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CHINA INVESTMENT AND FINANCE GROUP LIMITED

中國投融資集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1226)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

The board (the “Board”) of directors (the “Directors”) of China Investment and Finance Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”) is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 September 2023 (the “Period”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2023

		Unaudited six months ended 30 September	
	Notes	2023 HK\$'000	2022 HK\$'000
Gross proceeds from disposal of securities		15,922	24,647
Revenue	3	2,668	1,953
Net realised (loss)/gain on disposal of equity instruments at fair value through profit or loss		(4,958)	5,085
Net unrealised (loss)/gain on equity instruments at fair value through profit or loss		(21,938)	12,803
Net unrealised loss on convertible bonds investment at fair value through profit or loss		–	(206)
Administrative expenses		(3,265)	(6,925)
(Loss)/profit from operations	5	(27,493)	12,710
Finance costs		(202)	(279)
(Loss)/profit before tax		(27,695)	12,431
Income tax expense	6	–	–
(Loss)/profit for the period attributable to shareholders of the Company		(27,695)	12,431
Other comprehensive income for the period, net of tax		–	–
Total comprehensive (expenses)/income for the period attributable to shareholders of the Company		(27,695)	12,431
(Loss)/earnings per share	8		
– Basic (HK cents)		(6.71)	3.65
– Diluted (HK cents)		(6.71)	3.44

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

		Unaudited 30 September 2023 <i>HK\$'000</i>	Audited 31 March 2023 <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Equity investments at fair value through profit or loss	<i>9</i>	6,611	6,611
Debt investments measured at amortised cost	<i>10</i>	36,101	17,223
		<u>42,712</u>	<u>23,834</u>
Current assets			
Equity investments at fair value through profit or loss	<i>9</i>	105,935	132,546
Debt investments measured at amortised cost	<i>10</i>	11,472	10,724
Other receivables, prepayments and deposits	<i>11</i>	10,343	9,806
Cash and cash equivalents		6,183	27,585
		<u>133,933</u>	<u>180,661</u>
Current liabilities			
Margin payables	<i>12</i>	5,612	5,017
Accruals		2,097	2,847
		<u>7,709</u>	<u>7,864</u>
Net current assets		<u>126,224</u>	<u>172,797</u>
Net assets		<u>168,936</u>	<u>196,631</u>
Capital and reserves			
Share capital	<i>13</i>	413	413
Reserves		168,523	196,218
Total equity		<u>168,936</u>	<u>196,631</u>
Net asset value per share (in HK\$)	<i>14</i>	<u>0.41</u>	<u>0.48</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 26 April 2002. The Company's shares have been listed on the Stock Exchange with effect from 19 September 2002. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal office in Hong Kong is located at Room 1104, Crawford House, 70 Queen's Road Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of subsidiaries are securities trading and investment holding.

The condensed consolidated financial statements are prepared in Hong Kong dollars, which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2023. The accounting policies and methods of computation used in the preparation of the unaudited condensed financial statements included in this announcement are consistent with those used in the annual financial statements for the year ended 31 March 2023.

Significant accounting policies

The Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2023. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); HKAS; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

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

3. REVENUE

An analysis of Group's revenue is as follows:

	Unaudited six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
Dividend income from equity investment at fair value through profit or loss	220	124
Interest income from debt investments at amortised cost	1,626	1,352
Interest income from other receivables	822	477
	<hr/>	<hr/>
	2,668	1,953
	<hr/> <hr/>	<hr/> <hr/>

4. SEGMENT INFORMATION

For the six months ended 30 September 2023 and 2022, the Group's turnover and results were mainly derived from the interest income and dividend income from investment holding. The Directors consider that these activities constitute one and the only business segment since these transactions are subject to common risks and returns. The management monitors the operating results of its business for the purpose of making decision about resource allocation and performance assessment. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating losses.

Geographical information

During the six months ended 30 September 2023 and 2022, all activities of the Group are based in Hong Kong and all of the Group's revenue was derived from Hong Kong. Accordingly, no analysis by geographical segment is presented.

Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

5. (LOSS)/PROFIT FROM OPERATIONS

	Unaudited six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
(Loss)/profit from operations has been arrived at after charging:		
Directors' remunerations		
– Fees	510	470
– Other remunerations	–	–
– Equity-settled share-based payments	–	939
	<hr/>	<hr/>
Total directors' remunerations	510	1,409
	<hr/>	<hr/>
Staff costs		
– Salaries	465	328
– Retirement Scheme contributions	11	14
– Equity-settled share-based payments	–	3,542
	<hr/>	<hr/>
Total staff costs (excluding directors' remunerations)	476	3,884
	<hr/>	<hr/>
Investment manager's fee	360	360
Expenses related to short-term lease	45	45
	<hr/> <hr/>	<hr/> <hr/>

6. INCOME TAX EXPENSE

No Hong Kong Profits Tax had been provided for each of the six months ended 30 September 2023 as the Group has no estimated assessable profits.

As at 30 September 2023, the Group has unused tax losses of approximately HK\$504,320,000 available for offset against future profits. The unrecognised tax losses may be carried forward indefinitely.

7. DIVIDEND

The Directors do not recommend the payment of a dividend for the six months ended 30 September 2023 (2022: Nil).

8. (LOSS)/EARNINGS PER SHARE

The calculations of basic (loss)/earnings per share are based on the loss attributable to shareholders of the Company of approximately HK\$27,695,000 (2022: profit of approximately HK\$12,431,000).

The above basic (loss)/earnings per share are based on the weighted average number of 412,596,600 (2022: 340,970,917) ordinary shares in issue for the six months ended 30 September 2023.

The calculation of diluted loss per share was for the six months ended 30 September 2023 is also based on the loss attributable to owners of the Company of HK\$27,695,000 and the weighted average number of 412,596,600 ordinary shares in issue during the six months ended 30 September 2023. The computation of diluted loss per share for the six months ended 30 September 2023 does not assume the exercise of the Company's share options since their assumed exercise would result in a decrease in loss per share for the six months ended 30 September 2023.

The share options granted by the Company have potential dilutive effect on the earning per share ("EPS") of the Company for the six months ended 30 September 2022. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options granted by the Company (forming the denominator for computing the diluted EPS).

	Unaudited Six months ended 30 September 2022
Profit attributable to the equity holders of the Company (<i>HK\$'000</i>)	12,431
Weighted average number of ordinary shares in issue	340,970,917
Adjustments for share options	20,684,014
Weighted average number of ordinary shares for the calculation of diluted EPS	361,654,931
Diluted EPS (<i>HK cents</i>)	3.44

9. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited 30 September 2023 HK\$'000	Audited 31 March 2023 HK\$'000
Non-current		
Unlisted equity investments outside Hong Kong	6,611	6,611
Current		
Listed equity investments in Hong Kong	105,935	132,546
	112,546	139,157

Details of the significant equity investments as at 30 September 2023 were as follows:

Investee company	Stock code	As at 30 September 2023				For the six months ended 30 September 2023		
		Percentage of effective interest held	Fair/ Market value HK\$000	Percentage of fair/market value of significant investments to the Group's investment portfolio	Percentage of fair/market value of significant investments to the Group's total assets	Unrealised Gain/(loss) HK\$000	Realised Gain/(loss) HK\$000	Dividend received HK\$000
WLS Holdings Limited	8021	3.7%	20,830	13.0%	11.8%	(14,421)	–	–
Minerva Group Holding Limited	397	4.3%	16,201	10.1%	9.2%	(2,880)	–	–

10. DEBT INVESTMENTS MEASURED AT AMORTISED COST

Details of the major debt investments as at 30 September 2023 were as follows:

