



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)

新金融
新科技
新動力

2011 INTERIM REPORT



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Du Lin Dong (*Chairman*)
Mr. Liu Baorui (*Chief Executive Officer*)
Mr. Pong Po Lam Paul

Non-executive Directors

Mr. Ma Jie
Mr. Ding Xiaobin

Independent Non-executive Directors

Professor Dr. Cheung Wai Bun Charles, *J. P.*
Mr. Wan Hongchun
Mr. Zeng Xianggao

AUDIT COMMITTEE

Professor Dr. Cheung Wai Bun Charles, *J. P.* (*Chairman*)
Mr. Wan Hongchun
Mr. Zeng Xianggao

REMUNERATION COMMITTEE

Mr. Du Lin Dong (*Chairman*)
Professor Dr. Cheung Wai Bun Charles, *J. P.*
Mr. Wan Hongchun

NOMINATION COMMITTEE

Professor Dr. Cheung Wai Bun Charles, *J. P.* (*Chairman*)
Mr. Liu Baorui
Mr. Wan Hongchun

AUTHORISED REPRESENTATIVES

Mr. Li Chi Chung
Mr. Pong Po Lam Paul

COMPANY SECRETARY

Mr. Li Chi Chung

AUDITOR

Ernst & Young
Certified Public Accountants

INVESTMENT MANAGER

China Financial International Investments &
Managements Limited

CUSTODIAN

Bank of Communications Trustee Limited

LEGAL ADVISER

As to Bermuda law
Conyers Dill & Pearman

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 5802, 58/F
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited

TRADING CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

0721

COMPANY WEBSITE

www.finance.thestandard.com.hk/en/comp_detail_link.asp?code=0721



ERNST & YOUNG
安 永

Ernst & Young
22/F CITIC Tower
1 Tim Mei Avenue, Central
Hong Kong
Tel: +852 2846 9888
Fax: +852 2868 4432
www.ey.com

安永會計師事務所
香港中環添美道1號
中信大廈22樓
電話: +852 2846 9888
傳真: +852 2868 4432

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the board of directors of
China Financial International Investments Limited
(An exempted company incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 3 to 21, which comprises the condensed consolidated statement of financial position of China Financial International Investments Limited and its subsidiaries as at 31 December 2011 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants.

The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
27 February 2012

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2011

	Notes	Unaudited	
		Six months ended 31 December	
		2011	2010
		HK\$'000	HK\$'000
Revenue	6	1,078	1,801
Other income	6	2,310	161
Net change in fair value (loss)/gain of financial assets at fair value through profit or loss	7	(122,119)	14,582
Administrative expenses		(16,562)	(8,943)
Share of results of an associate		44	(29)
		<hr/>	<hr/>
(Loss)/profit before tax	8	(135,249)	7,572
Income tax expense	9	(147)	(131)
		<hr/>	<hr/>
(Loss)/profit for the period		(135,396)	7,441
Other comprehensive income			
– Exchange difference on translation of financial statements of overseas subsidiaries		269	–
– Change in fair value on available-for-sale investments		16,471	–
– Income tax effect		(1,647)	–
		<hr/>	<hr/>
Total comprehensive income for the period		(120,303)	7,441
		<hr/> <hr/>	<hr/> <hr/>
(Loss)/Earnings per share			
Basic	11(a)	(3.29) cents	0.28 cents
Diluted	11(b)	(3.29) cents	0.27 cents
		<hr/> <hr/>	<hr/> <hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2011

	<i>Notes</i>	Unaudited 31 December 2011 HK\$'000	Audited 30 June 2011 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	4,715	5,499
Interests in an associate	13	313	269
Available-for-sale financial assets	14	327,819	311,349
Financial assets at fair value through profit or loss	15	121,399	–
Loan receivable	16	35,894	35,894
		<hr/>	<hr/>
Total non-current assets		490,140	353,011
		<hr/>	<hr/>
CURRENT ASSETS			
Financial assets at fair value through profit or loss	15	103,590	300,561
Amount due from a shareholder		19	19
Prepayments, deposits and other receivables	17	66,507	86,376
Tax recoverable		4,322	–
Cash and bank balances		38,206	81,789
		<hr/>	<hr/>
Total current assets		212,644	468,745
		<hr/>	<hr/>
CURRENT LIABILITIES			
Other payables and accruals		297	420
Amount due to a related company		1,134	1,233
Amount due to an associate	13	64	320
Tax payable		4,199	5,993
		<hr/>	<hr/>
Total current liabilities		5,694	7,966
		<hr/>	<hr/>
Net current assets		206,950	460,779
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		697,090	813,790
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		2,947	1,300
		<hr/>	<hr/>
Net assets		694,143	812,490
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Issued capital	18	41,094	41,094
Reserves		653,049	771,396
		<hr/>	<hr/>
Total equity		694,143	812,490
		<hr/> <hr/>	<hr/> <hr/>
Net asset value per share	19	16.9 cents	19.8 cents
		<hr/> <hr/>	<hr/> <hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2011

	Issued capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	Available- for-sale investment revaluation reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Retained profits/ losses) HK\$'000	Total HK\$'000
At 1 July 2011 (audited)	41,094	440,513	278,979	2,766	11,700	7,072	421	29,945	812,490
Loss for the period	-	-	-	-	-	-	-	(135,396)	(135,396)
Other comprehensive income for the period:									
Exchange difference on translation of financial statements of overseas subsidiaries	-	-	-	-	-	-	269	-	269
Change in fair value on available-for-sale investments, net of tax	-	-	-	-	14,824	-	-	-	14,824
Total comprehensive income for the period	41,094	440,513	278,979	2,766	26,524	7,072	690	(105,451)	692,187
Equity settled share-based transactions	-	-	-	-	-	1,956	-	-	1,956
At 31 December 2011 (unaudited)	<u>41,094</u>	<u>440,513*</u>	<u>278,979*</u>	<u>2,766*</u>	<u>26,524*</u>	<u>9,028*</u>	<u>690*</u>	<u>(105,451)*</u>	<u>694,143</u>
At 1 July 2010 (audited)	24,851	73	278,979	2,766	-	4,184	-	(7,166)	303,687
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	7,441	7,441
Equity settled share-based transactions	-	-	-	-	-	1,325	-	-	1,325
Issue of new shares									
- Exercise of share options	278	4,499	-	-	-	(1,122)	-	-	3,655
- Placing of shares	10,937	212,808	-	-	-	-	-	-	223,745
At 31 December 2010 (unaudited)	<u>36,066</u>	<u>217,380</u>	<u>278,979</u>	<u>2,766</u>	<u>-</u>	<u>4,387</u>	<u>-</u>	<u>275</u>	<u>539,853</u>

* These reserve accounts comprise the consolidated reserves of HK\$653,049,000 (30 June 2011: HK\$771,396,000) in the interim condensed consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2011

	Unaudited	
	Six months ended 31 December	
	2011	2010
	HK\$'000	HK\$'000
Net cash (used in)/generated from operating activities	(43,721)	99,909
Net cash used in investing activities	(35)	(2,523)
Net cash generated from financing activities	–	227,400
Net (decrease)/increase in cash and cash equivalents	(43,756)	324,786
Cash and cash equivalents at beginning of period	81,789	34,779
Effect of foreign exchange rate changes	173	–
Cash and cash equivalents at end of period	<u>38,206</u>	<u>359,565</u>
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	<u>38,206</u>	<u>359,565</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2011

1. CORPORATION INFORMATION

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

The Company and its subsidiaries (the “Group”) are principally engaged in the investment of listed and unlisted companies established and/or doing business in Hong Kong and the PRC.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 31 December 2011 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”). They have been prepared on the historical cost convention, except for financial assets at fair value through profit or loss and available-for-sale financial assets, which have been measured at fair values. The interim condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is also the functional currency of the Company.

