



中國投融資集團有限公司

China Investment and Finance Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code:1226)

I n t e r i m   R e p o r t   2 0 1 3



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## CORPORATE INFORMATION

### STOCK CODE

1226

### BOARD OF DIRECTORS

#### Executive Director:

Mr. CHAN Cheong Yee

#### Non-executive Directors:

Mr. LIAO Jintian (Chairman)

Mr. ZHOU Weiquan

Mr. ZHOU Han Jie

#### Independent Non-executive

#### Directors:

Mr. HA Tak-kong

Mr. LEUNG Kwong Kin

Mr. LO Chi Ming

### REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

### PRINCIPAL PLACE OF BUSINESS

#### IN HONG KONG

Unit 03 & 05, 32/F

Sino Plaza

255-257 Gloucester Road

Causeway Bay, Hong Kong

## AUDITORS

ELITE PARTNERS CPA LIMITED

Suites 921-921A, 9/F

Star House

3 Salisbury Road

Tsim Sha Tsui

Kowloon, Hong Kong

### SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG

Tricor Standard Limited

26th Floor, Tesbury Centre

28 Queen's Road East, Wanchai

Hong Kong

### PRINCIPAL BANKER

Bank of China

Industrial and Commercial Bank of China  
(Asia) Limited

Standard Chartered Bank

### INVESTMENT MANAGER

China Everbright Securities (HK) Limited

### CUSTODIAN

China Everbright Securities (HK) Limited

### COMPANY SECRETARY

Mr. Li Chi Fai

### AUTHORISED REPRESENTATIVE

Mr. CHAN Cheong Yee

Mr. LIAO Jintian

### WEBSITE

<http://www.chnif.com>

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 2013.

## CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2013

		<b>Unaudited six months ended 30 September</b>	
	<i>Note</i>	<b>2013 HK\$'000</b>	2012 HK\$'000
Gross proceeds from disposal of securities		<b>79,489</b>	–
<b>Revenue</b>			
Net realised gain on disposal of financial assets at fair value through profit or loss	<i>3(a)</i>	<b>3,592</b>	4,138
Net realised gain on disposal of available-for-sale financial assets		<b>6,088</b>	–
Net unrealised loss on financial assets at fair value through profit or loss		–	109
Other income	<i>3(b)</i>	<b>(4,316)</b>	(351)
Administrative expenses		<b>921</b>	–
		<b>(10,356)</b>	(10,609)
<b>Loss from operations</b>	<i>5</i>	<b>(4,071)</b>	(6,713)
Finance costs		–	–
<b>Loss before tax</b>		<b>(4,071)</b>	(6,713)
Income tax expense	<i>6</i>	–	–
<b>Loss for the period</b>		<b>(4,071)</b>	(6,713)
<b>Loss attributable to shareholders of the Company</b>		<b>(4,071)</b>	(6,713)
– Dividend	<i>7</i>	–	–
<b>Loss per share</b>			
– Basic, HK cents	<i>8</i>	<b>(0.01)</b>	(0.01)
– Diluted, HK cents	<i>8</i>	<b>(0.01)</b>	(0.01)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended 30 September 2013

	<b>Unaudited six months ended 30 September</b>	
	<b>2013</b>	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Loss for the period</b>	<b>(4,071)</b>	(6,713)
<b>Other comprehensive income:</b>		
Exchange loss on translating available-for-sale financial assets	–	(93)
Exchange loss on translation of foreign operations	–	(33)
Net gain/(loss) arising on revaluation of available-for-sale financial assets	<b>(2,968)</b>	4,515
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>(2,968)</b>	4,389
<b>Total comprehensive expense for the period</b>	<b>(7,039)</b>	(2,324)
<b>Total comprehensive expense attributable to shareholders of the Company</b>	<b>(7,039)</b>	(2,324)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>Unaudited 30 September 2013 HK\$'000</b>	Audited 31 March 2013 HK\$'000
	<i>Note</i>		
<b>Non-current assets</b>			
Property, plant and equipment		<b>33,514</b>	32,588
Available-for-sale financial assets	9	<b>274,505</b>	277,473
		<b>308,019</b>	310,061
<b>Current assets</b>			
Derivative financial instruments		<b>34,943</b>	34,943
Financial assets at fair value through profit or loss	10	<b>9,144</b>	13,461
Prepayments, deposits and other receivables	11	<b>69,331</b>	95,358
Cash and cash equivalents		<b>118,137</b>	93,282
		<b>231,555</b>	237,044
<b>Current liabilities</b>			
Accruals		<b>384</b>	588
Current tax liabilities		<b>132</b>	419
		<b>516</b>	1,007
<b>Net current assets</b>		<b>231,039</b>	236,037
<b>Net assets</b>		<b>539,058</b>	546,098
<b>Capital and reserves</b>			
Share capital		<b>116,316</b>	116,316
Reserves		<b>422,742</b>	429,782
<b>Total equity</b>		<b>539,058</b>	546,098
<b>Net assets value per share (in HK\$)</b>	12	<b>0.93</b>	0.94

