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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)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RESPECT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018**

Reference is made to the annual report of China Investment and Finance Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2018 (the “**Year**”) published by the Company on 17 July 2018 (the “**2017/18 Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2017/18 Annual Report.

Further to the information disclosed in the 2017/18 Annual Report, the Company wishes to provide to the Shareholders and the potential investors with the following supplementary information:

In the consolidated statement of profit or loss of the Group for the Year, net realised loss on disposal of financial assets held for trading of approximately HK\$182,729,000, net unrealised loss on financial assets held for trading of approximately HK\$923,480,000 and impairment of available-for-sale investments of approximately HK\$10,050,000 were recorded for the Year. Set out below are further information of these net realised, unrealised and impairment losses:

## NET REALISED LOSS ON DISPOSAL OF FINANCIAL ASSETS HELD FOR TRADING

The net realised loss on disposal of financial assets held for trading of approximately HK\$182,729,000 represented the realised gain of approximately HK\$72,327,000 net of realised loss of approximately HK\$255,056,000.

The realised gain principally represented:

<b>Company name</b>	<b>Stock code</b>	<b>Investment costs</b> <i>HK\$'000</i>	<b>Disposal consideration</b> <i>HK\$'000</i>	<b>Realised gain</b> <i>HK\$'000</i>
Tai Kam Holdings Limited	8321	18,124	56,795	38,671
Sing On Holdings Limited *	8352	8,435	25,339	16,904

The realised loss principally represented:

<b>Company name</b>	<b>Stock code</b>	<b>Investment costs</b> <i>HK\$'000</i>	<b>Disposal consideration</b> <i>HK\$'000</i>	<b>Realised loss</b> <i>HK\$'000</i>
Luen Wong Group Holdings Limited	8217	100,052	5,071	94,981
China Jicheng Holdings Limited	1027	36,896	2,230	34,666
Greaterchina Professional Services Limited (now known as Asia-Pac Financial Investment Company Limited)	8193	28,534	4,010	24,524
China Green (Holdings) Limited	904	30,204	6,241	23,963
Major Holdings Limited	1389	22,215	2,647	19,568

## NET UNREALISED LOSS OF FINANCIAL ASSETS HELD FOR TRADING

The net unrealised loss of approximately HK\$923,480,000 represents the unrealised gain of approximately HK\$49,750,000 net of unrealised loss of approximately HK\$973,230,000.

The unrealised gain principally represented:

<b>Company name</b>	<b>Stock code</b>	<b>Unrealised gain HK\$'000</b>
China Green (Holdings) Limited	904	21,850

The unrealised loss principally represented:

<b>Company name</b>	<b>Stock code</b>	<b>Unrealised loss HK\$'000</b>
Tai Kam Holdings Limited	8321	384,028
Sing On Holdings Limited*	8352	245,691
KPM Holding Limited	8027	101,329
WLS Holdings Limited	8021	78,160
AMCO United Holding Limited	630	25,079

\* *Sing On Holdings Limited subsequently transferred its listing from GEM to main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 12 June 2018, and its stock code changed from 8352 to 1751 accordingly. Its name has changed to Kingland Group Holdings Limited in August 2018.*

\*\* *The shares of all the companies mentioned under Net Realised Loss on Disposal of Financial Assets Held for Trading and Net Unrealised Loss on Financial Assets Held for Trading were listed on either main board or GEM of the Stock Exchange during the Year.*

\*\*\* *In addition to China Jicheng Holdings Limited and WLS Holdings Limited, the other investments mentioned under Net Realised Loss on Disposal of Financial Assets Held for Trading and Net Unrealised Loss on Financial Assets Held for Trading are not major investments held by the Group as detailed in note 20 to the consolidated financial statements for the Year.*

## **IMPAIRMENT OF AVAILABLE-FOR-SALE INVESTMENTS**

The impairment loss of approximately HK\$10,050,000 was made on the Group’s investment in Peak Zone Group Limited, which was one of the Group’s major investments as detailed in note 20 to the consolidated financial statements for the Year.