The interim condensed consolidated 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 30 June 2011.

3. ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and key sources of uncertainty were the same as those applied in the preparation of the annual financial statements for the year ended 30 June 2011.

4. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2011, except for the adoption of following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) as of 1 July 2011 as noted below:

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>
HKAS 24 (Revised)	<i>Related Party Disclosures</i>
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i>
<i>Improvements to HKFRSs 2010</i>	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised) and amendments to HKFRS 7 and HKAS 1, the adoption of these new and revised HKFRSs has had no significant financial effect on this interim financial information.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group. Details of the related party transactions, including the related comparative information, are included in note 22 to the interim condensed financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

4. CHANGES IN ACCOUNTING POLICIES (continued)

(b) *Improvements to HKFRSs 2010* issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments – Disclosures*: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.
- *HKAS 1 Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

4.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in this interim financial information.

HKFRS 9	<i>Financial Instruments</i> ⁴
HKFRS 10	<i>Consolidated Financial Statements</i> ³
HKFRS 11	<i>Joint Arrangements</i> ³
HKFRS 12	<i>Disclosure of Interests in Other Entities</i> ³
HKFRS 13	<i>Fair Value Measurement</i> ³
HKAS 1 Amendments	<i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> ²
HKAS 12 Amendments	<i>Amendments to HKAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets</i> ¹
HKAS 19 (2011)	<i>Employee Benefits</i> ³
HKAS 27 (2011)	<i>Separate Financial Statements</i> ³
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> ³
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ³

¹ Effective for annual periods beginning on or after 1 January 2012

² Effective for annual periods beginning on or after 1 July 2012

³ Effective for annual periods beginning on or after 1 January 2013

⁴ Effective for annual periods beginning on or after 1 January 2015

Further information about those changes that are expected to significantly affect the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

4.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the “Additions”) and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option (“FVO”). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income (“OCI”). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability’s credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January 2015.

HKFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in HKAS 27 and HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in HK(SIC)-Int 12.

HKFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities that are previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12. The Group expects to adopt HKFRS 10, HKFRS 11, HKFRS 12, and the consequential amendments to HKAS 27 and HKAS 28 from 1 January 2013.

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. The Group expects to adopt HKFRS 13 prospectively from 1 January 2013.

Amendments to HKAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. The Group expects to adopt the amendments from 1 January 2013.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

5. SEGMENT INFORMATION

Information reported to the executive directors, the chief operating decision makers of the Group, is focused on the categories of investments. The Group's operating and reportable segments under HKFRS 8 are as follows:

Available-for-sale financial assets	Investments in unlisted securities
Financial assets at fair value through profit or loss ("FVTPL")	Investments in trading securities listed on The Stock Exchange of Hong Kong Limited, and derivative contracts held for trading and unlisted securities designated as financial assets at fair value through profit or loss upon acquisition and redeemable convertible bonds at FVTPL

Segment revenues and results

Six months ended 31 December 2011

	Unaudited Investment in available-for-sale financial assets <i>HK\$'000</i>	Unaudited Investment in financial assets at FVTPL <i>HK\$'000</i>	Unaudited Total <i>HK\$'000</i>
Segment results	—	(121,041)	(121,041)
Share of results of an associate			44
Unallocated income			2,310
Unallocated expenses			(16,562)
Loss before taxation			(135,249)
Income tax expense			(147)
Loss for the period			(135,396)

Six months ended 31 December 2010

	Unaudited Investment in available-for-sale financial assets <i>HK\$'000</i>	Unaudited Investment in financial assets at FVTPL <i>HK\$'000</i>	Unaudited Total <i>HK\$'000</i>
Segment results	—	16,541	16,541
Share of results of an associate			(29)
Unallocated income			3
Unallocated expenses			(8,943)
Profit before taxation			7,572
Income tax expense			(131)
Profit for the period			7,441

Segment results represent (loss)/gain on disposal of investments in listed and unlisted securities, fair value (loss)/gain on financial assets at FVTPL and the corresponding dividend income earned from financial assets at FVTPL without allocation of central administration expenses and fees to the investment managers.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

5. SEGMENT INFORMATION (continued)

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

	Unaudited 31 December 2011 HK\$'000	Audited 30 June 2011 HK\$'000
Available-for-sale financial assets	327,819	311,349
Financial assets at FVTPL	224,989	300,561
	<hr/>	<hr/>
Total segment assets	552,808	611,910
Unallocated assets	149,976	209,846
	<hr/>	<hr/>
	702,784	821,756
	<hr/> <hr/>	<hr/> <hr/>

For the purpose of monitoring segment performances and allocation resources between segments, all assets are allocated to reportable segments other than property, plant and equipment, interest in an associate, loan receivable, other receivables and prepayments, consideration receivable from disposal of investments and bank balances.

All liabilities as at 31 December 2011 and 30 June 2011 are unallocated liabilities

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

6. REVENUE AND OTHER INCOME

	Unaudited Six months ended 31 December 2011 HK\$'000	2010 HK\$'000
REVENUE		
Dividend income from listed securities	1,078	1,801
	<hr/>	<hr/>
OTHER INCOME		
Interest income	2,310	161
	<hr/>	<hr/>

7. NET CHANGE IN FAIR VALUE (LOSS)/GAIN OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited Six months ended 31 December 2011 HK\$'000	2010 HK\$'000
Net realised (loss)/gain on financial assets at fair value through profit or loss	(9,354)	5,959
Net unrealised (loss)/gain on financial assets at fair value through profit or loss	(112,765)	8,623
	<hr/>	<hr/>
	(122,119)	14,582
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

8. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging/(crediting):

	Unaudited Six months ended 31 December	
	2011 HK\$'000	2010 HK\$'000
Custodian fee	67	71
Depreciation	891	87
Investment management fee	528	1,010
Net foreign exchange	–	(99)
Operating lease	1,674	695
Staff costs, including directors' remuneration:		
Salaries and wages	7,827	3,664
Pension scheme contributions	38	37
Equity-settled share option expense	1,956	1,325
	<u>1,956</u>	<u>1,325</u>

9. INCOME TAX

	Unaudited Six months ended 31 December	
	2011 HK\$'000	2010 HK\$'000
Current – Hong Kong		
– Charge for the period	–	(1,141)
– Over provision in prior period	–	1,010
Current – People's Republic of China ("PRC")	(147)	–
	<u>(147)</u>	<u>(131)</u>

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits in Hong Kong during the six months ended 31 December 2011. Taxes on profits assessable in other jurisdiction have been calculated at the rate of tax prevailing in the respective jurisdiction during the period.

