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## **CAPITAL REALM FINANCIAL HOLDINGS GROUP LIMITED**

### **資本界金控集團有限公司**

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

**(Stock Code: 204)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025**

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 2025 are as follows:

### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 March 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	5	–	–
Other income	5	<b>10,478</b>	8,082
Net losses on financial assets at fair value through profit or loss		<b>(66,519)</b>	(787)
Impairment losses under the expected credit loss model, net of reversal	6	<b>(72,782)</b>	(1,619)
Gain on disposal of a subsidiary		–	344
Administrative and other expenses		<b>(24,210)</b>	(32,482)
Finance costs	7	<b>(2,767)</b>	(2,265)
Loss before income tax expense	8	<b>(155,800)</b>	(28,727)
Income tax expense	9	–	–
Loss for the year attributable to owners of the Company		<b>(155,800)</b>	(28,727)

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
<b>Other comprehensive income/(expense)</b>			
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)
Item that may be reclassified subsequently to profit or loss:			
— Exchange differences on translation of financial statements of PRC subsidiaries		<u>267</u>	<u>(1,553)</u>
Other comprehensive income/(expense) for the year, net of tax		<u>267</u>	<u>(13,351)</u>
Total comprehensive expense for the year, attributable to owners of the Company		<u><b>(155,533)</b></u>	<u><b>(42,078)</b></u>
<b>Loss per share</b>	<i>11</i>		
— Basic (HK cent per share)		<u><b>(16.75)</b></u>	<u><b>(4.27)</b></u>
— Diluted (HK cent per share)		<u><b>(16.75)</b></u>	<u><b>(4.27)</b></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>776</b>	1,369
Financial assets at fair value through profit or loss	<i>13</i>	<b>171,082</b>	157,714
		<b>171,858</b>	159,083
<b>Current assets</b>			
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>	<b>179,012</b>	103,068
Deposits paid and other receivables	<i>14</i>	<b>793</b>	122,531
Other financial assets at amortised cost	<i>15</i>	<b>25,764</b>	83,347
Cash and cash equivalents		<b>1,662</b>	16,166
		<b>207,231</b>	361,618
<b>Current liabilities</b>			
Other payables and accrued charges	<i>16</i>	<b>78,933</b>	142,576
Other borrowings, secured	<i>17</i>	<b>37,808</b>	–
		<b>116,741</b>	142,576
<b>Net current assets</b>		<b>90,490</b>	219,042
<b>Net assets</b>		<b>262,348</b>	378,125

		<b>2025</b>	2024
	<i>Note</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	18	<b>103,772</b>	86,478
Reserves		<b>158,576</b>	291,647
		<hr/>	<hr/>
Total equity		<b>262,348</b>	378,125
		<hr/> <hr/>	<hr/> <hr/>

## 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 Unit 1701, 17/F., Wai Fung Plaza, 664 Nathan Road, Mongkok, 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 HKFRS ACCOUNTING STANDARDS

### *Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards for the first time, which are mandatorily effective for the current accounting period of the Group for the preparation of the 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)*
- Amendments to HKAS 1, *Non-current Liabilities with Covenants*
- Amendments to HKAS 7 and HKFRS 7, *Supplier Finance Arrangements*

Except as described below, the application of the amendments to HKFRS Accounting Standards 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/or on the disclosures set out in these consolidated financial statements.

### **Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) and Amendments to HKAS 1 Non-current Liabilities with Covenants**

The Group has applied the amendments for the first time in the current year.

