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 2023 AND CONTINUED SUSPENSION OF TRADING

The board (the "Board") of directors (the "Director") of China Financial International Investments Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 June 2023 (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 2023

	NOTES	**2023** **HK$'000**	2022 *HK$'000*
Revenue	*3*	**76**	2,234
Other income	*5*	**12**	13
Other gains and losses		**(12,012)**	(388)
Fair value loss on financial assets at fair value through profit or loss ("FVTPL")		**(360,260)**	(200,459)
Administrative expenses		**(13,974)**	(15,647)
Share of loss of an associate		**(256)**	(203)
Finance costs	*6*	**(757)**	(745)
Loss before tax		**(387,171)**	(215,195)
Income tax expense	*7*	**–**	–
Loss for the year	*8*	**(387,171)**	(215,195)

	NOTE	**2023**	2022
	NOTE	***HK$'000***	*HK$'000*
Other comprehensive expense			
Items that will not be reclassified to profit or loss:			
Fair value loss on equity instruments at fair value through other comprehensive income ("FVTOCI")		**(39,568)**	(4,716)
Exchange differences on translation from functional currency to presentation currency		**(16,601)**	(6,831)
Other comprehensive expense for the year		**(56,169)**	(11,547)
Total comprehensive expense for the year		**(443,340)**	(226,742)
Loss for the year attributable to owners of the Company		**(387,171)**	(215,195)
Total comprehensive expense for the year attributable to owners of the Company		**(443,340)**	(226,742)
LOSS PER SHARE	*10*		
Basic *(HK cents)*		**(3.529)**	(1.961)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	2023	2022
	HK$'000	*HK$'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**–**	–
Right-of-use asset	**–**	–
Interest in an associate	**449**	705
Financial assets at FVTPL	**83,448**	451,436
Equity instruments at FVTOCI	**19,361**	58,929
Deposit	**268**	–
	103,526	511,070
CURRENT ASSETS		
Prepayments, deposits and other receivables	**39,904**	9,785
Financial assets at FVTPL	**15,221**	45,803
Cash and cash equivalents	**606**	39,600
	55,731	95,188
CURRENT LIABILITIES		
Other payables and accruals	**13,792**	18,718
Amount due to an associate	**285**	138
Tax payable	**4,200**	4,200
Borrowing	**9,997**	9,997
Lease liability	**561**	416
	28,835	33,469
NET CURRENT ASSETS	**26,896**	61,719
TOTAL ASSETS LESS CURRENT LIABILITIES	**130,422**	572,789

	NOTE	2023 HK$'000	2022 HK$'000
NON-CURRENT LIABILITY			
Lease liability		**973**	–
NET ASSETS		**129,449**	572,789
CAPITAL AND RESERVES			
Share capital		**109,717**	109,717
Reserves		**19,732**	463,072
TOTAL EQUITY		**129,449**	572,789
NET ASSET VALUE PER SHARE *(HK cents)*	*11*	**1.18**	5.22

1. GENERAL INFORMATION

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

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

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

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

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 period beginning on 1 July 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

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.

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 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[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	Non-current Liabilities with Covenants[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[3]
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 HKAS 12	International Tax Reform – Pillar Two Model Rules[4]
Amendments to HKAS 21	Lack of Exchangeability[5]

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

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

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

4 Effective for annual periods beginning on or after 1 January 2023 (except for HKAS 12 paragraphs 4A and 88A which are immediately effective upon issue of the amendments).

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

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

	2023	2022
	HK$'000	*HK$'000*
Dividend income from:		
Financial assets at FVTPL	**76**	2,234

4. OPERATING SEGMENTS

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

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

1. Micro-loan service – equity investments in investees engaged in micro-loan services

2. Real estate and natural gas – equity investments in investees engaged in real estate and natural gas business

3. Clean energy – equity investment in investees engaged in clean energy industry

4. Others – equity investments in investees engaged in guarantee service, aluminium alloy strip, foil production and product processing and management consultation service and other businesses

