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)

Annual Report
2022

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. Du Lin Dong *(Chairman and Chief Executive Officer)*

Non-executive Directors

Mr. Zhang Huayu *(Vice Chairman)*
Ms. Chen Xi

Independent Non-executive Directors

Mr. Zhang Jing
Mr. Zeng Xianggao
Mr. Wong Lok Man

EXECUTIVE COMMITTEE

Mr. Du Lin Dong *(Chairman)*

AUDIT COMMITTEE

Mr. Zhang Jing *(Chairman)*
Mr. Zeng Xianggao
Mr. Wong Lok Man

REMUNERATION COMMITTEE

Mr. Zhang Jing *(Chairman)*
Mr. Wong Lok Man
Mr. Du Lin Dong

NOMINATION COMMITTEE

Mr. Zhang Jing *(Chairman)*
Mr. Zeng Xianggao
Mr. Wong Lok Man

RISK MANAGEMENT COMMITTEE

Mr. Du Lin Dong *(Chairman)*
Mr. Zhang Jing

AUTHORISED REPRESENTATIVES

Mr. Du Lin Dong
Mr. Wong Tsz Lun

COMPANY SECRETARY

Mr. Wong Tsz Lun

AUDITOR

Moore Stephens CPA Limited
Registered Public Interest Entity Auditors

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 2001, 20th Floor,
Tower 1, The Gateway,
Harbour City,
Kowloon, Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
17/F, Far East Centre,
16 Harcourt Road,
Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

TRADING CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

0721

COMPANY WEBSITE

http://www.irasia.com/listco/hk/cfii

Dear shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of China Financial International Investments Limited (the "Company"), I am pleased to present the audited results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 June 2022 (the "Year").

KEY PERFORMANCE INDICATOR

The Group's net asset value is a key indicator of the financial performance and it decreased to HK$572,789,000 (2021: HK$799,531,000). During the year, the Group suffered from a loss of HK$215,195,000, mainly because of (1) the fair value loss on unlisted investments at fair value through profit and loss approximately to HK$189,492,000 and (2) the fair value loss on listed investments at fair value through profit and loss approximately to HK$10,967,000.

The net asset value per share was HK$5.22 cents, which was calculated on the above net assets value and 10,971,634,000 ordinary shares of HK$0.01 each in issue as at 30 June 2022.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held at 16/F, Tower 5, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 2 December 2022 at 11:00 a.m.. Notice of AGM will be published and sent to shareholders in the manner as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") in due course.

CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, 2 December 2022. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 29 November 2022 to Friday, 2 December 2022 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the above AGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 28 November 2022.

PROSPECT

The Company is expected to continue to focus on China's bioethanol sector with the aim to maximize value for the Shareholders of the Company.

As the Group's business is moving forward towards its strategic goals, the Board will carefully assess and minimize potential risks and strive to generate more returns to all shareholders.

APPRECIATION

I would like to take this opportunity to thank all of our business partners and Shareholders for their continuous support to our Group. I would also like to express my deepest gratitude to all of our staff and our Board of Directors for their effort and dedication to the Group.

Du Lin Dong
Chairman and Chief Executive Officer

Hong Kong, 30 September 2022

The Group was principally engaged in the investments in listed and unlisted companies established and/ or doing businesses in Hong Kong and the People's Republic of China ("PRC").

During the Year, a net loss for the year amounted to HK$215,195,000 as compared to a loss of HK$66,645,000 for the year ended 30 June 2021. During the Year, dividend income of HK$2,234,000 from the unlisted investments was recorded. The loss was mainly attributable to the following reasons:

(i) fair value loss of approximately HK$189,492,000 on unlisted investments at fair value through profit or loss ("FVTPL"); and

(ii) fair value loss of approximately HK$10,967,000 on listed investments at FVTPL.

During the Year, dividend income from investments increased by 48.64% to HK$2,234,000 as compared to HK$1,503,000 in last year. The other income which comprised bank interest income amounted to HK$13,000, representing a decrease of 99.83% as compared to HK$7,557,000 in last year. Administrative expenses decreased by 24.44% from HK$20,709,000 in last year to HK$15,647,000 this year mainly due to the decrease of the staff costs and professional fees.

LISTED INVESTMENT REVIEW

During the Year, the Group recorded the total loss of HK$19,875,000 on listed securities business as compared to a loss of HK$4,169,000 last year. No dividend income from listed investments was recorded for the Year (2021: HK$187,000).

As at 30 June 2022, the market value of the listed securities amounted to HK$69,383,000 (2021: HK$89,258,000), all the listed investments were listed on the Stock Exchange.

LISTED INVESTMENT REVIEW *(continued)*

Listed securities portfolio

Name of listed securities	Nature of business	Number of shares held	Group's effective interest	Market value at 30 June 2022	Dividend received/ receivable during the Year	% to the Group's net assets as at 30 June 2022	Investment cost	Disposal consideration	Realized gain/(loss)
				HK$'000	*HK$'000*		*HK$'000*	*HK$'000*	*HK$'000*
Hidili Industry International Development Limited	Coal mining and manufacture and sale of clean coal	12,369,000	0.60%	6,556	–	1.14%	–	–	–
China City Infrastructure Group Limited	Infrastructure businesses, property investment, property development, hotel business, property management and natural gas in the PRC	698,079,429	22.32%	62,827	–	10.97%	–	–	–
				69,383	–				–

UNLISTED INVESTMENT REVIEW

For the year ended 30 June 2022, the total loss on the Group's unlisted investment portfolio recorded as HK$193,684,000 (2021: HK$52,190,000). The loss was mainly attributable to the decrease in fair value of clean energy companies. During the Year, dividend income of HK$2,234,000 from unlisted investments, Henan Zhongxin Bioenergy Co., Ltd and Tianjin Binlian Microfinance Limited, was recorded (2021: HK$1,316,000).

As at 30 June 2022, the fair value of the Group's unlisted investments amounted to HK$486,785,000 as compared to HK$685,224,000 in last year, representing a 28.96% decrease.

UNLISTED EQUITY INVESTMENTS

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

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

Meanwhile, small loan industry in the PRC is still facing worries of the decreasing interest rate of private lending and the increase of operation risks, resulting in certain small loan companies continue to generate overdue loans and incur losses. In view of the slipping performance of the small loan industry, the Company has plan to exit the investments in small loan industry.

In the foreseeable future, the Company will continuously focus its investment on the bioenergy sector and gradually exit the past investment in the small loan industry which aim to maximize value of the shareholders of the Company.

Unlisted equity investment portfolio

	Name of company	*Notes*	Location	Group's effective interest	Business nature	Cost	Fair value at 30 June 2022	% to the Group's net assets as at 30 June 2022
						HK$'000	*HK$'000*	
Micro-loan services								
1	Tianjin Rongshun Microfinance Limited		Tianjin	30%	Provision of small loan and financial consultation services	36,606	981	0.17%
2	TIIC RongShun Micro-Loan Company Limited		Tianjin	10%	Provision of small loan and financial consultation services	12,189	3,213	0.56%
3	Harbin Zhongjinguoxin Microfinance Co., Ltd. ("Harbin Zhongjinguoxin")	*(1)*	Harbin, Heilongjiang Province	30%	Provision of small loan and financial consultation services	36,693	–	–
4	Tianjin Binlian Microfinance Limited		Tianjin	3.3%	Provision of small loan and financial consultation services	12,271	658	0.11%
5	Ziyang Yanjiang CFI GuoSen Microfinance Co., Ltd.		Ziyang, Sichuan Province	30%	Provision of small loan and financial consultation services	73,730	–	–
6	Nanjing Jiangning MingYangRongTong Agricultural Microfinance Co., Ltd.		Nanjing, Jiangsu Province	30%	Provision of small loan and financial consultation service	36,673	2,614	0.46%
					Sub-total:	208,162	7,466	

