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CHINA INVESTMENT AND FINANCE GROUP LIMITED

中國投融資集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1226)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

The board of directors (the “Board”) of China Investment and Finance Group Limited (the “Company”) hereby present the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2016

		Unaudited	
		six months ended 30 September	
		2016	2015
	<i>Notes</i>	HK\$'000	HK\$'000
Gross proceeds from disposal of securities		253,151	116,529
Revenue	<i>3(a)</i>	631	1,861
Net realised (loss)/gain on disposal of financial assets held for trading		(18,410)	5,696
Net unrealised loss on financial assets held for trading		(34,441)	(63,472)
Gain on disposal of subsidiaries, net		–	18,030
Other income	<i>3(b)</i>	55	–
Administrative expenses		(6,365)	(6,570)
Loss from operations	<i>5</i>	(58,530)	(44,455)
Finance costs		(952)	(122)
Loss before tax		(59,482)	(44,577)
Income tax expense	<i>6</i>	–	–
Loss for the period		(59,482)	(44,577)
Loss attributable to shareholders of the Company		(59,482)	(44,577)
Loss per share			
– Basic, HK cents	<i>8</i>	3.14	4.45
– Diluted, HK cents	<i>8</i>	N/A	N/A

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

For the six months ended 30 September 2016

	Unaudited	
	six months ended 30 September	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period	(59,482)	(44,577)
Other comprehensive income:		
Net gain arising on revaluation of available-for-sale financial assets	<u>–</u>	<u>2,476</u>
Other comprehensive income for the period, net of tax	<u>–</u>	<u>2,476</u>
Total comprehensive expense for the period	<u>(59,482)</u>	<u>(42,101)</u>
Total comprehensive expense attributable to shareholders of the Company	<u>(59,482)</u>	<u>(42,101)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	Unaudited 30 September 2016 HK\$'000	Audited 31 March 2016 HK\$'000
Non-current assets			
Property, plant and equipment		–	–
Available-for-sale financial assets	9	114,773	105,773
		114,773	105,773
Current assets			
Financial assets held for trading	10	653,659	524,308
Prepayments, deposits and other receivables	11	135,994	138,341
Current tax assets		4	27
Cash and cash equivalents		122,778	224,846
		912,435	887,522
Current liabilities			
Margin payables		20,167	7,618
Accruals		1,023	1,213
Current tax liabilities		–	23
		21,190	8,854
Net current assets		891,245	878,668
Total assets less current liabilities		1,006,018	984,441
Non-current liabilities			
Deferred tax liabilities		8,104	8,104
Net assets		997,914	976,337
Capital and reserves			
Share capital	12	112,883	94,083
Reserves		885,031	882,254
Total equity		997,914	976,337
Net asset value per share (in HK\$)	13	0.44	0.52

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 26 April 2002. The Company's shares have been listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 19 September 2002. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal office in Hong Kong is located at Room 1104, Crawford House, 70 Queen's Road Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of subsidiaries are securities trading and investment holding.

The condensed consolidated financial statements are prepared in Hong Kong dollars, which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2016.

Significant accounting policies

The Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2016. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); HKAS; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Company has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. REVENUE AND OTHER INCOME

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

	Unaudited	
	Six months ended 30 September	
	2016	2015
	HK\$'000	HK\$'000
(a) Revenue:		
Dividend income from financial assets held for trading	630	31
Interest income from debt securities	–	1,501
Interest income from bank and brokers' accounts	1	329
	<hr/> 631	<hr/> 1,861
(b) Other income:		
Gain on disposal of a motor vehicle	55	–
	<hr/> 55	<hr/> –

4. SEGMENT INFORMATION

For the six months ended 30 September 2016 and 2015, the Group's turnover and results were mainly derived from the interest income and dividend income from investment holding. The directors consider that these activities constitute one and the only business segment since these transactions are subject to common risks and returns. The management monitors the operating results of its business for the purpose of making decision about resource allocation and performance assessment. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating losses.

Geographical information

During the six months ended 30 September 2016 and 2015, all activities of the Group are based in Hong Kong and all of the Group's revenue was derived from Hong Kong. Accordingly, no analysis by geographical segment is presented.

Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

5. LOSS FROM OPERATIONS

	Unaudited	
	Six months ended 30 September	
	2016	2015
	HK\$'000	HK\$'000
Loss from operations has been arrived at after charging:		
Directors' remunerations		
– Fees	667	661
– Other remunerations	128	126
Total directors' remunerations	<u>795</u>	<u>787</u>
Staff costs		
– Salaries	1,416	1,478
– Retirement Scheme contributions	42	59
Total staff costs (excluding directors' remunerations)	<u>1,458</u>	<u>1,537</u>
Depreciation	–	200
Investment manager's fee	480	480
Impairment loss on property, plant and equipment	–	509
Operating lease payments in respect of office premise	<u>38</u>	<u>445</u>

6. INCOME TAX EXPENSE

No Hong Kong profits tax had been provided for each of the six months ended 30 September 2016 and 2015 as the Group has no estimated assessable profits.

7. DIVIDEND

The directors do not recommend the payment of a dividend for the six months ended 30 September 2016 (2015: nil).

8. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to shareholders of the Company of approximately HK\$59,482,000 (2015: HK\$44,577,000) and the weighted average number of 1,891,939,224 (2015: 1,001,326,284) ordinary shares in issue during the period.

As there was no potential dilutive shares for both period, no diluted loss per share is presented in this condensed consolidated statement of profit or loss.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets held by the Group comprise of unlisted equity securities of approximately HK\$114,773,000 (unaudited) (31 March 2016 (audited): HK\$105,773,000).

10. FINANCIAL ASSETS HELD FOR TRADING

	2016 30 September <i>HK\$'000</i> (Unaudited)	2016 31 March <i>HK\$'000</i> (Audited)
Listed equity securities in Hong Kong, at fair value	<u>653,659</u>	<u>524,308</u>

The fair values of these listed securities are determined based on the quoted market bid prices at the end of reporting period.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2016 30 September <i>HK\$'000</i> (Unaudited)	2016 31 March <i>HK\$'000</i> (Audited)
Other receivables*	135,937	135,937
Receivable from other financial institutions	–	1,749
Deposits paid	<u>25</u>	<u>647</u>
Financial assets	135,962	138,333
Prepayments	<u>32</u>	<u>8</u>
	<u>135,994</u>	<u>138,341</u>

* Other receivables represent the consideration receivable arising from the disposal of available-for-sale financial assets.

12. SHARE CAPITAL

	Notes	Number of ordinary shares of HK\$0.20 each '000	Number of ordinary shares of HK\$0.01 each '000	Number of ordinary shares of HK\$0.05 each '000	Nominal Value HK\$'000
Authorised:					
At 1 April 2015		6,000,000	–	–	1,200,000
Capital reduction and sub-division of shares	(a)	(6,000,000)	120,000,000	–	–
At 30 September 2015, 31 March 2016 and 1 April 2016		–	120,000,000	–	1,200,000
Share consolidation	(b)	–	(120,000,000)	24,000,000	–
At 30 September 2016		–	–	24,000,000	1,200,000
Issued and fully paid:					
At 1 April 2015		915,370	–	–	183,074
Capital reduction and sub-division of shares	(a)	(915,370)	915,370	–	(173,920)
Issue of shares under placement	(c)	–	130,000	–	1,300
At 30 September 2015		–	1,045,370	–	10,454
Share consolidation	(b)	–	(1,045,370)	209,074	–
Issue of shares under open offer	(d)	–	–	1,672,592	83,629
At 31 March 2016 and 1 April 2016		–	–	1,881,666	94,083
Issue of shares under placement	(e)	–	–	376,000	18,800
At 30 September 2016		–	–	2,257,666	112,883

(a) On 20 January 2015, the Company proposed to effect the capital reduction of issued shares and sub-division of unissued shares which has become effective on 21 May 2015. The capital reduction of issued shares and sub-division of unissued shares involved the following:

- (i) the paid-up capital of each of the issued shares be reduced from HK\$0.20 to HK\$0.01 per issued share by cancelling the paid-up capital to the extent of HK\$0.19 per issued share by way of a reduction of capital, so as to form new shares with par value of HK\$0.01 each;