Segment revenue and results

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

For the year ended 30 June 2023

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

For the year ended 30 June 2022

	Micro-loan service *HK$'000*	Real estate and natural gas *HK$'000*	Clean energy *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment revenue	181	–	2,053	–	2,234
Segment loss	(4,202)	(14,827)	(171,785)	(7,411)	(198,225)
Share of loss of an associate					(203)
Other income					13
Impairment loss of right-of-use asset					(388)
Finance costs					(745)
Central administrative expenses					(15,647)
Loss before tax					(215,195)

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

Other segment information

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

For the year ended 30 June 2023

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

For the year ended 30 June 2022

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

Segment assets and liabilities

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

	2023 *HK$'000*	2022 *HK$'000*
Micro-loan service	**–**	7,466
Real estate and natural gas	**23,037**	62,827
Clean energy	**100,993**	381,995
Others	**32,815**	103,880
Total segment assets	**156,845**	556,168
Unallocated assets	**2,412**	50,090
Consolidated assets	**159,257**	606,258

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

- all assets are allocated to reportable segments other than property, plant and equipment, right-of-use asset, interest in an associate, certain prepayments, deposits and other receivables and cash and cash equivalents; and

- no liabilities are allocated to reportable segments.

5. OTHER INCOME

	2023	2022
	HK$'000	*HK$'000*
Bank interest income	**12**	13

6. FINANCE COSTS

	2023	2022
	HK$'000	*HK$'000*
Interest on borrowings	**700**	700
Interest on lease liability	**57**	45
	757	745

7. INCOME TAX EXPENSE

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

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

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

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

8. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2023	2022
	HK$'000	*HK$'000*
Directors' emoluments	**4,211**	5,558
Other staff:		
Salaries and other benefits	**4,272**	4,747
Contributions to retirement benefits scheme	**156**	53
Total employee benefits expense	**8,639**	10,358
Auditor's remuneration		
– audit services	**1,250**	1,100
– non-audit services	**220**	200
Custodian fee	**158**	156
Depreciation of property, plant and equipment	**–**	62
Depreciation of right-of-use asset	**244**	666
Investment management fees	**148**	356
Impairment loss of other receivable (included in other gains and losses)	**10,500**	–
Impairment loss of right-of-use asset (included in other gains and losses)	**1,512**	388

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30 June 2023, nor has any dividend been proposed since the end of the reporting period (2022: 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:

	2023	2022
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(387,171)**	(215,195)

Number of shares

	2023	2022
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**10,971,634**	10,971,634

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$129,449,000 (2022: HK$572,789,000) and 10,971,634,000 (2022: 10,971,634,000) issued and fully paid ordinary shares as at 30 June 2023.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

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

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of China Financial International Investments Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages [•] to [•], which comprise the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

(i) Material Uncertainty Related to Going Concern Basis

As detailed in note 3 to the consolidated financial statements, for the year ended 30 June 2023, the Group sustained a loss for the year of approximately HK$387,171,000 and its net current assets and net assets decreased to approximately HK$26,896,000 and HK$129,449,000, respectively as at 30 June 2023. Additionally, the Group's cash and cash equivalents decreased to approximately HK$606,000, while its current liabilities of HK$28,835,000 are repayable within the next twelve months from the end of the reporting period.

The above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures as set out in note 3 to the consolidated financial statements, which are subject to uncertainties.

As of the date of our report, we were unable to obtain sufficient appropriate evidence from management for their underlying assumptions on going concern as set out in note 3 to the consolidated financial statements, including (i) successful realisation of the financial assets at fair value through profit of loss ("FVTPL") of approximately HK$98,669,000 and equity instruments at fair value through other comprehensive income ("FVTOCI") of approximately HK$19,361,000 held by the Group; (ii) successful and sufficient obtaining financial support by the Group from the substantial shareholder of the Company to meet the Group's immediate financial obligations when they fall due; (iii) successful implementing cost-saving measures to improve operating cash flows of the Group; and (iv) successful obtaining of additional new sources of financing as and when needed. Hence we were unable to assess the appropriateness or reasonableness of the use of the going concern assumption in the preparation of the consolidated financial statements.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in note 3 to the consolidated financial statements, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets, including but not limited to financial assets at FVTPL with carrying amount of HK$98,669,000, equity instruments at FVTOCI of HK$19,361,000 and prepayments, deposits and other receivables of HK$40,172,000, to their respective net realisable amounts, and to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