Bonds issuer	Face value HK\$000	Cost HK\$000	Interest receivables HK\$000	Allowance for credit losses HK\$000	Net book value HK\$000	Percentage of net book value of significant investments to the Group's investment portfolio	Percentage of net book value of significant investments to the Group's total assets	Terms	Coupon rate p.a.
Hao Wen Holdings Limited	20,000	20,000	1,421	3,648	17,773	11.1%	10.1%	From 15 June 2022 to 14 June 2027	5.5%
Gold Medal Hong Kong Limited	18,000	18,000	328	–	18,328	11.4%	10.4%	From 10 July 2023 to 9 July 2025	8.0%
China 33 Media Group Limited	13,440	13,440	303	2,271	11,472	7.2%	6.5%	From 23 July 2020 to 22 July 2024	12.0%

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Unaudited 30 September 2023 <i>HK\$'000</i>	Audited 31 March 2023 <i>HK\$'000</i>
Other receivables*	10,285	9,763
Deposits paid	<u>24</u>	<u>24</u>
Financial assets	10,309	9,787
Prepayments	<u>34</u>	<u>19</u>
	<u><u>10,343</u></u>	<u><u>9,806</u></u>

* Other receivables represent the consideration receivable arising from the disposal of unlisted equity investments.

12. MARGIN PAYABLES

Margin payables represents margin loans arising from the trading of listed investments which are repayable on demand. No ageing analysis is disclosed in respect of margin payables. In opinion of the Directors, an ageing analysis does not give additional value in view of the Group's business nature.

13. SHARE CAPITAL

	Number of ordinary shares of HK\$0.001 each <i>'000</i>	<i>HK\$'000</i>
<i>Authorised:</i>		
As at 1 April 2022, 31 March 2023, 1 April 2023 and 30 September 2023	<u>1,200,000,000</u>	<u>1,200,000</u>
<i>Issued and fully paid:</i>		
As at 1 April 2022	325,097	325
Issue of shares under placement (<i>note a</i>)	65,000	65
Issue of shares under exercise of share options	<u>22,500</u>	<u>23</u>
As at 31 March 2023, 1 April 2023 and 30 September 2023	<u><u>412,597</u></u>	<u><u>413</u></u>

- (a) On 19 August 2022, the Company entered into the placing agreement to issued and allot a maximum of 65,000,000 placing shares of HK\$0.001 each in the Company with China Prospect Securities Limited at a price of HK\$0.26. The net proceeds from the subscription would be used for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company. These new placing shares rank pari passu in all respect with existing shares. These transaction has been completed on 5 September 2022.

14. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK\$168,936,000 (31 March 2023: approximately HK\$196,631,000) by the number of shares in issue at 30 September 2023, being 412,596,600 shares (31 March 2023: 412,596,600 shares).

15. RELATED PARTY TRANSACTIONS

During the six months ended 30 September 2023 and 2022, the Group had the following significant related party transaction which, in the opinion of the Directors, was carried out on normal commercial terms and in the ordinary course of the Group's business:

	Unaudited	
	six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
Investment manager's fee paid to:		
Evergrande Securities (Hong Kong) Limited	<u>360</u>	<u>360</u>
	<u>360</u>	<u>360</u>

The Company entered into an investment management agreement with Evergrande Securities (Hong Kong) Limited (the "Investment Manager") effective on 8 December 2020. The Investment Manager is entitled to a monthly management fee of HK\$60,000 and payable monthly in advance.

The Investment Manager shall be deemed as a connected person of the Company pursuant to Rule 21.13 of the Listing Rules upon the agreement becoming effective. The transactions are considered a de minimis transactions under Rule 14A.76 of the Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the six months ended 30 September 2023, the Group recorded gross proceeds from disposal of securities of approximately HK\$15.9 million for the Period (six months ended 30 September 2022: approximately HK\$24.6 million). The Group also recorded an increase in revenue from approximately HK\$2.0 million for the six months ended 30 September 2022 to approximately HK\$2.7 million for the Period, representing an increase of approximately 36%. The change of financial performance from profit attributable to the owners of approximately HK\$12.4 million for the six months ended 30 September 2022 to loss of approximately HK\$27.7 million for the Period. The unaudited consolidated net assets of the Group as at 30 September 2023 amounted to approximately HK\$168.9 million (31 March 2023: approximately HK\$196.6 million). The decrease in the Group's net asset value over the Period is principally resulted from the net loss of approximately HK\$27.7 million for the Period.