UNLISTED EQUITY INVESTMENTS *(continued)*

Unlisted equity investment portfolio *(continued)*

	Name of company	*Notes*	Location	Group's effective interest	Business nature	Cost *HK$'000*	Fair value at 30 June 2022 *HK$'000*	% to the Group's net assets as at 30 June 2022
Guarantee service								
7	Jiangxi Huazhang Hanchen Guarantee Group Limited ("Jiangxi Huazhang")	*(2)*	Nanchang, Jiangxi Province	2.06%	Provision of financing guarantees to small and medium enterprises	43,150	35,349	6.17%
Investment and management consultation service								
8	Shenzhen Zhongtoujinxin Asset Management Company Limited		Shenzhen, Guangdong Province	30%	Provision of consultation services on project investments	18,350	–	–
9	Xi'an Kairong Financial Service Limited		Xi'an, Shaanxi Province	30%	Provision of financial management services	18,724	2,241	0.39%
					Sub-total:	37,074	2,241	
Clean energy								
10	Henan Tianguan Energy and Biotechnology Company Limited ("Henan Tianguan")	*(3)*	Henan Province	30%	Production and sales of denatured fuel ethanol, sales of acetone, butanol, polyols, production and sales of biodegradable plastics and biodiesel, sales of chemical products, wheat bran flour, feed sales, acetic acid and acetaldehyde production	230,763	132,963	23.21%
11	Hunan South China New Energy Limited ("South China New Energy")	*(4)*	Hunan Province	30%	New energy technologies development, transfer and consultation, research and development, manufacturing and sales of chemical products, chemical reagents and auxiliaries (excluding hazardous chemicals and precursor chemicals)	51,200	27,934	4.88%
12	Mengzhou Houyuan Biotechnology Limited ("Mengzhou Houyuan")	*(5)*	Henan Province	30%	Engage in biotechnology and ethanol bio-chemical product development and production of ethanol chemical products	150,065	33,910	5.92%
13	Hainan Keyi Huirui Energy and Biotechnology Company Limited (formerly known as Henan Keyi Huirui Energy and Biotechnology Company Limited) ("Keyi Huirui")	*(6)*	Hainan Province	30%	Biotechnology energy technology development transfer and consultation, research and development, manufacturing and sales of biotechnology energy and chemical equipment	117,450	86,224	15.05%
14	Tianguan New Energy Limited ("Tianguan New Energy")	*(7)*	Guangdong Province	5%	Ethanol products transportation, development, trading and consultation service	5,952	6,872	1.20%
15	Henan Zhongxin Petrochemical Oil Sales Co., Ltd ("Zhongxin Petrochemical")	*(8)*	Henan Province	30%	Engage in petrol station operation	52,084	52,873	9.23%

UNLISTED EQUITY INVESTMENTS *(continued)*

Unlisted equity investment portfolio *(continued)*

Name of company		*Notes*	Location	Group's effective interest	Business nature	Cost	Fair value at 30 June 2022	% to the Group's net assets as at 30 June 2022
						HK$'000	*HK$'000*	
16	Henan Zhongxin Bioenergy Co., Ltd ("Zhongxin Bioenergy")	*(8)*	Henan Province	30%	Engage in biotechnology and ethanol bio-chemical product development and production of ethanol chemical products	52,084	41,219	7.20%
					Sub-total:	659,598	381,995	
Others								
17	Jilin Jusheng Light Alloy Co., Ltd. ("Jusheng Light Alloy")	*(9)*	Jilin Province	30%	Corn distribution, grain purchase, storage (excluding hazardous chemicals); sales of building materials, mechanical and electrical products, communication equipment, chemical products (excluding hazardous chemicals), aluminum alloy strip, foil production and product processing	65,400	59,734	10.43%
					Total:	1,013,384	486,785	

Notes:

(1) On 22 December 2016, the Company entered into a disposal agreement to dispose of all of its equity interest in Harbin Zhongjinguoxin to an independent third party for a cash consideration of Renminbi ("RMB") 25,000,000. A deposit of HK$2,500,000 has been received which was included in receipt in advance in "other payables and accruals" as at 30 June 2021 and 2022. As at the date of this announcement, in the opinion of the Directors of the Company, this disposal transaction has yet been completed after 12 months from the date of the disposal agreement but the transaction still be considered as valid.

(2) On 13 April 2011, the Group acquired a 30% equity interest of Jiangxi Huazhang, a joint venture establish in the PRC. The Group's equity interest in Jiangxi Huazhang became 7.2% on 15 July 2013 and reduce to 2.98% on 19 August 2016, as Jiangxi Huazhang was enlarged by the new registered capital subscribed by its other shareholders on these dates.

(3) On 11 May 2018, the Company entered into the joint venture agreement with the joint venture partners in relation to the formation of the Henan Tianguan in Henan province, the PRC. Pursuant to the joint venture agreement, the Company owned 30% of the registered capital of the Henan Tianguan. On 31 July 2018, Henan Tianguan increased the registered capital from RMB300,000,000 to RMB660,000,000 hence Keyi (Shanghai) Investment Limited ("Keyi") and Joy State Holdings Limited, wholly-owned subsidiaries of the Company, further injected RMB30,000,000 and RMB78,000,000 respectively.

(4) In January 2019, Keyi entered into an agreement with South China New Energy to inject capital contribution of RMB45,000,000 into South China New Energy for acquiring 30% of South China New Energy's equity interest. On 23 January 2019, the legal title of 30% equity interest in South China New Energy has been successfully transferred to Keyi.

(5) On 17 October 2019, the Group entered Into an agreement with Hollys (China) Limited ("Hollys") to get the repayment of outstanding principal and interests of the bond issued by Hollys in return the 30% equity interest of Mengzhou Houyuan.

UNLISTED EQUITY INVESTMENTS *(continued)*

Unlisted equity investment portfolio *(continued)*

Notes: (continued)

(6) In August 2019, Keyi entered into an agreement with three partners in relation to the formation of Keyi Huirui. The registered capital of Keyi Huirui is RMB350,000,000. Keyi injected RMB105,000,000 for acquiring 30% of Keyi Huirui's equity interest. On 5 September 2019, Keyi Huirui was officially set up.

(7) In October 2019, the Group invested in a 5% equity interest of Tianguan New Energy, a joint venture established in the PRC.

(8) On 16 March 2020, the Company executed a cooperation agreement with the People's Government of Nanyang of the PRC, Sinopec Marketing Company Limited and South South Asia Pacific Bioenergy Limited, in relation to the formation of two joint venture companies, Zhongxin Petrochemical and Zhongxin Bioenergy. The Company acquired 30% equity interest in both companies.

(9) On 18 June 2020, Keyi entered into the capital increase agreement with Jusheng Light Alloy to inject capital contribution of RMB60,000,000 into Jusheng Light Alloy for acquiring 30% of Jusheng Light Alloy's equity interest.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As at 30 June 2022, the Group had cash and cash equivalents of HK$39,600,000 (2021: HK$6,044,000). Majority of the cash and bank balances denominated in Hong Kong dollars, United States dollars and Renminbi are placed with banks in Hong Kong and the PRC. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2022 was approximately 2.84 times (2021: 3.10 times), gearing ratio (total liabilities to total assets) of the Group as at 30 June 2022 was approximately 5.52% (2021: 4.18%).

The Group did not have any bank borrowing as at 30 June 2022 (2021: nil).

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (2021: nil).

CAPITAL STRUCTURE

As at 30 June 2022, the Group's shareholders' equity and total number of shares in issue for the Company stood at HK$572,789,000 (2021: HK$799,531,000) and approximately 10,971,634,000 (2021: 10,971,634,000), respectively.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Hong Kong dollars and Renminbi are the main currencies of the Group to carry out its business transactions. During the Year, transactions in Renminbi were not significant, the Board considers that the Group's exposure to fluctuation in exchange rates was insignificant.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2022, the Group had 11 (2021: 10) employees (including Directors). The total staff costs (including Directors' remuneration) of the Group for the Year was HK$10,358,000 (2021: HK$11,938,000). The remuneration package of the employees is determined by various factors including the employees' experience and performance, the market condition, industry practice and applicable employment law.

EXECUTIVE DIRECTOR

Mr. Du Lin Dong, aged 54, currently as the chairman and chief executive officer of the Company. He was also the chief executive officer of China Water Affairs Group Limited (Stock code: 855), a company listed on the main board of the Stock Exchange. Mr. Du has over 25 years' experience in investment and finance sector in the PRC and he had held senior management positions in various unlisted investment companies incorporated in the PRC. Mr. Du is also the director of various subsidiaries of the Company.

