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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 ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2024**

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 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Gross proceeds from disposal of listed securities		<u>29,770</u>	<u>177,729</u>
Revenue	3	5,318	3,592
Net realised (loss)/gain on disposal of listed equity investments at fair value through profit or loss		(45,662)	1,817
Net unrealised gain/(loss) on listed equity investments at fair value through profit or loss		13,201	(32,610)
Net unrealised loss on unlisted equity investments at fair value through profit or loss		(335)	(2,375)
Impairment losses under expected credit loss model, net of reversal	5	(2,728)	(1,170)
Administrative expenses		(7,141)	(9,921)
Finance costs	6	<u>(422)</u>	<u>(485)</u>
Loss before tax	7	(37,769)	(41,152)
Income tax credit	8	<u>–</u>	<u>–</u>
Loss and total comprehensive expense for the year attributable to owners of the Company		<u>(37,769)</u>	<u>(41,152)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share			
– Basic	10	<u>(9.15)</u>	<u>(10.92)</u>
– Diluted	10	<u>(9.15)</u>	<u>(10.92)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Equity investments at fair value through profit or loss	11	6,276	6,611
Debt investments measured at amortised cost		<u>32,845</u>	<u>17,223</u>
		<u>39,121</u>	<u>23,834</u>
Current assets			
Equity investments at fair value through profit or loss	11	104,196	132,546
Debt investments measured at amortised cost		11,972	10,724
Other receivables, prepayments and deposits		5,886	9,806
Cash and cash equivalents		<u>7,112</u>	<u>27,585</u>
		<u>129,166</u>	<u>180,661</u>
Current liabilities			
Amount due to brokers	12	6,218	5,017
Other payables and accruals		<u>3,207</u>	<u>2,847</u>
		<u>9,425</u>	<u>7,864</u>
Net current assets		<u>119,741</u>	<u>172,797</u>
Net assets		<u>158,862</u>	<u>196,631</u>
Capital and reserves			
Share capital		413	413
Reserves		<u>158,449</u>	<u>196,218</u>
Total equity		<u>158,862</u>	<u>196,631</u>
Net asset value per share (in HK\$)	13	<u>0.39</u>	<u>0.48</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

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 2023 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction
HKFRS 17	Insurance Contracts

The application of the 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.

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- In accordance with the amendments to HKAS 1 and HKFRS Practice Statement 2, 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.

- Change in accounting policy on offsetting arrangement in long service payment scheme in HKSAR In June 2022, the HKSAR Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”) which will be effective from 1 May 2025 (the “Transition Date”). Under the Amendment Ordinance, any accrued benefits attributable to the employer’s mandatory contributions under mandatory provident fund scheme (“MPF Benefits”) of an entity would no longer be eligible to offset against its obligations on long service payment (“LSP”) for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 April 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the “Practical expedient”) to account for the offsettable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPFLSP offsetting mechanism in HKSAR” (the “Guidance”) which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a “simple type of contributory plans” to which the Practical expedient had been intended to apply. By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the Practical expedient and reattribute the deemed employee contributions on a straight line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). The cumulative effect of recognising these adjustments as of 31 March 2023 or for the year ended was not material and hence no adjustment was made to the beginning accumulated losses, or another component of equity.

(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:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

² Effective for annual periods beginning on or after 1 April 2025.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE

An analysis of the Group's revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue:		
Dividend income from equity investments at FVTPL	265	124
Interest income from debt investments at amortised cost	3,702	2,622
Interest income from other receivables	1,349	846
Interest income from brokers	1	–*
Interest income from bank accounts	1	–*
	<u>5,318</u>	<u>3,592</u>

* Amount less than HK\$1,000

4. SEGMENT INFORMATION

For the years ended 31 March 2024 and 2023, the Group's revenue and results were mainly derived from the interest income and dividend income from investment holding. The executive director, being the chief operation decision maker, considers that these activities constitute one and the only business segment since these transactions are subject to common risks and returns. The executive directors 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.

Accordingly, only entity-wide disclosure, major customers and geographical information are presented.

