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CHINA FINANCIAL INTERNATIONAL INVESTMENTS LIMITED

中國金融國際投資有限公司

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

(Stock Code: 721)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2024
AND
CONTINUED SUSPENSION OF TRADING**

The board (the “Board”) of directors (the “Director”) of China Financial International Investments Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 30 June 2024 (the “Year”) together with the comparative figures for the previous year as follows:

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

For the year ended 30 June 2024

	<i>NOTES</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	1,224	76
Other income	5	1	12
Other gains and losses		6,722	(12,012)
Fair value gain/(loss) on financial assets at fair value through profit or loss (“FVTPL”)		24,543	(360,260)
Administrative expenses		(7,589)	(13,974)
Share of loss of an associate		(250)	(256)
Finance costs	6	(892)	(757)
Profit/(loss) before tax		23,759	(387,171)
Income tax credit	7	4,138	–
Profit/(loss) for the year	8	27,897	(387,171)

	<i>NOTES</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Other comprehensive expense			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain/(loss) on equity instruments at fair value through other comprehensive income (“FVTOCI”)		8,562	(39,568)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		(765)	(16,601)
Other comprehensive income/(expense) for the year		7,797	(56,169)
Total comprehensive income/(expense) for the year		35,694	(443,340)
Profit/(loss) for the year attributable to owners of the Company		27,897	(387,171)
Total comprehensive income/(expense) for the year attributable to owners of the Company		35,694	(443,340)
EARNINGS/(LOSS) PER SHARE	10		
Basic (<i>HK cents</i>)		0.254	(3.529)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		–	–
Right-of-use asset		–	–
Interest in an associate		199	449
Financial assets at FVTPL		36,992	83,448
Equity instruments at FVTOCI		27,923	19,361
Deposit		268	268
		<u>65,382</u>	<u>103,526</u>
CURRENT ASSETS			
Prepayments, deposits and other receivables		104,275	39,904
Financial assets at FVTPL		21,215	15,221
Cash and cash equivalents		19	606
		<u>125,509</u>	<u>55,731</u>
CURRENT LIABILITIES			
Other payables and accruals		14,376	13,792
Amount due to an associate		402	285
Tax payable		–	4,200
Borrowing		9,997	9,997
Lease liability		602	561
		<u>25,377</u>	<u>28,835</u>
NET CURRENT ASSETS		<u>100,132</u>	<u>26,896</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>165,514</u>	<u>130,422</u>

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
NON-CURRENT LIABILITY			
Lease liability		<u>371</u>	<u>973</u>
NET ASSETS		<u>165,143</u>	<u>129,449</u>
CAPITAL AND RESERVES			
Share capital		109,717	109,717
Reserves		<u>55,426</u>	<u>19,732</u>
TOTAL EQUITY		<u>165,143</u>	<u>129,449</u>
NET ASSET VALUE PER SHARE			
<i>(HK cents)</i>	11	<u>1.51</u>	<u>1.18</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

China Financial International Investments Limited (the “Company”) was incorporated in the Cayman Islands under the Cayman Islands Companies Law as an exempted company. With effect from 9 May 2006, the Company de-registered from the Cayman Islands and re-domiciled in Bermuda under the Companies Act 1981 of Bermuda as an exempted company. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in investing in listed and unlisted companies established and/or doing businesses in Hong Kong and the People’s Republic of China (the “PRC”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) as the shares of the Company are listed on the Stock Exchange, whereas the functional currency of the Company is Renminbi (“RMB”).

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

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

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 July 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

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

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in note to the consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i> ¹
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non current and related amendments to Hong Kong Interpretation 5 (2020)</i> ¹
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> ¹
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ⁴
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ²
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> ⁴
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ³
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ⁵

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2025.

⁴ Effective for annual periods beginning on or after 1 January 2026.

⁵ Effective for annual periods beginning on or after 1 January 2027.

3. REVENUE

	2024	2023
	HK\$’000	HK\$’000
Dividend income from:		
Financial assets at FVTPL	1,224	76

4. OPERATING SEGMENTS

Information reported to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the type and underlying business of the Group’s investments.