NON-EXECUTIVE DIRECTORS

Mr. Zhang Huayu, aged 64, is a senior economist as accredited by Bank of Communications. Mr. Zhang served as an Executive Vice President of China Everbright Bank Company Limited (Stock code: 06818) since March 2007 to August 2018. Mr. Zhang joined China Everbright Bank in 2001 and previously served as assistant President and head of the Banking Department of the Head Office. From August 1988 to October 1994, Mr. Zhang served as chief of general office of the Shangqiu sub-branch of the People's Bank of China ("PBOC") in Henan Province, chief of Xiayi sub-branch of the PBOC in Shangqiu Prefecture, Henan Province and chief of the Urban Credit Cooperative of Shangqiu Prefecture, Henan Province. From November 1994 to February 2001, Mr. Zhang worked with the Bank of Communications successively as division chief of the Management Division of the Credit Department of Zhengzhou Branch, and executive vice president and then president of the Xi'an Branch of Bank of Communications. Mr. Zhang obtained a Master of Business Administration degree for senior management from the University of International Business and Economics in the People's Republic of China in 2008.

As disclosed in the Company's announcements dated 7 January 2022 and 6 July 2022 respectively, according to two articles published on the website of the State Supervision Commission of the Central Commission for Discipline Inspection# (中央紀律檢查委員會中華人民共和國國家監察委員會) dated 4 January 2022 and 4 July 2022 respectively, the investigation (the "Investigation") conducted by the Disciplinary Inspection and Supervision Team of the State Supervision Commission of the Central Commission for Discipline Inspection in China Everbright Group# (中央紀律檢查委員會中華人民共和國國家監察委員會駐光大集團紀檢監察組) and the Shandong Provincial Commission for Discipline Inspection# (山東省紀律檢查委員會山東省監察委員會) against Mr. Zhang has been concluded, and Mr. Zhang was found to have violated the rules and regulations of the Chinese Communist Party (the "CCP") and is suspected to have committed bribery offences. In accordance with the Regulation of the CCP on Disciplinary Actions# (中國共產黨紀律處分條例) and the Supervision Law of the PRC# (中華人民共和國監察法) Mr. Zhang has been expelled from the CCP and the suspected criminal activities have been transferred to the authorities for examination and prosecution.

Ms. Chen Xi, aged 38, obtained a master degree in economics from University of San Francisco in 2008 and a bachelor degree in business from Nanjing University in 2006. Ms. Chen has been an oversea investment director of Century Golden Resources Group ("Century Golden") since June 2016, where she joined as a senior investment manager in April 2010, and was promoted to the position of vice general manager in the investment department in February 2012. Prior to joining Century Golden, Ms. Chen was a financial trust analyst in a unit trust investment company in the United States from January 2008 to September 2009.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhang Jing, aged 67, is currently a director of private equity investment of Oriental Patron Financial Group Limited in Hong Kong. Mr. Zhang has over 22 years of experiences in corporate management. Mr. Zhang served as the general manager of China Security Limited (中國中安保有限公司). Prior to this, Mr. Zhang was the deputy general manager of Sichuan Jinguang Group (四川金廣集團). He also served as the director and deputy general manager of collective economic management department of China Yituo Group (中國一拖集團) and the chief financial officer of First Tractor Company Limited. Mr. Zhang obtained a bachelor's degree in industrial accounting from Henan Radio & Television University and a master's degree in management engineering from Jiangsu University. Mr. Zhang appointed as independent non-executive director of New City Development Group Limited (stock code: 0456) since June 2016.

Mr. Zeng Xianggao, aged 63, is the proprietor of Kangyuan Zeng & Co. (certified public accountant firm). Mr. Zeng is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants (practicing). Mr. Zeng was previously an accounting lecturer of Sun Yat-Sen University at Guangzhou, and an audit and tax consultant in two international accounting firms. He has extensive experience in accounting, taxation and auditing practice in Hong Kong as well as in the PRC. Mr. Zeng graduated from the Renmin University of China (Beijing) with a master degree in economics, and also obtained training certificate of independent directorship from the Shanghai National Accounting Institute in 2004. Mr. Zeng was the independent non-executive director of Capinfo Company Limited from 18 January 2011 to 19 June 2015, a joint stock limited company incorporated in the PRC and the issued shares of which are listed on the main board of the Stock Exchange (Stock code: 1075).

Mr. Wong Lok Man, aged 40, obtained a Diploma of Business Administration from Sydney Institute of Business and Technology in 2003 and Bachelor of Commerce-Accounting from Macquarie University in 2005. He is a member of the Hong Kong Institute of Certified Public Accountants with over 15 years of accounting and audit experience, including, among others, as the chief financial officer and company secretary of L & A International Holdings Limited (stock code: 8195) from October 2013 to May 2016 and as the group financial controller, joint company secretary and authorised representative of Kaisun Holdings Limited (stock code: 8203) from August 2020 to April 2021, and as financial controller and company secretary of Zhonghua Gas Holdings Limited (stock code: 8246) since June 2021, the issued shares of above mentioned companies are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Wong was also appointed as an independent non-executive director of China Trustful Group Limited (stock code: 8265) which is listed on GEM of the Stock Exchange from December 2020 to November 2021. China Trustful Group Limited was eventually delisted on 12 November 2021 after failing to fulfil the resumption guidance set by the Stock Exchange.

COMPANY SECRETARY

Mr. Won Tsz Lun, aged 38, joined the Group in August 2018 and is currently the financial controller of the Group. He has over 10 years of experience in the fields of accounting, auditing and financial management. Mr. Wong obtained a bachelor's degree in accounting from La Trobe University of Melbourne in Australia in 2006. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2011. Prior to joining the Group, Mr. Wong worked for Deloitte Touche Tohmatsu from January 2007 to August 2014. From October 2015 to December 2017, Mr. Wong was the company secretary of China Rongzhong Financial Holdings Company Limited (stock code: 3963), the issued shares of which are listed on the Stock Exchange.

Report of Directors

The Directors of the Company present their report and the audited financial statements for the year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries are investment holding and investing in listed and unlisted companies established and/or doing business in Hong Kong and other parts of the PRC. Details of the principal activities of the subsidiaries are set out in note 35 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the Year.

OPERATING SEGMENT INFORMATION

Operating segment information of the Group is set out in note 6 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 52.

The Board does not recommend the payment of any dividend for the year ended 30 June 2022 (2021: nil).

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS, EMPLOYEES AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers, customers, employees and other stakeholders to meet the Group's immediate and long-term goals. Although there were no major customers and suppliers during the Year, as disclosed in the section headed "Major Customers and Suppliers" on page 13 of this annual report, the Company has created a framework for motivating staff and a formal communication channel in order to maintain healthy relationships with its employees and other stakeholders.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group pays attention to legal and regulatory requirements in designing its policies and practices. Legal and compliance advisers will be engaged when necessary to ensure the Group operates in accordance with applicable laws and regulations.

FIVE YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 128. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 15 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the Year are set out in notes 26 and 28 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws (the "Bye-laws") or the laws of Bermuda, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

PURCHASES, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in note 36 to the financial statements and in the consolidated statement of changes in equity on page 54 respectively.

DISTRIBUTABLE RESERVES

At 30 June 2022, the Company's reserves available for distribution, comprising share premium, contributed surplus and accumulated losses in aggregate, amounted to HK$442,688,000 (2021: HK$699,988,000) calculated in accordance with the Companies Act 1981 of Bermuda.

MAJOR CUSTOMERS AND SUPPLIERS

A substantial portion of the Group's income is derived from the Group's investments and bank deposits and thus the disclosure of information regarding customers would not be meaningful. The Group has no major suppliers of which disclosure is required.

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Director:
Mr. Du Lin Dong *(Chairman and Chief Executive Officer)*

Non-executive Directors:
Mr. Ding Xiaobin (resigned on 15 July 2022)
Mr. Zhang Huayu *(Vice Chairman)*
Ms. Li Jie (resigned on 15 July 2022)
Ms. Chen Xi

DIRECTORS *(continued)*

Independent non-executive Directors:
Mr. Zhang Jing
Mr. Zeng Xianggao
Mr. Wong Lok Man

In accordance with Bye-laws 88(1) and 88(2), Mr. Zhang Huayu, Ms. Chen Xi and Mr. Zhang Jing shall retire from office by rotation at the AGM. Being eligible, each of them will offer himself/herself for re-election as non-executive director ("NED") and independent non-executive Director ("INED") (as the case may be) at the forthcoming AGM.

The Directors, including the INEDs, are subject to retirement by rotation and re-election in accordance with the provisions of the Bye-laws.