The net asset value per share of the Group was amounted to approximately HK\$0.41 (31 March 2023: approximately HK\$0.48).

INVESTMENT REVIEW

As at 30 September 2023, the Group's investments were as follows:

Investments	Description
Listed equities	HK\$105.9 million of a portfolio of listed shares in forty-seven companies
Debt investment (including convertible bonds)	HK\$47.6 million in bonds issued by two listed companies and one unlisted company
Direct investment in unlisted equities	HK\$6.6 million in two direct investments in unlisted equity securities
Total	HK\$160.1 million

The investment portfolio of the Group maintained during the Period mainly comprises of unlisted equity securities, unlisted debt securities and listed equity securities in Hong Kong and China. The value of investment portfolio of the Company is approximately HK\$160.1 million. Further details of the Group's significant investments, which are defined as any of the Group's investments with fair value over 5% of the Group's total assets as at 30 September 2023, are stated in notes 9 and 10 to the condensed consolidated financial statements and elsewhere in Management Discussion and Analysis of this announcement.

Significant Investments	Notes	Fair value/ Carrying value of significant investments as at 30 September 2023	Percentage of fair value of significant investments to the Company's total assets as at 30 September 2023	Realised gain/ (loss) recognised during the six months ended 30 September 2023	Unrealised gain/ (loss) recognised during the six months ended 30 September 2023	Bond coupons received during the six months ended 30 September 2023
		HK\$' million		HK\$' million	HK\$' million	
Equity investment in WLS Holdings Limited	<i>a</i>	21.0	11.8%	–	(14.4)	N/A
Equity investment in Minerva Group Holding Limited	<i>b</i>	16.2	9.2%	–	(2.9)	N/A
Bonds investment in Hao Wen Holdings Limited	<i>c</i>	17.8	10.1%	–	–	–
Bonds investment in Gold Medal Hong Kong Limited	<i>d</i>	18.3	10.4%	–	–	–
Bonds investment in China 33 Media Group Limited	<i>e</i>	11.5	6.5%	–	–	–

Notes:

(a) WLS Holdings Limited (“WLS”, stock code: 8021)

WLS is principally engaged in the provision of scaffolding and fitting out services and other auxiliary services for construction and buildings work, and money lending business. The audited consolidated loss attributable to shareholders of WLS for the year ended 30 April 2023 was approximately HK\$112.4 million.

As stated in WLS annual report 2023, looking ahead, in view of present economic uncertainty and difficulties, WLS is reviewing its existing assets structure and business strategies and may make adjustment to its existing assets structure, with the aim to consolidate its resources, so as to be flexibly prepared for uncertainties in the future. Meanwhile, in order to enhance its competitiveness, WLS will look for opportunities to revitalise the scaffolding business to keep up with the recent development and trend in the industry, in particular the declining use of bamboo scaffolds. At the same time, WLS will continue focusing on those business segments that generate higher profit margins and show ample growth potential such as money lending operations. WLS will strictly adhere to its cost control policy, and swiftly adjust business strategies of its scaffolding business in response to ever-changing market dynamics in order to generate better financial returns for its shareholders.

Finally, WLS will actively explore all suitable investment opportunities to diversify its business horizons and will work hard to strengthen overall business development. WLS business strategy is in line with the general direction of the government's overall strategic development plans for property construction, infrastructure investment and financial market development.

The management of the Company shares the same viewpoints of WLS and believes its business in construction and infrastructure sectors are in line with the development plan of Hong Kong Government and will bring positive return to the Company in long run, but the Group will still continue to monitor the performance of WLS and adjust the Group's strategy of investment in WLS, if necessary.

(b) Minerva Group Holding Limited (“Minerva”, stock code: 397)

Minerva is principally engaged in business of financial services, asset management and investment and money lending. For the financial year ended 31 December 2022, the audited consolidated loss attributable to shareholders of Minerva was approximately HK\$171.3 million.

