

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2022**

The board (the “Board”) of directors (the “Directors”) of China Investment and Finance Group Limited (the “Company”) hereby present the audited consolidated annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Gross proceeds from disposal of listed securities		<u>22,701</u>	<u>30,371</u>
Revenue	3	4,478	4,521
Net realised loss on disposal of listed equity investments at fair value through profit or loss		(455)	(5,944)
Net unrealised gain on listed equity investments at fair value through profit or loss		112	25,980
Net unrealised loss on unlisted equity investments at fair value through profit or loss		(8,654)	(13,152)
Other income	3	–	162
Impairment losses under expected credit loss model, net of reversal	5	8,700	1,282
Administrative expenses		(10,706)	(8,872)
Finance costs	6	(493)	(408)
(Loss)/profit before tax	7	(7,018)	3,569
Income tax credit	8	–	–
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company		<u>(7,018)</u>	<u>3,569</u>
		<i>HK cents</i>	<i>HK cents</i>
(Loss)/earnings per share			
– Basic	10	<u>(2.27)</u>	<u>1.43</u>
– Diluted	10	<u>(2.27)</u>	<u>1.43</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Equity investments at fair value through profit or loss	11	15,486	24,140
Debt investments measured at amortised cost		9,775	25,364
		<u>25,261</u>	<u>49,504</u>
Current assets			
Equity investments at fair value through profit or loss	11	148,345	121,192
Debt investments measured at amortised cost		12,177	–
Other receivables, prepayments and deposits		29,086	29,771
Cash and cash equivalents		10,849	2,789
		<u>200,457</u>	<u>153,752</u>
Current liabilities			
Margin payables	12	12,570	4,422
Other payables and accruals		3,433	3,328
		<u>16,003</u>	<u>7,750</u>
Net current assets		<u>184,454</u>	<u>146,002</u>
Net assets		<u>209,715</u>	<u>195,506</u>
Capital and reserves			
Share capital		325	271
Reserves		209,390	195,235
Total equity		<u>209,715</u>	<u>195,506</u>
Net asset value per share (in HK\$)	13	<u>0.65</u>	<u>0.72</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. GENERAL INFORMATION

China Investment and Finance Group Limited (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 of Hong Kong Limited (the “Stock Exchange”) with effect from 19 September 2002. The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal office in Hong Kong is at Room 1104, Crawford House, 70 Queen’s Road Central, Hong Kong.

The principal activities of the Group are investment holding and trading of securities.

The consolidated financial statements are prepared in Hong Kong dollar (HK\$), which is the same as the functional currency of the Company.

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

(a) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following 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 periods beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the 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.

(b) New and amendments to HKFRSs in issued 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:

HKFRS 17	Insurance Contracts and the related Amendments ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to HKAS 8	Definition of Accounting Estimates ³
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ²

¹ Effective for annual periods beginning on or after 1 April 2021.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after 1 January 2023.

⁴ Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND OTHER INCOME

An analysis of the Group's revenue and other income are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue:		
Dividend income from equity investments at FVPL	203	7
Interest income from debt investments at amortised cost	3,090	2,645
Interest income from other receivables	1,185	1,869
Interest income from brokers	—*	—*
Interest income from bank accounts	—*	—*
	<hr/>	<hr/>
	4,478	4,521
Other income	-	162 [#]
	<hr/>	<hr/>
	<u>4,478</u>	<u>4,683</u>

* *Amount less than HK\$1,000*

[#] *During the year ended 31 March 2021, the Group received HK\$162,000 from the government to support the Group's operations under Employment Support Scheme. There were no unfulfilled conditions or contingencies relating to the government grants.*

4. SEGMENT INFORMATION

For the year ended 31 March 2022 and 2021, the Group's revenue 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 investment business as a whole for the purpose of making decision about resource allocation and performance assessment. Given the nature of the Group's business was operated as a single segment, it is not considered meaningful to provide an operating segment analysis of financial performance.