Hong Kong Profits Tax was provided at the rate of 16.5% on the estimated assessable profit for the six months ended 31 December 2010.

10. DIVIDEND

The directors did not recommend payment of interim dividend for the six months ended 31 December 2011 (31 December 2010: Nil).

11. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss for the six months ended 31 December 2011 of HK\$135,396,000 (2010: profit of HK\$7,441,000) and the weighted average number of ordinary shares of 4,109,384,000 (2010: 2,685,711,000) in issue during the period.

(b) Diluted (loss)/earnings per share

No adjustment has been made to the basic loss per share amounts presented for the six months ended 31 December 2011 in respect of a dilution as the impact of the share options granted under the share option scheme outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

For the six months ended 31 December 2010, the calculation of diluted earnings per share is based on the profit of HK\$7,441,000. The weighted average number of ordinary shares used in the calculation is 2,685,711,000 ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares of 17,067,000 assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

12. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 31 December 2011 HK\$'000	Audited 30 June 2011 HK\$'000
Opening net carrying amount	5,499	75
Additions	35	6,065
Disposals/write-off	–	(16)
Depreciation provided during period/year	(891)	(704)
Exchange realignment	72	79
	<u>4,715</u>	<u>5,499</u>
Closing net carrying amount	<u>4,715</u>	<u>5,499</u>

13. INTERESTS IN AN ASSOCIATE

	Unaudited 31 December 2011 HK\$'000	Audited 30 June 2011 HK\$'000
Unlisted shares, at cost	–	–
Share of net assets	313	269
	<u>313</u>	<u>269</u>
Amount due to an associate	64	320
	<u>64</u>	<u>320</u>

Details of the associate at 31 December 2011 are as follows:

Name of associate	Particulars of issued capital	Place of incorporation/operation	Group's effective interest	Principal activity
China Financial International Investments & Managements Limited	1,000,000 ordinary shares of HK\$1.00 each	Hong Kong	29%	Asset management

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Unaudited 31 December 2011 HK\$'000	Audited 30 June 2011 HK\$'000
Unlisted investments, at fair value	327,819	311,349
	<u>327,819</u>	<u>311,349</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

As at 31 December 2011, the Group held the following available-for-sale financial assets:

Name of Company	Place of incorporation/ registration and operations	Group's effective interest	Principal activities	Unaudited 31 December 2011 Fair value HK\$'000	Audited 30 June 2011 Fair value HK\$'000
(a) Jiangxi Zhongjin Hanchen Guarantee Company Limited ("Jiangxi Zhongjin Hanchen")	PRC	30%	Provision of guarantees to small and medium enterprises	43,831	43,150
(b) Shenzhen Zhongtougjinxin Asset Management Company Limited ("Zhongtougjinxin")	PRC	30%	Provision of consultation service on project investment	7,407	7,200
(c) Jingdezhen CFI Guosen Microfinance Co., Ltd. ("Jingdezhen CFI Guosen")	PRC	23.33%	Provision of small loan and financial business	149,323	140,000
(d) TianJin XEDA Microfinance Co., Ltd ("TianJin XEDA")	PRC	30%	Provision of small loan and financial business	74,113	72,450
(e) Zhengzhou Economic Technological Development Mingyang Micro-loan Limited ("Zhengzhou Mingyang")	PRC	–	Provision of small loan and financial business	35,549	35,549
(f) Globe Capital Resources Investment Limited ("Globe Capital")	British Virgin Islands	30%	Investment holdings	17,596	13,000

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

A brief description of the business and financial information of the investments is as follows:

- (a) On 1 December 2010, the Group acquired 30% equity interest of Jiangxi Zhongjin Hanchen, a joint venture established in the PRC. Jiangxi Zhongjin Hanchen is principally engaged in the provision of guarantee business to small and medium enterprises in the Jiangxi Province, the PRC.
- (b) On 29 April 2011, the Group invested in 30% equity interest of Zhongtouxin, a joint venture established in the PRC. Zhongtouxin is principally engaged in the provision of consultation service for project investments in the PRC.
- (c) On 26 May 2011, the Group invested in 23.33% equity interest of Jingdezhen CFI Guosen, a joint venture established in the PRC. Jingdezhen CFI Guosen is principally engaged in the provision of small loan and financial business in Jingdezhen, the PRC.
- (d) On 21 June 2011, the Group invested in 30% equity interest of TianJin XEDA, a joint venture established in the PRC. TianJin XEDA is principally engaged in the provision of small loan and financial business in Tianjin, the PRC.
- (e) The Group entered into a sales and purchase agreement to acquire 30% equity interest of Zhengzhou Mingyang, a joint venture established in the PRC on 20 February 2011. Zhengzhou Mingyang is principally engaged in the provision of small loan and financial business in Zhengzhou, Henan Province, the PRC.

On 21 February 2011, the Group settled the full considerations of HK\$35,549,000. The completion of this acquisition is conditional upon approval of relevant government authorities in Henan Province, the PRC. According to sale and purchase agreements and having sought advice from the Company's PRC legal advisers, the directors are of the opinion that the Group has beneficiary interests on these 30% equity interest of Zhengzhou Mingyang after upon settlement of the full considerations. The Group anticipates completion of the acquisition within 2 years.

- (f) As at 31 December 2011, the Group held 30% equity interest of Globe Capital. Globe Capital is principally engaged in investment holdings which had two investments with 30% equity interest of 江西九三三科技發展有限責任公司 (transliterated as Jiangxi 933 Technology Development Company Limited, "Jiangxi 933") and with 25% equity interest of 贛縣長鑫礦業有限責任公司 (transliterated as Gan County Changxin Mining Company Limited, the "Changxin Mining") respectively. Jiangxi 933 is principally engaged in the provision of information system service while Changxin Mining is principally engaged in exploitation of metal mines.