Biographical details of the Directors are set out on pages 10 to 11 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Mr. Du Lin Dong entered into a service agreement with the Company on 23 June 2010, pursuant to which Mr. Du Lin Dong was appointed to act as executive Director and the chairman of the Board for a period of 3 years from the date of the agreement at an annual remuneration of HK$3,000,000, a housing allowance of not more than HK$50,000 per month and an annual fee of HK$120,000 for his office as executive Director. Under the service agreement, either party needs to give not less than 3 months' written notice to the other party in case of early termination of the appointment. The service agreement was amended on 8 October 2013, 8 June 2015, 1 July 2016, 1 July 2017 and 28 February 2018, pursuant to which Mr. Du Lin Dong resigned as the chairman of the Board and was appointed as the chief executive officer of the Company on 8 October 2013, and appointed as the chairman of the Board on 8 June 2015, his annual remuneration was increased to HK$5,000,000 with effect from 1 July 2016, decreased to HK$3,000,000 with effect from 1 July 2017, increased to HK$5,000,000 with effect from 28 February 2018 and decreased to HK$3,000,000 with effect from 1 January 2021, respectively. The other terms of the service agreement remain unchanged.

Save as disclosed above, no Directors have entered into service contracts with the Company which are not determinable by the Company within 1 year without payment of compensation, other than statutory compensation.

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

As at 30 June 2022, the interests and short positions of the Directors and the chief executive in the shares, share options, 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); (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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Long positions in ordinary shares of the Company

		Number of issued ordinary shares held				Approximate percentage of shareholding in the Company
Name of Director	Capacity	Personal interests	Interests of spouse	Corporate interests	Total interests	
Du Lin Dong *(note)*	Beneficial owner and interests of controlled corporation	185,914,830	–	500,000,000	685,914,830	6.25%
Ding Xiaobin	Beneficial owner	1,300,000	–	–	1,300,000	0.01%
Zeng Xianggao	Beneficial owner	1,000,000	–	–	1,000,000	0.01%

Note: Mr. Du Lin Dong is personally holding 185,914,830 ordinary shares. The 500,000,000 ordinary shares were held by Rightfirst, a company wholly owned by Mr. Du Lin Dong. Under the SFO, Mr. Du Lin Dong is deemed to be interested in the ordinary shares in which Rightfirst is interested.

Save as disclosed above, as at 30 June 2022, none of the Directors nor the chief executive had or was deemed to have any interests and short positions in the shares, share options, underlying shares or debentures of the Company or any of 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); (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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

The register of substantial shareholders maintained under section 336 of the SFO shows that as at 30 June 2022, the Company had been notified of the following substantial shareholders' interests or short positions, being 5% or more of the Company's ordinary shares and underlying shares:

Long positions in the ordinary shares of the Company

			Number of issued ordinary shares held				Approximately percentage of shareholding in the Company
Name of Shareholder	**Capacity**	*Notes*	**Personal interests**	**Interests of spouse**	**Corporate interests**	**Total interests**	
Gan Xiaoqing	Beneficial owner		1,117,780,000	–	–	1,117,780,000	10.19%
Jumbo View Holdings Limited	Beneficial owner	*(1)*	1,016,860,000	–	–	1,016,860,000	9.27%
Zhang Gui	Interests of controlled corporation	*(1)*	–	1,016,860,000	–	1,016,860,000	9.27%
Zhang Zuhao	Beneficial owner		1,000,000,000	–	–	1,000,000,000	9.11%
Century Golden Resources Investment Co., Ltd	Beneficial owner	*(2)*	1,000,000,000	–	–	1,000,000,000	9.11%
Huang Shiying	Interests of controlled corporation	*(2)*	–	–	1,000,000,000	1,000,000,000	9.11%
Huang Tao	Interests of controlled corporation	*(2)*	–	–	1,000,000,000	1,000,000,000	9.11%

Notes:

(1) 70% of the issued share capital of Jumbo View Holdings Limited is owned by Mr. Zhang Gui, and Mr. Zhang Gui is therefore deemed to be interested in the ordinary shares held by Jumbo View Holdings Limited.

(2) 40% and 50% of the issued share capital of Century Golden Resources Investment Co., Limited is owned by Mr. Huang Shiying and Mr. Huang Tao, respectively, and Mr. Huang Shiying and Mr. Huang Tao are therefore deemed to be interested in the ordinary shares held by Century Golden Resources Investment Co., Limited.

Save as disclosed above, as at 30 June 2022, the Company has not been notified by any other persons, not being a Director or chief executive of the Company, who has interests or short positions in the ordinary shares and underlying shares of the Company representing 5% or more of the Company's issued share capital.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance, to which the Company or its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

EMOLUMENTS OF DIRECTORS

Details of the emoluments of the Directors are set out in note 11 to the financial statements.

The emoluments payable to the Directors are determined with reference to responsibilities, years of service and performance of each individual, the results of the Group and the prevailing market rates.

INDEPENDENT NON-EXECUTIVE DIRECTORS' INDEPENDENCE

The Company has received, from each of the INEDs, an annual confirmation or a confirmation letter of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-laws, Directors shall be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to the Directors. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against the Directors.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's principal activity is investing in listed and unlisted investments and other related financial assets. Details of the principal risks and uncertainties relating to the investments of the Group are set out in notes 4, 31 and 32 to the financial statements. The activity of the Group is also affected by the volatility and uncertainty of the world wide economies.

ENVIRONMENTAL POLICIES

The Group is devoted to promoting and maintaining the environmental and social sustainable development. As a responsible enterprise, the Company is in compliance with all the material relevant laws and regulations in Hong Kong in terms of the environmental friendliness, health as well as safety and adopts effective measures, conserves energy and reduces waste.

The Board is pleased to present you the environmental, social and governance report (the "ESG Report") set out on pages 32 to 46 of this annual report which depicts the performance on the sustainability of the Group.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company as disclosed in the "Share Option Scheme" section below, no equity-linked agreements were entered into by the Group, or existed during the Year.

SHARE OPTION SCHEME

In light of the requirements of Chapter 17 of the Listing Rules, the Company adopted a share option scheme (the "Scheme") on 15 December 2017. Under the Scheme, the Directors may grant share 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. Further details of the Scheme are disclosed in note 28 to the financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in note 28 to the financial statements, at no time during the Year was the Company or any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CONTINUING CONNECTED TRANSACTIONS

During the Year, the Group had the following continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules:

(a) Non-exempted continuing connected transaction

Investment management agreement

An investment management agreement (the "Investment Management Agreement") was entered into between the Company and an associate, China Financial International Investments & Managements Limited ("CFIIM") on 26 April 2017 to renew the appointment of CFIIM as the investment manager of the Company for a further period of three years effective from 29 April 2017 to 28 April 2020. Pursuant to the Investment Management Agreement, CFIIM is entitled to a management fee which is receivable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio managed by CFIIM on the last business day of each calendar month.

The Investment Management Agreement expired on 28 April 2020 and a new investment management agreement (the "New Investment Management Agreement") was entered into accordingly on 27 April 2020 to renew the appointment of CFIIM as the investment manager of the Company for a further period of three years effective from 29 April 2020 to 28 April 2023. Pursuant to the New Investment Management Agreement, CFIIM is entitled to a management fee which is receivable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio managed by CFIIM on the last business day of each calendar month.

The aggregate management fees payable to CFIIM under the Investment Management Agreement and the New Investment Management Agreement are subject to the following caps:

– not exceeding HK$6,000,000 annually from 29 April 2017 to 28 April 2020

– not exceeding HK$6,000,000 annually from 29 April 2020 to 28 April 2023

During the Year, the aggregate management fees paid/payable by the Company to CFIIM under the Investment Management Agreement together with the New Investment Management Agreement to CFIIM amounted to HK$356,000 (2021: HK$350,000).

CONTINUING CONNECTED TRANSACTIONS *(continued)*

(a) Non-exempted continuing connected transaction *(continued)*

Investment management agreement (continued)

CFIIM, being the investment manager of the Company, is regarded as a connected person of the Company by virtue of Rule 14A.08 of the Listing Rules. In addition, CFIIM is an associate of the Company who holds 29% of the entire issued shares of CFIIM. Accordingly, the services rendered under the Investment Management Agreement and the New Investment Management Agreement constitute a non-exempted continuing connected transaction of the Company.