Geographical information

During the years ended 31 March 2024 and 2023, 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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Impairment losses (reversed)/recognised on:		
– Other receivables	(1,004)	2,483
– Debt investments measured at amortised costs	3,732	(1,313)
	<u>2,728</u>	<u>1,170</u>

6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on margin financing wholly repayable on demand	<u>422</u>	<u>485</u>

7. LOSS BEFORE TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss before tax has been arrived at after charging/(crediting):		
Directors' remunerations		
– Fees	1,020	940
– Basic salaries and other benefits	–	80
– Retirement benefits scheme	–	4
– Equity-settled share-based payments	–	940
Total directors' remunerations	<u>1,020</u>	<u>1,964</u>
Staff costs		
– Basic salaries and other benefits	675	591
– Equity-settled share-based payments	–	3,541
– Retirement benefits scheme	19	25
Total staff costs (excluding directors' remunerations)	<u>694</u>	<u>4,157</u>
Auditors' remuneration	480	480
Equity-settled share-based payments (included in directors' remunerations and staff costs above)	–	4,481
Investment manager fee	720	720
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 2024 and 2023.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

10. LOSS PER SHARE

The calculation of basic and diluted loss per share was based on the loss attributable to owners of the Company of HK\$37,769,000 (2023: HK\$41,152,000) and the weighted average number of 412,597,000 (2023: 376,686,000) ordinary shares in issue during the year.

The computation of diluted loss per share for the years ended 31 March 2023 and 2024 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 years ended 31 March 2023 and 2024.

11. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current		
Unlisted equity investments outside Hong Kong	6,276	6,611
Current		
Listed equity investments in Hong Kong	<u>104,196</u>	<u>132,546</u>
	<u>110,472</u>	<u>139,157</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\$9,066,000 as at 31 March 2024 (2023: HK\$18,206,000) to secure margin payables as disclosed in note 12.

12. AMOUNT DUE TO BROKERS

As at 31 March 2024, the Group has margin payables of HK\$5,308,000 (2023: HK\$5,017,000) represents margin loans arising from the trading of listed investments which are repayable on demand and pledged with listed investment, the remaining balance represent amount due to broker which repayable on demand and unsecured (2023: Nil). No ageing analysis is disclosed in respect of amount due to brokers. In opinion of the directors, an ageing analysis does not give additional value in view of the Group's business nature.

Amount due to brokers bear interest rates ranged from 8% to 9.63% (2023: 8% to 9.13%) per annum for the year ended 31 March 2024.

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\$158,862,000 (2023: HK\$196,631,000) by the number of shares in issue as at 31 March 2024, being 412,596,600 (2023: 412,596,600).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

During the year ended 31 March 2024 (the “Year”), the Group recorded gross proceeds from disposal of securities of approximately HK\$29.8 million, representing a decrease of approximately 83.2%, as compared to the amount of approximately HK\$177.7 million for the last year. The Group recorded in revenue of approximately HK\$5.3 million, representing an increase of approximately 48.1% as compared to the amount of approximately HK\$3.6 million for the last year. The Company recorded loss attributable to the owners of the Company for the year amounted to approximately HK\$37.8 million (2023: approximately HK\$41.2 million). The audited consolidated net assets of the Group as at 31 March 2024 amounted to approximately HK\$158.9 million (2023: approximately HK\$196.6 million). The net asset per share of the Group was amounted to approximately HK\$0.39 (2023: approximately HK\$0.48). The decrease in net asset value per share of the Company over the year was principally resulted from the net loss attributable to the shareholders of the Company for the Year of approximately HK\$37.8 million.

The Group’s net loss decreased from approximately HK\$41.2 million for the year ended 31 March 2023 to approximately HK\$37.8 million for the Year. Such change is mainly attributable to the net effect of the increase in interest income from approximately HK\$3.5 million for last year to approximately HK\$5.1 million for the Year, the change in performance of the Group’s listed investments and the expected credit loss assessment. The Group recorded net loss on listed investments of approximately HK\$30.7 million in the last year, while net loss on listed investments of approximately HK\$32.2 million was recorded in the Year. In relation to the expected credit loss assessment, the Group recorded impairment loss of approximately HK\$2.7 million during the Year while the corresponding amount recorded in the last year was approximately HK\$1.2 million. The decrease in administrative expenses from approximately HK\$9.9 million in last year to approximately HK\$7.1 million in the Year and the unrealised loss on unlisted investments decreased from approximately HK\$2.4 million for last year to HK\$0.3 million for the Year also led to the decrease in overall net loss of the Group for the Year.