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the six months ended 30 September 2013*

	<b>Share capital</b>	<b>Share premium</b>	<b>Available- for-sale investment revaluation reserve</b>	<b>Exchange reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 31 March 2012 and 1 April 2012	116,316	486,186	(5,738)	(511)	(52,832)	543,421
Total comprehensive income for the period	-	-	4,515	(125)	(6,713)	(2,323)
At 30 September 2012	116,316	486,186	(1,223)	(636)	(59,545)	541,098
At 31 March 2013 and 1 April 2013 (restated)	116,316	486,186	9,941	612	(66,957)	546,098
Total comprehensive income for the period	-	-	(2,968)	-	(4,071)	(7,039)
At 30 September 2013	116,316	486,186	6,973	612	(71,028)	539,058

**CONSOLIDATED STATEMENT OF CASH FLOWS***For the period ended 30 September 2013*

	<b>30 September 2013 HK\$'000</b>	30 September 2012 HK\$'000
<b>Net cash generated/(used) in operating activities</b>	<b>(10,552)</b>	21,331
<b>Net cash generated from investing activities</b>	<b>35,407</b>	1,877
<b>Net cash generated from financing activities</b>	<b>-</b>	151
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>24,855</b>	23,360
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>	<b>93,282</b>	37,661
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>118,137</b>	61,021
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	<b>118,137</b>	61,021



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2013*

### 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 Units 03 & 05, 32/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong.

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

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

### 2. BASIS OF PREPARATION

The unaudited condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules 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 Company's annual financial statements for the year ended 31 March 2013.

#### **Summary of significant accounting policies**

The Company 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 January 2013. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Company's accounting policies, presentation of the Company's financial statements and amounts reported for the current period and prior years.

The Company 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 are as follows:

		<b>Unaudited Six months ended 30 September</b>	
		<b>2013</b>	2012
		<i>HK\$'000</i>	<i>HK\$'000</i>
(a)	Revenue:		
	Dividend income from financial assets at fair value through profit or loss	<b>158</b>	161
	Interest income from available-for-sale financial assets	<b>3,212</b>	3,968
	Interest income from bank and brokers' accounts	<b>222</b>	8
		<b>3,592</b>	4,137
(b)	Other income:		
	Net foreign exchange gain	<b>921</b>	–
		<b>921</b>	–
		<b>4,513</b>	4,137

#### 4. SEGMENT INFORMATION

For the six months ended 30 September 2013 and 2012, 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

The Group's revenue analysed by geographical location and information about its non-current assets (excluding available-for-sale investments) by geographical location are detailed below:

	Revenue		Non-current assets	
	30/9/2013 HK\$'000	30/9/2012 HK\$'000	30/9/2013 HK\$'000	31/3/2013 HK\$'000
Hong Kong	3,593	4,138	1,845	302
PRC (not including Hong Kong)	–	–	31,669	32,286
	<b>3,593</b>	4,138	<b>33,514</b>	32,588

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**

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2013</b>	2012
	<b>HK\$'000</b>	HK\$'000
Loss from operations has been arrived at after charging:		
Directors' remunerations		
– Fees	<b>350</b>	460
– Other remunerations	–	–
<b>Total directors' remunerations</b>	<b>350</b>	460
Staff costs		
– Salaries	<b>1,949</b>	2,011
– Provident fund contributions	<b>47</b>	28
<b>Total staff costs (excluding directors' remunerations)</b>	<b>1,996</b>	2,039
Depreciation	<b>1,069</b>	891
Investment manager fee	<b>480</b>	1,500
Operating lease payments in respect of office premise	<b>2,537</b>	3,087

**6. INCOME TAX EXPENSE**

No Hong Kong profits tax had been provided for the six months ended 30 September 2013 as the Group has no estimated assessable profits.

**7. DIVIDENDS**

The directors do not recommend the payment of a dividend for the six months ended 30 September 2013 (six months ended 30 September 2012: 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\$4,071,000 (six months ended 30 September 2012: HK\$6,713,000) and the weighted average number of 581,580,000 (six months ended 30 September 2012: 581,580,000) ordinary shares in issue during the period.

There were no potential dilutive shares for both period, therefore the basic and diluted loss per share is the same.