(ii) Prepayments for investments and consideration receivable for disposal of an investment

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

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

Given the circumstances described above and the significance of the prepayments to the consolidated financial statements, we sought an explanation from the management of the Group regarding the reasons for making these prepayments, even to the extent of causing a strain on the Group's working capital. We also inquired about the reasons for the Group made such prepayments to the investees, especially given that the related investees had not provided capital returns to the Group and the fair value measurement of these investees recorded a significant decrease during the year ended 30 June 2023. Besides, for the receivable of disposal of the unlisted investment, we inquired with the management of the Group regarding the reasons for the Group to provide a relatively long one-year credit term to the purchaser upon disposing of the related investment, given that the extent of the due diligence carried out by the Group might not be adequate to enable the Group to assess the repayment capability of the counterparty in settling the outstanding Consideration Receivable.

However, we were unable to obtain sufficient appropriate audit evidence regarding the nature and reasons for making the Prepayments or granting the one-year credit period to the counterparty of the Consideration Receivable during the year ended 30 June 2023. Moreover, as the directors of the Company consider the Prepayments and the Consideration Receivable could be recoverable, and therefore no impairment in respect of either of these amounts has been made in the financial statements. However, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves about those management judgment, assumptions and estimation adopted in such impairment assessment, and hence the carrying amounts of the Prepayments and the Consideration Receivable as at 30 June 2023 were free from material misstatements. There was no other practical alternative audit procedure that we could perform.

Due to the limitation on our scope of work, we were unable to evaluate whether the Prepayments and Consideration Receivable were appropriately stated on the consolidated financial statements or any impairment has to be recognised in the consolidated financial statements.

Any adjustments that might have been found necessary from any of the above matters may have a significant effect on the Group's financial position as at 30 June 2023 and of its financial performance and cash flows for the year ended 30 June 2023, and the related disclosures in the respective consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

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

During the Year, a net loss for the year amounted to HK$387,171,000 as compared to a loss of HK$215,195,000 for the year ended 30 June 2022. During the Year, dividend income of HK$76,000 from the unlisted investments recorded. The loss was mainly attributable to the following reasons:

(i) fair value loss of approximately HK$333,601,000 on unlisted investments at FVTPL; and

(ii) fair value loss of approximately HK$26,659,000 on listed investments at FVTPL.

During the Year, dividend income from investments decrease by 96.60% to HK$76,000 as compared to HK$2,234,000 in last year. The other income which comprised bank interest income amounted to HK$12,000, representing a decrease of 7.69% as compared to HK$13,000 in last year. Administrative and other expenses decreased by 10.69% from HK$15,647,000 in last year to HK$13,974,000 this year mainly due to the decrease of staff costs and directors' remunerations.

LISTED INVESTMENT REVIEW

During the Year, the Group recorded the total loss of HK$41,593,000 on listed securities business as compared to a loss of HK$19,875,000 last year. No dividend income from listed investments was recorded for the Year (2022: Nil).

As at 30 June 2023, the market value of the listed securities amounted to HK$23,867,000 (2022: HK$69,383,000), 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 2023	Dividend received/ receivable during the Year	% to the Group's net assets as at 30 June 2023	Investment cost	Disposal consideration	Realized loss
				HK$'000	*HK$'000*		*HK$'000*	*HK$'000*	*HK$'000*
Hidili Industry International Development Limited	Coal mining and manufacture and sale of clean coal	2,555,000	0.06%	830	–	0.64%	31,359	3,923	27,436
China City Infrastructure Group Limited ("China City Infrastructure")	Infrastructure businesses, property investment, property development, hotel business, property management and natural gas in the PRC	698,079,429	22.32%	23,037	–	17.80%	–	–	–
				23,867	–				27,436

UNLISTED INVESTMENT REVIEW

For the year ended 30 June 2023, the total loss on the Group's unlisted investment portfolio recorded as HK$358,235,000 (2022: HK$193,684,000). The loss was mainly attributable to the decrease in fair value of clean energy companies. During the Year, dividend income of HK$76,000 from a unlisted investment, Henan Zhongxin Bioenergy Co., Ltd, was recorded (2022: HK$2,234,000).