- (ii) the credit arising from the capital reduction be applied to offset the entire accumulated losses of the Company as at the effective date of the capital reduction with the remaining balance of such credit (if any) to be transferred to the capital reduction reserve account of the Company or other reserve account of the Company which may be utilised by the directors of the Company as a distributable reserve in accordance with all applicable laws and the memorandum and articles of association of the Company and as the board of directors considers appropriate; and
 - (iii) immediately following the capital reduction, each of the authorised but unissued shares with par value of HK\$0.20 each be subdivided into twenty unissued new shares with par value of HK\$0.01 each, and such new shares shall rank pari passu in all respects with each other and have rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company.
- (b) An ordinary resolution was passed at an extraordinary general meeting held on 11 December 2015 approving the share consolidation on the basis that every 5 issued and unissued shares of the Company of HK\$0.01 each were consolidated into 1 consolidated share of the Company of HK\$0.05 each which became effect on 14 December 2015.
 - (c) On 21 May 2015, the Company entered into a subscription agreement to issue and allot a total of 130,000,000 shares of HK\$0.01 each in the Company to Wonder Time Holdings Limited at a price of HK\$0.275. The net proceeds from the subscription will be used for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company. These new shares rank pari passu in all aspect with the then existing shares. This transaction has been completed on 2 June 2015.
 - (d) On 19 January 2016, 1,672,592,000 ordinary shares of HK\$0.05 each in the Company were issued at a subscription price of HK\$0.25 per share by way of open offer. The net proceeds amounted to approximately HK\$410,866,000 which were used for future investments opportunities of the Group and general working capital of the Group as stated in the prospectus issued by the Company dated 24 December 2015. These new shares rank pari passu in all aspect with the then existing shares.
 - (e) On 26 September 2016, 376,000,000 ordinary shares of HK\$0.05 each were issued and allotted, pursuant to the placing agreement entered into by the Company on 9 September 2016. The placing price was HK\$0.22 per share and the net proceeds of approximately HK\$81.1 million was intended to be used for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company. These new shares rank pari passu in all aspect with the then existing shares of the Company.

13. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK\$997,914,000 (31 March 2016: approximately HK\$976,337,000) by the number of shares in issue at 30 September 2016, being 2,257,666,000 (31 March 2016: 1,881,666,000).

14. RELATED PARTY TRANSACTION

During the six months ended 30 September 2016 and 2015, the Group had the following significant related party transaction which, in the opinion of the directors, was carried out on normal commercial terms and in the ordinary course of the Group's business:

	Unaudited	
	Six months ended 30 September	
	2016	2015
	HK\$'000	HK\$'000
Investment manager's fee paid to:		
China Everbright Securities (HK) Limited (<i>note</i>)	480	480
	<u>480</u>	<u>480</u>

Note:

The Company has entered into an investment management agreement with China Everbright Securities (HK) Limited ("EBSHK") on 6 November 2012, pursuant to which EBSHK agreed to provide investment management services to the Company for a period of three years from 6 November 2012, and further extended to 5 November 2018.

EBSHK shall be deemed as a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules upon the Existing Agreement becoming effective. The maximum aggregate investment management fee to be payable by the Company to EBSHK shall not exceed HK\$960,000 per annum.

STATEMENT FROM THE MANAGEMENT

The board of directors (the “Board”) of China Investment and Finance Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”) is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 September 2016 (the “Period”).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the six months ended 30 September 2016, the Group recorded gross proceeds from disposal of securities of approximately HK\$253.2 million for the Period (2015: HK\$116.5 million). The Group also recorded a decrease in revenue from approximately HK\$1.9 million for the six months ended 30 September 2015 to approximately HK\$0.6 million for the Period, representing a decrease of approximately 66%. The loss attributable to the owners of the Company for the Period increased from approximately HK\$44.6 million for the six months ended 30 September 2015 to HK\$59.5 million for the Period, representing an approximately 33% increase. The increase in loss for the interim period ended 30 September 2016, as compared to that for the corresponding period in 2015, was primarily attributable to the net realised gain on disposal of subsidiaries, which principally held unlisted investments and properties, of approximately HK\$18.0 million, recorded in the six months ended 30 September 2015 (see the heading of “Investment Review” for further details). The Group did not dispose of any unlisted investment during the Period. The unaudited consolidated net assets of the Group as at 30 September 2016 amounted to approximately HK\$997.9 million (31 March 2016: approximately HK\$976.3 million). The increase in the Group’s net asset value over the Period is due to the net effect of the loss for the Period of approximately HK\$59.5 million and the net proceeds of placement of 376,000,000 new shares of approximately HK\$81.1 million.