The aforesaid continuing connected transaction has been reviewed by the INEDs of the Company. The INEDs confirmed that the aforesaid continuing connected transaction was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the Investment Management Agreement and the New Investment Management Agreement on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Moore Stephens CPA Limited, the Company's auditor, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. Moore Stephens CPA Limited have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transaction disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

(b) Continuing connected transaction exempted from reporting, annual review, announcement and independent shareholders' approval requirements

Custodian agreement

Pursuant to the custodian agreement (the "Custodian Agreement") dated 12 June 2007, the Company appointed Bank of Communications Trustee Limited as its custodian with effect from 12 June 2007. The custodian has agreed to provide securities services to the Company, including the safe custody and physical settlement of the securities in the investment portfolio of the Company, and the collection of dividends and other entitlements in respect of such securities. The Custodian Agreement will continue in force until it is terminated by either the Company or the custodian by giving to the other not less than 90 days' notice in writing expiring at any time. Pursuant to the Custodian Agreement, the custodian fee is 0.05% of the net asset value, the minimum charge is HK$4,000 per valuation per month and will be billed monthly (i.e., calculated on a monthly basis on the net asset value of the portfolio as at the month end), the fund service fee is HK$4,000 per month, and the transaction fees are HK$320 per transaction for listed securities and HK$650 per unlisted/physical securities transaction. The custodian fee paid/payable during the Year amounted to HK$156,000 (2021: HK$168,000).

The custodian is regarded as a connected person of the Company by virtue of Rule 14A.08 of the Listing Rules. Accordingly, the Custodian Agreement constitutes a de-minimis continuing connected transaction of the Company under Rule 14A.76 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS *(continued)*

The INEDs also confirmed that (i) the aggregate value of the annual management fees paid and payable by the Company to the investment manager did not exceed the prescribed caps; and (ii) the aggregate value of the annual custodian fee to the custodian fell below the de-minimis threshold of the Listing Rules and would be exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this report, there is a public float of more than 25% of the issued share capital of the Company.

AUDITOR

The consolidated financial statements of the Group for the year ended 30 June 2022 were audited by Moore Stephens CPA Limited, who would retire at the conclusion of the forthcoming AGM of the Company, and being eligible, offer themselves for re-appointment. A resolution will be proposed to the shareholders at the forthcoming AGM to re-appoint Moore Stephens CPA Limited as the auditor of the Company.

ON BEHALF OF THE BOARD

Du Lin Dong
Chairman and Chief Executive Officer

Hong Kong
30 September 2022

The Board is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the Shareholders' value.

During the Year, the Company has applied the principles and complied with the CG Code contained in Appendix 14 to the Listing Rules, save for the disclosure below:

(a) The code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The positions of both chairman and chief executive officer of the Company have been held by Mr. Du Lin Dong during the Year. Given the Group's current stage of development, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. Mr. Du Lin Dong possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure is more suitable for the Company because it can promote the efficient formulation and implementation of the Company's strategies.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry by the Company, all Directors have confirmed that they have fully complied with the Model Code throughout the Year.

During the period of 60 days immediately preceding the publication of the announcement of annual result for the year ended 30 June 2022, certain shares of the Company held by Mr. Du Lindong ("Mr. Du", the executive director, Chairman and Chief Executive Officer) and Rightfirst Holdings Limited ("Rightfirst"), a company wholly-owned by Mr. Du, were sold on the market as a result of forced sale by the stockbroker of Mr. Du and Rightfirst due to the failure in meeting the issued margin call, and the percentage interest of Mr. Du and Rightfirst in the Company has been reduced to approximately 1.64% and 4.53% respectively of the total issued share capital of the Company as of the date of this report. The Directors (except Mr. Du) were satisfied that the disposals by Mr. Du since 2 September 2022 are forced sales occurred under exceptional circumstances within the meaning of paragraph C.14 of Appendix 10 to the Listing Rules.

THE BOARD

Responsibilities

The Board is responsible for leadership and control of the Company and oversees the Company's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company. All Directors, including INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Board reserves for its decision all matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions, financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Directors may have access to the advice and services of the company secretary of the Company with a view to ensure that the Board procedures, and all applicable rules and regulations, are followed.

In addition, the Directors may, upon reasonable request, seek independent professional advice in appropriate circumstance at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

Composition

During the Year and as at the date of this annual report, the Board comprises the following Directors:

Executive Director:
Mr. Du Lin Dong

Non-executive Directors:
Mr. Ding Xiaobin *(resigned on 15 July 2022)*
Mr. Zhang Huayu
Ms. Li Jie *(resigned on 15 July 2022)*
Ms. Chen Xi

Independent non-executive Directors:
Mr. Zhang Jing
Mr. Zeng Xianggao
Mr. Wong Lok Man

The Directors are, collectively and individually, aware of their responsibilities to the Shareholders. The Directors' biographical details are set out in the section of "Biographical Details of Directors and Senior Management" on pages 10 to 11 of this annual report.

THE BOARD *(continued)*

The Board's constitution is governed by Bye-law 87(1) under which the number of Directors shall not be less than two and Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules under which every board of directors of a listed issuer must include at least three independent non-executive directors, at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise, and an issuer must appoint independent non-executive directors representing at least one-third of the board. Its composition also ensures that there is a balance of skills and experience appropriate to the requirements of the business of the Group and a balance of executive and non-executive Directors (including INEDs) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

To the best knowledge of the Board, there is no financial, business or family relationship among the members of the Board during the Year. All of them are free to exercise their individual judgments.

Board Diversity Policy

The Company has adopted a board diversity policy (the "Diversity Policy") which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. The Board and nomination committee (the "Nomination Committee") will review such objectives from time to time to ensure their appropriateness and the progress made towards achieving those objectives. The Company will also take into consideration its own specific needs from time to time in determining the optimum composition of the Board.

Chairman and Chief Executive Officer

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. The positions of both chairman and chief executive officer of the Company have been held by Mr. Du Lin Dong during the Year. Given the Group's current stage of development, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. Mr. Du Lin Dong possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure is more suitable for the Company because it can promote the efficient formulation and implementation of the Company's strategies.

Independent Non-executive Directors

To determine the non-executive Directors' independence, assessments are carried out upon appointment, annually and at any time where the circumstances warrant reconsideration. Each of the INEDs is appointed for a term of not more than 3 years and they are also subject to retirement by rotation at least once every 3 years in accordance with Bye-law 88(1) and the CG Code. Also, if an INED serves more than 9 years, his further appointment will be subject to a separate resolution to be approved by Shareholders in accordance with the CG Code.

THE BOARD *(continued)*

The Company has received written annual confirmation from each INED of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all INEDs to be independent in light of the independence guidelines set out in the Listing Rules. Also, one INED have been serving more than 9 years: (i) Mr. Zeng Xianggao already offered himself for re-election and his further appointment was approved by the Shareholders at the AGM held on 9 December 2021. The Board and the Nomination Committee further consider that all INEDs remain independent, notwithstanding their length of tenure. They continue to demonstrate the attributes of an INED noted above and there is no evidence that their tenure has had any impact on their independence. The Board and the Nomination Committee believe that their detailed knowledge and experience of the Group's business and their external experience continue to be of significant benefit to the Company and that they maintain an independent view of its affairs.

Appointment and Re-election of Directors

All non-executive Directors are appointed for a specific term of two years. All Directors are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Bye-laws.

Continuous Professional Development

The Company provides relevant reading materials to all of the Directors to help ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses, and to refresh their knowledge and skills on the roles, functions and duties of a listed company director to ensure that the Directors' contribution to the Board remains informed and relevant. In addition, all Directors are encouraged to attend external forums or training courses on relevant topics which count towards Continuous Professional Development training.

	Corporate governance/updates on laws rules and regulations/finance/business	
	Read materials	**Attended seminars/ briefings**
Directors		
Executive Director		
Mr. Du Lin Dong	✓	✓
Non-executive Directors		
Mr. Ding Xiaobin	✓	✓
Mr. Zhang Huayu	✓	✓
Ms. Li Jie	✓	✓
Ms. Chen Xi	✓	✓
Independent non-executive Directors		
Mr. Zhang Jing	✓	✓
Mr. Zeng Xianggao	✓	✓
Mr. Wong Lok Man	✓	✓

THE BOARD *(continued)*

Meetings

Each Director makes every effort to contribute to the formulation of strategy, policy and decision-making by attending each meeting, whether in person or by telephonic conference, and each of them is prepared to contribute to the Group's business. All Directors are also encouraged to attend general meetings and develop a balanced understanding of the views of the Shareholders.

Besides the AGM, regular Board meetings and Board committees meetings are held for reviewing, discussing, considering and approving the financial and operating performance, the overall strategies and policies of the Company.