Specifically, the Group’s reportable segments under HKFRS 8 “Operating Segments” are as follows:

1. Micro-loan service – equity investments in investees engaged in micro-loan services
2. Real estate and natural gas – equity investments in investees engaged in real estate and natural gas business
3. Clean energy – equity investment in investees engaged in clean energy industry
4. Others – equity investments in investees engaged in guarantee service, aluminium alloy strip, foil production and product processing and management consultation service and other businesses

Segment revenue and results

The following is an analysis of the Group’s revenue and results by reportable segments:

For the year ended 30 June 2024

	Micro-loan service <i>HK\$'000</i>	Real estate and natural gas <i>HK\$'000</i>	Clean energy <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>–</u>	<u>–</u>	<u>1,224</u>	<u>–</u>	<u>1,224</u>
Segment profit/(loss)	<u>–</u>	<u>6,541</u>	<u>(33,753)</u>	<u>52,979</u>	<u>25,767</u>
Share of loss of an associate					(250)
Other income					1
Reversal of impairment loss of other receivables					6,722
Finance costs					(892)
Central administrative expenses					<u>(7,589)</u>
Profit before tax					<u>23,759</u>

For the year ended 30 June 2023

	Micro-loan service <i>HK\$'000</i>	Real estate and natural gas <i>HK\$'000</i>	Clean energy <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	–	–	76	–	76
Segment profit/(loss)	2,656	(24,857)	(288,737)	(49,246)	(360,184)
Share of loss of an associate					(256)
Other income					12
Impairment loss of right-of-use asset					(1,512)
Impairment loss of other receivables					(10,500)
Finance costs					(757)
Central administrative expenses					(13,974)
Loss before tax					(387,171)

Segment profit/(loss) represents the profit/(loss) from each segment without allocation of share of loss of an associate, other income, reversal of impairment loss/(impairment loss) of right-of-use asset, impairment loss of other receivables, finance costs and central administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

For the year ended 30 June 2024

	Micro-loan service <i>HK\$'000</i>	Real estate and natural gas <i>HK\$'000</i>	Clean energy <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Fair value gain/(loss) on financial assets at FVTPL	–	6,541	(32,529)	52,979	24,543

For the year ended 30 June 2023

	Micro-loan service <i>HK\$'000</i>	Real estate and natural gas <i>HK\$'000</i>	Clean energy <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Fair value gain/(loss) on financial assets at FVTPL	2,656	(24,857)	(288,813)	(49,246)	(360,260)

Segment assets

The following is an analysis of the Group's assets by reportable segments:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Micro-loan service	–	–
Real estate and natural gas	33,508	23,037
Clean energy	66,002	100,993
Others	89,765	32,815
	<hr/>	<hr/>
Total segment assets	189,275	156,845
Unallocated assets	1,616	2,412
	<hr/>	<hr/>
Consolidated assets	190,891	159,257
	<hr/> <hr/>	<hr/> <hr/>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than property, plant and equipment, right-of-use asset, interest in an associate, certain prepayments, deposits and other receivables and cash and cash equivalents; and
- no liabilities are allocated to reportable segments.

5. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	1	12
	<hr/> <hr/>	<hr/> <hr/>

6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on borrowings	802	700
Interest on lease liability	90	57
	<hr/>	<hr/>
	892	757
	<hr/> <hr/>	<hr/> <hr/>

7. INCOME TAX CREDIT

The tax charge for the year can be reconciled to the (profit)/loss before tax per the consolidated statement of profit or loss and other comprehensive income as follow:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax	62	–
Overprovision in prior years	(4,200)	–
Deferred tax	<u>–</u>	<u>–</u>
Income tax credit	<u>(4,138)</u>	<u>–</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax and PRC Enterprise Income Tax has been made in the consolidated financial statements as the Group has no assessable profits for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

8. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after charging:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Directors' emoluments	2,154	4,211
Other staff:		
Salaries and other benefits	1,221	4,272
Contributions to retirement benefits scheme	123	156
Total employee benefits expense	<u>3,498</u>	<u>8,639</u>
Auditor's remuneration		
– audit services	1,000	1,250
– non-audit services	195	220
Custodian fee	156	158
Depreciation of right-of-use asset	–	244
Investment management fees	117	148
(Reversal of impairment loss)/impairment loss of other receivables (included in other gains and losses)	(6,722)	10,500
Impairment loss of right-of-use asset (included in other gains and losses)	<u>–</u>	<u>1,512</u>

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30 June 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share attributable to owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic earnings/(loss) per share	<u><u>27,897</u></u>	<u><u>(387,171)</u></u>
Number of shares		
	2024 <i>'000</i>	2023 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<u><u>10,971,634</u></u>	<u><u>10,971,634</u></u>

No diluted earnings/(loss) per share for both years was presented as there were no potential ordinary shares in issue for both years.

11. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share is based on the net assets of HK\$165,143,000 (2023: HK\$129,449,000) and 10,971,634,000 (2023: 10,971,634,000) issued and fully paid ordinary shares as at 30 June 2024.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report issued by the Group’s independent auditor:

Qualified Opinion

We have audited the consolidated financial statements of China Financial International Investments Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”), as set out on pages 62 to 138, which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for the Qualified Opinion

Limitation of scope – prepayments for investments and consideration receivable for disposal of an investment as at 30 June 2023

As detailed in note 20 to the consolidated financial statements, during the year ended 30 June 2023, the Group made certain prepayments totaling HK\$29,092,000 (equivalent to RMB26,827,000) (the “Prepayments”) intended as capital injection for two unlisted investments (i.e. financial assets at FVTPL) and these amounts were included in prepayments, deposits and other receivables in the consolidated statement of financial position as at 30 June 2023. In the opinion of the directors of the Company, such amounts will be recorded as investment costs for unlisted investment included in financial assets at FVTPL once all their existing investors pay up the additional capital and the official capital registration procedure is completed. Subsequently, there was no additional capital injection made by other investors into these entities. The Prepayments have been refunded and received by the Group as of the date of these consolidated financial statements are authorised for issue.

During the year ended 30 June 2023, the Group disposed of an unlisted investment (the “Investment”) to an independent third party at a cash consideration of HK\$9,723,000 (equivalent to RMB9,000,000), in which the Group provided one-year credit period to the purchaser and such amount was recorded as consideration receivable of disposal of an unlisted investment (the “Consideration Receivable”) included in prepayments, deposits and other receivables in the consolidated statement of financial position as at 30 June 2023. Such amount has been received by the Group as of the date of these consolidated financial statements are authorised for issue.

The consolidated financial statements of the Group for the year ended 30 June 2023 were audited by another auditor (the “Predecessor Auditor”) who expressed a disclaimer of opinion due to limitations of audit scope concerning certain matters, including the Prepayments and the Consideration Receivable as mentioned above. The Predecessor Auditor was unable to obtain sufficient appropriate audit evidence regarding (i) the nature and reasons for making the Prepayments or the reasons for granting the one-year credit period to the purchaser of the Investment given the strained working capital position during the year ended 30 June 2023 and (ii) the management judgment, assumptions and estimation adopted in the impairment assessment, and hence whether the carrying amounts of the Prepayments and the Consideration Receivable as at 30 June 2023 were free from material misstatements.

The closing balances as at 30 June 2023 of the assets and liabilities of the Group were brought forward as the opening balances as at 1 July 2024 and hence entered into the determination of the financial performance and cash flows of the Group for the current financial year ended 30 June 2024. Any adjustments that might have been found to be necessary to the opening balances of the Prepayments and the Consideration Receivable as at 30 June 2023 would have a consequential effect on the results and cash flows of the Group for the years ended 30 June 2023 and 2024 and the related disclosures thereof in the consolidated financial statements. Accordingly, we were also unable to determine whether adjustments might have been necessary in respect of the performance and cash flows of the Group for the year ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group was principally engaged in the investments in the listed securities for short and medium term and unlisted investments for medium and long term during the Year.

During the Year, a net profit for the year amounted to HK\$27,897,000 as compared to a net loss of HK\$387,171,000 for the year ended 30 June 2023. During the Year, dividend income of HK\$1,224,000 from the unlisted investments recorded. The profit was mainly attributable to the following reasons:

- (i) fair value gain of approximately HK\$18,549,000 on unlisted investments at FVTPL; and
- (ii) fair value gain of approximately HK\$5,994,000 on listed investments at FVTPL.

During the Year, dividend income from investments increased by 1,510.53% to HK\$1,224,000 as compared to HK\$76,000 in last year. The other income which comprised bank interest income amounted to HK\$1,000, representing a decrease of 91.67% as compared to HK\$12,000 in last year. Administrative and other expenses decreased by 45.69% from HK\$13,974,000 in last year to HK\$7,589,000 this year mainly due to the decrease of staff costs and directors' remunerations.

LISTED INVESTMENT REVIEW

During the Year, the Group recorded the total gain of HK\$9,924,000 on listed securities business as compared to a loss of HK\$41,593,000 last year. No dividend income from listed investments was recorded for the Year (2023: Nil).

As at 30 June 2024, the market value of the listed securities amounted to HK\$33,791,000 (2023: HK\$23,867,000), all the listed investments were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Listed Securities Portfolio

Name of listed securities	Nature of business	Number of shares held	Group's effective interest	Market value at 30 June 2024 HK\$'000	Dividend received/receivable during the Year HK\$'000	% to the Group's net assets as at 30 June 2024	Investment cost HK\$'000	Disposal consideration HK\$'000	Realized loss HK\$'000
Hidili Industry International Development Limited ("Hidili Industry") (note) (stock code: 1393)	Coal mining and manufacture and sale of clean coal	2,555,000	0.06%	283	-	0.15%	-	-	-
China City Infrastructure Group Limited (stock code: 2349)	Infrastructure businesses, property investment, property development, hotel business, property management and natural gas in the PRC	698,079,429	22.32%	33,508	-	17.55%	-	-	-
				33,791	-		-	-	-

Note: In December 2024, the Company disposed of 2,555,000 shares in Hidili Industry on market for the aggregated consideration of approximately HK\$149,000. Based on the investment cost of approximately HK\$8,164,000, the Company recorded a realized loss of approximately HK\$8,015,000 arising from the said disposals. As at the date of this announcement, the Company does not hold any securities in Hidili Industry.