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings:

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

***New and amendments to HKFRS Accounting Standards in issue but not yet effective***

The Group has not applied the following new and amendments to HKFRS Accounting Standards 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 new and amendments to HKFRS Accounting Standards but is not yet in a position to state whether these new and amendments to HKFRS Accounting Standards would have a material impact on its results of operations and financial position:

	<b>Effective for accounting periods beginning on or after</b>
• Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
• Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
• Amendments to HKFRS Accounting Standards, Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
• HKFRS 18, Presentation and Disclosure in Financial Statements	1 January 2027

### **3. BASIS OF PREPARATION**

**(a) Statement of compliance**

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, 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 2025 and 2024, 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 HKFRS Accounting Standards. 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	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong (place of domicile)	<u>–</u>	<u>–</u>	<u>776</u>	<u>1,369</u>

#### 5. REVENUE AND OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Revenue	<u>–</u>	<u>–</u>
Other income		
Bank interest income	9	80
Interest income from other financial assets at amortised cost	10,468	7,972
Others	<u>1</u>	<u>30</u>
Total revenue and other income	<u>10,478</u>	<u>8,082</u>

No other source of income contributed to the Group's revenue for both 2025 and 2024.

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

	2025 HK\$'000	2024 HK\$'000
<b>Impairment losses, (net of reversal) on:</b>		
Other financial assets at amortised cost ( <i>note (i)</i> )	75,620	1,212
Deposits paid ( <i>note (ii)</i> )	(2,838)	407
	<u>72,782</u>	<u>1,619</u>

*Notes:*

- (i) For the year ended 31 March 2025, balance included reversal of impairment losses on promissory notes classified as other financial assets at amortised cost of approximately HK\$12,446,000 (2024: HK\$11,234,000).
- (ii) For the year ended 31 March 2025, balance included reversal of impairment losses on deposits paid for potential investment of approximately HK\$2,838,000 (2024: HK\$2,431,000).

## 7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses on lease liabilities	–	185
Interest expenses on other borrowings	614	–
Interest expenses on bonds	2,153	2,080
	<u>2,767</u>	<u>2,265</u>



## 8. LOSS BEFORE INCOME TAX EXPENSE

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

	2025 HK\$'000	2024 HK\$'000
Staff costs		
Salaries	1,625	4,908
Provident fund contributions	—	8
Total staff costs excluding directors' remuneration	1,625	4,916
Auditor's remuneration	500	540
Depreciation of property, plant and equipment	330	185
Directors' remuneration		
— Fees	1,806	1,860
Investment manager's fee	244	480
Short-term leases	2,076	3,815
Legal and professional fees	5,561	3,423
Net exchange losses	2,660	13,124
Impairment of property, plant and equipment*	263	—

\* 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 (2024: Nil).

## 10. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2025 (2024: 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Loss</b>		
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(155,800)</u>	<u>(28,727)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>930,175,252</u>	<u>672,362,605</u>

*Note:*

For the years ended 31 March 2025 and 2024, diluted loss per share was the same as the basic loss per share as the potential ordinary shares represented by the Company's share options outstanding during the year had an anti-dilutive effect on the basic loss per share.

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK\$'000	2024 HK\$'000
Unlisted equity securities in PRC, at cost	–	53,225
Accumulated fair value adjustment	–	(16,719)
	<u>–</u>	<u>36,506</u>
Analysed for reporting purpose as:		
Non-current	–	–
Current	–	36,506
	<u>–</u>	<u>36,506</u>

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

Name of investee companies	Place of incorporation	Percentage of effective interest held	At cost 2024 HK\$'000	Accumulated fair value adjustment 2024 HK\$'000	Carrying value 2024 HK\$'000	Dividend receivable/received 2024 HK\$'000	Percentage of the total assets of the Group 2024
Qingzhou Jiajiafu Modern Agricultural Group Co., Ltd.* ("Jiajiafu")	PRC	7%	29,825	(9,413)	20,412	–	3.92%
Lanzhou Wole Home Furnishing Service Co., Ltd.* ("Wole")	PRC	30%	23,400	(7,306)	16,094	–	3.09%
			<u>53,225</u>	<u>(16,719)</u>	<u>36,506</u>		

\* For identification purpose only

Notes:

- (i) Jiajiafu was 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.

Jiajiafu was disposed of by the Group in June 2024 at a consideration of HK\$20,412,000 resulting in release of investment revaluation reserve of HK\$9,413,000.

- (ii) 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.