Geographical information

During the years ended 31 March 2022 and 2021, all activities of the Group are based in Hong Kong and all of the Group's revenue was derived from Hong Kong. Accordingly, no geographical analysis of revenue and assets is presented.

Information about major customers

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. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Impairment losses (reversed)/recognised on:		
– Other receivables	(12,112)	(2,032)
– Debt investments measured at amortised costs	<u>3,412</u>	<u>750</u>
	<u>(8,700)</u>	<u>(1,282)</u>

6. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on margin financing wholly repayable on demand	<u>493</u>	<u>408</u>

7. (LOSS)/PROFIT BEFORE TAX

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss)/profit before tax has been arrived at after charging/(crediting):		
Directors' remunerations		
– Fees	1,020	705
– Other remunerations	–	331
– Equity-settled share-based payments	<u>1,398</u>	<u>530</u>
Total directors' remunerations	<u>2,418</u>	<u>1,566</u>
Staff costs		
– Basis salaries and other benefits	674	756
– Equity-settled share-based payments	3,835	2,090
– Retirement benefits scheme	<u>32</u>	<u>33</u>
Total staff costs (excluding directors' remunerations)	<u>4,541</u>	<u>2,879</u>
Auditors' remuneration	460	460
Equity-settled share-based payments (included in directors' remunerations and staff costs above)	5,233	2,620
Investment manager fee	720	866
Net unrealised gain on listed equity investments at fair value through profit or loss	(112)	(25,980)
Net unrealised loss on unlisted equity investments at fair value through profit or loss	8,654	13,152
Expenses related to short-term lease	<u>90</u>	<u>90</u>

8. INCOME TAX CREDIT

No provision for the Hong Kong Profits Tax has been made as the Group either incurred tax loss or has no assessable profit for the years ended 31 March 2021 and 2022.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2022, nor has any dividend been proposed since the end of the reporting period (2021: nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share was based on the loss attributable to owners of the Company of HK\$7,018,000 (2021: profit of HK\$3,569,000) and the weighted average number of 308,917,000 (2021: 249,022,000) ordinary shares in issue during the year.

The computation of diluted loss per share for the year ended 31 March 2022 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 year ended 31 March 2022.

The computation of diluted earnings per share for the year ended 31 March 2021 does not assume the exercise of the Company's share options since the exercise price of those share options was higher than the average market price of shares for the period from the date of the grant of share options to 31 March 2021.

11. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current		
Unlisted equity investments outside Hong Kong	15,486	24,140
Current		
Listed equity investments in Hong Kong	<u>148,345</u>	<u>121,192</u>
	<u>163,831</u>	<u>145,332</u>

The fair values of these listed securities are determined based on the quoted market bid prices at the end of each reporting period. The Group has pledged certain financial assets at fair value through profit or loss with carrying amount of approximately HK\$31,508,000 as at 31 March 2022 (2021: HK\$14,449,000) to secure margin payables as disclosed in note 12.

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.

Margin payables bear interest rates ranged from 8% to 15.25% (2021: 8% to 15%) per annum for the year ended 31 March 2022.

13. 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\$209,715,000 (2021: HK\$195,506,000) by the number of shares in issue as at 31 March 2022, being 325,096,600 (2021: 270,916,600).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

During the year ended 31 March 2022 (the “Year”), the Group recorded gross proceeds from disposal of securities of approximately HK\$22.7 million, representing a decrease of approximately 25.3%, as compared to the amount of approximately HK\$30.4 million for the last year. The Group recorded in revenue of approximately HK\$4.5 million, representing a decrease of approximately 1.0% as compared to the amount of approximately HK\$4.5 million for the last year. The Company recorded loss attributable to the owners of the Company for the year amounted to approximately HK\$7.0 million (2021: profit of approximately HK\$3.6 million). The audited consolidated net assets of the Group as at 31 March 2022 amounted to approximately HK\$209.7 million (2021: approximately HK\$195.5 million). The net asset per share of the Group was amounted to approximately HK\$0.65 (2021: approximately HK\$0.72). The decrease in net asset value per share of the Company over the year was principally resulted from the net effect of: (i) the placing of 54,180,000 new shares of the Company at a price of HK\$0.3 each (see the Company’s announcements dated 19 July 2021 and 10 August 2021 for further details); (ii) the net loss attributable to the shareholders of the Company for the Year of approximately HK\$7.0 million; and (iii) non-cash share-based payments of approximately HK\$5.2 million recognised for the Year.