As stated in Minerva’s 2023 interim report, benefiting from the inbound tourism and private consumption in Hong Kong and further relaxation of social distancing measures, Hong Kong is expected to continue recover the economic growth in 2023.

The recent global market conditions, including the U.S. Federal Reserve’s interest rate hike, the bank crisis in United States, global economic slowdown, the financial market instability and geopolitical tensions, could have significant implications for the financial industry in Hong Kong. It is expected that market volatility will continue to persist amid the rising global inflationary pressures.

Meanwhile, financial tensions between China and the US continue to deepen as US closes its door to Chinese firms’ US listings. This ultimately may be good news from a local perspective as more mainland companies consider switching their listings to Hong Kong, bringing more capital into the city. In addition to the special purpose acquisition company (“SPAC”) listing regime announced in 2022, Stock Exchange also announced a new channel for both commercial and pre-profit specialist technology companies to list in Hong Kong. This type of enhanced listing regime is expected to attract more high-growth, innovative mainland and Southeast Asian companies to list in Hong Kong.

In an effort to optimise this market momentum, Minerva will continue to source additional revenues and broaden the customer base for its margin financing business through the broad social networks of its experienced staff and new hires in order to build more in-depth as well as new business relationships, which will bring sustainable and steady growth to the segment.

As for its money lending business, Minerva will continue to expand into corporate and individual loans through E Cash and E Finance. Under today’s challenging and unpredictable economic environment, it expects to face lending risks which may affect loan demands from borrowers. Minerva will continue to carefully evaluate its risk management strategies and ensure a proper balance between risks and returns and over the long run. To help ensure a sound loan portfolio, it will continue to adopt prudent and cautious approaches throughout the credit assessment and approval processes and will also keep a close eye on the repayment performance of its loan portfolio while evaluating the repayment ability of borrowers. Minerva will continue to cautiously monitor the general business environment and market conditions while also seeking potential investment and business opportunities for further development of its various business segments, expanding the business scope and creating a new dynamic for revenue growth.

While the impact of U.S. Federal Reserve’s interest rate hike and global economic slowdown, Minerva will continue to fulfill its financial intermediary role and respond to client needs for funding support while proactively adjusting financial management strategies toward a forward-looking perspective in order to maximise value for its shareholders.

In view of the fact that the healthcare industry continues to grow as the population swells along with the rise in health consciousness, Minerva will continuously look into investment opportunities in health care sector to bring return to Minerva in a sustainable manner.

The management of the Company believes Minerva will be able to spur its revenue growth and create more value. Return on investment in Minerva is expected to be generated in coming years, but the Group will still continue to monitor the performance of Minerva and adjust the Group’s strategy of investment in Minerva, if necessary.

- (c) Hao Wen Holdings Limited (“Hao Wen”) is a company incorporated in Cayman Islands with limited liability. Hao Wen and its subsidiaries are principally engaged in money lending, and trading of electronic parts. It is listed on GEM of the Stock Exchange (stock code: 8019).

Based on Hao Wen’s interim report for the six months ended 30 June 2023, its net asset value was approximately RMB308.8 million, its current assets were approximately RMB255.0 million and total liabilities were approximately RMB72.8 million. In view of Hao Wen’s strong liquid assets and limited liabilities, the Company considers that Hao Wen has sufficient financial resources to meet its ongoing operation, there is no signal of default of bonds issued by Hao Wen to the Group.

- (d) Gold Medal Hong Kong Limited (“Gold Medal”) is a company incorporated in Hong Kong with limited liability. Gold Medal is a licensed money lender in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and which is operated by an indirect wholly-owned subsidiary of WLS. The bonds issued by Gold Medal is guaranteed by WLS.

Based on WLS’ annual report for the year ended 30 April 2023, its net asset value was approximately HK\$396.1 million, its current assets were approximately HK\$534.5 million and total liabilities were approximately HK\$179.5 million. In view of the guarantor, WLS’ strong liquid assets and limited liabilities, the Company considers that Gold Medal has sufficient financial resources to meet its ongoing operation, there is no signal of default of bonds issued by Gold Medal to the Group.