Investment Review

As at 31 March 2024, the Group's major investments were as follows:

Investments	Description
Listed equities	HK\$104.2 million of a portfolio of listed shares in 49 companies
Direct investment in unlisted equities	HK\$6.3 million in 2 direct investments in unlisted equities securities
Debt Investments	HK\$44.8 million in bonds issued by 2 listed companies and 1 unlisted company
Total	HK\$155.3 million

The investment portfolio as at 31 March 2024 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\$155.3 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 2024, set out below are certain information on those investments:

Significant Investments	Fair value/ Carrying value of significant investments as at 31 March 2024 <i>HK\$' million</i>	Percentage of fair value of significant investments to the Company's total assets as at 31 March 2024	Realised gain/(loss) recognised during the year ended 31 March 2024 <i>HK\$' million</i>	Unrealised gain/(loss) recognised during the year ended 31 March 2024 <i>HK\$' million</i>	Bond coupons received during the year ended 31 March 2024 <i>HK\$' million</i>
Equity investment in WLS Holdings Limited	13.2	7.8%	(0.1)	(22.4)	N/A
Equity investment in Minerva Group Holding Limited	15.6	9.3%	–	(3.5)	N/A
Bonds investment in Hao Wen Holdings Limited	17.2	10.2%	–	–	1.1
Bonds investment in China 33 Media Group Limited	11.9	7.1%	–	–	–
Bonds investment in Gold Medal Hong Kong Limited	15.7	9.3%	–	–	–

(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 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 the WLS’ interim report 2023/24, looking forward, Hong Kong’s economy will likely grow more slowly than previously expected both in 2023 and 2024 as challenges from uncertainty of China’s economy and the impact of high interest rates. It also led to a decline in the Hong Kong property market.

In the past decade, the scaffolding industry has become increasingly competitive. Furthermore, the costs have become high together with rising labour costs, but productivity has suffered decline as well. In the face of a phenomenon of ageing workers, young generation unwilling to join the industry due to hard labour work and higher requirement of technological qualifications, which has affected recruitment of talents in the industry, and with heavier government regulations, without favourable factors such as labour imports, the carrying capacity of the industry may be challenged. These reflect a lack of confidence in the prospect of the scaffolding industry.

On the other hand, in response to demand from market development, many contractors have adopted the use of metal scaffolds instead of bamboo scaffolds nowadays. The general higher durability of metal scaffolds and the possibility of calculating load bearing capacity have shortened the time for training of workers. Hence, bamboo scaffolds may be eliminated in Hong Kong in the future. According to recent trend, modern metal scaffolds have been adopted by the industry, especially for high-end shopping malls which are aware of exterior appearance. Therefore, the future direction of the scaffolding business will be led by the adoption of mixed scaffolds and metal scaffolds.

Due to the current unclear economic situation in Hong Kong, WLS is reviewing its existing assets structure and business strategies and may make adjustment to its existing assets structure, with the aim to consolidate their resources, so as to be flexibly prepared for uncertainties in the future. 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 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.

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 2023, the audited consolidated loss attributable to shareholders of Minerva was approximately HK\$104.1 million.

Minerva stated in its annual report 2023 that the Year 2023 proved to be a dynamic and challenging business landscape. Minerva has witnessed significant milestones and events that had a profound impact on the global and Hong Kong economies. Notably, it experienced the complete removal of restrictions on social distancing and most health and epidemic prevention policies in Hong Kong as well as the full removal of immigration controls with Mainland China in early January 2023. These developments fostered a more conducive business environment, and the market expects a robust rebound through cross-border collaboration and economic growth.