During the Year, 4 Board meetings, 2 audit committee (the "Audit Committee") meetings, 2 remuneration committee (the "Remuneration Committee") meeting, 2 Nomination Committee meeting, 2 executive committee (the "Executive Committee") meeting, 1 risk management committee (the "Risk Management Committee") meetings and 1 annual general meeting were held. The attendance record of each Director was as follows:

	Attendance/Number of Meetings						
Director	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Executive Committee Meeting	Risk Management Committee Meeting	General Meeting
Mr. Du Lin Dong	4/4	N/A	2/2	N/A	2/2	1/1	1/1
Mr. Ding Xiaobin	4/4	N/A	N/A	N/A	N/A	N/A	1/1
Mr. Zhang Huayu	0/4	N/A	N/A	N/A	N/A	N/A	1/1
Ms. Li Jie	4/4	N/A	N/A	N/A	N/A	N/A	1/1
Ms. Chen Xi	4/4	N/A	N/A	N/A	N/A	N/A	1/1
Mr. Zhang Jing	4/4	2/2	2/2	2/2	N/A	1/1	1/1
Mr. Zeng Xianggao	4/4	2/2	N/A	2/2	N/A	N/A	1/1
Mr. Wong Lok Man	4/4	2/2	2/2	2/2	N/A	N/A	1/1

BOARD COMMITTEES

The Company has five Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Executive Committee and the Risk Management Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference which are available on the Stock Exchange's website (www.hkexnews.hk) and on the Company's website (except for the written terms of reference of the Executive Committee and the Risk Management Committee which are available to Shareholders upon request). All the Board committees should report to the Board on their decisions or recommendations made. The attendance record of the Board committee members for the Year is shown above.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

BOARD COMMITTEES *(continued)*

Audit Committee

As at 30 June 2022, the Audit Committee comprises the following members, all being the INEDs, namely, Mr. Zhang Jing (chairman of the Audit Committee), Mr. Zeng Xianggao and Mr. Wong Lok Man. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee are reviewing the financial information and reports of the Group and considering any significant or unusual items raised by the financial officers of the Group or external auditors before submission to the Board; reviewing the relationship with and the terms of appointment of the external auditors and making the relevant recommendation to the Board; and reviewing the Company's financial reporting system, internal control and risk management system.

During the Year, the Audit Committee has performed the following major duties:

– reviewed and discussed the annual financial statements, results announcement and report for the year ended 30 June 2021, the related accounting principles and practices adopted by the Group and the relevant audit findings, the report from the management on the Company's internal control and risk management review and processes; and recommendation of the reappointment of the external auditors;

– reviewed and discussed the interim financial statements, results announcement and report for the six months ended 31 December 2021 and the related accounting principles and practices adopted by the Group; and

– reviewed and discussed the internal control and risk management systems.

The external auditors attended all the above meetings to discuss with the Audit Committee members on issues arising from the audit and financial reporting matters.

There is no disagreement between the Board and the Audit Committee regarding the appointment of external auditors.

Remuneration Committee

As at 30 June 2022, the Remuneration Committee comprises the following members, namely, Mr. Du Lin Dong, an executive Director, and Mr. Zhang Jing (chairman of the Remuneration Committee) and Mr. Wong Lok Man, both of them are INEDs.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's remuneration policy and structure and the remuneration packages of Directors and senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

BOARD COMMITTEES *(continued)*

Remuneration Committee *(continued)*

During the Year, the Remuneration Committee has performed the following major duties:

– generally reviewed the remuneration policy and remuneration package of the Group;

– reviewed and approved the remuneration of the Directors; and

– determine the remuneration package for newly appointment directors.

Details of Directors' remuneration for the Year are disclosed in note 11 to the financial statements.

Nomination Committee

As at 30 June 2022, the Nomination Committee comprises the following members, all being the INEDs, namely, Mr. Zhang Jing (chairman of the Nomination Committee), Mr. Zeng Xianggao and Mr. Wong Lok Man.

The principal responsibilities of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, formulating relevant procedures for nomination of Directors, identifying qualified individuals to become members of the Board and making recommendation to the Board on the appointment or re-appointment of Directors. The nomination should be taken into consideration of the nominee's qualification, ability and potential contributions to the Company and to review the board diversity policy, as appropriate and make recommendations on any required changes to the Board for consideration and approval, and monitor its implementation so as to ensure its effectiveness, and make disclosure of its summary and the progress of its implementation in the Corporate Governance Report.

During the Year, the Nomination Committee has performed the following major duties:

– reviewed the structure, size, composition and diversity of Board including the skills, knowledge and experience;

– made recommendations to the Board on the appointment and re-appointment of Directors;

– reviewed the policy and procedures for nomination of Directors; and

– assessed the independence of all the Company's INEDs.

Details of re-appointments were set out in the circular of the Company dated 29 October 2021, all re-appointments were approved by the Shareholders at the AGM held on 3 December 2021.

BOARD COMMITTEES *(continued)*

Executive Committee

The Executive Committee comprises the executive Director, namely, Mr. Du Lin Dong (chairman of the Executive Committee). The Executive Committee has been authorised to make investment decisions on behalf of the Group and operate normal course of business of the Group.

Risk Management Committee

The Risk Management Committee comprises the following members, namely, Mr. Du Lin Dong (chairman of Risk Management Committee), an executive Director, and Mr. Zhang Jing, an INED. It is mainly responsible for enhancing and strengthening the system of risk management of the Group related to the unlisted investments and providing comments and recommendations thereon to the Board, and identifying such risks of the Group and providing recommendations to the Board.

Corporate Governance Functions

The Board is responsible for the corporate governance functions with the following duties:

– to develop and review the Company's policies and practices on corporate governance and make recommendations on changes and updating;

– to review and monitor the training and continuous professional development of Directors;

– to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

– to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;

– to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and

– such other corporate governance duties and functions set out in the CG Code (as amended from time to time) for which the Board are responsible.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Company and ensure that they are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of such financial statements.

The statement of the external auditor of the Company, Moore Stephens CPA Limited, with regard to their reporting responsibilities on the Company's financial statements, is set out in the "Independent Auditor's Report" on page 47 of this Annual Report.

The Directors confirm that, to the best of their knowledge, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions which may cause the Company not to continue as a going concern.

COMPANY SECRETARY

As at 30 June 2022, Mr. Wong Tsz Lun fulfills the requirement under Rules 3.28 and 3.29 of the Listing Rules. As an employee of the Company, the company secretary supports the Board, ensures good information flow within the Board and Board policy and procedures are followed; advises the Board on governance matters, facilitates induction and, monitors the training and continuous professional development of Directors. He has attained not less than 15 hours of relevant professional training during the current Year under review. His biography is set out in the "Biographical Details of the Directors and Senior Management" section of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Group is committed to set up and maintain an effective risk management and internal control systems which is devised to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage and minimize rather than eliminate the risks of failure in the Group's operational systems.

The Board is responsible for maintaining a sound and effective risk management and internal control systems particularly in respect of the controls on financial, operational, compliance and risk management, to achieve the Group's business strategies and business operations and safeguard the Shareholders' investment and the Company's assets.

During the Year, the outsourced internal auditor was responsible for the review and appraisal on the effectiveness of financial, operational and compliance controls and risk management of the Group, provided reports to the Audit Committee in three phases with highlighting observations and recommendations to improve the risk management and internal control systems. The Audit Committee also reviewed the adequacy of the scope, functions, competency and resources of the outsourced internal audit functions.

The Audit Committee considered that there was no material defect in the Company's internal control review report. After discussion with the Audit Committee, the Board and management considered that the recommendations were reasonable and would implement the relevant procedures accordingly.

The Board, through the Audit Committee, reviewed the overall effectiveness of the Group's risk management and internal control systems during the Year, including financial, operational, compliance and risk management. The Board was of the view that the existing risk management and internal control systems are effective and adequate to the Group.

AUDITOR'S REMUNERATION

The Audit Committee reviews each year with the external auditor of the Group with regards to their independence, appointment, the scope of audit, fees, and the scope and appropriate fees for any non-audit services provided by them.

During the Year, the fees paid/payable to the Group's external auditor, Moore Stephens CPA Limited, in respect of audit services and non-audit services amounted to HK$1,100,000 (2021: HK$1,047,000) and HK$200,000 (2021: HK$190,000), respectively. It should be noted that the non-audit services, e.g. interim financial statements and results announcements, provided by the external auditor during the Year were incidental to their audit services.