- (e) China 33 Media Group Limited (“China 33”) is a company incorporated in Cayman Islands with limited liability. China 33 and its subsidiaries are principally engaged in outdoor and digital advertising, film and entertainment investment, and transaction services for prepaid cards. It is listed on GEM of the Stock Exchange (stock code: 8087).

Based on China 33’s interim report for the six months ended 30 June 2023, its net asset value was approximately RMB84.1 million, its current assets were approximately RMB336.1 million and total liabilities were approximately RMB274.0 million. In view of the guarantor, China 33’s strong liquid assets and limited liabilities, the Company considers that China 33 has sufficient financial resources to meet its ongoing operation, there is no signal of default of bonds issued by China 33 to the Group.

Performance of the Group’s Listed Equity Investment

The loss on listed investments of approximately HK\$26.7 million for the Period represented net realised loss on disposal of listed securities of approximately HK\$5.0 million and net unrealised loss of listed securities of approximately HK\$21.9 million, net of dividend received of approximately HK\$0.2 million. Set out below are further information of these net realised loss and net unrealised loss:

Net Realised Loss on Disposal of Listed Securities

The net realised loss on disposal of listed securities of approximately HK\$5.0 million represented the realised gain of approximately HK\$6.1 million net of realised loss of approximately HK\$11.1 million.

The realised loss of approximately HK\$11.1 million mainly consists of the loss on disposal of the Group’s investment in China Kingstone Mining Holdings Limited (stock code: 1380) and Asia Grocery Distribution Limited (stock code: 8413) of approximately HK\$6.8 million and HK\$3.7 million respectively.

The realised gain of approximately HK\$6.1 million mainly consists of the gain on disposal of the Group's investment in China New Consumption Group Limited (stock code: 8275) of approximately HK\$5.5 million.

Net Unrealised Loss of Listed Securities

The net unrealised loss of approximately HK\$21.9 million represented the unrealised gain of approximately HK\$12.2 million net of unrealised loss of approximately HK\$34.1 million.

The unrealised gain of approximately HK\$12.2 million principally represented:

Company name	Stock code	Unrealised gain <i>HK\$ million</i>
China Kingstone Mining Holdings Limited	1380	6.6
Asia Grocery Distribution Limited	8413	2.1

In addition to the above 2 stocks, there was no other stocks which brought unrealised gain over HK\$2.0 million to the Group during the Period.

The unrealised loss of approximately HK\$34.1 million principally represented:

Company name	Stock code	Unrealised loss <i>HK\$ million</i>
WLS Holdings Limited	8021	14.4
Minerva Group Holding Limited	397	2.9

In addition to above 2 stocks, there was no other stocks which brought unrealised loss over HK\$2.0 million to the Group during the Period.

Note:

The shares of all the companies mentioned under Performance of the Group's Listed Securities were listed on either Main Board or GEM of the Stock Exchange.

Performance of the Group's Unlisted Equity Investments

The Group did not dispose of any of its unlisted equity investment, and no realised gain/loss was recorded during the Period.

Performance of the Group's Unlisted Debt Investments

During the Period, the Group subscribed bonds issued by Gold Medal Hong Kong Limited, a subsidiary of WLS Holdings Limited (stock code: 8021), with principal of HK\$18 million ("GM Bonds"). The maturity date of GM Bonds is 9 July 2025 and the coupon rate is 8.0%. In addition to subscription of GM Bonds, the Group did not acquire or dispose of any debt investments during the Period.

PROSPECTS

We expect the global market will continue to face greater challenges and full of uncertainty, especially in the period of high geopolitical risks. Russo-Ukraine War has happened in a couple of years ago and has not yet ended. In the meantime, Israel-Hamas war happened in 2023. High geopolitical risks cause significant uncertainty to the investment market. When the world is facing such great uncertainty, we believe, crisis and opportunities coexist.

We will continue to take a prudent approach in managing the Group's investment portfolio and develop the investment strategies. Given the increasing influence of China against the global economy, the Group will still be based mainly on Chinese economy. The Group will continue to look for investment opportunities which offer outstanding returns under the acceptable risk in the portfolio of the Group.