Wole was disposed of by the Group in June 2024 at a consideration of HK\$16,094,000 resulting in release of investment revaluation reserve of HK\$7,306,000.

### 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
Hong Kong listed equity securities, at market value ( <i>note a</i> )	179,012	103,068
Investments in convertible bonds, at fair value ( <i>note b</i> )	–	–
Unlisted equity securities in PRC, at fair value ( <i>note c</i> )	171,082	157,714
Equity interests in private equity funds, at fair value ( <i>note d</i> )	–	–
	<u>350,094</u>	<u>260,782</u>
Analysed for reporting purpose as:		
Non-current	171,082	157,714
Current	<u>179,012</u>	<u>103,068</u>
	<u>350,094</u>	<u>260,782</u>

- (a) Particulars of the Group's major investments of listed equity securities held by the Group as at 31 March 2025 and 2024 are as follows:

## 2025

Name of investee companies	Number of shares held	Percentage of interest held	Cost HK\$'000	Market value HK\$'000	Accumulated unrealised gain/(loss) arising on revaluation HK\$'000	Change in fair value HK\$'000	Dividend received/ receivable HK\$'000	Percentage of the total assets of the Group
Icon Culture Global Company Limited ("Icon") ordinary shares	115,080,000	26.6389%	53,893	58,691	4,798	7,790	–	15.48%
International Genius Company ("Int'l Genius") ordinary shares	7,332,000	1.3134%	13,859	19,430	5,571	(17,797)	–	5.13%
China In-tech Limited ("China In-tech") ordinary shares	23,068,000	4.3267%	6,118	4,636	(1,482)	(1,482)	–	1.22%
Asia Television Holdings Limited ("ATV") ordinary shares	200,592,000	10.1998%	18,274	16,248	(2,026)	(2,026)	–	4.29%
Pinestone Capital Limited ("Pinestone") ordinary shares	111,775,000	22.9386%	24,746	22,131	(2,615)	(2,615)	–	5.84%
Modern Innovative Digital Technology Company Limited ("Modern Innovative") ordinary shares	106,912,000	2.5946%	76,074	53,456	(22,618)	(22,618)	–	14.10%
Ocean Star Technology Group Limited ("Ocean Star") ordinary shares	82,140,000	7.6186%	4,775	4,107	(668)	(668)	–	1.08%
Raffles Interior Limited ("Raffles Interior") ordinary shares	5,040,000	0.5040%	343	313	(30)	(30)	–	0.08%
				<u>179,012</u>				

## 2024

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

- (b) Particulars of investments in convertible bonds held by the Group as at 31 March 2025 and 2024 are as follows:

Name of investee companies	Place of incorporation	Unlisted securities,		Fair value adjustment		Carrying value		Interest received/	Percentage of the total	Interest received/	Percentage of the total
		at cost						receivable	assets of the	receivable	assets of the
		2025	2024	2025	2024	2025	2024	2025	Group	2024	Group
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		HK\$'000	
Guanwan Investments Limited ("Guanwan") (Note)	BVI	<u>20,000</u>	<u>20,000</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*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 had been measured at HK\$ nil for the years ended 31 March 2025 and 2024.

- (c) Particulars of the Group's major investments of unlisted equity securities held by the Group as at 31 March 2025 and 2024 are as follows:

Name of investee companies	Place of incorporation	Percentage of effective		At cost		Accumulated		Carrying value		Dividend receivable/		Percentage of the total	
		interest held at		31 March		fair value adjustment		31 March		received		assets of the Group	
		31 March		2025	2024	2025	2024	2025	2024	31 March		31 March	
		2025	2024	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	2025	2024	2025	2024
Zhonghe Huinong (Beijing) Technology Development Co., Ltd* ("Zhonghe Huinong")	PRC	27.54%	27.54%	40,503	40,503	(5,646)	(14,136)	34,857	26,367	-	-	9.19%	5.06%
Shenzhen Qianhai CIC Dingsheng Investment Consulting Co., Ltd* ("Shenzhen Qianhai")	PRC	30.00%	30.00%	41,402	41,402	(18,178)	(13,357)	23,224	28,045	-	-	6.13%	5.39%
Huanghao International Financial Leasing (Shenzhen) Co., Ltd* ("Huanghao")	PRC	22.85%	22.85%	38,789	38,789	(743)	2,959	38,046	41,748	-	-	10.04%	8.02%
Zhong Ying Hua Xia Investment Holdings (Shenzhen) Co., Ltd* ("Zhong Ying Hua Xia")	PRC	30.00%	30.00%	11,017	29,482	-	(347)	11,017	29,135	-	-	2.91%	5.60%
Guangxi Beidoli Electronic Technology Co., Ltd* ("Guangxi Beidoli")	PRC	30.00%	-	64,317	-	(379)	-	63,938	-	-	-	16.87%	-
Hui Tong Yun (Shenzhen) Enterprise Management Co., Ltd* ("Hui Tong Yun")	PRC	-	30.00%	-	32,666	-	(247)	-	32,419	-	-	-	6.23%
				<u>196,028</u>	<u>182,842</u>	<u>(24,946)</u>	<u>(25,128)</u>	<u>171,082</u>	<u>157,714</u>				

\* For identification 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. The fund manager 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 redemption was not completed on 31 March 2024. As a result of it, the fair value of the Currency Fund has been measured to HK\$nil for the year ended 31 March 2024.

In July 2024, the Group entered into a share transfer agreement with an independent third party to transfer the Currency Fund with consideration of approximately United States Dollar 1,300,000, which is equivalent to HK\$10,000,000. The transfer was completed in November 2024. As a result, an amount of fair value gain of HK\$10,000,000 in financial assets at FVTPL was recognized in profit and loss during the year.

#### 14. DEPOSITS PAID AND OTHER RECEIVABLES

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Deposits paid ( <i>note (a)</i> )	30,000	154,411
Loan receivable ( <i>note (b)</i> )	1,200	–
Other receivables	793	958
	<b>31,993</b>	155,369
Less: ECL allowance	<b>(31,200)</b>	(32,838)
	<b>793</b>	122,531

*Notes:*

- (a) At 31 March 2025 and 2024, ECL allowance of HK\$30,000,000 was recognised in prior years on deposits paid for potential investments in unlisted equities in PRC with gross carrying amount of the same amount, as they are categorised as doubtful under the Group’s credit risk grading framework.

During the year ended 31 March 2025, refundable deposits with gross carrying amount of HK\$64,977,000 (equivalent to RMB60,130,000) as at 31 March 2024 was utilised as the cash consideration for the acquisition of shares of Guangxi Beidoli classified as financial assets at FVTPL and with gross carrying amount of HK\$59,434,000 (equivalent to RMB55,000,000) was refunded in June 2024. Accordingly, a reversal of the related ECL of HK\$2,838,000 (2024: HK\$2,431,000) has been recognised in profit or loss during the year.

For the year ended 31 March 2024, in addition to the above ECL of HK\$30,000,000 recognised in prior years on deposits paid, 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 HK\$124,411,000 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\$2,838,000 was provided for impairment losses under the ECL model.

- (b) At 31 March 2025, the loan receivable balance mainly represented loan to an individual. At 31 March 2025, the entire balance is secured, interest bearing at 2.5% per month and repayable within one year. Subsequent to the end of the reporting period, the loan receivable was defaulted. The carrying amount (net of impairment losses) of loan receivables as at 31 March 2025 was nil. Accordingly, ECL of HK\$1,200,000 has been recognised in profit or loss during the year.

