

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 FINANCIAL INTERNATIONAL INVESTMENTS LIMITED
中國金融國際投資有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
 (Stock Code: 721)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2022

The board (the “Board”) of directors (the “Directors”) of China Financial International Investments Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 30 June 2022 (the “Year”) together with the comparative figures for the previous year as follows:

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

For the year ended 30 June 2022

	<i>NOTES</i>	2022 HK\$’000	2021 HK\$’000
Revenue	3	2,234	1,503
Other income	5	13	7,557
Other gain and loss	8	(388)	–
Fair value loss on financial assets at fair value through profit or loss (“FVTPL”)		(200,459)	(57,961)
Reversal of impairment loss on other receivables		–	5,000
Administrative expenses		(15,647)	(20,709)
Share of loss of an associate		(203)	(204)
Finance costs	6	(745)	(1,699)
Loss before tax		(215,195)	(66,513)
Income tax expense	7	–	(132)
Loss for the year	8	(215,195)	(66,645)

	<i>NOTES</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
Other comprehensive (expenses) income			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value (loss) gain on equity instruments at fair value through other comprehensive income ("FVTOCI")		<u>(4,716)</u>	<u>1,602</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u>(6,831)</u>	<u>48,857</u>
Other comprehensive (expenses) income for the year		<u>(11,547)</u>	<u>50,459</u>
Total comprehensive expenses for the year		<u>(226,742)</u>	<u>(16,186)</u>
Loss for the year attributable to owners of the Company		<u>(215,195)</u>	<u>(66,645)</u>
Total comprehensive expenses for the year attributable to owners of the Company		<u>(226,742)</u>	<u>(16,186)</u>
LOSS PER SHARE	<i>10</i>		
Basic (<i>HK cents</i>)		<u>(1.961)</u>	<u>(0.607)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	<i>NOTE</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		–	62
Right-of-use assets		–	1,054
Interest in an associate		705	908
Financial assets at FVTPL		451,436	654,067
Equity instruments at FVTOCI		58,929	63,645
Deposits		–	7,812
		<u>511,070</u>	<u>727,548</u>
CURRENT ASSETS			
Prepayments, deposits and other receivables		9,785	44,019
Financial assets at FVTPL		45,803	56,770
Bank balances and cash		39,600	6,044
		<u>95,188</u>	<u>106,833</u>
CURRENT LIABILITIES			
Other payables and accruals		18,718	19,421
Amount due to an associate		138	135
Tax payable		4,200	4,200
Borrowings		9,997	9,997
Lease liabilities		416	681
		<u>33,469</u>	<u>34,434</u>
NET CURRENT ASSETS		<u>61,719</u>	<u>72,399</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>572,789</u>	<u>799,947</u>

	<i>NOTE</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
NON-CURRENT LIABILITY			
Lease liabilities		—	416
NET ASSETS		<u>572,789</u>	<u>799,531</u>
CAPITAL AND RESERVES			
Share capital		109,717	109,717
Reserves		<u>463,072</u>	<u>689,814</u>
TOTAL EQUITY		<u>572,789</u>	<u>799,531</u>
NET ASSET VALUE PER SHARE			
<i>(HK cents)</i>	<i>11</i>	<u>5.22</u>	<u>7.29</u>

1. GENERAL INFORMATION

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

The Group is principally engaged in investing in listed and unlisted companies established and/or doing businesses in Hong Kong and the People’s Republic of China (the “PRC”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to Hong Kong Accounting Standards (“HKAS”s), HKFRS, and an interpretation (hereinafter collectively referred to as “New and Revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time:

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 References to the Conceptual Framework in HKFRS Standards and the New and Revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior year and/or disclosures set out in the consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
Amendments to HKAS16	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 HKFRS Standards 2018-2020 ²

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

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

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

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend income from:		
Financial assets at FVTPL	2,234	187
Financial assets at FVTOCI	<u> –</u>	<u> 1,316</u>
	<u> 2,234</u>	<u> 1,503</u>

4. OPERATING SEGMENTS

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on the type and underlying business of the Group's investments.