The Group does not own or control more than 20% of the voting rights in any one of these investee companies. In the opinion of the directors, the Group is not able to exercise any significant influence on the financial and operating policies on these investee companies, and therefore all of these investments are not regarded as associates of the Group and are accounted for as available-for-sale financial assets for the six months ended 31 December 2011 and the year ended 30 June 2011.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	Unaudited 31 December 2011 HK\$'000	Audited 30 June 2011 HK\$'000
Financial assets held for trading			
Listed equity securities	(i)	99,861	300,561
Derivative contract	(ii)	3,729	—
Total financial assets held for trading		103,590	300,561
Financial assets designated at FVTPL			
Unlisted equity securities	(iii)	121,399	—
		121,399	—

The above financial assets at 31 December 2011 and 30 June 2011 are classified as held for trading and are upon initial recognition, designated by the Group as financial assets at FVTPL.

- (i) The fair value of listed equity securities are determined based on the quoted market bid prices available on the relevant exchange at the end of the reporting period.
- (ii) The Group recognized the agreement to purchase the underlying equity interests of Zhengzhou Mingyang upon closing of conditions as a derivative financial instrument. Details of the transaction are disclosed in note 14(e) to the interim financial information.
- (iii) As at 31 December 2011, the Group invested into the following unlisted equity securities:

Name of Company	Place of registration and operation	Group's effective interest	Principal activities	Unaudited 31 December 2011 Fair value HK\$'000	Audited 30 June 2011 Fair value HK\$'000
(a) Tianjin Rongshun Microfinance Limited ("Tianjin Rongshun")	PRC	30%	Provision of small loan and financial business	36,365	—
(b) TIIC RongShun Micro-Loan Company Limited ("TIIC Rongshun")	PRC	10%	Provision of small loan and financial business	12,137	—
(c) Harbin Daowaiqu Zhongjinguoxin Microfinance Co., Ltd. ("Harbin Daowaiqu")	PRC	30%	Provision of small loan and financial business	36,855	—
(d) Nanchang Donghu Zhongjincaixin Microfinance Co., Ltd. ("Nanchang Donghu")	PRC	30%	Provision of small loan and financial business	36,042	—

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(iii) As at 31 December 2011, the Group invested into the following unlisted equity securities: (continued)

- (a) On 24 August 2011, the Group invested in 30% equity interest of Tianjin Rongshun, a joint venture established in the PRC. Tianjin Rongshun is principally engaged in the provision of small loan and financial business in Tianjin, the PRC.
- (b) On 2 September 2011, the Group invested in 10% equity interest of TIIC Rongshun, a joint venture established in the PRC. TIIC Rongshun is principally engaged in the provision of small loan and financial business in Tianjin, the PRC.
- (c) On 29 August 2011, the Group invested in 30% equity interest of Harbin Daowaiqu, a joint venture established in the PRC. Harbin Daowaiqu is principally engaged in the provision of small loan and financial business in Harbin, Heilongjiang Province, the PRC.
- (d) On 22 December 2011, the Group invested in 30% equity interest of Nanchang Donghu, a joint venture established in the PRC. Nanchang Donghu is principally engaged in the provision of small loan and financial business in Donghu District, Nanchang, Jiangxi Province, the PRC.

16. LOAN RECEIVABLE

	Unaudited 31 December 2011 HK\$'000	Audited 30 June 2011 HK\$'000
Secured loan	<u>35,894</u>	<u>35,894</u>

As at 31 December 2011, the loan receivable of HK\$35,894,000 (30 June 2011: HK\$35,894,000) carried interest at 10% per annum and will be repayable on 8 May 2013. It is secured by the pledge of the entire issued share capital of the borrower. The loan facility amount granted to this borrower is HK\$35,894,000, which has been fully drawn.

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	Unaudited 31 December 2011 HK\$'000	Audited 30 June 2011 HK\$'000
Other receivables	(a)	43,320	53,078
Receivable on partial disposal of interest in a former subsidiary	(b)	22,000	32,000
Prepayments and deposits		<u>1,187</u>	1,298
		<u>66,507</u>	<u>86,376</u>

(a) Included in other receivables of approximately HK\$40,606,000 (30 June 2011: HK\$43,605,000) was unsecured, interest free with repayable terms under negotiation.

(b) Receivable on partial disposal of interest in a former subsidiary is the unsettled balance from the disposal of 70% equity interest in a former subsidiary in the year ended 30 June 2011 which is due by March 2012.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

18. SHARE CAPITAL

	<i>Notes</i>	<i>Number of shares '000</i>	<i>HK\$'000</i>
Authorised:			
At 31 December 2011 and 30 June 2011			
Ordinary shares of HK\$0.01 each		30,000,000	300,000
Issued and fully paid:			
At 1 July 2010			
Ordinary shares of HK\$0.01 each		2,485,134	24,851
Issue of shares upon exercise of share options	<i>(a)</i>	100,590	1,006
Issue of shares upon share placing			
– first share placing	<i>(b) (i)</i>	496,700	4,967
– second share placing	<i>(b) (ii)</i>	596,960	5,970
– third share placing	<i>(b) (iii)</i>	370,000	3,700
– fourth share placing	<i>(b) (iv)</i>	60,000	600
At 30 June 2011 and 31 December 2011			
Ordinary shares of HK\$0.01 each		4,109,384	41,094

Notes:

(a) Issue of shares upon exercise of share options

During the year ended 30 June 2011, share options to subscribe for 100,590,000 shares were exercised, resulting in an amount of HK\$1,006,000 being credited to share capital and the balance of HK\$17,102,000 being credited to the share premium account respectively.

(b) Issue of shares upon share placing

(i) On 16 November 2010, the Company issued 496,700,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.15 to five independent investors by first placing. The gross proceeds from the placing of shares were approximately HK\$74,505,000, out of which HK\$4,967,000 was recorded in share capital and the balance of HK\$69,538,000 credited to the share premium account.

(ii) On 10 December 2010, the Company issued 596,960,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.25 to eleven independent investors by second placing. The gross proceeds from the placing of shares were approximately HK\$149,240,000, out of which HK\$5,970,000 was recorded in share capital and the balance of HK\$143,270,000 credited to the share premium account.

(iii) On 29 March 2011, the Company issued 370,000,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.50 to three independent investors by third placing. The gross proceeds from the placing of shares were approximately HK\$185,000,000, out of which HK\$3,700,000 was recorded in share capital and the balance of HK\$181,300,000 credited to the share premium account.

(iv) On 20 May 2011, the Company issued 60,000,000 new ordinary shares of HK\$0.01 each at a price of HK\$0.50 to one individual independent investor by fourth placing. The gross proceeds from the placing of shares were approximately HK\$30,000,000, out of which HK\$600,000 was recorded in share capital and the balance of HK\$29,230,000 after netting off issuing expenses of HK\$170,000 was credited to the share premium account.

All the new ordinary shares issued during the year ended 30 June 2011 rank pari passu in all respects with the then existing ordinary shares of the Company.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

19. NET ASSET VALUE PER SHARE

The calculation of net asset value (“NAV”) per share is based on the Group’s NAV as at 31 December 2011 of HK\$694,143,000 (30 June 2011: HK\$812,490,000) and the number of ordinary shares of 4,109,384,000 (30 June 2011: 4,109,384,000) in issue as at 31 December 2011.