**9. AVAILABLE-FOR-SALE FINANCIAL ASSETS****The Group**

Available-for-sale financial assets comprise:

	<b>2013</b>	2013
	<b>30 September</b>	31 March
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Unlisted equity securities, at fair value	<b>102,043</b>	102,043
Listed debt securities, at fair value	<b>22,308</b>	25,276
Unlisted convertible debt securities (excluding fair value of embedded derivative), at fair value	<b>150,154</b>	150,154
<b>Total</b>	<b>274,505</b>	277,473

**10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS****The Group**

	<b>2013</b>	2013
	<b>30 September</b>	31 March
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial assets at fair value through profit or loss:		
Listed securities in Hong Kong, at market value	<b>9,144</b>	13,461

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

**11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**

	<b>2013</b>	2013
	<b>30 September</b>	31 March
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest receivable from debt securities	<b>1,538</b>	1,522
Other receivables	<b>61,400</b>	91,400
Deposits paid	<b>838</b>	2,259
Financial assets	<b>63,776</b>	95,181
Prepayments	<b>5,555</b>	177
	<b>69,331</b>	95,358

Other receivables represent the consideration receivable arising from the disposal of an available-for-sale financial asset, during the six months ended 30 September 2013, of Ka Hang Development Limited. This was secured by a forestry ownership certificate owned by an independent third party, of which the forest is located at Mashi Village, Shixing Country, PRC, covering an area of approximately 3,506 acres of land, and personally guaranteed by three other independent third parties.

**12. NET ASSETS VALUE PER SHARE**

Net assets value per share is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK\$539,058,000 (31 March 2013: approximately HK\$546,098,000) by the number of shares in issue at 30 September 2013, being 581,580,000 (31 March 2013: 581,580,000).

**13. RELATED PARTY TRANSACTIONS**

During the six months ended 30 September 2013 and 2012, the Group had the following significant related party transactions which, in the opinion of the directors, were carried out on normal commercial terms and in the ordinary course of the Group's business:

	<b>Unaudited Six months ended 30 September</b>	
	<b>2013 HK\$'000</b>	2012 HK\$'000
Investment manager's fee paid to:		
Success Talent Investments Limited ( <i>note a</i> )	–	1,500
China Everbright Securities (HK) Limited ( <i>note b</i> )	<b>480</b>	–
	<b>480</b>	1,500
Broker fee paid to:		
China Everbright Securities (HK) Limited	<b>378</b>	–

*Note:*

- (a) The Company entered into an investment management agreement ("Previous Agreement") with Success Talent Investments Limited with effect from 1 June 2011. Success Talent Investments Limited was entitled to receive an investment management fee on a monthly basis at HK\$250,000. On 28 September 2012, the Company sent a written confirmation notice to Success Talent Investments Limited to terminate the Previous Agreement with effect from 30 November 2012.
- (b) The Company has entered into an investment management agreement ("Existing 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.

EBSHK shall be deemed as a connected person of the Company pursuant to Rule 21.13 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 2013.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL RESULTS

For the six months ended 30 September 2013, the Group recorded an increase in gross proceeds from disposal of securities of approximately HK\$79,489,000 (30 September 2012: NIL). The Group recorded a decrease in revenue from approximately HK\$4,138,000 to approximately HK\$3,592,000, representing a decrease of approximately 13.19%. The loss attributable to the owners of the Company for the period amounted from approximately HK\$6,713,000 to HK\$4,071,000 representing a decrease of approximately 39.36%. The unaudited consolidated net assets of the Group as of 30 September 2013 amounted to approximately HK\$539,058,000 (31 March 2013: approximately HK\$546,098,000). The net assets per share of the Group was amounted to approximately HK\$0.93 (31 March 2013: approximately HK\$0.94).

### Investment Review

As at 30 September 2013, the Group's major investments were as follows:

<b>Investments</b>	<b>Description</b>
Listed equities	HK\$9.1 million of a portfolio of listed shares in twelve companies
Listed debt securities	HK\$22.3 million of bonds issued by two listed companies
Investment funds	HK\$20.1 million in one investment fund
Convertible bonds	HK\$185.1 million in three unlisted convertible bonds securities
Direct investment in unlisted equities	HK\$81.9 million in two direct investments in unlisted equities securities
Total	HK\$318.5 million



The investment portfolio of the Group mainly comprises of unlisted securities and listed securities in Hong Kong and China during the period. The investment portfolio of the Company is of approximately HK\$318.5 million. 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 financial assets price risks as investments held by the Group are classified on the consolidated statement of financial position as financial assets at fair value through profit or loss. 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 at fair value through profit or loss were higher or lower by 5% as at 30 September 2013, the Group's loss for the period would increase or decrease by approximately HK\$457,200 (31 March 2013: HK\$673,000). If the price of the respective investments held by the Group as AFS financial assets were higher or lower by 5% as at 30 September 2013 (31 March 2013: 5%), the Group's equity as at 31 March 2013 would increase or decrease by approximately HK\$13,725,000 (31 March 2013: HK\$13,874,000).

### **Prospects**

We expect the global market will continue to face significant challenge. The US and European debt problems have developed to a complicated situation. However, given a strong growth of the PRC, the Company will still take these opportunities to continue to invest in the PRC.