The Group’s financial performance changed from net profit of approximately HK\$3.6 million for the year ended 31 March 2021 to net loss of approximately HK\$7.0 million for the Year. Such change is mainly attributable to the change in performance of the Group’s listed investments and the expected credit loss assessment. The Group recorded net gain on listed investments of approximately HK\$20.0 million in the last year, while net loss on listed investments of approximately HK\$0.3 million was recorded in the Year. In relation to the expected credit loss assessment, reversal of impairment losses recorded by the Group increased from approximately HK\$1.3 million in the last year to approximately HK\$8.7 million in the Year. Taking into account of decrease in fair value on unlisted investments of approximately HK\$8.7 million (2021: approximately HK\$13.2 million), increase in administrative expenses of approximately HK\$10.7 million (2021: approximately HK\$8.9 million) and other expenses, the Group recorded net loss of approximately HK\$7.0 million in the Year (2021: profit of approximately HK\$3.6 million).

Investment Review

As at 31 March 2022, the Group's major investments were as follows:

Investments	Description
Listed equities	HK\$148.3 million of a portfolio of listed shares in 42 companies
Direct investment in unlisted equities	HK\$15.5 million in 3 direct investments in unlisted equities securities
Debt Investments	HK\$22.0 million in bonds issued by 2 listed companies
Total	HK\$185.8 million

The investment portfolio as at 31 March 2022 of the Group mainly comprises of unlisted securities, listed securities and bonds investment in Hong Kong and China. The value of investment portfolio of the Group is of approximately HK\$185.8 million. As a whole, the portfolio was carefully managed and being fully diversified to minimise commercial risk resulting from over concentration of the investment of the Group in any single industry.

Significant Investments

The Group's investments with fair value over 5% of value of its total assets are considered as significant investments. In respect of the Group's significant investments as at 31 March 2022, set out below are certain information on those investments:

Significant Investments	Fair value/ Carrying value of significant investments as at 31 March 2022 <i>HK\$' million</i>	Percentage of fair value of significant Company's total assets as at 31 March 2022	Realised gain/ (loss) recognised during the year ended 31 March 2022 <i>HK\$' million</i>	Unrealised gain/ (loss) recognised during the year ended 31 March 2022 <i>HK\$' million</i>	Bond coupons received during the year ended 31 March 2022 <i>HK\$' million</i>
Equity investment in WLS Holdings Limited	25.0	11.1%	–	6.1	N/A
Equity investment in Power Financial Group Limited	17.3	7.7%	–	7.0	N/A
Equity investment in Youth Champ Financial Group Limited	11.5	5.1%	–	3.7	N/A
Bonds investment in Hao Wen Holdings Limited	12.2	5.4%	–	(1.9)	1.7

(A) Listed Equity Investments

WLS Holdings Limited ("WLS", stock code: 8021)

WLS is principally engaged in the provision of scaffolding and fitting out services, and other services for construction and buildings work, money lending business, securities brokerage and margin financing and securities investment business and assets management business. The audited consolidated loss attributable to shareholders of WLS for the year ended 30 April 2021 was approximately HK\$16.9 million.

As stated in WLS interim report 2021/2022, looking ahead, WLS foresees that global economy will be getting better in year 2021/2022 as a result of the disbursement of HK\$5,000 electronic consumption vouchers from government and the continued COVID-19 vaccination. WLS is reviewing its existing assets structure and business strategies and may make adjustment to their existing assets structure, with the aim to consolidate their resources, so as to be flexibly prepared for uncertainties in the future. Meanwhile, in order to enhance their 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 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. Unrealised gain of approximately HK\$6.1 million has been recorded in the Group's equity investment in WLS during the Year. Return on investment in WLS is expected to be generated in coming years, but the Group will still continue to monitor the performance of WLS and adjust the Group's strategy of investment in WLS, if necessary.