20. COMMITMENTS

(a) Capital commitments outstanding but not provided for in the financial statements were as follows:

	Unaudited 31 December 2011 HK\$'000	Audited 30 June 2011 HK\$'000
Contracted but not provided for unlisted equity securities	<u>560,494</u>	<u>227,711</u>

(b) The Group and the Company had total future outstanding minimum lease payments under non-cancellable operating leases in respect of properties as follows:

	Unaudited 31 December 2011 HK\$'000	Audited 30 June 2011 HK\$'000
Within one year	3,531	3,520
In the second to fifth years, inclusive	<u>3,089</u>	<u>4,882</u>
	<u>6,620</u>	<u>8,402</u>

21. SHARE OPTION SCHEME

The Company has a share option scheme for eligible employees of the Group. As at 31 December 2011, about 83,300,000 share options are outstanding. There is no exercised, forfeited or granted of share options during the six months ended 31 December 2011.

The options outstanding at 31 December 2011 had exercise prices of HK\$0.050, HK\$0.130, HK\$0.445 and a weighted average remaining contractual life of 3.4 years.

The Company recognised a total expense of approximately HK\$1,956,000 for the six months ended 31 December 2011 (31 December 2010: HK\$1,325,000) in the condensed consolidated statement of comprehensive income in relation to the share options granted by the Company.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

22. RELATED PARTY AND CONNECTED TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these condensed consolidated financial statements, the Group entered into the following related party and connected transactions during the period:

	Notes	Unaudited	
		2011	2010
		Six months ended	Six months ended
		31 December	31 December
		2011	2010
		HK\$'000	HK\$'000
Investment Management fee paid/payable to Altantis Investment Management (Hong Kong) Limited ("Altantis")	(i)	–	1,010
Investment Management fee paid/payable to China Financial International Investments & Managements Limited ("CFIIM")	(ii)	528	–
Custodian fee paid to Bank of Communications Trustee Limited	(iii)	67	71
Legal advisory fees paid/payable to Michael Li & Co	(iv)	444	112
		<u> </u>	<u> </u>

Notes:

- (i) On 18 April 2008, the investment management agreement was entered into between the Company and Altantis, whereby Altantis has agreed to provide investment management services to the Company for a period of three years. Altantis is entitled to receive a management fee which is payable quarterly in arrears at the rate of 1% per annum of the market value of the portfolio of the Company on the last business day of each calendar quarter. Altantis is also entitled to receive a performance-related fee of 10% of the appreciation in the market value of the portfolio of the Company above 10% hurdle rate per annum. The investment management agreement was expired on 12 May 2011.

At 31 December 2011, there was no outstanding payable to Altantis. The balance due to Altantis of HK\$404,000 was unsecured, interest free and repayable on demand at 30 June 2011.

- (ii) On 29 April 2011, the investment management agreement was entered into between the Company and the associate, CFIIM, whereby CFIIM has agreed to provide investment management services to the Company for a period of three years effective from 29 April 2011. CFIIM is entitled to receive management fee and performance related fee calculated as following:

- Management fee is based on 0.75% per annum of the market value of the portfolio of the Company on the last business day of each calendar month; and
- Performance-related fee of 5% of the appreciation in the market value of the portfolio of the Company above a 10% hurdle rate per annum.

At 31 December 2011, the balance due to CFIIM of HK\$64,000 (30 June 2011: K\$320,000) was unsecured, interest free and repayable on demand.

- (iii) Pursuant to the custodian agreement dated 12 June 2007 between the Company and Bank of Communications Trustee Limited (the "custodian"), the custodian agrees to provide securities custody of the Company's securities and the settlement of the securities of the Company, the collection of dividends and other entitlements on behalf of the Company. The custodian agreement will continue in force until it is terminated by either party giving not less than 90 days' written notice to the other party at any time.

- (iv) During the current period, Michael Li & Co, a company controlled by the Company secretary, Mr. Li Chi Chung provided legal advisory services to the Group.

At 31 December 2011, the balance due to Michael Li & Co of HK\$1,134,000 (30 June 2011: HK\$829,000) was unsecured, interest free and repayable on demand.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2011

22. RELATED PARTY AND CONNECTED TRANSACTIONS (continued)

(b) At 31 December 2011, the amount due to a shareholder is unsecured, interest free and repayable on demand.

(c) Compensation of key management personnel remuneration of the Group

	Unaudited Six months ended 31 December	
	2011 HK\$'000	2010 HK\$'000
Short term employee benefits	7,122	3,418
Post-employment benefits	26	31
Equity-settled share option expense	1,956	1,325
	<u>9,104</u>	<u>4,774</u>

23. FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

	Unaudited As at 31 December 2011			Total
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	HK\$'000
Available-for-sale financial assets:				
– Unlisted investments	–	–	327,819	327,819
Financial assets at fair value through profit or loss:				
– Listed equity securities	99,861	–	–	99,861
– Unlisted equity securities	–	–	121,399	121,399
– Derivative contract	–	–	3,729	3,729
	<u>99,861</u>	<u>–</u>	<u>452,947</u>	<u>552,808</u>

During the six months ended 31 December 2011, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

24. EVENTS AFTER REPORTING PERIOD

Pursuant to subscription agreement dated 15 December 2011 in relation to the proposed subscription of 304,950,000 shares at the subscription price of HK\$0.45 per subscription share to the subscriber, the subscription was completed on 20 January 2012 and the Company has raised approximately HK\$137 million.

25. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 27 February 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the investments of listed and unlisted companies established and/or doing business in Hong Kong and the PRC.

During the second half of 2011, the Euro zone debt crisis, high unemployment rate in the United States (the “U.S.”) and the downgrading of its credit rating, as well as a tightening of monetary policy in the PRC, we saw the global stock markets turn tumultuous. For the six months ended 31 December 2011 (the “**Period**”), the Group suffered a loss of HK\$135.40 million, compared with a profit of HK\$7.44 million for the same period last year. The loss was mainly due to realised loss and unrealised loss on listed investments at fair value through profit or loss of approximately HK\$124.86 million (31 December 2010: a profit of HK\$14.43 million). General and administrative expenses were increased for the Group to go in line with its strategic shift to invest in financing service industry and the increase in operating activities for investments at earlier stages.

INVESTMENT PORTFOLIO

Listed Investments

For the six months ended 31 December 2011, the listed investments were all equity shares listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). As at 31 December 2011, the market value of the listed investments was amounted to approximately HK\$99.86 million (30 June 2011: HK\$300.56 million).