As at 30 June 2023, the fair value of the Group's unlisted investments amounted to HK$94,163,000 as compared to HK$486,785,000 in last year, representing a 80% decrease.

UNLISTED EQUITY INVESTMENTS

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

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

Meanwhile, small loan industry in the PRC is still facing worries of the decreasing interest rate of private lending and the increase of operation risks, resulting in certain small loan companies 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$'000*	Fair value at 30 June 2023 *HK$'000*	% to the Group's net assets as at 30 June 2023
Micro-loan services								
1	Tianjin Rongshun Microfinance Limited		Tianjin	30%	Provision of small loan and financial consultation services	36,606	–	–
2	Harbin Zhongjinguoxin Microfinance Co., Ltd. ("Harbin Zhongjinguoxin")	*(1)*	Harbin, Heilongjiang Province	30%	Provision of small loan and financial consultation services	36,693	–	–
3	Tianjin Binlian Microfinance Limited		Tianjin	3.3%	Provision of small loan and financial consultation services	12,271	–	–
4	Ziyang Yanjiang CFI GuoSen Microfinance Co., Ltd.		Ziyang, Sichuan Province	30%	Provision of small loan and financial consultation services	73,730	–	–
5	Nanjing Jiangning MingYangRongTong Agricultural Microfinance Co., Ltd.		Nanjing, Jiangsu Province	30%	Provision of small loan and financial consultation service	36,673	–	–
					Sub-total:	195,973	–	
Guarantee service								
6	Jiangxi Huazhang Hanchen Guarantee Group Limited ("Jiangxi Huazhang")	*(2)*	Nanchang, Jiangxi Province	2.06%	Provision of financing guarantees to small and medium enterprises ("SMEs")	43,150	10,715	8.28%
Investment and management consultation service								
7	Shenzhen Zhongtoujinxin Asset Management Company Limited		Shenzhen, Guangdong Province	30%	Provision of consultation services on project investments	18,350	–	–
8	Xi'an Kairong Financial Service Limited		Xi'an, Shaanxi Province	30%	Provision of financial management services	18,724	–	–
					Sub-total:	37,074	–	

	Name of company	*Notes*	Location	Group's effective interest	Business nature	Cost *HK$'000*	Fair value at 30 June 2023 *HK$'000*	% to the Group's net assets as at 30 June 2023
Clean energy								
9	Henan Tianguan Energy and Biotechnology Company Limited ("Henan Tianguan")	*(3)*	Hunan 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	38,725	29.92%
10	Hunan South China New Energy Limited ("South China New Energy")	*(4)*	Hunan Province	30%	New energy technologies development, transfer and consultation, research and development, manufacturing and sales of chemical products, chemical reagents and auxiliaries (excluding hazardous chemicals and precursor chemicals)	51,200	–	–
11	Henan Keyi Huirui Energy and Biotechnology Company Limited ("Keyi Huirui")	*(5)*		30%	Biotechnology energy technology development transfer and consultation, research and development, manufacturing and sales of biotechnology energy and chemical equipment	117,450	–	–
12	Henan Zhongxin Petrochemical Oil Trading Limited	*(6)*		30%	Engage in petrol station operation	52,084	20,147	15.56%
13	Henan Zhongxin Biotechnology Limited	*(6)*		30%	Engage in biotechnology and Ethanol bio-chemical product development and production of ethanol chemical products	52,084	13,030	10.06%
					Sub-total:	503,581	71,902	
Others								
14	Jilin Jusheng Light Alloy Co., Ltd ("Jusheng Light Alloy")	*(7)*		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	11,546	8.92%
					Total:	845,178	94,163	

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 RMB25,000,000. A deposit of HK$2,500,000 has been received which was included in receipt in advance in "other payables and accruals" as at 30 June 2023 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 and further dropped to 2.06% on 23 September 2021, 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) Investments 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) 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, Keyi Huirui was officially set up.