COMMUNICATIONS WITH SHAREHOLDERS

The Board recognises the importance of continuing communications with the Shareholders and investors, and maintains ongoing dialogues with them through various channels. The primary communication channel between the Company and its Shareholders is through the publication of its interim and annual reports. The Company's share registrars serve the Shareholders with respect to all share registration matters. The Company's general meetings provide a useful forum for Shareholders to exchange views with the Board. The Board members and management of the Company are available to answer Shareholders' questions and explain the procedures for demanding and conducting a poll, if necessary. Any relevant information and documents on proposed resolutions are normally sent to all Shareholders at least 20 clear business days before the AGM.

All Shareholders' communications, including interim and annual reports, announcements and press releases are available on the Company's website at http://www.irasia.com/listco/hk/cfii.

A Shareholders' communication policy of the Company (the "Communication Policy") has been adopted by the Company to maintain an on-going dialogue with Shareholders and encourage them to communicate actively with the Company and also establishing and reviewing the Communication Policy on a regular basis to ensure its effectiveness, details of the Communication Policy are available on the Company's website.

SHAREHOLDERS' RIGHTS

Right to convene special general meeting

In accordance with the Company's Bye-law 58, the Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

Any number of Shareholders representing not less than 5% of the total voting rights of the Company on the date of the requisition or not less than 100 shareholders of the Company are entitled to put forward a proposal for consideration at a general meeting of the Company. Shareholders should follow the procedures as set out in Section 79 of the Companies Act 1981 of Bermuda for putting forward such proposals.

Right to put enquiries to the Board

Shareholders may at any time send their written enquiries or requests in respect of their rights to the principal place of business of the Company in Hong Kong at Suite 2001, 20th Floor, Tower 1, The Gateway, Harbour City, Kowloon, Hong Kong, for the attention of the Board.

INVESTOR RELATIONS

Constitutional Documents

There were no changes in the Company's constitutional documents during the Year. An up-to-date version of the Company's constitutional documents is available on the websites of the Stock Exchange and the Company.

General Meetings

General meetings, including AGM, are an important forum where communications with the Shareholders can be effectively conducted. During the Year, annual general meeting was held at 16/F, Tower 5, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong on 3 December 2021. Separate resolutions are proposed at general meeting on each substantially separate issue. All resolutions proposed were duly passed. Details of the poll results were posted on the websites of the Stock Exchange and the Company.

The Company keeps on promoting investor relations and enhancing communication with the existing Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public who may contact the Company by phone on (852) 3542 5373 during normal business hours, by fax at (852) 3542 5370 or by e-mail at info@cfii.com.hk.

Environmental, Social and Governance Report

We are pleased to present our annual ESG Report for the year ended 30 June 2022 for the Company which depicts our initiatives and performance on the sustainability of the Group.

The Board recognises the importance of and acknowledge the responsibility for the strategy and reporting the environmental and social areas of the Group. While achieving our goals and business objectives, the Company works to minimise and manage environmental and social impacts arising from its daily operation and contribute to the long-term well being of the communities in which it operates.

REPORTING PERIOD

Unless otherwise stated, ESG Report covers the period from 1 July 2021 to 30 June 2022 ("reporting period").

REPORTING SCOPE

Our ESG Report covers the principal activities of the Company and its principal subsidiaries which are principally engaged in investing in listed and unlisted companies established and/or doing business in Hong Kong and the PRC.

REPORTING BASIS

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Listing Rules and has complied with the "comply or explain" provisions. During the process of preparation of this ESG Report, we summarized the Group's performance in corporate and social responsibilities based on the principles of "Materiality, Quantitative, Balance and Consistency". Please refer to the table below for our understanding and response to such reporting principles.

Reporting Principles	Definitions	Our Response
Materiality	The issues covered in the ESG Report should reflect the significant impacts of the Group on the economy, environment and society, or the scope of assessments and decisions of stakeholders being affected.	Through continuous communication with stakeholders, combined with the Group's strategic development and business operations, we can identify current material sustainable development issues.
Quantitative	The ESG Report should disclose key performance indicators ("KPIs") in a measurable manner.	The Group quantitatively discloses its environmental and social KPIs, and provides textual explanations on quantitative resources.
Balance	The ESG Report should reflect fairly the overall sustainability performance of the Group.	The Group has explained in detail the sustainable development issues that have a significant impact in the business, including the results achieved and the challenges it faces.
Consistency	The Group should use consistent disclosure principles for the preparation of the ESG Report.	The Group will ensure that the disclosure scope and reporting methods of the ESG Report are generally consistent every year.

SOURCE OF INFORMATION

The information disclosed in this ESG Report is derived from the Group's formal documents, statistics or public information. The Board is responsible for the truthfulness, accuracy and completeness of its contents.

ACCESS TO THE ESG REPORT

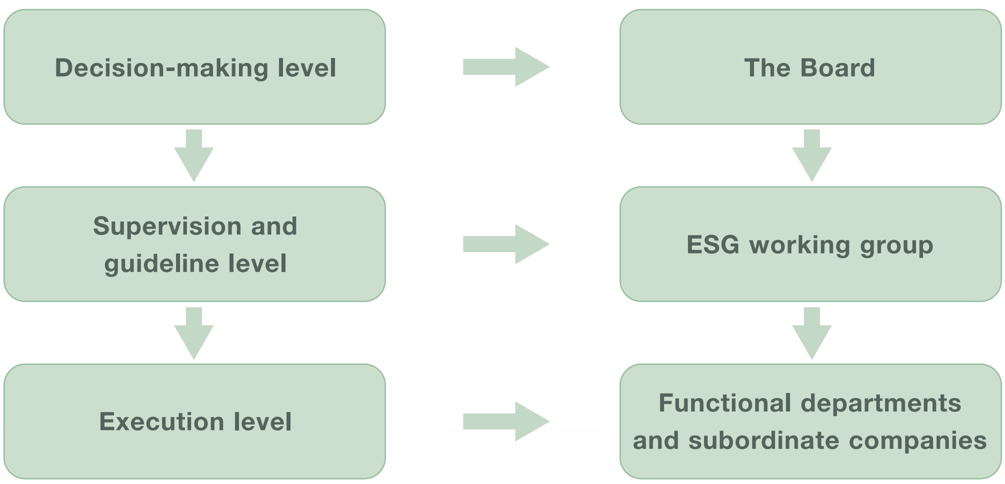
The ESG Report is available in Chinese and English versions. In case of any discrepancy between the Chinese and English versions of the ESG Report, the English version shall prevail. You may access the Group's official website at http://www.irasia.com/listco/hk/cfii or the website of the Stock Exchange at http://www.hkex.com.hk for an electronic copy of the ESG Report.

CONTACT INFORMATION

The Group welcomes your feedback on the ESG Report for our sustainability initiatives. Please contact us through our Company's website http://www.irasia.com/listco/hk/cfii.

SUSTAINABILITY GOVERNANCE

The Group has established an ESG framework to promote and implement the Group's sustainability strategy. To ensure effective ESG management, our ESG governance structure, composed of the Board, ESG working group, respective functional departments and subordinate companies, was established to promote ESG management and disclosure. The Board, the ultimate decision-making body of the Group, is responsible for the Group's ESG governance. The Board steers the Group's sustainable development forward and bears the overall responsibility of its ESG efforts. In the future, the Board will continue to strengthen ESG risk management and improve ESG working mechanism and regulatory processes to enhance its ESG governance standard. The ESG working group, serving on the supervision and coordination level, is responsible for implementing ESG governance strategy, coordinating ESG matters, compiling ESG reports, and reporting relevant work progress to the Board on a regular basis. Each functional department and subordinate company, serving on the execution level, is responsible for rolling out initiatives set up by the ESG working group and reporting relevant work progress and data.



MATERIALITY ASSESSMENT

The Group attaches importance to the materiality assessment of ESG issues for the purpose of timely and comprehensive understanding of the materiality of each ESG issue to the business development of the Group and the expectation of stakeholders, in order to facilitate the Group's effective disclosure of ESG information and continuous improvement in the management level of relevant issues. The materiality assessment on ESG issues of the Group during the reporting period covers the following steps:

Step 1 The Group identified the following 21 issues in accordance with the disclosure requirements set out in the ESG Reporting Guide and based on the business characteristics and daily operation of the Group. These issues are considered to have impacts on the environment and the society during our operation.

Step 2 Based on the understanding of the demands and expectations of stakeholder during the daily operation, the Group determined the materiality of ESG issues by benchmarking the key points and the trend of ESG works of industry peers.

Step 3 Based on the result of the materiality assessment, the Group discussed and determined the key disclosure of the ESG Report during the reporting period and the key points for improvement in the future ESG work of the Group.