Unlisted Investments

As at 31 December 2011, the Group’s unlisted investments at fair value, totaled HK\$452.95 million (30 June 2011: HK\$311.35 million).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The following table shows the unlisted investments held by the Group as at 31 December 2011:

Name of Company	Location	Business Nature	Fair Value HK\$'000
Micro-loan service			
(a) Jingdezhen CFI Guosen Microfinance Co., Ltd.	Jingdezhen, Jiangxi Province	Provision of small loan and financial business	149,323
(b) TianJin XEDA Microfinance Co., Ltd	Tianjin	Provision of small loan and financial business	74,113
(c) Tianjin Rongshun Microfinance Limited	Tianjin	Provision of small loan and financial business	36,365
(d) TIIC RongShun Micro-Loan Company Limited	Tianjin	Provision of small loan and financial business	12,137
(e) Zhengzhou Economic Technological Development Mingyang Micro-loan Limited	Zhengzhou, Henan Province	Provision of small loan and financial business	39,278
(f) Harbin Daowaiqu Zhongjinguoxin Microfinance Co., Ltd.	Harbin, Heilongjiang Province	Provision of small loan and financial business	36,855
(g) Nanchang Donghu Zhongjincaixin Microfinance Co., Ltd.	Donghu District, Nanchang, Jiangxi Province	Provision of small loan and financial business	36,042
		Sub-total:	384,113
Guarantee service			
(h) Jiangxi Zhongjin Hanchen Guarantee Company Limited	Nanchang, Jiangxi Province	Provision of guarantees to small and medium enterprises	43,831
Consultation service			
(i) Shenzhen Zhongtoujinxin Asset Management Company Limited	Shenzhen, Guangdong Province	Provision of consultation service on project investment	7,407
Information system service and mining			
(j) Globe Capital Resources Investment Limited	British Virgin Islands	Investment holdings	17,596
		Total:	452,947

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

- (a) The Company invested in 23.33% equity interest of Jingdezhen CFI Guosen Microfinance Co., Ltd., (“**Jingdezhen CFI Guosen**”) for a consideration of RMB116.67 million. Jingdezhen CFI Guosen is principally engaged in the provision of rapid and nimble small loan and credits to small and medium enterprises (the “**SMEs**”), rural sector (farmers, villages and agricultural industry) and privately or individually-owned businesses and also in the provision of the management and financial consultation services for the development of local enterprises in Jingdezhen, Jiangxi Province, the PRC.
- (b) The Company invested in 30% equity interest of Tianjin XEDA Microfinance Co., Ltd. (“**Tianjin XEDA**”) for a consideration of RMB60 million. Tianjin XEDA is principally engaged in the provision of rapid and nimble small loan, small loan settlement services and consultation services in Tianjin, the PRC.
- (c) The Company invested in 30% equity interest of Tianjin Rongshun Microfinance Limited (“**Tianjin Rongshun**”) for a consideration of RMB30 million. Tianjin Rongshun is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC.
- (d) The Company invested in 10% equity interest of TIIC RongShun Micro-Loan Company Limited for a consideration of RMB10 million. It is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC.
- (e) The Group entered into a sales and purchase agreement to acquire 30% equity interest of 鄭州經濟技術開發區明陽小額貸款有限公司 (transliterated as Zhengzhou Economic Technological Development Mingyang Micro-loan Limited, “**Zhengzhou Mingyang**”) for a consideration of RMB30 million on 20 February 2011. It is principally engaged in the provision of rapid and nimble small loan and financial consultation services in Zhengzhou, Henan Province, the PRC.

On 21 February 2011, the Group settled the full considerations of HK\$35,549,000. The completion of this acquisition is conditional upon approval of relevant government authorities in Henan Province, the PRC. According to the sales and purchase agreements and having sought advice from the Company’s PRC legal advisers, the directors are of the opinion that the Group has beneficiary interests on these 30% equity interest of Zhengzhou Mingyang after upon settlement of the full considerations. The Group anticipates completion of the acquisition within 2 years.

- (f) The Company invested in 30% equity interest of Harbin Daowaiqu Zhongjinguoxin Microfinance Co., Ltd. (“**Harbin Daowaiqu Zhongjinguoxin**”) for a consideration of RMB30 million. Harbin Daowaiqu Zhongjinguoxin is principally engaged in the provision of rapid and nimble small loan service in Harbin, Heilongjiang Province, the PRC.
- (g) The Company invested in 30% equity interest of Nanchang Donghu Zhongjincaixin Microfinance Co., Limited (“**Nanchang Donghu Zhongjincaixin**”) for a consideration of RMB30 million. It is principally engaged in the provision of rapid and nimble small loans, and enterprise development, management and financial consultation services to SMEs, rural sector (farmers, villages and agricultural industry) and privately or individually-owned businesses in Donghu District, Nanchang, Jiangxi Province, the PRC.
- (h) The Group made an investment of RMB36 million to acquire 30% equity interest of 江西中金漢辰擔保有限公司 (transliterated as Jiangxi Zhongjin Hanchen Guarantee Company Limited). It is principally engaged in the provision of guarantees to SMEs and assists such enterprises in obtaining loans from financial institutions in Nanchang, Jiangxi Province, the PRC.
- (i) The Company invested in 30% equity interest of 深圳市中投金信資產管理有限公司 (transliterated as Shenzhen Zhongtougjinxin Asset Management Company Limited, “**Shenzhen Zhongtougjinxin**”) for a consideration of RMB15 million. The first contribution of RMB6 million had been made by the Company and the second contribution of RMB9 million will be made within two years from 20 April 2011 of business license which was granted to Shenzhen Zhongtougjinxin. Shenzhen Zhongtougjinxin is principally engaged in the consultation on project investment, enterprise management and economic information and corporate image planning. Besides, it is also engaged in product appearance design, graphic design, cartoons and animation design and the assignment of self-designed technologies.
- (j) The Company held 30% equity interest in Globe Capital Resources Investment Limited (“**Globe Capital**”). Globe Capital is principally engaged in investment holdings which had two investments with 30% equity interest in 江西九三三科技發展有限責任公司 (transliterated as Jiangxi 933 Technology Development Company Limited, “**Jiangxi 933**”) and with 25% equity interest in 贛縣長鑫礦業有限責任公司 (transliterated as Gan County Changxin Mining Company Limited, “**Changxin Mining**”) respectively. Jiangxi 933 is principally engaged in the provision of information system service while Changxin Mining is principally engaged in exploitation of metal mines.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Investment Agreements

Starting from the end of 2010, the Group has centered on the strategy formulated by the Board which is extending its investment direction to the micro finance service sectors (including small loan, guarantee firms, etc.) in the PRC. The Group is continually increasing its investments in micro finance services. During the six months ended 31 December 2011, the Group entered into the following legally binding agreements in respect of investments in micro finance services in the PRC:

- (1) On 18 July 2011, a joint venture company was formed – named Nanchang Donghu Zhongjincaixin. The Company agreed to invest in 30% equity interest of Nanchang Donghu Zhongjincaixin for a consideration of RMB30 million. It is principally engaged in the provision of rapid and nimble small loans, as well as enterprise development, management and financial consultation services to SMEs, the rural sector (farmers, villages and agricultural industry) and privately or individually-owned businesses in Donghu District, Nanchang, Jiangxi Province, the PRC.
- (2) On 18 July 2011, a joint venture company was formed with the proposed name of 新余市渝水區中金國信新能源科技小額貸款股份有限公司 (transliterated as Xinyu Yushui District Zhongjinguoxin New Energy Technological Micro-loan Limited, “**Xinyu Yushui District Zhongjinguoxin**”). The Company agreed to invest in 30% equity interest of Xinyu Yushui District Zhongjinguoxin for a consideration of RMB75 million. It is principally engaged in the provision of rapid and nimble small loans, and enterprise development, management and financial consultation services to SMEs, rural sector (farmers, villages and agricultural industry) and privately or individually-owned businesses in Yushui District, Xinyu, Jiangxi Province, the PRC.
- (3) On 1 August 2011, a joint venture company was formed with the name of Tianjin Rongshun Microfinance Limited (“**Tianjin Rongshun**”). The Company agreed to invest in 30% equity interest of Tianjin Rongshun for a consideration of RMB30 million. Tianjin Rongshun is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC.
- (4) On 16 August 2011, a joint venture company called TIIC RongShun Micro-Loan Company Limited (“**TIIC Rongshun**”) was formed. The Company agreed to invest in 10% equity interest of TIIC Rongshun for a consideration of RMB10 million. It is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC.
- (5) On 22 November 2011, a joint venture company was formed with a proposed name of 南京高淳中金明陽科技小額貸款有限公司 (transliterated as Nanjing Gaochun Zhongjin Mingyang Technology Small Loan Limited, “**Nanjing Gaochunzhongjin**”). The Company agreed to invest in 30% equity interest of Nanjing Gaochunzhongjin for a consideration of RMB60 million. It is principally engaged in the provision of rapid and nimble small loans and enterprises development, management and financial consultation services to technology enterprises, sole proprietors and SMEs in Gaochun County, Nanjing, Jiangsu Province, the PRC.
- (6) On 22 November 2011, a joint venture company was formed with a proposed name of 南京中金國信科技小額貸款股份有限公司 (transliterated as Nanjing Zhongjinguoxin Technology Small Loan Limited, “**Nanjing Zhongjinguoxin**”). The Company agreed to invest in 30% equity interest of Nanjing Zhongjinguoxin for a consideration of RMB60 million. It is principally engaged in the provision of rapid and nimble small loans and enterprise development, management and financial consultation services to technology enterprises, sole proprietors and SMEs in Lishui County, Nanjing, Jiangsu Province, the PRC.
- (7) On 26 December 2011, a joint venture company was formed with the proposed name of 資陽市雁江中金國信小額貸款股份有限公司 (transliterated as Ziyang Yanjiang Zhongjin Guoxin Small Loan Company Limited, “**Ziyang Yanjiang Zhongjin Guoxin**”). The Company agreed to invest in 30% equity interest of Ziyang Yanjiang Zhongjin Guoxin for a consideration of RMB60 million. It is principally engaged in the provision of rapid and nimble small loans, financial guarantee, and enterprise development, management and financial consultation services to SMEs, sole proprietors and rural sectors (farmers, villages and agricultural industry) in Ziyang, Sichuan Province, the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

- (8) On 26 December 2011, a joint venture company with the proposed name of 天津融陽小額貸款股份有限公司 (transliterated as Tianjin Rongyang Small Loan Company Limited, “**Tianjin Rongyang**”). The Company agreed to invest in 30% equity interest of Tianjin Rongyang for a consideration of RMB30 million. It is principally engaged in the provision of rapid and nimble small loans, discount of bills, assignment of loans, consultation services in connection with small loans, and clearing in connection with loans to SMEs in technology industry and rural sectors (farmers, villages and agricultural industry) in Tianjin, the PRC.
- (9) On 27 December 2011, a joint venture company called Tianjin Binlian Microfinance Limited (“**Tianjin Binlian**”) was formed. The Company agreed to invest in 10% equity interest of Tianjin Binlian for a consideration of RMB10 million. It is principally engaged in the provision of rapid and nimble small loans, discount of bills, assignment of loans, consultation services in connection with small loans, and clearing in connection with loans to SMEs, sole proprietors, private enterprises and rural sectors (farmers, villages and agricultural industry) in Tianjin, the PRC.

FUTURE PROSPECT

Our business direction is to focus on small and medium-sized enterprises which have the most potential, energy, creativity and ability to develop. We also strive to explore new ways to create values in accordance with our business principles. “Pinpoint a goal and set sight on it” is our mission. Our strategic targets are new finance, new technology and new momentum. In achieving our goals, we maintain a stable foundation by investing in micro loan companies and financing guarantee companies. We also balance sustainable new financial services with diversified investments to produce values for the Group and its shareholders (the “**Shareholders**”).

Looking ahead, the global economic environment has been challenging due to the Euro zone sovereign debt crises and concern over the slowdown of economy in the U.S. and Europe. It is also expected that the PRC government will continue to adopt active fiscal policies and prudent monetary policies to ease the inflationary pressure in the PRC, the momentum of economic growth will slow down and liquidity will remain tight. However, our management believes that tight financial policy in the PRC will generate massive genuine demand in micro-loan service. The State Council meeting on 1 February 2012, presided by Premier Wen Jiabao, affirmed the central government’s policy to further support micro-loan companies and proposed changing qualified micro-loan companies into village banks. This proves our management’s accurate foresight as it decided to invest in micro-lenders in the early stage. The Group remains optimistic about the prospect of micro finance services in the PRC. The Group has also implemented a diversified strategy aimed at identifying suitable investment opportunities and expanding involvement in new technology, new energy and new industries. The investment strategy covering financial services, technology and energy industries and bring about better return for the Shareholders.

INTERIM DIVIDEND

The Board of Directors does not recommend payment of interim dividend for the six months ended 31 December 2011 (2010: nil).

LIQUIDITY AND FINANCIAL REVIEW

As at 31 December 2011, the Group had cash and bank balance of HK\$38.21 million (30 June 2011: HK\$81.79 million). Most of the cash and bank balance was placed in Hong Kong dollar and Renminbi deposits with banks in Hong Kong and the PRC respectively. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2011 was approximately 3,735% (30 June 2011: 5,884%), gearing ratio (calculated as the long term loan to the total shareholders’ equity) of the Group as at 31 December 2011 was zero (30 June 2011: zero). As at 31 December 2011, the Group had shareholders’ funds of HK\$694.14 million (30 June 2011: HK\$812.49 million).

CAPITAL STRUCTURE

Pursuant to subscription agreement dated 15 December 2011 in relation to the proposed subscription of 304,950,000 shares at the subscription price of HK\$0.45 per subscription share to the subscriber, the subscription was completed on 20 January 2012 and the Company has raised approximately HK\$137 million.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Since the Group mainly uses Hong Kong dollars and Renminbi to carry out its business transactions, the Board considers that the Group’s exposure to fluctuation in exchange rates was insignificant.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2011, the Group had 22 employees (including Directors). The total staff cost of the Group for the Period was HK\$9.82 million (2010: HK\$5.03 million). The remuneration package for the employees is determined by various factors including the employees’ experience and performance, the market condition, industry practice and applicable employment law.