However, the global market has also encountered several new challenges, including U.S. Federal Reserve's interest rate hike, the bank crisis in U.S., a global economic slowdown and a sharp downturn in the property sector in China's economy. Additionally, the Hong Kong Government revised its economic growth forecast for Hong Kong, lowering it to 3.2% from the previous estimate of 4% to 5%. In response to these challenges, Minerva closely monitored the situation and implemented prudent risk management strategies to safeguard their operations and investments. Minerva also reassessed its financial strategies and adapted to the changing interest rate environment, mitigating potential impacts on its operations and investments, and demonstrating their resilience.

During Year 2023, Minerva recorded net loss, primarily driven by the significant loss arising from the market performance of listed equity investments in the Hong Kong stock market. This loss aligns with the trend observed in the Hong Kong stock market, where the Hang Seng Index experienced a decline of 13.8% in 2023. Despite these challenges in the financial market, Minerva managed to mitigate its losses compared to the previous year. Aside from the losses incurred due to listed equity investments in the Hong Kong stock market, Minerva has showcased resilience by generating stable returns and experiencing modest growth in its money lending and financial services operations. These sectors have proven to be sources of stability and have contributed positively to Minerva's overall performance. By diversifying its business activities and capitalizing on opportunities within these segments, Minerva has effectively mitigated some of the challenges faced in the volatile stock market.

As Minerva turn its gaze towards the horizon of 2024, it hold steadfast in its optimistic outlook for the Hong Kong economy and the global economic market. They anticipate a gradual recovery as the global economy finds their footing and achieves stability. Moreover, Minerva acknowledge the potential for the US Federal Reserve to maintain a steady hand and potentially even reduce interest rates during the course of the year, offering a much-needed boost to the ongoing revitalization efforts. Minerva remain vigilant in monitoring ongoing macro and geopolitical uncertainties that have the potential to impact its operations and investments.

The management of the Company believes Minerva will be able to spur its revenue growth and create more value, but the Group will still continue to monitor the performance of Minerva and adjust the Group's strategy of investment in Minerva, if necessary.

(B) *Unlisted Debt Investments*

Hao Wen Holdings Limited (“Hao Wen”)

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 RMB292.7 million and RMB211.6 million respectively and its total liabilities were approximately RMB85.9 million as at 31 December 2023. 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.

China 33 Media Group Limited (“China 33”)

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 annual report for the year ended 31 December 2023, its net asset value was approximately RMB34.4 million, its current assets were approximately RMB263.2 million and total liabilities were approximately RMB239.0 million. In view of 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.

Gold Medal Hong Kong Limited (“Gold Medal”)

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’ interim report for the six months ended 31 October 2023, its net asset value was approximately HK\$383.9 million, its current assets were approximately HK\$565.6 million and total liabilities were approximately HK\$194.0 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.

Performance of the Group’s Listed Securities

The loss on listed investments of approximately HK\$32.2 million for the Year represented net unrealised gain of listed securities of approximately HK\$13.2 million and dividend received of approximately HK\$0.3 million, net of net realised loss on disposal of listed securities of approximately HK\$45.7 million. Set out below are further information of these net realised loss and net unrealised gain:

Net Realised Loss on Disposal of Listed Securities

The net realised loss on disposal of listed securities of approximately HK\$45.7 million represented the realised gain of approximately HK\$5.7 million net of realised loss of approximately HK\$51.4 million.

The realised gain of approximately HK\$5.7 million principally represented:

Company name	Stock code	Realised gain <i>HK\$ million</i>
CBK Holdings Limited	8428	2.6
China New Consumption Group Limited	8275	2.6

In addition to the above 2 stocks, there was no other stocks which brought realised gain over HK\$1.0 million to the Group during the Year.

The realised loss of approximately HK\$51.4 million principally represented:

Company name	Stock code	Realised loss <i>HK\$ million</i>
China e-Wallet Payment Group Limited	802	36.0
China Kingstone Mining Holdings Limited	1380	6.8
Asia Grocery Distribution Limited	8413	3.7
Kingland Group Holdings Limited	1751	2.7

In addition to the above 4 stocks, there was no other stocks which brought realised loss over HK\$1.0 million to the Group during the Year.