Power Financial Group Limited ("Power Financial", stock code: 397)

Power Financial is principally engaged in business of financial services, asset management and investment and money lending. For the financial year ended 31 December 2021, the audited consolidated profit attributable to shareholders of Power Financial was approximately HK\$153.8 million.

As stated in Power Financial's 2021 annual report, it was stated that in response to a potential overflow of listings at the beginning of 2022, the Stock Exchange launched revised listing rules for overseas companies that wish to undertake dual-primary or secondary listings in Hong Kong. In addition, the bourse introduced a special purpose acquisition company ("SPAC") listing regime. This type of enhanced listing regime aims to ensure the city's competitiveness by providing greater flexibility to facilitate more listings by mainland and Southeast Asian companies. PricewaterhouseCoopers expects Hong Kong to welcome 120 IPOs in 2022 while raising about HK\$350 to 400 billion. This will enable Hong Kong to regain its position among the world's top 3 IPO markets.

To optimise this market momentum, Power Financial will continue to source additional revenues and broaden the customer base for its margin financing business through the broad social networks of the Group's 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, Power Financial will continue to expand into corporate and individual loans through E Cash and allow E Finance to focus on property mortgage loans and other secured loans. Under today's challenging and unpredictable economic environment, Power Financial expects to face lending risks which may affect loan demands from borrowers. Power Financial will continue to carefully evaluate its risk management strategies and ensure a proper balance between returns and risks over the long run. To help ensure a sound loan portfolio, Power Financial will continue to adopt prudent and cautious approaches throughout the credit assessment and approval processes. Power Financial will also keep a close eye on the repayment performance of its loan portfolio while evaluating the affordability of borrowers. Power Financial 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 COVID-19 and its variants still lingers worldwide, Power Financial 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.

The management of the Company believes Power Financial will be able to spur its revenue growth and create more value. Unrealised gain of approximately HK\$7.0 million has been recorded in the Group's equity investment in Power Financial during the Year. Return on investment in Power Financial is expected to be generated in coming years, but the Group will still continue to monitor the performance of Power Financial and adjust the Group's strategy of investment in Power Financial, if necessary.

Youth Champ Financial Group Holdings Limited ("Youth Champ", stock code: 1160)

Youth Champ is principally engaged in investing in listed and unlisted enterprises established in Hong Kong and the People's Republic of China with potential for earning's growth and capital appreciation. For the financial year ended 31 March 2021, the audited consolidated loss attributable to shareholders of Youth Champ was approximately HK\$8.4 million.

As stated in Youth Champ interim report as at 30 September 2021, Hong Kong's economic recovery became more significant with real GDP expanding further by 5.4% year-on-year, thanks to the continued revitalization of global economic activity and stable local epidemic situation. The local stock market, however, corrected more than 20% from the peak in February, under the uncertainties of China's economy and asset prices. Looking ahead, the global economic recovery should render further support to Hong Kong's merchandise exports. However, the pandemic development especially the threat of the more infectious variants, will continue to pose downside risks to the global economic outlook. Moreover, the escalation in energy prices and higher inflation pressures in the US and Europe have cast uncertainties over the future central banks' monetary policies. Developments in China-US relations and geopolitical tensions also result in alert to investors.

Youth Champ remain attentively cautious under the external and internal investment environments. Referring to the investment portfolio, during September 2021, Youth Champ exited the closed-end fund investment, CMHJ Technology Fund II, L.P.. As a result, around USD117,000 were realized in the books of Youth Champ. Youth Champ will actively raise new capital for their investment management purpose and shall continue to focus on seeking lower risk under-performed investment opportunities for the investment portfolio. Unrealised gain on investment in Youth Champ of approximately HK\$3.7 million was recorded by the Group during the Year. In addition to the unrealised gain brought to the Group, the management of the Company believes investment in Youth Champ and diversify the Group's investment portfolio risk indirectly.