(6) 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, Henan Zhongxin Petrochemical Oil Trading Limited and Henan Zhongxin Biotechnology Limited. The Company acquired 30% equity interest in both companies.

(7) On 18 June 2020, Keyi (Shanghai) 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 2023, the Group had cash and cash equivalents of HK$606,000 (2022: HK$39,600,000). 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 2023 was approximately 1.93 times (2022: 2.84 times), gearing ratio (total liabilities to total assets) of the Group as at 30 June 2023 was approximately 18.72% (2022: 5.52%).

The Group did not have any bank borrowing as at 30 June 2023 (2022: Nil).

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (2022: Nil).

CAPITAL STRUCTURE

As at 30 June 2023, the Group's shareholders' equity and total number of shares in issue for the Company stood at HK$129,449,000 (2022: HK$572,789,000) and approximately 10,971,634,000 (2022: 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 2023, the Group had 8 (2022: 11) employees (including Directors). The total staff costs (including Directors' remuneration) of the Group for the Year was HK$8,639,000 (2022: HK$10,358,000). 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.

ADDITIONAL INFORMATION REGARDING THE DISCLAIMER OF AUDIT OPINION

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

1. In respect of "Material uncertainties relating to going concern"

As explained in the section headed note 3 to the consolidated financial statements, notwithstanding that the Group's consolidated financial statements for the year ended 30 June 2023 have been prepared on a going concern basis, there are conditions together with other matters about the Group's ability to continue as a going concern. In view of such conditions, the Company has, during the course of audit, provided to the Company's auditor ("Auditor") with all available information and has given careful consideration to the Group's current liquidity, performance and available resources in considering the Group's ability to continue as a going concern. The Company has taken and will continue to implement the measures as further detailed in note 3 to rectify the matters in relation to the disclaimer of opinion. Based on the plans and measures, the Board is satisfied that it is appropriate to prepare the consolidate financial statements on a going concern basis.

Action plan to address the material uncertainties relating to going concern

It is the intention of the Company to rectify the conditions in relation to the Disclaimer of Audit Opinion, the Company had taken and continue to implement the measures as further detailed in note 3 and listed below:

(i) Expediting and reviewing its investments and actively considering to realise certain financial assets at FVTPL of approximately HK$98,669,000 and equity instruments at FVTOCI of HK$19,361,000, in order to enhance the cash flow position of the Group whenever it is necessary, in which the amount of HK$15,221,000 included in financial assets at FVTPL and HK$8,646,000 included in equity instruments at FVTOCI are listed equity securities in Hong Kong, were measured at the quoted market bid prices available on the relevant exchange at the end of the reporting period. The Board considered these listed equity securities are high liquidity and could be realized into cash to meet any financial obligations that fall due in the next twelve months from the date of issuance of this report. Also, the total market value of the listed equity securities are approximately HK$47,101,000 as at the announcement date.

(ii) Obtaining financial support by the Group from a shareholder and director of the Company to meet the Group's immediate financial obligations when they fall due, in which the Board considered such financial support from Mr. Du is an alternative financial support and provide more confidence to the stakeholders.

(iii) Implementation of active cost-saving measures, in which the Group continues to take active measures to control administrative costs through various channels, such as reduce the salary of the Executive Director, Mr. Du, from HK$3,000,000 annually to HK$700,000 annually effective from 1 January 2024 and etc, to improve operating cash flows and its financial position.

(iv) Obtaining new source of finance to improve working capital requirements.

Management of the Group renewed and extended with existing other the existing borrowings upon their maturities, in which the borrowing of HK$9,997,000 (with principal amount of HK$10,000,000) has been renewed on 1 July 2023 with maturity date on 30 June 2026. Besides, the Board will also negotiate and obtain new loan facilities with other sources of finance when necessary.