UNLISTED INVESTMENT REVIEW

For the year ended 30 June 2024, the total gain on the Group's unlisted investment portfolio recorded as HK\$23,181,000 (2023: loss of HK\$358,235,000). The gain was mainly attributable to the disposal of Jusheng Light Alloy with a fair value gain of HK\$53,525,000. During the Year, dividend income totaling HK\$1,224,000 (2023: HK\$76,000) comprises of HK\$1,068,000 (2023: HK\$76,000) from an unlisted investment, Henan Zhongxin Bioenergy Co., Ltd, and HK\$156,000 (2023: Nil) from an unlisted investment, Henan Zhongxin Petrochemical Oil Sales Co., Ltd, were recorded.

As at 30 June 2024, the fair value of the Group's unlisted investments amounted to HK\$52,339,000 as compared to HK\$94,163,000 in last year, representing a 44.95% decrease.

UNLISTED EQUITY INVESTMENTS

The Company's unlisted equity investments are mainly concentrated on clean energy industry and small loan companies in the PRC.

Since 2018, the Group focusing on clean energy industry and made several investments. Bioenergy is a carbon neutral and renewable energy source that reducing greenhouse gas emissions. Biofuels such as ethanol and biodiesel, are less toxic and are biodegradable. Using biomass can help build resilience in agricultural, timber and food-processing industries. Bioenergy provides a use for their waste streams, can help them reduce their energy costs.

Meanwhile, small loan industry in the PRC is still facing worries of the decreasing interest rate of private lending and the increase of operation risks, resulting in certain small loan companies continued to generate overdue loans and incur losses. In view of the slipping performance of the small loan industry, the Company has planned to exit the investments in small loan industry.

In the foreseeable future, the Company will continuously focus its investment on the bioenergy sector and gradually exit the past investment in the small loan industry which aim to maximize value of the shareholders of the Company.

Unlisted equity investment portfolio

Name of company	Notes	Location	Group's effective interest	Business nature	Cost HK\$'000	% to the Group's net assets		Disposal consideration HK\$'000	Fair value gain (loss) HK\$'000	
						Fair value at 30 June 2024 HK\$'000	as at 30 June 2024			
Micro-loan services										
1	Tianjin Rongshun Microfinance Limited (now known as Tianjin Rongshun Agriculture Technology Co. Limited* (天津融順農業科技有限公司) (“Tianjin Rongshun”))	(1)	Tianjin	0%	Provision of small loan and financial consultation services	–	–	–	In exchange of distress asset comprising overdue loan receivables	0
2	Harbin Zhongjinguoxin Microfinance Co., Ltd. (“Harbin Zhongjinguoxin”)	(2)	Harbin, Heilongjiang Province	30%	Provision of small loan and financial consultation services	36,693	–	–	–	–
3	Tianjin Binlian Microfinance Limited		Tianjin	3.3%	Provision of small loan and financial consultation services	12,271	–	–	–	–
4	Ziyang Yanjiang CFI GuoSen Microfinance Co., Ltd. (now known as Sichuan Shutong Enterprise Management Co. Limited* (四川疏桐企業管理有限公司) (“Sichuan Ziyang”))	(3)	Ziyang, Sichuan Province	0%	Provision of small loan and financial consultation services	–	–	–	In exchange of distress asset comprising overdue loan receivables	0
5	Nanjing Jiangning Ming Yang Rong Tong Agricultural Microfinance Co., Ltd.		Nanjing, Jiangsu Province	30%	Provision of small loan and financial consultation service	36,673	–	–	–	–
					Sub-total:	<u>85,637</u>	<u>–</u>			
Guarantee service										
6	Jiangxi Huazhang Hanchen Guarantee Group Limited (“Jiangxi Huazhang”)	(4)	Nanchang, Jiangxi Province	1.77%	Provision of financing guarantees to small and medium enterprises (“SMEs”)	43,150	15,347	8.04%	–	–