(B) *Unlisted Debt Investments*

Hao Wen Holdings Limited (“Hao Wen”)

During the year ended 31 March 2020, the Group subscribed unlisted bonds (the “HW Bonds”) issued by Hao Wen with principal of HK\$15,000,000 with a coupon rate of 11.0%. The HW Bonds will be matured in 36 months from the issuing date (i.e. 12 July 2019).

Hao Wen is a company incorporated in Cayman Islands with limited liability. Hao Wen and its subsidiaries are principally engaged in the money lending business and processing and trading of electronic parts. It is listed on GEM of the Stock Exchange (stock code: 8019). The audited net assets and current assets of Hao Wen were approximately RMB290.4 million and RMB191.8 million respectively and its total liabilities were approximately RMB70.5 million as at 31 December 2021. The Company considers that Hao Wen has sufficient financial resources to meets its ongoing operation, and there is no signal of default of the HW Bonds.

Performance of the Group’s Listed Securities

The loss on listed investments of approximately HK\$0.1 million for the Year represented net realised loss on disposal of listed securities of approximately HK\$0.4 million and net unrealised gain of listed securities of approximately HK\$0.1 million and dividend received of approximately HK\$0.2 million. Set out below are further information of these net realised loss and unrealised gain:

Net Realised Loss on Disposal of Listed Securities

The net realised loss on disposal of listed securities of approximately HK\$0.4 million represented the realised gain of approximately HK\$2.3 million net of realised loss of approximately HK\$2.7 million.

Net Unrealised Gain of Listed Securities

The net unrealised gain of approximately HK\$0.1 million represented the unrealised gain of approximately HK\$31.8 million net of unrealised loss of approximately HK\$31.7 million.

The unrealised gain of approximately HK\$31.8 million principally represented:

Company name	Stock code	Unrealised gain <i>HK\$ million</i>
Power Financial Group Limited	397	7.0
WLS Holdings Limited	8021	6.1
Youth Champ Financial Group Holdings Limited	1160	3.7
Luxxu Group Limited	1327	2.6
Suncorp Technologies Limited	1063	2.3

In addition to the above 5 stocks, there was no other stocks which brought unrealised gain over HK\$2.0 million to the Group during the Year.

The unrealised loss of approximately HK\$31.7 million principally represented:

Company name	Stock code	Unrealised loss <i>HK\$ million</i>
Wan Cheng Metal Packaging Company Limited	8291	7.9
China e-Wallet Payment Group Limited	802	4.8
AMCO United Holding Limited	630	4.8
China Properties Investment Holdings Limited	736	3.2

In addition to above 4 stocks, there was no other stocks which brought unrealised loss over HK\$2.0 million to the Group during the Year.

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 Securities

The Group's did not dispose of any unlisted securities and recorded net unrealised loss of unlisted securities of approximately HK\$8.7 million during the Year, which principally represented the valuation loss on the Group's investment in Peak Zone Group Limited of approximately HK\$6.2 million.

Performance of the Group's Unlisted Debt Investments

The valuation loss on the Group's investments in the bonds of approximately HK\$7.2 million was recorded during the Year. There is no overdue coupon of the Group's bond investment as at 31 March 2022. Total coupons of approximately HK\$3.1 million were received by the Group during the Year.