The net asset value per share of the Group was amounted to approximately HK\$0.44 (31 March 2016: approximately HK\$0.52).

INVESTMENT REVIEW

As at 30 September 2016, the Group’s major investments were as follows:

Investments	Description
Listed equities	HK\$653.7 million of a portfolio of listed shares in twenty nine companies
Unlisted equity securities	HK\$114.8 million in four direct investments in equity equities securities*
Total	HK\$768.5 million

* Included in the four direct investments in unlisted equity securities was one acquired during the Period. That newly acquired unlisted investment was a toys manufacturer. The Group has invested HK\$9 million for the 15% equity stake in that unlisted investment.

The investment portfolio of the Group mainly comprises of unlisted securities and listed securities in Hong Kong and China during the Period. The value of investment portfolio of the Company is approximately HK\$768.5 million.

As mentioned in the heading of “Financial Results” above, the Group has disposed of certain wholly-owned subsidiaries, which principally held unlisted investments and properties during the six months ended 30 September 2015 (the “Last Period”). These subsidiaries mainly consist of (i) Garron International Strategic Limited, which principally held properties in Guangzhou, the PRC, and profit on disposal of approximately HK\$16.7 million was recorded during the Last Period; (ii) Qifeng Holdings Limited, which principally held unlisted investment in Forest Investment Company Limited and profit of approximately HK\$1.2 million was recorded during the Last Period; (iii) Profit Eternal Global Investments Limited, which principally held unlisted investment in Yuet Join Industrial Limited and loss of less than HK\$0.1 million was recorded during the Last Period and; (iv) Champion Elite Holdings Limited, which principally held unlisted investments in Plexson Limited and realised loss of approximately HK\$10.0 million was recorded during the Last Period; and (v) World Fame Investments Limited, which principally held a convertible bond issued by Double Sky Holdings Limited and realised gain of approximately HK\$10.1 million was recorded during the Last Period. The Group did not dispose of any unlisted investment during the Period.

As a whole, the portfolio was carefully managed and being fully diversified to minimise commercial risk resulting from over concentration of the investment of the Group in any single industry.

PRICE RISK

The Group is exposed to price risks of financial assets as investments held by the Group are classified on the consolidated statement of financial position as financial assets held for trading. To manage its price risk arising from investments in financial assets, the Group diversifies its portfolio. If the financial assets price of the respective investments held by the Group as financial assets held for trading were higher or lower by 5% as at 30 September 2016, the Group’s loss for the Period would increase or decrease by approximately HK\$32.7 million (31 March 2016: HK\$26.2 million). If the price of the respective investments held by the Group as available-for-sale financial assets were higher or lower by 5% as at 30 September 2016 (31 March 2016: 5%), the Group’s equity would increase or decrease by approximately HK\$5.7 million (31 March 2016: HK\$5.3 million).

PROSPECTS

We expect the global market will continue to face greater challenges and full of uncertainty, developed economies are beginning to have signs of recovery, but the developing economies also have trends of adjustment. Meanwhile, China is also facing a slowdown in economic growth, economic structure has undergone significant changes during the transition from medium to long term, crisis and opportunities coexist.

The Directors will continue to take a prudent approach in managing the Group’s investment portfolio and develop the investment strategies. Given the increasing influence of China against the global economy, the Group will still be based mainly on Chinese economy, the Group will continue to look for investment opportunities which offer outstanding returns under the acceptable risk in the portfolio of the Group.

The Company would consider investing in certain unlisted securities and listed securities with high potential in order to diversify further market risk.

DIVIDEND

The Board has resolved not to recommend a payment of an interim dividend for the six months ended 30 September 2016 (2015: NIL).

CAPITAL STRUCTURE

The Company has adopted a placement during the Period. On 9 September 2016, the Company entered into a placing agreement to place up to 376,000,000 new shares of the Company at placing price of HK\$0.22 per share. The placement was completed on 26 September 2016 and 376,000,000 new shares were issued and allotted. Net proceeds of approximately HK\$81.1 million were obtained in this placement.

As at 30 September 2016, the share capital of the Company comprises of 2,257,666,000 issued shares with par value of HK\$0.05.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2016, the Group had margin payables of approximately HK\$20.2 million (31 March 2016: HK\$7.6 million). The Group had cash and cash equivalents of approximately HK\$122.8 million (31 March 2016: HK\$224.8 million), which was mainly placed in bank and other financial institution as deposits.