## **MAJOR INVESTMENTS**

With respect to the Group's major investments as stated in note 20 to the consolidated financial statements for the Year, set out below are certain additional information of those investments:

### **Peak Zone Group Limited (“Peak Zone”)**

Peak Zone is an unlisted company and its group principally engages in the electronic commerce industry specializing on the provision of integrated application, which can be deployed by its customers on a modular or selective basis, offering flexibility in budget and choice. For the twelve months ended 31 December 2017, the unaudited consolidated net profit attributable to equity holders of Peak Zone was approximately HK\$2.4 million. At the current stage, Peak Zone mainly focused on the development of and upgrading their products to increase their competitiveness. The Company will closely monitor the business growth of Peak Zone.

### **China e-Wallet Payment Group Limited (“China e-Wallet”, stock code: 802)**

China e-Wallet is principally engaged in provision of biometric and RFID products and solution services. The audited consolidated loss attributable to shareholders of China e-Wallet for the year ended 31 December 2017 was approximately HK\$393 million. China e-Wallet is an international developer and solutions provider in the biometric, RFID and security industries and delivers high-performing, convenient security systems for enterprises and consumers. China e-Wallet continues to realign its business strategies and increased its efforts to innovate its core products and services to better face the increasing needs of its market. The management of the Company will closely monitor the business development of China e-Wallet.

### **Power Financial Group Limited (“Power Financial”, stock code: 397)**

Power Financial (formerly known as Jun Yang Financial Holdings Limited) is principally engaged in business of financial services, asset management and investment and money lending. For the financial year ended 31 December 2017, the audited consolidated loss attributable to shareholders of Power Financial was approximately HK\$912 million. The mission of Power Financial is to become a value-added financial services provider in Hong Kong with a comprehensive range of high standard service offerings. In this regard, Power Financial has been actively soliciting and hiring professionals to build a productive and competitive team and more frontline staff will be added. In product and service offerings, Power Financial will allocate more resources on corporate financing and equity capital market businesses, which are value added services, while continuing to provide stock brokerage services. The management of the Company concurs Power Financial's business strategies and will closely monitor Power Financial to execute their business strategies.

### **Prominent Alliance Limited (“Prominent Alliance”)**

Prominent Alliance is an unlisted company and its group is principally engaged in dealing in securities, advising on securities and asset management. For the twelve months ended 31 December 2017, the unaudited consolidated net loss attributable to equity holders of Prominent Alliance was approximately HK\$0.4 million. Prominent Alliance believes that the growth in investment market in China will remain stable in long term. The Company expects that Prominent Alliance will bring us a positive return.

### **Amuse Group Holdings Limited (“Amuse”)**

Amuse is principally engaged in design, marketing, distribution and retail sales of toys and related products. For the financial year ended 31 December 2017, the unaudited consolidated profit attributable to owners of Amuse was approximately HK\$11.3 million. Subsequently in May 2018, the shares of Amuse Group were listed on GEM of the Stock Exchange and its stock code is 8545. Upon listing, the Group holds 112,500,000 shares or 11.25% equity of Amuse Group. The management of the Company believes Amuse will generate profit to the Group in medium term.

### **WLS Holding Limited (“WLS”, stock code: 8021)**

WLS is principally engaged in construction business including scaffolding and fitting out, management contracting services and equipment installation and maintenance services. The audited consolidated loss attributable to shareholders of WLS for the year ended 30 April 2017 was approximately HK\$16 million. Apart from the ten major infrastructure projects, the Hong Kong government is also pressing ahead with other works such as the Liantang/Heung Yuen Wai Boundary Control Point project and the third runway for Hong Kong International Airport. Many private and public housing projects are moving ahead as well. The Construction Industry Council of the HKSAR forecasts that in the coming five years, overall construction expenditure in Hong Kong will reach between HK\$240 to HK\$300 billion per annum. Unfortunately there will also be a shortage of about 10,000 to 15,000 skilled workers in the construction industry. To cope with these challenges, WLS will continue to promote the use of the “Pik-Lik” brand scaffolding system to help improve overall efficiency while boosting the revenue and market share of the scaffolding services division. In view of the bright prospect of construction industry in Hong Kong, the management of the Company believes WLS will generate profit to the Group in medium term.