## 15. OTHER FINANCIAL ASSETS AT AMORTISED COST

At 31 March 2025, the other financial assets at amortised cost included promissory notes held by the Group, amounted to approximately HK\$25,764,000 (2024: HK\$83,347,000) which are unsecured, interest bearing, non-transferrable, non-trading related in nature and issued by private entities.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At amortised cost	112,630	95,793
Less: ECL allowance	<u>(86,866)</u>	<u>(12,446)</u>
	<u><u>25,764</u></u>	<u><u>83,347</u></u>

### *Ageing analysis*

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Mature within 1 year	<u><u>25,764</u></u>	<u><u>83,347</u></u>



Particulars of the promissory notes classified as other financial assets at amortised cost held by the Group as at 31 March 2025 and 2024 are as follows:

## 2025

Name of issuer	Place of incorporation/ operation	Amortised cost <i>HK\$'000</i>	ECL <i>HK\$'000</i>	Net carrying amount <i>HK\$'000</i>	Interest rate	Interest received/ receivable <i>HK\$'000</i>	Percentage of the total assets of the Group
Guangdong Juhong Technology Industrial Park Co., Ltd.*	PRC	45,329	(34,960)	10,369	6%	3,243	2.74%
Guangdong Yijushang Information Technology Co. Ltd.*	PRC	67,301	(51,906)	15,395	6%	7,225	4.06%
		<u>112,630</u>	<u>(86,866)</u>	<u>25,764</u>			

## 2024

Name of issuer	Place of incorporation/ operation	Amortised cost <i>HK\$'000</i>	ECL <i>HK\$'000</i>	Net carrying amount <i>HK\$'000</i>	Interest rate	Interest received/ receivable <i>HK\$'000</i>	Percentage of the total assets of the Group
Guangdong Juhong Technology Industrial Park Co., Ltd.*	PRC	30,383	(3,935)	26,448	6%	124	5.08%
Guangdong Yijushang Information Technology Co. Ltd.*	PRC	65,410	(8,511)	56,899	6%	570	10.93%
		<u>95,793</u>	<u>(12,446)</u>	<u>83,347</u>			

\* For identification purpose only

## 16. OTHER PAYABLES AND ACCRUED CHARGES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bonds interest payables	1,978	755
Bonds payables ( <i>note (i)</i> )	69,239	58,870
Deposit received ( <i>note (ii)</i> )	–	73,617
Accruals and other payables	<u>7,716</u>	<u>9,334</u>
	<u>78,933</u>	<u>142,576</u>

*Notes:*

- (i) For the year ended 31 March 2025, the Company has entered into short-term unsecured bond agreements for issuance of bonds of approximately HK\$69,239,000 (2024: HK\$58,870,000) with independent third parties bearing interest rates from 5% (2024: 5%-15%) per annum. All of the bonds outstanding as at 31 March 2025 are due within one year.
- (ii) During the year ended 31 March 2024, 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 was fully refunded by the Company in 2024.

## 17. OTHER BORROWINGS, SECURED

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loan from a third party ( <i>note (i)</i> )	6,200	–
Loan interest payable ( <i>note (i)</i> )	341	–
Margin loan ( <i>note (ii)</i> )	30,993	–
Margin loan interest payable ( <i>note (ii)</i> )	274	–
	<u>37,808</u>	<u>–</u>

*Notes:*

- (i) For the year ended 31 March 2025, the Company has entered into a short-term loan agreement with a third party entity. The entire balance is secured by the unlisted financial assets at FVTPL held by the Group with carrying value of HK\$61,270,000, interest bearing at 2% per month and repayable within one year.
- (ii) During the year ended 31 March 2025, the Group borrowed a margin loan from a third-party securities company. The margin loan is secured by the listed securities stocked in the broker account held by the Company with carrying value of HK\$59,818,000 classified as financial assets at FVTPL, interest bearing at 18–25% per annum and repayable within one year.