GEARING RATIO

As at 30 September 2016, the Group's gearing ratio (defined as total debts and borrowings/total assets) is 2.0% (31 March 2016: 0.8%), which is considered by the Board maintained at a healthy level.

EMPLOYEES

During the six months ended 30 September 2016, the Group had retained eleven employees (2015: twelve employees). Total staff costs of the Group, excluding directors' remuneration, for the period under review amounted to approximately HK\$1.5 million (2015: approximately HK\$1.5 million). Staff remuneration packages were in line with the prevailing market practice and were determined on the basis of the performance and experience of individual employee.

SHARE OPTION SCHEME

Pursuant to a resolution passed at the Company's annual general meeting on 29 August 2013, the Company has conditionally adopted a share option scheme, which has been taken effect on 30 August 2013 (the "Share Option Scheme"). No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the effective date of the Share Option Scheme and up to 30 September 2016.

CHARGES ON ASSETS AND CONTINGENT LIABILITIES

Throughout the six months ended 30 September 2016, assets of the Group were free from any form of legal charge, except for listed securities of approximately HK\$89.9 million pledged for margin payables (31 March 2016: approximately HK\$48.1 million). In addition, the Group did not have any significant contingent liabilities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Group and within the knowledge of its directors, the board of directors confirms that the Group has complied with the public float requirement of the Listing Rules for the six months ended 30 September 2016.

PURCHASE, SALE AND REDEMPTION OF SHARES

For the six months ended 30 September 2016, neither the Group nor its subsidiaries had purchased, sold or redeemed any of the Group's shares.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN EQUITY OR DEBT SECURITIES

As at 30 September 2016, the interests and short positions of the directors and chief executives in the ordinary shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") (including interest which they are deemed or taken to have under such provisions of the SFO)), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") were as follows:

Name of Director	Number of shares			Approximate percentage of shareholding
	Personal interest	Corporate interest	Total	
Liao Jintian	5,000,000	–	5,000,000	0.22%

Save as disclosed above, none of the directors and chief executives had any interests in equity or debt securities of the Company or of any of its associated corporations which were required to be notified to the Company and the Stock Exchange as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notifiable to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2016, to the best knowledge of the Board and chief executives of the Company, the following persons (other than any directors or chief executive of the Company) were substantial shareholders of the Company and had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

	Number of Shares of the Company	Approximate percentage of shareholding
中歐盛世資產管理(上海)有限公司	180,000,000	7.97%
Classictime Investments Limited (<i>Note</i>)	119,232,000	5.28%

Note: Classictime Investments Limited is wholly-owned by Jun Yang Financial Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange.

Save as disclosed above, the Company had not been notified of any other person (other than directors or chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30 September 2016.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (“Code”) throughout the six months ended 30 September 2016, with deviations from Provisions A.2.1, A.4.1 and A.6.7 of the Code.

(A) CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Provision A.2.1 of the Code, the roles of the Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and the Chief Executive Officer should be clearly established and set out in writing. The Board is in the process of locating an appropriate person to fill the vacancy of the Chief Executive Officer of the Company as soon as practicable.

(B) APPOINTMENT AND RE-ELECTION OF DIRECTORS

Pursuant to Provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election.

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

(C) ATTENDANCE IN GENERAL MEETINGS

Pursuant to Provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings. Certain independent non-executive Directors and non-executive Directors could not attend the annual general meeting held on 24 August 2016 due to other business commitments.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code for securities transactions by directors of the Group. Having made specific enquiry of all directors, the Group confirmed that all directors have complied with the required standard set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Audit Committee of the Company had reviewed the unaudited consolidated results of the Group for the six months ended 30 September 2016, including the accounting principles and accounting practices adopted by the Company, and discussed matters relating to auditing, internal controls, financial reporting, the adequacy of resources, qualification and experience of staff.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.chnif.com>). The 2016/17 interim report will be dispatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 4 November 2016

As at the date of this announcement, the Board comprises Mr. Chan Cheong Yee as executive Director, Mr. Liao Jintian, Ms. Lee Kar Ying and Mr. Wu Qi as non-executive Directors, and Mr. Luk Simon, Ms. Liu Xiaoyin and Mr. Hon Leung as independent non-executive Directors.