Specifically, the Group's reportable segments under HKFRS 8 "Operating Segments" are as follows:

1. Micro-loan service – equity investments in investees engaged in micro-loan services
2. Real estate and natural gas – equity investments in investees engaged in real estate and natural gas business
3. Clean energy – equity investment in investees engaged in clean energy industry
4. Others – equity investments in investees engaged in guarantee service, investment, property development, warehouse operation and management consultation service and other businesses

Segment revenue and results

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

For the year ended 30 June 2022

	Micro-loan service <i>HK\$'000</i>	Real estate and natural gas <i>HK\$'000</i>	Clean energy <i>HK\$000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>181</u>	<u>-</u>	<u>2,053</u>	<u>-</u>	<u>2,234</u>
Segment loss	<u>(4,202)</u>	<u>(14,827)</u>	<u>(171,785)</u>	<u>(7,411)</u>	<u>(198,225)</u>
Share of loss of an associate					(203)
Other income					13
Finance costs					(745)
Central administrative expenses					<u>(16,035)</u>
Loss before tax					<u>(215,195)</u>

For the year ended 30 June 2021

	Micro-loan service <i>HK\$'000</i>	Real estate and natural gas <i>HK\$'000</i>	Clean energy <i>HK\$000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>-</u>	<u>187</u>	<u>-</u>	<u>1,316</u>	<u>1,503</u>
Segment loss	<u>(11,400)</u>	<u>(8,274)</u>	<u>(35,830)</u>	<u>(954)</u>	<u>(56,458)</u>
Share of loss of an associate					(204)
Other income					7,557
Reversal of impairment loss on other receivables					5,000
Finance costs					(1,699)
Loss on disposal of a subsidiary					(255)
Central administrative expenses					<u>(20,454)</u>
Loss before tax					<u>(66,513)</u>

Segment loss represents the loss from each segment without allocation of share of loss of an associate, other income, reversal of impairment loss on other receivables, finance costs, loss on disposal of a subsidiary and central administrative expenses.

Other segment information

For the year ended 30 June 2022

	Micro-loan service <i>HK\$'000</i>	Real estate and natural gas <i>HK\$'000</i>	Clean energy <i>HK\$000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Fair value loss on financial assets at FVTPL	<u>(4,383)</u>	<u>(14,827)</u>	<u>(173,838)</u>	<u>(7,411)</u>	<u>(200,459)</u>

For the year ended 30 June 2021

	Micro-loan service <i>HK\$'000</i>	Real estate and natural gas <i>HK\$'000</i>	Clean energy <i>HK\$000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Fair value loss on financial assets at FVTPL	<u>(11,400)</u>	<u>(8,461)</u>	<u>(35,830)</u>	<u>(2,270)</u>	<u>(57,961)</u>

Segment assets and liabilities

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Micro-loan service	7,466	11,848
Real estate and natural gas	62,827	86,562
Clean energy	381,995	561,108
Others	103,880	114,964
Total segment assets	556,168	774,482
Unallocated assets	50,090	59,899
Consolidated assets	<u>606,258</u>	<u>834,381</u>

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

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

5. OTHER INCOME

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income	13	300
Reversal of provision for financial guarantee contracts	–	6,382
Exchange gain	–	27
Government grant (<i>note</i>)	–	320
Sundry income	–	528
	<u>13</u>	<u>7,557</u>

Note: During the year ended 30 June 2021, the Group recognised government grant of HK\$320,000 in respect of COVID-19-related subsidies, relating to Employment Support Scheme provided by the Hong Kong government. In the opinion of the directors of the Company, the Group has fulfilled all conditions attached to the grant.

6. FINANCE COSTS

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on borrowings	700	1,564
Interest on lease liabilities	45	135
	<u>745</u>	<u>1,699</u>

7. INCOME TAX EXPENSE

	2022	2021
	HK\$'000	HK\$'000
Withholding tax (<i>note</i>)	–	132

Note: Withholding tax represents withholding tax of 10% on dividend income from the PRC.

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

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

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

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

8. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	2022	2021
	HK\$'000	HK\$'000
Directors' emoluments	5,558	6,544
Other staff:		
Salaries and other benefits	4,747	5,319
Contributions to retirement benefits scheme	53	75
Total employee benefits expense	10,358	11,938
Auditor's remuneration		
– audit services	1,100	1,047
– non-audit services	200	190
Custodian fee	156	168
Depreciation of property, plant and equipment	62	27
Depreciation of right-of-use assets	666	1,912
Loss on disposal of a subsidiary	–	255
Investment management fees	356	350
Impairment loss of right-of-use assets (included in other gain and loss)	388	–
Reversal of provision for financial guarantee contracts	–	(6,382)

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30 June 2022, nor has any dividend been proposed since the end of the reporting period (2021: nil).