Name of company	Notes	Location	Group's effective interest	Business nature	Cost HK\$'000	% to the Group's net assets		Disposal consideration HK\$'000	Fair value gain (loss) HK\$'000
						Fair value at 30 June 2024 HK\$'000	as at 30 June 2024		
Investment and management consultation service									
7		Shenzhen, Guangdong Province	30%	Provision of consultation services on project investments	18,350	-	-	-	-
8		Xi'an, Shaanxi Province	30%	Provision of financial management services	18,724	-	-	-	-
				Sub-total:	<u>37,074</u>	<u>-</u>			
Clean energy									
9	(5)	Henan Province	30%	Production and sales of denatured fuel ethanol, sales of acetone, butanol, polyols, production and sales of biodegradable plastics and biodiesel, sales of chemical products, wheat bran flour, feed sales, acetic acid and acetaldehyde production	230,763	6,808	3.57%	-	-
10	(6)	Hunan Province	30%	New energy technologies development, transfer and consultation, research and development, manufacturing and sales of chemical products, chemical reagents and auxiliaries (excluding hazardous chemicals and precursor chemicals)	51,200	-	-	-	-
11	(7)	Hainan Province	30%	Biotechnology energy technology development transfer and consultation, research and development, manufacturing and sales of biotechnology energy and chemical equipment	117,450	-	-	-	-
12	(8)	Henan Province	30%	Engage in petrol station operation	52,084	9,527	4.99%	-	-
13	(8)	Henan Province	30%	Engage in biotechnology and Ethanol bio-chemical product development and production of ethanol chemical products	52,084	20,657	10.82%	-	-
				Sub-total:	<u>503,581</u>	<u>36,992</u>			

Name of company	Notes	Location	Group's effective interest	Business nature	Cost HK\$'000	% to the Group's net assets		Disposal consideration HK\$'000	Fair value gain (loss) HK\$'000	
						Fair value at 30 June 2024 HK\$'000	as at 30 June 2024			
Others										
14	Jilin Jusheng Light Alloy Co., Ltd ("Jusheng Light Alloy")	(9)	Liaoning, Jilin Province	0%	Corn distribution, grain purchase, storage (excluding hazardous chemicals); sales of building materials, mechanical and electrical products, communication equipment, chemical products (excluding hazardous chemicals), aluminum alloy strip, foil production and product processing.	-	-	-	65,075	53,525
Total:					669,442	52,339				

Notes:

- (1) By the shareholders' resolutions passed on 26 March 2024, Tianjin Rongshun has reduced its registered capital from RMB100,000,000 to RMB50,000,000, pursuant to which, the Company's interest in the registered capital of RMB30,000,000 has reduced to RMB0. The Company obtained certain distress asset, comprising overdue loan receivables, as the compensation for such deemed disposal. Being a company principally engaged in small loan, the overdue loan receivables was the major asset of Tianjin Rongshun. Following the completion of the capital reduction, the Company ceased to be interested in Tianjin Rongshun.
- (2) On 22 December 2016, the Company entered into a disposal agreement to dispose of all of its equity interest in Harbin Zhongjinguoxin to an independent third party for a cash consideration of RMB25,000,000. A deposit of HK\$2,500,000 has been received which was included in receipt in advance in "other payables and accruals" as at 30 June 2024 and 2023. As at the date of this announcement, in the opinion of the Directors, this disposal transaction has yet been completed after 12 months from the date of the disposal agreement but the transaction still be considered as valid.
- (3) By the shareholders' resolutions passed on 20 July 2023, Sichuan Ziyang has reduced its registered capital from RMB200,000,000 to RMB40,000,000, pursuant to which, the Company's interest in the registered capital of RMB60,000,000 has reduced to RMB0. The Company obtained certain distress asset, comprising overdue loan receivables, as the compensation for such deemed disposal. Being a company principally engaged in small loan, the overdue loan receivables was the major asset of Sichuan Ziyang. Following the completion of the capital reduction, the Company ceased to be interested in Sichuan Ziyang.
- (4) On 21 February 2024, the registered capital of Jiangxi Huazhang was increased from RMB3,000,000,000 to RMB3,486,725,664. The Group maintained as the owner of the registered capital in the sum of RMB61,745,841. As a result of the said capital increase in Jiangxi Huazhang, the Group's interested in Jiangxi Huazhang was reduced from approximately 2.06% to approximately 1.77%.