## 18. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
<b>Authorised</b>		
At 1 April 2023 at HK\$0.1 each	1,000,000	100,000
Increase in authorised share capital ( <i>note (iv)</i> )	2,000,000	200,000
	<u>3,000,000</u>	<u>300,000</u>
At 31 March 2024, 1 April 2024 and 31 March 2025, at HK\$0.1 each	<u>3,000,000</u>	<u>300,000</u>
<b>Issued and fully paid</b>		
1 April 2023	360,394	36,039
Rights issue ( <i>note (ii)</i> )	360,394	36,039
Placing of new shares ( <i>note (iii)</i> )	144,000	14,400
	<u>864,788</u>	<u>86,478</u>
At 31 March 2024 and 1 April 2024	864,788	86,478
Placing of new shares ( <i>note (i)</i> )	172,940	17,294
	<u>1,037,728</u>	<u>103,772</u>
At 31 March 2025	<u>1,037,728</u>	<u>103,772</u>

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

### Notes:

- (i) On 23 October 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 172,940,000 placing shares at a placing price of HK\$0.237 to not less than six placees who are independent third parties.

A total of 172,940,000 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 direct expenses of approximately HK\$1,230,000, amount to approximately HK\$39.8 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.

- (ii) 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 direct expenses of approximately HK\$197,000 for the rights issue, were approximately HK\$53.9 million.

- (iii) 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 direct 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.

- (iv) 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.

## **19. NET ASSET VALUE PER SHARE**

Net asset value per share is HK\$0.253 (2024: HK\$0.437) which is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK\$262,348,000 (2024: HK\$378,125,000) and the number of ordinary shares in issue as at 31 March 2025, being 1,037,728,000 (2024: 864,788,000).

## **20. CONTINGENT LIABILITIES**

As at 31 March 2025, the Group had contingent liabilities to the extent of RMB15,000,000 (equivalent to approximately HK\$16,044,000) in respect of financial support given by the Group to Icon for its continuing operation for a period up to 30 November 2026. 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 2025.

## **21. EVENTS AFTER THE REPORTING PERIOD**

### **(i) Loss on disposal of listed equity securities**

On 11 April 2025 and 2 May 2025, the Company's margin loan was forced into liquidation due to a margin call, resulting in a loss on disposal of the listed equity securities classified as financial assets at FVTPL of approximately HK\$1,285,000 and HK\$19,765,000 respectively.

### **(ii) Proposed Capital Reorganisation and proposed Rights Issue**

On 13 May 2025, the Company (i) proposed Capital Reorganisation involving the Share Consolidation, the Capital Reduction and the Share Sub-division; and (2) proposed to raise gross proceeds up to approximately HK\$155.7 million before expenses by way of the Rights Issue of up to 155,659,455 Rights Shares (assuming there is no change in the number of Shares in issue on or before the Record Date other than the Capital Reorganisation) on the basis of three (3) Rights Shares for every one (1) Adjusted Share held on the Record Date at the Subscription Price of HK\$1.00 per Rights Share to the Qualifying Shareholders. Details of the proposed Capital Reorganisation and the proposed Rights Issue are set out in the announcement of the Company dated 13 May 2025 and the circular of the Company dated 20 June 2025. As at the date of this announcement, the proposed Capital Reorganisation and the proposed Rights Issue have not been completed.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Results**

The Group's revenue for the year ended 31 March 2025 was nil (2024: 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\$155,800,000 which increased by approximately HK\$127,073,000 or 442.35% when compared with the loss of approximately HK\$28,727,000 incurred in last year. The increased in the loss for the year was mainly attributable to the increase in (i) impairment losses under the expected credit loss model, net of reversal and (ii) net losses on financial assets at fair value through profit or loss during the year under review. The net asset value per share of the Group as at 31 March 2025 amounted to HK\$0.253 (2024: HK\$0.437). 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 and 15 to this Announcement.

### **Financial Resources and Liquidity**

As at 31 March 2025, the Group had cash and cash equivalents of approximately HK\$1,662,000 (2024: HK\$16,166,000). The Group had net current assets and the net assets of approximately HK\$90,490,000 (2024: HK\$219,042,000) and approximately HK\$262,348,000 (2024: HK\$378,125,000) respectively as at 31 March 2025. The Group had borrowing of approximately HK\$109,025,000 at 31 March 2025 (2024: HK\$59,625,000). The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 1.78 (2024: 2.54) as at 31 March 2025.