2. **In respect of "Prepayments for investments and consideration receivable for disposal of an investment"**

As detailed in note 20 to the consolidated financial statements, during the year ended 30 June 2023, the Group made certain prepayments totaling HK$29,092,000 (equivalent to RMB26,827,000) (the "Prepayments") intended as capital injection for two unlisted investments (i.e. financial assets at FVTPL) and these amounts included in the prepayments, deposits and other receivables in the consolidated statement of financial position as at 30 June 2023. In the opinion of the directors of the Company, such amounts will be recorded as investment costs for unlisted investment included in financial assets at FVTPL once all their existing investors paying up the additional capital. All the investors have the consensus that the official capital registration procedure for the capital injection of all existing investors shall be completed simultaneously in order to avoid any dilution effect to any existing investor or leading the Company holding more than 30% equity interests in any of the investees that is not allowed under the Listing Rules. Subsequently, there was no additional capital injection made from other investors into these entities up to the end of reporting period, and hence the Group are in the process of retrieving these amounts from the two investees. However, such amounts have yet been received by the Group as of the date of these consolidated financial statements are authorised for issue.

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

Since the Board considered that (i) the nature and reasons of making the Prepayment and Consideration Receivable reflected the intended purpose of making such prepayments to the investees by the Group and granting a longer credit period for getting the exit opportunity of that investment; (ii) they have been in the process of negotiating with the counterparties for recovering the Prepayments and Consideration Receivable, and the counterparties agreed to repay the amounts to the Group before 31 March 2024 and it is before the next financial year ending 30 June 2024, and hence the Board considered the Prepayments and the Consideration Receivable could be recoverable, and therefore no impairment in respect of either of these amounts has been made in the financial statements or other material misstatement shall be reflected on the consolidated financial statements for the year ended 30 June 2023.

As such, the Board expects that this disclaimer related to the Prepayments and Consideration Receivable for disposal of an investment as of 30 June 2023 would not have significant carried forward impact to and will be removed in the independent auditor's report for the financial year ending 30 June 2024, except for the effect on the comparative figures for the year ended 30 June 2023.

In view of the foregoing, and assuming all of the Company's plans or actions can be completed as planned, including the obtaining of new financing, and no new circumstances and conditions have occurred, subject to satisfactory completion of review of the Management's assessment of the Group's going concern and the Auditors being satisfied with the documents, information and evidence to be provided by the Company going forward, the Directors are of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from the date of these consolidated financial statements being authorised for issue, and the Prepayment and Consideration Receivable are expected to be recoverable, and hence the Company is hopeful that that the Disclaimer may be removed in connection with the audit of the consolidated financial statements of the Group for the year ending 30 June 2024.

Audit committee's view on the Disclaimer and the responses from the management

The Audit Committee had critically reviewed the major basis of the disclaimer of opinion on the Group's audited consolidated financial statements for the year ended 30 June 2023 and also the management's position, action plans and above responses of the Group to address the disclaimer of opinion.

The Audit Committee is in agreement with the management's position for the responses set out as above with respect to the issues set out in the disclaimer of opinion and the Group's ability to continue as a going concern, in particular the actions and measures taken and to be implemented by the management and the Group. The Board has obtained an understanding with the Auditor that the Company considers itself to have addressed the issues giving rise to the disclaimer of opinion in the consolidated financial statement for the year ended 30 June 2023 and in the light of the measures and expectation and barring unforeseen circumstances, a disclaimer of opinion in respect of the same issues may no longer be required to be included in the consolidated financial statements for the year ending 30 June 2024 when all the measures and expectation being fully implemented, except for the qualification on the effect on the comparative figures for the year ended 30 June 2023.

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.

ANNUAL GENERAL MEETING

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

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2023 as set out in this preliminary results announcement have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance conclusion has been expressed by Moore CPA Limited on this preliminary results announcement.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES

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

CONTINUED SUSPENSION OF TRADING

Under Rule 13.50A of the Listing Rules, the Exchange will normally require suspension of trading in an issuer's securities if it publishes a preliminary results announcement for a financial year as required under Rules 13.49(1) and (2) of the Listing Rules and the auditor has issued, or has indicated that it will issue, a disclaimer of opinion or an adverse opinion on the issuer's financial statements (unless relating to the going concern issue only). In light of the disclaimer of opinion and the basis for the disclaimer of opinion, the details of which are set out on pages 13 to 16 of this results announcement, the suspension of trading in the Shares will remain in force.

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 3 October 2023 and will remain suspended until further notice.

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

Hong Kong, 29 December 2023

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