- (5) On 11 May 2018, the Company entered into the joint venture agreement with the joint venture partners in relation to the formation of the Henan Tianguan in Henan province, the PRC. Pursuant to the joint venture agreement, the Company owned 30% of the registered capital of the Henan Tianguan. On 31 July 2018, Henan Tianguan increased the registered capital from RMB300,000,000 to RMB660,000,000, pursuant to which, Keyi (Shanghai) Investments Limited (“Keyi”) and Joy State Holdings Limited, both are wholly-owned subsidiaries of the Company, further injected RMB30,000,000 and RMB78,000,000 to Henan Tianguan respectively.
- (6) In January 2019, Keyi entered into an agreement with South China New Energy to inject capital contribution of RMB45,000,000 into South China New Energy for acquiring 30% of South China New Energy’s equity interest. On 23 January 2019, the legal title of 30% equity interest in South China New Energy has been successfully transferred to Keyi.
- (7) In August 2019, Keyi entered into an agreement with three independent third parties in relation to the formation of Keyi Huirui. The registered capital of Keyi Huirui is RMB350,000,000. Keyi injected RMB105,000,000 for acquiring 30% of Keyi Huirui’s equity interest. On 5 September 2019, Keyi Huirui was officially set up.
- (8) On 16 March 2020, the Company executed a cooperation agreement with the People’s Government of Nanyang of the PRC, Sinopec Marketing Company Limited and South South Asia Pacific Bioenergy Limited, in relation to the formation of two joint venture companies, namely Henan Zhongxin Petrochemical Oil Trading Limited and Henan Zhongxin Bioenergy Limited. The Company acquired 30% equity interest in both companies.
- (9) In January 2024, Keyi (Shanghai) entered into an equity transfer agreement with an independent third party, pursuant to which Keyi (Shanghai) agreed to transfer 16.6667% equity interest represented by registered capital in the sum of RMB60,000,000 in Jusheng Light Alloy for a consideration of RMB60,000,000 (equivalent to HK\$64,465,000). Completion has taken place and the entire consideration has been received by Keyi (Shanghai) as at the date of this announcement.

PROSPECT

The Company is expected to continue to focus on China’s bioethanol sector with the aim to maximize value for the shareholders of the Company.

As the Group’s business is moving forward towards its strategic goals, the Board will carefully assess and minimize potential risks and strive to generate more returns to all shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As at 30 June 2024, the Group had cash and cash equivalents of HK\$19,000 (2023: HK\$606,000). Majority of the cash and bank balances denominated in Hong Kong dollars, United States dollars and Renminbi are placed with banks in Hong Kong and the PRC. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2024 was approximately 4.95 times (2023: 1.93 times), gearing ratio (total liabilities to total assets) of the Group as at 30 June 2024 was approximately 13.49% (2023: 18.72%).

The Group did not have any bank borrowing as at 30 June 2024 (2023: Nil).

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (2023: Nil).

CAPITAL STRUCTURE

As at 30 June 2024, the Group's shareholders' equity and total number of shares in issue for the Company stood at HK\$165,143,000 (2023: HK\$129,449,000) and approximately 10,971,634,000 (2023: 10,971,634,000), respectively.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Hong Kong dollars and Renminbi are the main currencies of the Group to carry out its business transactions. During the Year, transactions in Renminbi were not significant, the Board considered that the Group's exposure to fluctuation in exchange rates was insignificant.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The Group had no material capital commitment during the Year and did not have any material contingent liabilities as at 30 June 2024 (2023: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group had 6 (2023: 8) employees (including Directors). The total staff costs (including Directors' remuneration) of the Group for the Year was HK\$3,498,000 (2023: HK\$8,639,000). The remuneration package of the employees is determined by various factors including the employees' experience and performance, the market condition, industry practice and applicable employment law.

PURCHASES, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

MATERIAL ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENTS

Saved for the disposal of investments as disclosed in the paragraphs headed "Listed Investment Review" and "Unlisted Investment Review" in this announcement, there were no material acquisitions, disposals of subsidiaries, associates and joint ventures and significant investments during the Year.

ADDITIONAL INFORMATION REGARDING THE QUALIFIED OPINION

In connection with the independent auditor's qualified opinion set forth in the section headed **"INDEPENDENT AUDITOR'S REPORT"** (the "Qualified Opinion"), the Company would like to provide shareholders and potential investors with additional information regarding the matters from which the Qualified Opinion has arisen, and the views of the Company's management (the "Management") and the Company's audit committee (the "Audit Committee").

In respect of "Limitation of scope – prepayments for investments and consideration receivable for disposal of an investment as at 30 June 2023"

As detailed in note 20 to the consolidated financial statements, during the year ended 30 June 2023, the Group made certain prepayments totaling HK\$29,092,000 (equivalent to RMB26,827,000) (the "Prepayments") intended as capital injection for two unlisted investments (i.e. financial assets at FVTPL) and these amounts were included in prepayments, deposits and other receivables in the consolidated statement of financial position as at 30 June 2023. In the opinion of the directors of the Company, such amounts will be recorded as investment costs for unlisted investment included in financial assets at FVTPL once all their existing investors pay up the additional capital and the official capital registration procedure is completed. Subsequently, there was no additional capital injection made by other investors into these entities and hence the Group took action to retrieve the Prepayments from the two investees. The Prepayments had yet been received by the Group as of 29 December 2023, which was the issue date of the audit report for the consolidated financial statements of the Group for the preceding financial year ended 30 June 2023. However, the Prepayments have been received by the Group as of the date this consolidated financial statements of the Group for the current financial year ended 30 June 2024 are authorised to issue.