10. LOSS PER SHARE

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	<u><u>(215,195)</u></u>	<u><u>(66,645)</u></u>

Number of shares

	2022 <i>'000</i>	2021 <i>'000</i>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><u>10,971,634</u></u>	<u><u>10,971,634</u></u>

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

11. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share is based on the net assets of HK\$572,789,000 (2021: HK\$799,531,000) and 10,971,634,000 (2021: 10,971,634,000) issued and fully paid ordinary shares as at 30 June 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group was principally engaged in the investments in listed and unlisted companies established and/or doing businesses in Hong Kong and the PRC.

During the Year, a net loss for the year amounted to HK\$215,195,000 as compared to a loss of HK\$66,645,000 for the year ended 30 June 2021. During the Year, dividend income of HK\$2,234,000 from the unlisted investments was recorded. The loss was mainly attributable to the following reasons:

- (i) fair value loss of approximately HK\$189,492,000 on unlisted investments at FVTPL; and
- (ii) fair value loss of approximately HK\$10,967,000 on listed investments at FVTPL.

During the Year, dividend income from investments increased by 48.64% to HK\$2,234,000 as compared to HK\$1,503,000 in last year. The other income which comprised bank interest income amounted to HK\$13,000, representing a decrease of 99.83% as compared to HK\$7,557,000 in last year. Administrative expenses decreased by 24.44% from HK\$20,709,000 in last year to HK\$15,647,000 this year mainly due to the decrease of the staff costs and professional fees.

LISTED INVESTMENT REVIEW

During the Year, the Group recorded the total loss of HK\$19,875,000 on listed securities business as compared to a loss of HK\$4,169,000 last year. No dividend income from listed investments was recorded for the Year (2021: HK\$187,000).

As at 30 June 2022, the market value of the listed securities amounted to HK\$69,383,000 (2021: HK\$89,258,000), all the listed investments were listed on the Stock Exchange.

Listed securities portfolio

Name of listed securities	Nature of business	Number of shares held	Group's effective interest	Market value at 30 June 2022 <i>HK\$'000</i>	Dividend received/receivable during the Year <i>HK\$'000</i>	% to the Group's net assets as at 30 June 2022	Investment cost <i>HK\$'000</i>	Disposal consideration <i>HK\$'000</i>	Realized gain/(loss) <i>HK\$'000</i>
Hidili Industry International Development Limited	Coal mining and manufacture and sale of clean coal	12,369,000	0.60%	6,556	-	1.14%	-	-	-
China City Infrastructure Group Limited	Infrastructure businesses, property investment, property development, hotel business, property management and natural gas in the PRC	698,079,429	22.32%	62,827	-	10.97%	-	-	-
				69,383	-				-

UNLISTED INVESTMENT REVIEW

For the year ended 30 June 2022, the total loss on the Group's unlisted investment portfolio recorded as HK\$193,684,000 (2021: HK\$52,190,000). The loss was mainly attributable to the decrease in fair value of clean energy companies. During the Year, dividend income of HK\$2,234,000 from unlisted investments, Henan Zhongxin Bioenergy Co., Ltd and Tianjin Binlian Microfinance Limited, was recorded (2021: HK\$1,316,000).

As at 30 June 2022, the fair value of the Group's unlisted investments amounted to HK\$486,785,000 as compared to HK\$685,224,000 in last year, representing a 28.96% decrease.