The Directors will continue to take a prudent approach in managing the Group's investment portfolio and develop the investment strategies. Given the present continuous economic improvement in the PRC, 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 2013 (2012: NIL).

## **Liquidity and Financial Resources**

As at 30 September 2013, the Group had no borrowing and no credit facilities obtained from financial institutions. The Group had bank balances and cash on hand of approximately HK\$118,137,000 (31 March 2013: HK\$93,282,000), which was mainly placed in bank and other financial institution as deposits.

## **Gearing Ratio**

As at 30 September 2013, no gearing ratio has been presented as no interest bearing debt existed.

## **Employees**

During the six months ended 30 September 2013, the Group had retained seven employees (30 September 2012: eight employees). Total staff costs of the Group, excluding directors' remuneration, for the period under review amounted to approximately HK\$1,949,000 (30 September 2012: approximately HK\$2,039,000). 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.

## **CHARGES ON ASSETS AND CONTINGENT LIABILITIES**

Throughout the six months ended 30 September 2013, assets of the Group were free from any form of legal charge. 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 2013.

## **PURCHASE, SALE AND REDEMPTION OF SHARES**

For the six months ended 30 September 2013, 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 2013, 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 Directors	Number of shares			Approximate percentage of shareholding
	Personal interest	Corporate interest	Total	
Liao Jintian ( <i>note 1</i> )	–	170,576,000	170,576,000	29.33%
Zhou Weiwan ( <i>note 2</i> )	–	170,576,000	170,576,000	29.33%
Zhou Han Jie ( <i>note 3</i> )	256,000	170,576,000	170,832,000	29.57%

*Notes:*

- (1) This represents interests held by Mr. Liao Jintian through Tycor Development Limited (“Tycor”), which holds 170,576,000 shares of the Company. Mr. Liao Jintian has approximately 11.68% interest in Tycor and he is therefore deemed to be interested in 170,576,000 shares of the Company.
- (2) This represents interests held by Mr. Zhou Weiquan through Tycor Development Limited (“Tycor”), which holds 170,576,000 shares of the Company. Mr. Zhou Weiquan has approximately 10.15% interest in Tycor and he is therefore deemed to be interested in 170,576,000 shares of the Company.
- (3) Mr. Zhou Han Jie is holding approximately 11.19% of the shareholding of Tycor Development Limited, and Mr. Zhou Han Jie also holds 256,000 Shares, representing approximately 0.04% of the total issued shares of the Company as at 30 September 2013. Therefore Mr. Zhou Han Jie is deemed to have interests in aggregate of 170,832,000 Shares, representing approximately 29.37% of the total issued shares of the Company.

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 2013, 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:

	Notes	Number of shares of the Company	Approximate percentage of shareholding
Tycor Development Limited	1	170,576,000	29.33%
Wei Zhuo Fu	2	35,000,000	6.01%

*Notes:*

- (1) Tycor Development Limited is interested in 170,576,000 shares of the Company as at 30 September 2013. Mr. Liao Jintian, Mr. Zhou Weiquan and Mr. Zhou Han Jie beneficially own approximately 11.68%, 10.15% and 11.19% of the shareholdings of Tycor Development Limited respectively. The interests of Mr. Liao Jintian, Mr. Zhou Weiquan and Mr. Zhou Han Jie in the Company are stated under the section headed "Directors' and Chief Executives' Interests in Equity or Debt Securities".
- (2) Mr. Wei Zhuo Fu, is interested in 35,000,000 shares as at 30 September 2013. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Wei Zhuo Fu has no relationship with any Directors, senior management or other substantial or controlling Shareholders.

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 2013.

## **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 2013, with deviations from code provisions A.4.1 of the Code that 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.

## **CHANGE IN DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES**

Change in Directors’ information since the date of the 2013 annual report of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is set out below:

Mr. CHAN Cheong Yee, an executive Director of the Company, appointed as an executive director of China New Economy Fund Limited (stock code: 80), a company listed on the main board of the Stock Exchange of Hong Kong, with effect from 1 June 2013.

Mr. ZHOU Han Jie has been appointed as a non-executive Director of the Company with effect from 8 July 2013.

Mr. CHEN Kaizhi was not re-elected as an independent non-executive Director of the Company at the annual general meeting on 29 August 2013.

Save as disclosed above, there is no other change in the Directors’ information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2013 annual report of the Company.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 2013, 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.

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

Hong Kong, 20 December 2013

*As at the date of this report, the Board comprises Mr. CHAN Cheong Yee as the executive Directors, Mr. LIAO Jintian, Mr. ZHOU Weiquan and ZHOU Han Jie as the non-executive Directors, and Mr. HA Takkong, Mr. LO Chi Ming and Mr. LEUNG Kwong Kin as the independent non-executive Directors.*