During the year ended 30 June 2023, the Group disposed of an unlisted investment (the "Investment") to an independent third party at a cash consideration of HK\$9,723,000 (equivalent to RMB9,000,000), in which the Group provided one-year credit period to the purchaser and such amount was recorded as consideration receivable of disposal of an unlisted investment (the "Consideration Receivable") included in prepayments, deposits and other receivables in the consolidated statement of financial position as at 30 June 2023. The Consideration Receivable had yet been received by the Group as of 29 December 2023, which was the issue date of the audit report for the consolidated financial statements of the Group for the preceding financial year ended 30 June 2023. However, the Consideration Receivable has been received by the Group as of the date this consolidated financial statements of the Group for the current financial year ended 30 June 2024 are authorised to issue.

A disclaimer of opinion (the “Disclaimer of Opinion”) was issued on the audit report for the consolidated financial statements of the Group for the year ended 30 June 2023 due to limitations of audit scope concerning certain matters, including the Prepayments and the Consideration Receivable as mentioned above. The auditor of the consolidated financial statements of the Group for the preceding financial year ended 30 June 2023 (the “Predecessor Auditor”) was unable to obtain sufficient appropriate audit evidence regarding the nature and reasons for making the Prepayments and the Consideration Receivable, the management judgment, assumptions and estimation adopted in the impairment assessment of the Prepayments and the Consideration Receivable, and hence whether the carrying amounts of the Prepayments and the Consideration Receivable as at 30 June 2023 were free from material misstatements.

The Company understood from the Predecessor Auditor that their primary concern was the recoverability of the Prepayments and the Consideration Receivable which remained unpaid as of the issue date (i.e. 29 December 2023) of the 2023 Annual Results and the Predecessor Auditor’s report dated the same date. The recoverability of these balances raised further concerns, prompting the Predecessor Auditor to seek additional evidence to understand the rationale behind the Prepayments and the extended credit terms of the Consideration receivable given the Group’s strained working capital position. Furthermore, the Predecessor Auditor aimed to evaluate the management’s judgment that no impairment was necessary for these balances. As the Prepayments and the Consideration Receivable were fully received by the Group as of the date this consolidated financial statements, the Prepayments and the Consideration Receivable are proven fully recoverable and no impairment in respect of the Prepayments and the Consideration Receivable is necessary to be made or other material misstatement shall be reflected on the consolidated financial statements for the year ended 30 June 2024.

Apart from the Predecessor Auditor’s concerns about the uncertainty of recoverability due to non-payment at the date of issuance of the 2023 Annual Results, as explained previously, the Predecessor Auditor also had concerns revolving around the sufficiency and appropriateness of the documentation supporting the recoverability of the Prepayments and the Consideration Receivable as of the date of their auditor’s report on 29 December 2023. This concern was further elaborated in the Predecessor Auditor’s report. Following the issuance of the 2023 Annual Financial Statements, the management made significant efforts to collect necessary documents as requested by the Predecessor Auditor and subsequently provided as much as possible of them to the current auditor of the Company (the “Current Auditor”).

The Board has consulted with the Current Auditor and the Company considers itself having addressed the issues that gave rise to the Disclaimer of Opinion in the consolidated financial statement for the year ended 30 June 2023 in light of the full recovery of all the Prepayments and the Consideration Receivable and a disclaimer of opinion in respect of the same issues was no longer be required to be included in the consolidated financial statements for the year ended 30 June 2024, except for the qualification on the effect on the comparative figures for the year ended 30 June 2023.

Nevertheless, the Current Auditor issued a qualified opinion in the audit report of the consolidated financial statements of the Group for the year ended 30 June 2024 on certain items, including (i) the opening balances of the Prepayments and Consideration Receivable as at 1 July 2023 and; (ii) the results and cash flows of the Group for the years ended 30 June 2023 and 2024 and the related disclosures thereof in the consolidated financial statements. The closing balances of the Prepayments and Consideration Receivable as at 30 June 2023 were brought forward as the opening balances as at 1 July 2023. The Auditor was unable to determine whether adjustments were necessary to the opening balances of the Prepayments and Consideration Receivable as at 1 July 2023 and its consequential effect on the results and cash flows of the Group for the years ended 30 June 2023 and 2024 and the related disclosures thereof in the consolidated financial statements, therefore the Current Auditor issued the Qualified Opinion on such aspects.