UNLISTED EQUITY INVESTMENTS

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

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

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

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

Unlisted equity investment portfolio

Name of company	Notes	Location	Group's effective interest	Business nature	Cost HK\$'000	Fair value at 30 June 2022 HK\$'000	% to the Group's net assets as at 30 June 2022
Micro-loan services							
1		Tianjin	30%	Provision of small loan and financial consultation services	36,606	981	0.17%
2		Tianjin	10%	Provision of small loan and financial consultation services	12,189	3,213	0.56%
3	(1)	Harbin, Heilongjiang Province	30%	Provision of small loan and financial consultation services	36,693	–	–
4		Tianjin	3.3%	Provision of small loan and financial consultation services	12,271	658	0.11%
5		Ziyang, Sichuan Province	30%	Provision of small loan and financial consultation services	73,730	–	–
6		Nanjing, Jiangsu Province	30%	Provision of small loan and financial consultation service	36,673	2,614	0.46%
				Sub-total:	208,162	7,466	
Guarantee service							
7	(2)	Nanchang, Jiangxi Province	2.06%	Provision of financing guarantees to small and medium enterprises	43,150	35,349	6.17%
Investment and management consultation service							
8		Shenzhen, Guangdong Province	30%	Provision of consultation services on project investments	18,350	–	–
9		Xi'an, Shaanxi Province	30%	Provision of financial management services	18,724	2,241	0.39%
				Sub-total:	37,074	2,241	

Name of company	Notes	Location	Group's effective interest	Business nature	Cost HK\$'000	Fair value at 30 June 2022 HK\$'000	% to the Group's net assets as at 30 June 2022
Clean energy							
10		Henan Province	30%	Production and sales of denatured fuel ethanol, sales of acetone, butanol, polyols, production and sales of biodegradable plastics and biodiesel, sales of chemical products, wheat bran flour, feed sales, acetic acid and acetaldehyde production	230,763	132,963	23.21%
11		Hunan Province	30%	New energy technologies development, transfer and consultation, research and development, manufacturing and sales of chemical products, chemical reagents and auxiliaries (excluding hazardous chemicals and precursor chemicals)	51,200	27,934	4.88%
12		Henan Province	30%	Engage in biotechnology and Ethanol bio-chemical product development and production of ethanol chemical products	150,065	33,910	5.92%
13		Hainan Province	30%	Biotechnology energy technology development transfer and consultation, research and development, manufacturing and sales of biotechnology energy and chemical equipment	117,450	86,224	15.05%
14		Guangdong Province	5%	Ethanol products transportation, development, trading and consultation service	5,952	6,872	1.20%
15		Henan Province	30%	Engage in petrol station operation	52,084	52,873	9.23%
16		Henan Province	30%	Engage in biotechnology and ethanol bio-chemical product development and production of ethanol chemical products	52,084	41,219	7.20%
				Sub-total:	659,598	381,995	
Others							
17		Jilin Province	30%	Corn distribution, grain purchase, storage (excluding hazardous chemicals); sales of building materials, mechanical and electrical products, communication equipment, chemical products (excluding hazardous chemicals), aluminum alloy strip, foil production and product processing.	65,400	59,734	10.43%
				Total:	1,013,384	486,785	

Notes:

- (1) On 22 December 2016, the Company entered into a disposal agreement to dispose of all of its equity interest in Harbin Zhongjinguoxin to an independent third party for a cash consideration of Renminbi (“RMB”)25,000,000. A deposit of HK\$2,500,000 has been received which was included in receipt in advance in “other payables and accruals” as at 30 June 2021 and 2022. As at the date of this announcement, in the opinion of the Directors of the Company, this disposal transaction has yet been completed after 12 months from the date of the disposal agreement but the transaction still be considered as valid.
- (2) On 13 April 2011, the Group acquired a 30% equity interest of Jiangxi Huazhang, a joint venture establish in the PRC. The Group’s equity interest in Jiangxi Huazhang became 7.2% on 15 July 2013 and reduce to 2.98% on 19 August 2016, as Jiangxi Huazhang was enlarged by the new registered capital subscribed by its other shareholders on these dates.
- (3) On 11 May 2018, the Company entered into the joint venture agreement with the joint venture partners in relation to the formation of the Henan Tianguan in Henan province, the PRC. Pursuant to the joint venture agreement, the Company owned 30% of the registered capital of the Henan Tianguan. On 31 July 2018, Henan Tianguan increased the registered capital from RMB300,000,000 to RMB660,000,000 hence Keyi (Shanghai) Investment Limited (“Keyi”) and Joy State Holdings Limited, wholly-owned subsidiaries of the Company, further injected RMB30,000,000 and RMB78,000,000 respectively.
- (4) In January 2019, Keyi entered into an agreement with South China New Energy to inject capital contribution of RMB45,000,000 into South China New Energy for acquiring 30% of South China New Energy’s equity interest. On 23 January 2019, the legal title of 30% equity interest in South China New Energy has been successfully transferred to Keyi.
- (5) On 17 October 2019, the Group entered Into an agreement with Hollys (China) Limited (“Hollys”) to get the repayment of outstanding principal and interests of the bond issued by Hollys in return the 30% equity interest of Mengzhou Houyuan.
- (6) In August 2019, Keyi entered into an agreement with three partners in relation to the formation of Keyi Huirui. The registered capital of Keyi Huirui is RMB350,000,000. Keyi injected RMB105,000,000 for acquiring 30% of Keyi Huirui’s equity interest. On 5 September 2019, Kei Huirui was officially set up.
- (7) In October 2019, the Group invested in a 5% equity interest of Tianguan Nw Energy, a joint venture established in the PRC.
- (8) On 16 March 2020, the Company executed a cooperation agreement with the People’s Government of Nanyang of the PRC, Sinopec Marketing Company Limited and South South Asia Pacific Bioenergy Limited, in relation to the formation of two joint venture companies, Zhongxin Petrochemical and Zhongxin Bioenergy. The Company acquired 30% equity interest in both companies.
- (9) On 18 June 2020, Keyi entered into the capital increase agreement with Jusheng Light Alloy to inject capital contribution of RMB60,000,000 into Jusheng Light Alloy for acquiring 30% of Jusheng Light Alloy’s equity interest.