The Company would consider investing in certain unlisted securities and listed securities with high potential in order to diversify further market risk.

As at 30 September 2023 and up to the date of this announcement approved, the Company does not have any concrete plan for material investments or capital assets.

DIVIDEND

The Board has resolved not to recommend a payment of an interim dividend for the six months ended 30 September 2023 (2022: Nil).

CAPITAL STRUCTURE

The unaudited consolidated net asset value per share of the Company as at 30 September 2023 was HK\$0.41 (As at 31 March 2023: audited HK\$0.48). The consolidated net asset value per share is calculated based on the net assets of the Group as at 30 September 2023 of approximately HK\$168.9 million (As at 31 March 2023: approximately HK\$196.6 million) and the total number of 412,596,600 shares ordinary shares of the Company at par value of HK\$0.001 each (As at 31 March 2023: 412,596,600 ordinary shares of the Company at par value of HK\$0.001 each).

The Group did not have run any capital exercise during the Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2023, the Group had margin payables of approximately HK\$5.6 million (31 March 2023: approximately HK\$5.0 million). The Group had cash and cash equivalents of approximately HK\$6.2 million (31 March 2023: approximately HK\$27.6 million), which was mainly placed in bank and other financial institution as deposits. Together with listed securities of highly liquid in nature, the Board considers the liquidity position of the Company is healthy as at 30 September 2023.

SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the six months ended 30 September 2023, the Company does not have any significant acquisition and disposal of subsidiaries.

GEARING RATIO

As at 30 September 2023, the Group's gearing ratio (defined as total interest-bearing liabilities/total equity) is 3.3% (31 March 2023: 2.6%), which is considered by the Board maintained at a healthy level.

FOREIGN CURRENCY FLUCTUATION

The Group's exposures to foreign currencies mainly arises from its investments in companies located in the PRC, which are financed internally. In order to mitigate the potential impact of currency fluctuations, the Group closely monitors its foreign currency exposures and will use suitable hedging instruments against significant foreign currency exposures, where necessary. No foreign currency hedge contract was entered into by the Group during the Period. As at 30 September 2023, the Group had no outstanding foreign currency hedge contracts (31 March 2023: Nil).

CHARGES ON ASSETS AND CONTINGENT LIABILITIES

Throughout the six months ended 30 September 2023, assets of the Group were free from any form of legal charge, except for listed securities of approximately HK\$27.8 million (31 March 2023: approximately HK\$18.2 million) pledged for margin payables. In addition, the Group did not have any significant contingent liabilities as at 30 September 2023 and 31 March 2023.

PURCHASE, SALE AND REDEMPTION OF SHARES

For the six months ended 30 September 2023, neither the Group nor its subsidiaries had purchased, sold or redeemed any of the Group's shares.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Code") throughout the six months ended 30 September 2023, with deviations from Provision C.2.1 of the Code.

Pursuant to Provision C.2.1 of the Code, the roles of the Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and the Chief Executive Officer should be clearly established and set out in writing. The Board is in the process of locating an appropriate person to fill the vacancy of the Chairman and the Chief Executive Officer of the Company as soon as practicable.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code for securities transactions by Directors. Having made specific enquiry of all Directors, the Group confirmed that all Directors have complied with the required standard set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Audit Committee of the Company had reviewed the unaudited consolidated results of the Group for the six months ended 30 September 2023, including the accounting principles and accounting practices adopted by the Company, and discussed matters relating to auditing, internal controls, risk management, financial reporting, the adequacy of resources, qualification and experience of staff.

By order of the Board
China Investment and Finance Group Limited
CHAN Cheong Yee
Executive Director

Hong Kong, 29 November 2023

As at the date of this announcement, the Board comprises Mr. CHAN Cheong Yee as executive Director, Mr. WU Qi and Mr. FONG On Shek as non-executive Directors, and Mr. LUK Simon, Ms. LIU Xiaoyin and Mr. HON Leung as independent non-executive Directors.