (40%), 深圳市國創上市服務有限公司 (30%) and 中恒融通(深圳)諮詢服務有限公司 (30%). Therefore, Mr. Zhang Hai, 深圳市國創上市服務有限公司 and 中恒融通(深圳)諮詢服務有限公司 are deemed to be, or taken to be, interested in all the shares held by Infinite Apex for the purpose of the SFO.
- (4) Yitong Enterprise Group Holdings Limited is wholly owned by Ms. Yao Aiyun.
- (5) Shuo Kang International Limited is wholly owned by Ms. Yang Dandan.
- (6) China Hui Shang Enterpriser Association International Group Limited is wholly owned by Zhang Qiaoyun.

Save as disclosed above, as at 30 September 2024, the Company was not notified of any persons, other than the Directors and the chief executive of the Company, having any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME AND THE NEW SHARE SCHEME

The Company operates a share option scheme (the “**2018 Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible participants for their contribution to, and continuing efforts to promote the interests of, the Group. The 2018 Share Option Scheme was adopted by the Company at its annual general meeting held on 28 December 2018 and, unless otherwise cancelled or amended, will remain in forces for a period of 10 years from that date. The 2018 Share Option Scheme mandate limit was refreshed by an ordinary resolution passed at the annual general meeting held on 16 September 2021.

For the purposes of conforming the amendments to Chapter 17 of the Listing Rules which came into effect on 1 January 2023, the Board has proposed and the Shareholders have passed the ordinary resolutions at the postponed annual general meeting of the Company on 30 September 2024 approving the adoption of a new share scheme (the “**New Share Scheme**”) to replace the 2018 Share Option Scheme. Upon adoption of the New Share Scheme, the 2018 Share Option Scheme was terminated on 30 September 2024.

Details of the adoption of the New Share Scheme and termination of the 2018 Share Option Scheme are set out in the circular and supplemental circular of the Company dated 27 August 2024 and 12 September 2024 respectively.

The New Share Scheme adopted on 30 September 2024 will be valid for a term of 10 years from the date of adoption, subject to early termination by the Company in general meeting or by the Board.

The total number of shares in respect of all options or awards available for grant under the New Share Scheme of the Company as at the adoption date and 30 September 2024 was 86,478,971 shares of the Company (representing 10% of the total number of shares of the Company in issue (excluding any Treasury Shares) as at the date of adoption).

A sub-limit of 8,647,897 shares of the Company (representing 0.1% of the total number of shares of the Company in issue (excluding any Treasury Shares) as at the date of adoption) may be issued under the New Share Scheme of the Company to the services providers of the Group as at the date of adoption and 30 September 2024.

No share options or awards had been granted, exercised, vested, cancelled or lapsed under the New Share Scheme by the Company since their adoption and up to 30 September 2024. Accordingly, there were no shares of the Company that might be issued in respect of the share options or awards granted under the New Share Scheme of the Company during the said period.

As at 30 September 2024, options entitling the holders thereof to subscribe for 2,903,174 Shares were granted and outstanding under the 2018 Share Option Scheme. The termination of the 2018 Share Option Scheme shall not affect the validity of the outstanding options which shall continue to be enforceable according to the terms of the 2018 Share Option Scheme.

Details of share options outstanding as of 30 September 2024 under the 2018 Share Option Scheme are as follow:

Name of option holders	Date of grant	Exercise period	No of share options				Outstanding as at 30 September 2024	Exercise Price HK\$
			Outstanding as at 1 April 2024	Granted during the period	Exercised during the period	Lapsed during the period		
Directors								
Han Zhenghai	02-08-2021	03-08-2021-02-08-2024	1,110,900	—	—	—	1,110,900	3.971
Deng Dongping	02-08-2021	03-08-2021-02-08-2024	1,110,900	—	—	—	1,110,900	3.971
Mo Li	02-08-2021	03-08-2021-02-08-2024	111,088	—	—	—	111,088	3.971
Shi Zhu	07-01-2022	08-01-2022-07-01-2025	125,926	—	—	—	125,926	0.540
Other participants								
Employees	02-08-2021	03-08-2021-02-08-2024	444,360	—	—	—	444,360	3.971
			2,903,174	—	—	—	2,903,174	
Weighted average exercise price (HK\$)			3.8222				3.8222	

Notes:

- (1) Upon acceptance of the share options, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The Company has received such consideration from the respective grantees.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

SIGNIFICANT EVENTS AFTER PERIOD END

The Company issued 172,940,000 ordinary shares ("**Shares**") under general mandate on 14 November 2024 (representing approximately 16.67% of the issued Shares as enlarged by such allotment) to not less than six placees at the price of HK\$0.237 per Share, pursuant to a placing agreement between the Company and the placing agents, Pinestone Securities Limited and Ruisen Port Securities, dated 23 October 2024. The Company received net proceeds of approximately HK\$39.8 million. Further information, including the intended use of proceeds, is set out in the Company's announcements dated 14 November 2024.

Save for the above-mentioned matter and up to the date of this interim report, there was no significant event relevant to the business or financial performance of the Group that had come into the attention of the Directors since the end of the interim period for the six months ended 30 September 2024.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Period, the Company has complied with the code provisions in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules, except the following deviation:

Code Provision C.2.1 stipulates that the roles of chairman and chief executive officer ("**CEO**") should be separated and should not be performed by the same person. The Company has no CEO since Ms. Lin Yudan has resigned as CEO of the Company with effect from 12 July 2021. Decisions of the Company are made collectively by the directors. The Board believes that the present arrangement enables the Company to make and implement decisions effectively in response to the changing environment.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry by the Company, all the directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2024. During the Period, the Company was not aware of any non-compliance with the required standards as set out in the Model Code.

AUDIT COMMITTEE

The Audit Committee comprises three members, all being independent non-executive directors and is responsible for review of the Group's financial information and oversight of the Group's financial reporting system and internal control procedures. The Committee is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval.

In performing its duties, it has unrestricted access to personnel, records and external auditors and senior management.

The unaudited interim results for the Period have been reviewed by the Audit Committee before recommendation to the Board for approval.

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

Hong Kong, 29 November 2024