PROSPECT

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

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

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As at 30 June 2022, the Group had cash and cash equivalents of HK\$39,600,000 (2021: HK\$6,044,000). Majority of the cash and bank balances denominated in Hong Kong dollars, United States dollars and Renminbi are placed with banks in Hong Kong and the PRC. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2022 was approximately 2.84 times (2021: 3.10 times), gearing ratio (total liabilities to total assets) of the Group as at 30 June 2022 was approximately 5.52% (2021: 4.18%).

The Group did not have any bank borrowing as at 30 June 2022 (2021: nil).

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (2021: nil).

CAPITAL STRUCTURE

As at 30 June 2022, the Group's shareholders' equity and total number of shares in issue for the Company stood at HK\$572,789,000 (2021: HK\$799,531,000) and approximately 10,971,634,000 (2021: 10,971,634,000), respectively.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2022, the Group had 11 (2021: 10) employees (including Directors). The total staff costs (including Directors' remuneration) of the Group for the Year was HK\$10,358,000 (2021: HK\$11,938,000). The remuneration package of the employees is determined by various factors including the employees' experience and performance, the market condition, industry practice and applicable employment law.

PURCHASES, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

AUDIT COMMITTEE

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

CORPORATE GOVERNANCE

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

During the Year, the Company has applied the principles and complied with the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules, save for the disclosure below:

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

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiry by the Company, all Directors have confirmed that they have fully complied with the Model Code throughout the Year.

During the period of 60 days immediately preceding and including the date of this announcement, certain shares of the Company held by Mr. Du Lindong (“Mr. Du”, the executive director, Chairman and Chief Executive Officer) and Rightfirst Holdings Limited (“Rightfirst”), a company wholly-owned by Mr. Du, were sold on the market as a result of forced sale by the stockbroker of Mr. Du and Rightfirst due to the failure in meeting the issued margin call, and the percentage interest of Mr. Du and Rightfirst in the Company has been reduced to approximately 1.64% and 4.53% respectively of the total issued share capital of the Company as of the date of this announcement. The Directors (except Mr. Du) satisfied that the disposals by Mr. Du since 2 September 2022 are forced sales occurred under exceptional circumstances within the meaning of paragraph C.14 of Appendix 10 to the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Friday, 2 December 2022. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 29 November 2022 to Friday, 2 December 2022 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the above annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 28 November 2022.

REVIEW OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the Year including the accounting principles and practices adopted by the Group have been reviewed by the Audit Committee of the Company and audited by the auditor of the Group, Moore Stephens CPA Limited.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES

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

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

Hong Kong, 30 September 2022

As at the date of this announcement, the executive Director is Mr. Du Lin Dong, the non-executive Directors are Mr. Zhang Huayu and Ms. Chen Xi and the independent non-executive Directors are Mr. Zhang Jing, Mr. Wong Lok Man and Mr. Zeng Xianggao.