As the Qualified Opinion is only related to the opening balances of the Prepayments and the Consideration Receivable as of 1 July 2023, the results and cash flows of the Group for the year ended 30 June 2024 and their corresponding comparative figures for the year ended 30 June 2023, the board of the Company expects that the Qualified Opinion would not have significant carried forward impact to the independent auditor's report for the financial year ending 30 June 2025. It is expected that the Qualified Opinion will be removed in the audit report for the consolidated financial statements of the Group for the year ending 30 June 2025, except for the effect on the comparative figures of the results and cash flows of the Group for the year ended 30 June 2024.

Audit committee's view on the removal of the Disclaimer of Opinion and the Qualified Opinion and the responses from the management

The Audit Committee had critically reviewed the basis for the removal of Disclaimer of Opinion and major basis of the Qualified Opinion on the Group's audited consolidated financial statements for the year ended 30 June 2024 and also the management's position, action plans and above responses of the Group to address the Qualified Opinion.

The Audit Committee concurred with the management's view that the issues gave rise to the Disclaimer of Opinion in the consolidated financial statement for the year ended 30 June 2023 had been fully addressed in light of the full recovery of all the Prepayments and the Consideration Receivable, the Company's provision of documentary evidence to the Current Auditors to substantiate its previous explanation to the Predecessor Auditor in relation to the rationale for making the Prepayments and the grant of the one-year credit term for the Consideration Receivable. The Company has also improved its documentation systems to better support future audits. The Audit Committee is also in agreement with the management's position for the responses set out as above with respect to the issues set out in the Qualified Opinion. The Company considers itself to have addressed the issues giving rise to the Qualified Opinion in the consolidated financial statements for the year ended 30 June

2024 and in the light of the measures and expectation and barring unforeseen circumstances, a qualified opinion in respect of the same issues may no longer be required to be included in the consolidated financial statements for the year ending 30 June 2025 when all the measures and expectation being fully implemented, except for the qualification on the effect on the comparative figures for the year ended 30 June 2024.

AUDIT COMMITTEE

The Audit Committee is principally responsible for reviewing and supervising the Group's financial reporting process and internal control system and providing advice and recommendations to the Board. The Audit Committee comprises three independent non-executive Directors. The Audit Committee has met with the external auditors of the Group to review the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of this announcement and financial statements of the Group for the Year.

CORPORATE GOVERNANCE

The Board is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the Shareholders' value.

During the Year, the Company has applied the principles and complied with the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules, save for the disclosure below:

- (a) The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The Company deviates from code provision C.2.1 in that the positions of both chairman and chief executive officer of the Company have been held by Mr. Du Lin Dong during the Year. Given the Group's current stage of development, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. Mr. Du Lin Dong possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure is more suitable for the Company because it can promote the efficient formulation and implementation of the Company's strategies.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry by the Company, all Directors have confirmed that they have fully complied with the Model Code throughout the Year.

ANNUAL GENERAL MEETING

The Company will convene the annual general meeting as soon as practicable. Further announcement will be made by the Company to inform the date of the annual general meeting and the book closure date for determining the entitlement to attend, speak and vote at the forthcoming annual general meeting of the Company. The notice of the annual general meeting will be published and despatched to the shareholders in due course.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2024 as set out in this preliminary results announcement have been agreed by the Group's auditor, CL Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CL Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance conclusion has been expressed by CL Partners CPA Limited on this preliminary results announcement.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES

This results announcement is published on the websites of the Company (<http://www.irasia.com/listco/hk/cfii>) and the Stock Exchange (www.hkex.com.hk). The annual report will be dispatched to the Shareholders and made available on the above websites as soon as practicable.

SUSPENSION OF TRADING

In light of the Company's failure to comply with Rules 13.49(1) and 13.46(1)(a) of the Listing Rules, i.e. failure of publication of the 2023 annual results and the despatch of 2023 annual report within the prescribed time, the trading in the Shares has been suspended with effect from 9:00 a.m. on Tuesday, 3 October 2023. Further, under Rule 13.50A of the Listing Rules, the Stock Exchange will normally require suspension of trading in an issuer's securities if it publishes a preliminary results announcement for a financial year and the auditor has

issued, or has indicated that it will issue, a disclaimer of opinion or an adverse opinion on the issuer's financial statements (unless relating to the going concern issue only). The Predecessor Auditor, on 2 January 2024, issued the Disclaimer of Opinion for the financial statements for the year ended 30 June 2023, the trading in Shares remained suspended until the Company has fulfilled the resumption guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction.

By order of the Board
China Financial International Investments Limited
Du Lin Dong
Chairman and Chief Executive Officer

Hong Kong, 26 March 2025

As at the date of this announcement, the executive Director is Mr. Du Lin Dong and the independent non-executive Directors are Mr. Lei Zhiwei, Mr. Liu Xiaodong and Mr. Zong Shijian.

In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.