Impairment Losses under Expected Credit Loss Model

In the year ended 31 March 2018, the Group disposed of an investment in Help U Credit Limited at a consideration of HK\$50,000,000. The Group has only received HK\$34,920,000 as of 22 June 2020, the date of approval of the Company's annual report for the year ended 31 March 2020 ("Year 2020"). During Year 2020, the Group has taken legal actions against the vendor in connection with the outstanding balance of HK\$15,080,000 already. As of 31 March 2020, the Group has made a full impairment on the remaining balance of HK\$15,080,000, and this amount has been fully collected subsequent to 31 March 2022. The Company has engaged an independent valuer to assess the expected credit loss of the Company's bonds and receivables, and reversal of expected credit loss of approximately HK\$8.7 million was made during the Year, which was principally attributable to the net effect of collection of the outstanding receivable of HK\$15,080,000 mentioned above, and impairment losses on debts investments and other receivables of approximately HK\$6.4 million in total, recognised during the Year.

Segmental Information

There is no material change in the Group's investment segment, principally investment in listed and unlisted securities, during the Year.

Price Risk

The Group is exposed to financial assets price risks as investments held by the Group are classified on the consolidated statement of financial position as equity investments at fair value through profit or loss as at 31 March 2022. To manage its price risk arising from investments in the above financial assets, the Group diversifies its portfolio. If the prices of the equity investments held for trading were higher or lower by 5% as at 31 March 2022, the Group's loss for the Year would decrease or increase by approximately HK\$6.2 million respectively, and if the prices of equity investments held for trading were higher or lower by 5% as at 31 March 2021, the Group's profit for the year ended 31 March 2021 would increase or decrease by approximately HK\$5.1 million respectively. If the value of the investments held by the Group as equity investments with non-trading in nature were higher or lower by 5% as at 31 March 2022 (2021: 5%), the Group's equity as at 31 March 2022 would increase or decrease by approximately HK\$0.8 million (2021: HK\$1.2 million) respectively.

Prospects

We expect the global market will continue to face greater challenges and full of uncertainty especially after the outbreak of COVID-19. Both developed and developing economies are facing challenge of economic turmoil. China was also facing a slowdown in economic growth, but its situation seems not as poor as that of the West. China has begun to have signs of recovery, but the West still cannot control the COVID-19 pandemic. When the world is facing such great uncertainty, the Directors consider, crisis and opportunities coexist in the coming year.

The Directors 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, listed securities and fixed income products with high potential in order to diversify further market risk.

Dividend

The Board has resolved not to recommend a payment of final dividend.

Liquidity and Financial Resources

As at 31 March 2022, the Group had margin payables to financial institutions of approximately HK\$12.6 million (2021: approximately HK\$4.4 million). The Group had bank balances and cash on hand of approximately HK\$10.8 million (2021: approximately HK\$2.8 million), which was mainly placed in bank and other financial institutions as deposits. As the Group held listed securities of approximately HK\$148.3 million as at 31 March 2022 (2021: approximately HK\$121.2 million), which is around 11.8 times (2021: approximately 27.4 times) of the margin payable value, the Board consider the Company's liquidity position is still healthy as at 31 March 2022.

Gearing Ratio

The gearing ratio (defined as total interest-bearing liabilities/total equity) was 6.0% (2021: 2.2%), which was considered a very low leverage level by the Board.

Capital Structure

The consolidated net asset value per share of the Company as at 31 March 2022 was HK\$0.65 (2021: audited HK\$0.72). The consolidated net asset value per share is calculated based on the net assets of the Group as at 31 March 2022 of approximately HK\$209.7 million (2021: approximately HK\$195.5 million) and the total number of 325,096,600 shares ordinary shares of the Company at par value of HK\$0.001 each (2021: 270,916,600 ordinary shares of the Company at par value of HK\$0.001 each) in issue as at that date. The change of the number of issued shares of the Company is resulted from the placing of 54,180,000 shares on 10 August 2021.

The Board has been actively seeking fund raising opportunities to strengthen the Company's financial position. On 10 August 2021, the Company completed a placing and has successfully raised approximately HK\$16.3 million (before expenses), which are detailed below.

On 19 July 2021 (after trading hours), the Company and Astrum Capital Management Limited (the “Placing Agent”) entered into a placing agreement (the “Placing Agreement”) pursuant to which the Placing Agent agreed to place, on a best endeavour basis, to not less than six independent places for up to 54,180,000 new shares at a price (the “Placing Price”) of HK\$0.3 per placing share (the “Placing”). These new shares rank pari passu in all respect with the then existing Shares. The Placing was completed on 10 August 2021.