### **China 33 Media Group Limited (“China 33”, stock code: 8087)**

China 33 is a dominant channel media provider in railway sector. For the financial year ended 31 December 2017, the audited consolidated loss attributable to shareholders of China 33 was approximately HK\$43 million. China has become the world’s second largest film market country. With mature online and offline entertainment platforms, China 33 are committed to delivering quality entertainment content and select, evaluate and produce good film and TV projects. China 33 also pursue the opportunity to co-invest in various film projects led by other studios. Moreover, Hong Kong has entered a new age of payment, the industry is growing fast with e-Wallet and mobile payment e-Wallet and mobile payment. Players like Alipay and WeChat were giving out attractive incentives with heavy advertising and introducing new usage occasions (e.g. taxi, wet market) to compete and capture market share. Local players like HKT, Octopus and TNG were also adding values to their products and services to grow and stay competitive in the market. HSBC launched PayMe focusing on P2P payment. In addition to the stored value facilities licensees, card associations and mobile phone companies were also actively joining in the competitive landscape of alternative payment industry. To support the industry growth, Hong Kong Monetary Authority (HKMA) is going to launch the Faster Payment System in September 2018 to facilitate real-time payment services, allowing banks and SVF operators to provide real-time credit transfer and direct debit services.

China 33 will creatively leverage on the strength of their core products, the technology and the facilities available in the industry to develop value-added and innovative solutions for their target customers. Despite the industry's key players are large and giant corporations, China 33 believes that it will be able to carve out a niche for themselves in the market with the effective product and market strategies. The management of the Company believes that China 33's growth will continue in short to medium terms, but will closely monitor its financial performance.

#### **Wingate Holdings Limited (“Wingate”)**

Wingate is an unlisted company and its group is principally engaged in provision of money lending business. For the financial year ended 31 December 2017, the unaudited consolidated net loss attributable to equity holders of Wingate was approximately HK\$0.1 million. Wingate believes that the fund raising market and the financial activities in Hong Kong will remain stable in long term and the money lending business will be able to leverage their financial resources. The Company expects that Wingate will bring us a constant positive return.

#### **China Jicheng Holdings Limited (“Jicheng”, stock code: 1027)**

Jicheng (previously known as Jicheng Umbrella Holdings Limited) is principally engaged in manufacturing of POE and Nylon umbrella. For the financial year ended 31 December 2017, the audited consolidated profit attributable to shareholders of Jicheng was approximately HK\$4 million. Jicheng's principal objectives are to maintain and strengthen its position as a leading umbrella manufacturer focused in Japan market and its own branded umbrella products in the PRC market, and increase its market share in existing markets such as Hong Kong, Cambodia and South Korea. Jicheng will shift business focus from development upstream manufacturing to downstream distribution network and brand building so as to facilitate promotion of the Group's branded umbrellas which command higher margins and create higher values as well as bringing better return to our shareholders. To diversify its business and explore potential business opportunities, Jicheng is exploring and developing business opportunities and projects. The management of the Company will closely monitor Jicheng's business development to consider our investment/divestment strategies.

#### **China Kingstone Mining Holdings Limited (“China Kingstone”, stock code: 1380)**

China Kingstone is principally engaged in business of marble production. For the financial year ended 31 December 2017, the audited consolidated loss attributable to shareholders of China Kingstone was approximately HK\$2 million. The China's property prices rose at slower pace as the China government cooling measures is taking effect. China Kingstone expects the demand for construction materials, such as marble stone, will rise gradually once the sales price and transaction volume in the China property market stabilize. However, it still face a keen competition with the overseas marble stone import suppliers. China is a large construction materials market. China Kingstone will carefully re-position the marketing of the marble products to grab the market share.

Moreover, on 14 April 2017, China Kingstone entered into a non-legal binding memorandum of understanding (the “**MOU**”) with a ground calcium carbonate manufacturer (the “**JV partner**”) to form a joint venture company (the “**JV Company**”) to extend the downstream business of calcium carbonate production in Jiangyou City, Sichuan Province, PRC. Under the MOU, upon the formation of the JV Company, China Kingstone will be primarily responsible for contributing funding in order to establish the production plant, acquire the necessary plant and machinery, and will be the main marble supplier of the JV Company, while the JV Partner will be primarily responsible for providing the land use right, the required know-how and expertise for the production. As at 31 December 2017, the approval of the land use right for the production site has yet to be obtained by the JV Partner from the government authorities of the PRC. The management of the Company will closely monitor the business development of China Kingstone and will make appropriate investment/divestment decisions when appropriate.

Save as disclosed above, all other information in 2017/18 Annual Report remains unchanged.

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

Hong Kong, 19 July 2019

*As at the date of this announcement, the Board comprises Mr. CHAN Cheong Yee as executive Director; Mr. LIAO Jintian, 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.*