Net Unrealised Gain of Listed Securities

The net unrealised gain of approximately HK\$13.2 million represented the unrealised gain of approximately HK\$57.1 million net of unrealised loss of approximately HK\$43.9 million.

The unrealised gain of approximately HK\$57.1 million principally represented:

Company name	Stock code	Unrealised gain <i>HK\$ million</i>
China e-Wallet Payment Group Limited	802	34.7
China Kingstone Mining Holdings Limited	1380	6.6
China Jicheng Holdings Limited	1027	4.2

In addition to the above 3 stocks, there was no other stocks which brought unrealised gain over HK\$3.0 million to the Group during the Year.

The unrealised loss of approximately HK\$43.9 million principally represented:

Company name	Stock code	Unrealised loss <i>HK\$ million</i>
WLS Holdings Limited	8021	22.4
Minerva Group Holding Limited	397	3.5
Wealth Glory Holdings Limited	8269	2.4

In addition to above 3 stocks, there was no other stocks which brought unrealised loss over HK\$2.0 million to the Group during the Year.

Notes:

- (1) 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 did not dispose of any of its unlisted equity investment, and no realised gain/loss was recorded during the Year. Unrealised loss of approximately HK\$0.3 million was recognised during the Year.

Performance of the Group's Unlisted Debt Investments

During the Year, 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 Year.

Prospects

We expect the global market will continue to face greater challenges and full of uncertainty especially in the era of high inflation. Both developed and developing economies are facing challenge of recession. China was also facing a slowdown in economic growth, but its situation seems not as poor as that of the West. The inflation in China is much less than that in the West. 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 2024, the Group had amounts due to brokers (including margin payables to financial institutions) of approximately HK\$6.2 million (2023: approximately HK\$5.0 million). The Group had bank balances and cash on hand of approximately HK\$7.1 million (2023: approximately HK\$27.6 million), which was mainly placed in bank and other financial institutions as deposits. As the Group held listed securities of approximately HK\$104.2 million as at 31 March

2024 (2023: approximately HK\$132.5 million), which is around 16.8 times (2023: approximately 26.5 times) of the amounts due to brokers, the Board consider the Company's liquidity position is still healthy as at 31 March 2024.

Gearing Ratio

The gearing ratio (defined as total interest-bearing liabilities/total equity) was 3.9% (2023: 2.6%), 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 2024 was HK\$0.39 (2023: audited HK\$0.48). The consolidated net asset value per share is calculated based on the net assets of the Group as at 31 March 2024 of approximately HK\$158.9 million (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 (2023: 412,596,600 ordinary shares of the Company at par value of HK\$0.001 each) in issue as at that date.

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 2024, the Company does not have any significant acquisition and disposal of subsidiaries, associates or joint ventures.

Employees

During the year ended 31 March 2024, the Group had retained eleven employees (2023: eleven employees). Total staff costs of the Group, excluding directors' remuneration, for the year under review amounted to approximately HK\$0.7 million (2023: approximately HK\$4.2 million). Significant decrease in staff costs is because the last year's balance included share-based payment of approximately HK\$3.5 million. No share option was granted during the Year and no share-based payment was recognized accordingly. 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 2024, the Group has pledged listed securities of approximately HK\$9.1 million (2023: approximately HK\$18.2 million) to secure the margin payables of approximately HK\$5.3 million (2023: approximately HK\$5.0 million). The Group did not have significant contingent liabilities as at 31 March 2024 and 2023.

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

As at 31 March 2024 and up to the date of this annual report approved, 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 2024, the Group had no outstanding foreign currency hedge contracts (2023: Nil).

PURCHASE, SALE AND REDEMPTION OF SHARES

For the year ended 31 March 2024, 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 C1 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") throughout the year ended 31 March 2024, with deviations from Provisions 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 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.

AUDIT COMMITTEE

The audit committee of the Company had reviewed the consolidated results of the Group for the year ended 31 March 2024, 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 2024 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 2023/24 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, 28 June 2024

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.