As at 31 March 2025, the gearing ratio of the Group was approximately 41.56% (2024: 15.77%).

The gearing ratio is calculated as total debts HK\$109,025,000 (2024: HK\$59,625,000) divided by equity attributable to owners of the Company HK\$262,348,000 (2024: HK\$378,125,000) as at 31 March 2025.

### **Capital Structure**

Details in the changes of the capital structure of the Company during the year ended 31 March 2025 are set out in note 18 to this Announcement. The capital of the Company comprises only ordinary shares as at 31 March 2025.

## **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 2025, 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 2025, the Group pledged certain assets to secure loans of the Group. The pledged assets comprise listed equity securities held by the Group with carrying value of HK\$59,818,000 and unlisted equity securities held by the Group with carrying value of HK\$61,270,000 in secured the margin loan and loan from a third party respectively.

Details of contingent liabilities is set out in note 20 of this Announcement.

## **Other Income**

For the year ended 31 March 2025, the Group's other income was approximately HK\$10,478,000 which increased by approximately HK\$2,396,000 or 29.65% when compared of approximately HK\$8,082,000 for the year ended 31 March 2024. The increase is mainly attributable to interest income from other financial assets at amortised cost of HK\$10,468,000 for the year ended 31 March 2025.

## **Net Loss on Financial Assets at Fair Value Through Profit or Loss**

For the year ended 31 March 2025, the net loss was approximately HK\$66,519,000 as compared to the net loss of approximately HK\$787,000 for the year ended 31 March 2024. The net loss is mainly attributable to the net loss on listed equity investments for the year ended 31 March 2025.

## **Impairment Losses Under the Expected Credit Loss ("ECL") Model, Net of Reversal**

A net amount of approximately HK\$72,782,000 was recognised for impairment loss under the ECL model for the year ended 31 March 2025 which increased by approximately HK\$71,163,000 or 4,395.49% when compared of approximately HK\$1,619,000 for the year ended 31 March 2024. The increase is mainly attributable to the ECL on other financial assets at amortised cost for the year ended 31 March 2025.

## **Staff Cost (Included in Administrative and Other Expenses)**

As at 31 March 2025, the Group had 6 (2024: 11) full time employees (exclusive of directors). The Group's total staff costs (including directors' remuneration) amounted to approximately HK\$3,431,000 for the year ended 31 March 2025 (2024: HK\$6,776,000). The employees were remunerated based on their responsibilities and performance.

## **Administrative and Other Expenses**

Administrative and other expenses for the year ended 31 March 2025 amounted to approximately HK\$24,210,000 (2024: HK\$32,482,000), representing a decrease of approximately HK\$8,272,000 or 25.47%, which was mainly due to decrease in staff costs and exchange losses.

## **Finance Costs**

Finance costs for the year ended 31 March 2025 amounted to approximately HK\$2,767,000 (2024: HK\$2,265,000), represented an increase of approximately HK\$502,000. Such increase was mainly due to the increase of interest on other borrowings during the year ended 31 March 2025.

## **Events After The Reporting Period**

Details are set out in note 21 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 losses 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 2025, 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 September 2024 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 September 2024 due to other important engagement.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

During the year ended 31 March 2025, 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 2025.

## **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. Chen Shunqing, Mr. Shi Zhu and Mr. Ding Jiasheng and is chaired by Ms. Chen Shunqing. The audited financial statements of the Group for the year ended 31 March 2025 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. Deng Dongping, Mr. Shi Zhu, Ms. Chen Shunqing and Mr. Ding Jiasheng, and is chaired by Mr. Ding Jiasheng.

## **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. Deng Dongping, Ms. Chen Shunqing, Mr. Shi Zhu and Mr. Ding Jiasheng, and is chaired by Mr. Deng Dongping.

## **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. Chen Shunqing, Mr. Shi Zhu and Mr. Ding Jiasheng, 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 2025 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  
**Capital Realm Financial Holdings Group Limited**  
**Deng Dongping**  
*Chairman*

Hong Kong, 30 June 2025

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