CHARGE ON ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2011, there were no charges on the Group’s assets or any significant contingent liabilities (30 June 2011: nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2011, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code (the "Model Code") for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

(i) Long positions in the ordinary shares of the Company

Name of Directors	Note	Capacity and nature of interest	Long position	Approximately percentage of shareholding in the Company
Du Lin Dong	1	Corporation and Beneficial Owner	684,564,830	16.66%
Rightfirst Holdings Limited	1	Beneficial Owner	634,234,830	15.43%
Ma Jie		Beneficial Owner	6,000,000	0.15%
Ding Xiaobin		Beneficial Owner	500,000	0.01%
Cheung Wai Bun Charles		Beneficial Owner	3,900,000	0.09%

Note:

1. The entire issued share capital of Rightfirst Holdings Limited is beneficially owned by Mr. Du Lin Dong. Mr. Du is deemed to be interested in 634,234,830 shares under the SFO.

(ii) Long positions in the underlying shares of the Company

Name of Directors	Capacity and nature of interest	Long position	Approximately percentage of shareholding in the Company
Liu Baorui	Beneficial Owner	36,000,000	0.87%
Ma Jie	Beneficial Owner	12,000,000	0.29%
Ding Xiaobin	Beneficial Owner	800,000	0.01%
Zeng Xianggao	Beneficial Owner	1,000,000	0.02%

Save as disclosed above, as at 31 December 2011, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION (Continued)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2011, so far as is known to the Directors and the chief executive of the Company, the following persons (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

(i) Long positions of substantial shareholders in the ordinary shares of the Company

Name of Shareholder	Capacity and nature of interest	Long position	Approximately percentage of shareholdings in the Company
Rightfirst Holdings Limited (<i>note</i>)	Beneficial Owner	634,234,830	15.43%

Note: The entire issued share capital of Rightfirst Holdings Limited is beneficially owned by Mr. Du Lin Dong, an executive Director. By virtue of the SFO, Mr. Du Lin Dong is deemed to be interested in those 634,234,830 shares.

As at 31 December 2011, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' and chief executive's interests and short positions in shares and underlying shares" above, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or its subsidiary a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

OTHER INFORMATION (Continued)

SHARE OPTIONS

In light of the requirements of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), the Company adopted the Share Option Scheme (the “Scheme”) on 15 January 2008. Under the Scheme, the Directors may grant options to those participants who, in the opinion of the Board, have contributed or may contribute to the development and growth of the Group and any entity in which the Group holds any equity interest. There is no granted, exercised or lapsed during the period, please refer to the following table for details of the Company’s share options under the Scheme:

Name or category of participant	Number of share options as at 1 July 2011 and 31 December 2011	Exercise Period	Exercise Price	Date of Grant
Directors				
Liu Baorui	12,000,000	16/5/2011-15/2/2014	HK\$0.445	16/2/2011
	12,000,000	16/2/2012-15/2/2014	HK\$0.445	16/2/2011
	12,000,000	16/2/2013-15/2/2014	HK\$0.445	16/2/2011
	<u>36,000,000</u>			
Ma Jie	2,000,000	17/2/2009-16/11/2013	HK\$0.05	17/11/2008
	10,000,000	18/3/2010-17/12/2014	HK\$0.13	18/12/2009
	<u>12,000,000</u>			
Ding Xiaobin	300,000	17/2/2009-16/11/2013	HK\$0.05	17/11/2008
	500,000	18/3/2010-17/12/2014	HK\$0.13	18/12/2009
	<u>800,000</u>			
Zeng Xianggao	500,000	17/2/2009-16/11/2013	HK\$0.05	17/11/2008
	500,000	18/3/2010-17/12/2014	HK\$0.13	18/12/2009
	<u>1,000,000</u>			
Qualified allottees in aggregate	3,500,000	18/3/2010-17/12/2014	HK\$0.13	18/12/2009
	16,600,000	16/5/2011-15/2/2014	HK\$0.445	16/2/2011
	6,600,000	16/2/2012-15/2/2014	HK\$0.445	16/2/2011
	6,800,000	16/2/2013-15/2/2014	HK\$0.445	16/2/2011
	<u>33,500,000</u>			
	<u>83,300,000</u>			

AUDIT COMMITTEE AND REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The audit committee (the “Audit Committee”) of the Company comprises three independent non-executive Directors, Professor Cheung Wai Bun Charles (Chairman), Mr. Wan Hongchun and Mr. Zeng Xianggao. The Audit Committee has reviewed with the management of the Company, the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

The unaudited interim financial information and the interim report of the company for the six months ended 31 December 2011 has been reviewed by the Audit Committee of the Company.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the “Remuneration Committee”) in accordance with Appendix 14 of the Listing Rules. The Remuneration Committee comprises one executive Director, namely Mr. Du Lin Dong (Chairman) and two independent non-executive Directors, namely Professor Cheung Wai Bun Charles and Mr. Wan Hongchun. The Remuneration Committee is responsible for formulating and making recommendation to the Board on the Group’s policy and structure for all remuneration of the Directors and senior management of the Group.

OTHER INFORMATION (Continued)

INTERNAL CONTROL

The Board has overall responsibilities for maintaining sound and effective internal control system in the Company. The Board has delegated to the management the implementation of such systems of internal controls as well as the review of relevant financial, operational and compliance controls and risk management procedures. The Audit Committee was established for conducting a review of the internal control of the Company which covers the material controls including financial, operational and compliance controls and risk management functions. Procedures have been set up, inter alia, for safeguarding assets against unauthorized use or disposition, controlling over capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication. The management throughout the Company maintains and monitors the internal control system on an ongoing basis.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is responsible for ensuring high standards of corporate governance are maintained and for accounting to Shareholders. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules for the Period, except for that under the Code Provision A.4.1, non-executive Directors should be appointed for a specific term and subject to re-election. However, the non-executive Directors have not been appointed for specific terms but are subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Company's bye-laws. At each annual general meeting, one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office by rotation provided that every director shall be subject to retirement at least once every three years.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry by the Company, all Directors confirmed that they had complied with the required standards as set out in the Model Code during the Period.

CHANGE IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Professor Cheung Wai Bun Charles, an independent non-executive Director of the Company, was appointed as an independent non-executive director, member of audit committee and remuneration committee of Universal Technologies Holdings Limited listed on the Stock Exchange (stock code: 1026) with effect from 6 September 2011.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during six months ended 31 December 2011.

On behalf of the Board
China Financial International Investments Limited
Du Lin Dong
Chairman

Hong Kong, 27 February 2012