The Placing Price of HK\$0.30 per placing share represents: (i) a discount of approximately 14.3% to the closing price of HK\$0.350 per share of the Company as quoted on the Stock Exchange on 19 July 2021, being the date of the Placing Agreement; and (ii) a discount of approximately 14.5% to the average of the closing prices of HK\$0.351 per share of the Company as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are securities trading and investment holding. The Board considered that the Placing represented a good opportunity for the Company to raise additional funds and to widen the Company’s shareholder base, and the terms of the Placing Agreement are on normal commercial terms. Accordingly, the Directors considered that the terms of the Placing were fair and reasonable and in the interests of the Company and its shareholders as a whole.

The aggregate gross proceeds of the Placing were approximately HK\$16.3 million and the aggregate net proceeds of the Placing, after deduction of expenses, were approximately HK\$16.0 million, representing a net issue price of approximately HK\$0.295 per placing share. The net proceeds from the Placing were intended to be used for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company. As of 31 March 2022, the full amount of approximately HK\$16.0 million were used for working capital and listed investments as intended.

Save as the Placing above, the Group did not have run any capital exercise during the Year.

Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

During the year ended 31 March 2022, the Company does not have any significant acquisition and disposal of subsidiaries, associates or joint ventures.

Employees

During the year ended 31 March 2022, the Group had retained eleven employees (2021: eleven employees). Total staff costs of the Group, excluding directors’ remuneration, for the year under review amounted to approximately HK\$4.6 million (2021: approximately HK\$2.9 million). Staff remuneration packages were in line with the prevailing market practice and were determined on the basis of the performance and experience of individual employee.

Charges on Assets and Contingent Liabilities

As at 31 March 2022, the Group has pledged listed securities of approximately HK\$31.5 million (2021: approximately HK\$14.4 million) to secure the margin payables of approximately HK\$12.6 million (2021: approximately HK\$4.4 million). The Group did not have significant contingent liabilities as at 31 March 2022 and 2021.

Future Plans for Material Investments or Capital Assets and Their Expected of Funding in Coming Year

As at 31 March 2022 and up to the date of this results announcement, the Company does not have any concrete plan for material investments or capital assets.

Foreign Currency Fluctuation

The Group's exposures to foreign currencies mainly arises from its investments in companies located in the People's Republic of China, 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 Year. As at 31 March 2022, the Group had no outstanding foreign currency hedge contracts (2021: Nil).

PURCHASE, SALE AND REDEMPTION OF SHARES

For the year ended 31 March 2022, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's shares.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code ("Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") throughout the year ended 31 March 2022, with deviations from Provisions A.2.1 (which has been re-numbered as Provision C.2.1 under the new Corporate Governance Code that came to effect on 1 January 2022) and A.4.1 of the Code.

Pursuant to Provision A.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 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.

Pursuant to Provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election. None of the non-executive Directors was appointed for a specific term. Since all the Directors are subject to retirement by rotation according to the provisions under article 88 of the Articles of Association of the Company, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

AUDIT COMMITTEE

The audit committee of the Company had reviewed the consolidated results of the Group for the year ended 31 March 2022, including the accounting principles and accounting practices adopted by the Company, and discussed matters relating to auditing, risk management, internal controls, financial reporting, the adequacy of resources, qualification and experience of staff.

The audit committee of the Group consists of three independent non-executive directors, namely Mr. HON Leung, Mr. LUK Simon and Ms. LIU Xiaoyin.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2022 have been agreed by the Group's auditors, Elite Partners CPA Limited ("the Auditors"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by the Auditors 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 HKICPA and consequently no assurance has been expressed by the Auditors on the preliminary announcement.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.chnif.com.hk>). The 2021/22 annual report will be dispatched to the shareholders and available on websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 27 June 2022

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.