Social Aspects				**Environmental Aspects**	
1. Equal opportunity	5. Prevention of child labor and forced labor	9. Complaint handling	13. Community investment	14. Exhaust emissions	18. Water consumption
2. Employment and employee benefits	6. Selection and evaluation of suppliers	**10. Protection of intellectual property rights**		15. Greenhouse gas emissions	19. Paper consumption
3. Occupational health and safety	7. Control and management on environmental and social risks along the supply chain	**11. Customer data privacy and data security**		16. Waste management	20. Management of risks associated with Environmental and Natural Resources
4. Employee development and training	8. Service quality	**12. Anti-corruption and money laundering**		17. Energy consumption	21. Climate change

According to the results of materiality assessment, 5 material topics *(note)* are regarded as the most concerned issues of stakeholder and the Group. While taking into account environmental and social responsibilities, the Group will pay more attention to the above areas, and strive to achieve continuous improvement and sustainable business development.

Note: Presented in bold.

ENVIRONMENTAL PROTECTION

Environmental Policies and Performance

The Group is committed to building an eco-friendly corporation that tries to reduce the impacts of its operation on the environment. The Group's principal investment objective is to achieve long-term capital appreciation of assets through investments primarily in equity and equity-related investments in companies operating in Hong Kong and the PRC. Its operation is office based with limited energy and water consumption, the direct impact to the environment is minimal. The Group's most significant environmental impacts are greenhouse gas ("GHG") emissions from a motor vehicle and electricity consumption in the office through the use of lights, air conditioners and office equipments.

Accordingly, the Group adopts various practices to prevent pollution, reduce waste, increase recycling and minimize natural resource use by continually improving our environmental management practices and measures. Through an environmental protection guideline sent during the reporting period which mainly suggests ways to reduce energy and paper consumption, we educate our staff to adopt responsible behavior and promote environmental protection in our work place.

To save papers, employees are encouraged to use duplex printing for internal documents; facilities and procedures are in place for paper waste recycling; and the Group had strived for long to establish a paperless office by using electronic storage and communication whenever possible.

The impact of freshwater use is relatively insignificant for the Group and we did not encounter any problems in sourcing water that is fit for purpose. Water rate charges do not form a separate item in the rent, yet the Group encourages staff to reduce water wastage in daily operations.

We also took different measures to minimize environmental impact by saving electricity and encouraging recycle of office supplies and other materials such as 1) the room temperature should be set at an appropriate range, 2) power supply should be switched off when they are not in use and 3) preference will be given to office equipment with relatively high energy efficiency.

During the reporting period, the Group consumed/generated no significant hazardous waste, non-hazardous waste, water and packaging materials due to its business nature. The Group is not aware of any material violation in all applicable environmental laws and regulations during the reporting period. Since the Group's business does not produce a significant amount of emission or energy usage, it will not be meaningful for us to establish any quantitative target or process to trace the achieved result. We believe the implementation of the measures as referred to above has promoted the Group's employees' awareness of the importance of resources saving and environmental protection.

The Environment and Natural Resources

The Group raises staff's awareness on environmental issues through education and training and enlist employees' support in improving the Group's performance, promote environmental awareness amongst the customers, business partners and shareholders and support community activities in relation to environmental protection and sustainability and evaluate regularly and monitor past and present business activities impacting upon health, safety and environmental matters. With the integration of policies mentioned as above, the Group strives to minimise the impacts to the environment and natural resources.

ENVIRONMENTAL PROTECTION *(continued)*

Climate Change

The Group is committed to mitigating the climate change and enhancing its resilience to adapt to the increasing threat of climate-related consequences.

Although the climate change may not bring direct impacts to the Group's business, the Group, as a supporter of the recommendations of the Taskforce on Climate-Related Financial Disclosure (TCFD), has assessed the potential climate related risks that it may face under different climate scenarios. The Group identified the rising mean temperature and increasing severity and likelihood of extreme weather events such as typhoons and rainstorms as major physical risks impacting our daily operation.

The Group's ESG working group is responsible for identifying and assessing any climate-related risks to which the Group's operations are exposed, and updating the Board with the latest news and developments on climate regulations and industry benchmark. In order to cope with climate-related risk, the Group implemented emergency response mechanism as stipulated in our Staff Manual such as work from home so as to cope with extreme weather. Such contingency plan has become a part of standardized operation procedures of the Group to quickly and adequately respond any impact of extreme weather conditions.

In the future, we will continue to identify potential business activities impacting the environment and develop corresponding improvement measures, so as to further prevent the possible negative impacts of our operation on climate change.

EMPLOYMENT AND LABOUR PRACTICES

Employment

People are the foundation of our business success and we treat employees as our greatest asset. To attract and retain our high-calibre labour force, the Group has implemented policies and procedures to achieve an effective human capital management system, covering compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

We promote a culture of diversity and respect and strive to provide a fair and inclusive work environment free of all kinds of discrimination for employees to achieve their goals and pursue their career objectives.

The Group places emphasis on maintaining a team of high-caliber talent and provides competitive remuneration and welfare packages. The Group has endeavored to review and improve its remuneration system on a regular basis to remain competitive. With an aim to facilitate the retention of talent, the Group offers, in addition to salaries and bonuses, various benefits including an education allowance, a housing allowance, the Mandatory Provident Fund, meal allowances and compensation for mobile communication.

The Group is not aware of any non-compliance with relevant laws and regulations in relation to employment during the reporting period that have significant impact on the Group.

EMPLOYMENT AND LABOUR PRACTICES *(continued)*

Health and Safety

It is the policy of the Group to provide a healthy and safety working environment to the employees. The Group will maintain its office premises from time to time in order to provide a safety working place for the employees. The Group also encourage employees to participate in recreational activities organised by outside parties.

The Group regularly promotes employees' occupational safety and health good practice at work in the aspects of lighting condition, use of office equipment, office safety, computer workstation design and working posture through briefing and various communication channels, resulting in better working environment quality.

Besides, the Group also equipped the below in office to provide a comfortable working environmental for employees including:

- provision of adjustable working chairs and seats;
- provision of sufficient storage space for a more spacious desk area;
- keeping objects and tools easily reachable and conveniently located; and
- installation of air cleaning systems.

The Group is not aware of any non-compliance with relevant laws and regulations in relation to health and safety working environment during the reporting period that have significant impact on the Group.

Development and Training

Due to our business nature, on-the-job training and continuous professional development for professional qualifications are important elements to enhance the industry knowledge of the employees of the Group. The Group encourage employees to attend training courses (e.g. Listing Rules and accountancy related seminars) and reimbursement will be made by the Group for those job-related training courses. Besides, the Group circulates relevant reference materials for the employees' selfstudy.

Labour Standards

The Company complies with all applicable labour laws and regulations on employment in Hong Kong and the countries in which the Company or its subsidiaries operate.

The Group considers child and forced labour is unacceptable and has to be prevented. It respects human rights and treats this factor seriously when making investments. The Group has not invested, to its reasonable knowledge, in any company which has historical records of utilizing child or forced labour.

The Group believes it is important to recruit employees of high quality; a very comprehensive screening has been part of the recruitment processes.

EMPLOYMENT AND LABOUR PRACTICES *(continued)*

Labour Standards *(continued)*

Employee work schedules are set up consistent with standard working hours adopted within the industry. All employees are provided with appropriate leave entitlements, including annual leave, sick leave, marriage leave, maternity leave, examination leave and compassionate leave etc.

During the reporting period, the Group has complied with policies and relevant laws and regulations regarding prevention of child labour or forced labour.

OPERATING PRACTICES

Supply Chain Management

The Group's general business suppliers include providers of financial information, legal and securities brokerage services. The Group is committed to ensure that its supply chain management is socially responsible. We implemented selection process on its suppliers taking into considerations such elements as their qualification, reputation, past performance, financial strength and price.

Product Responsibility

The Group invests in companies operating in diversified industries. It will take into account environmental, public health, safety, and social issues associated with target companies when evaluating its investment decisions.

Intellectual property

Due to our business nature, impact of observing and protecting intellectual property rights is considered as not material to our operation by management. We have not received any material claim against us for infringement of any trademark nor were we aware of any pending or threatened claims in relation to any such infringement, nor had any material claim been made by us against third parties in relation to the infringement of intellectual property rights owned by us or third parties during the reporting period.

OPERATING PRACTICES *(continued)*

Privacy Protection

The Group is committed to ensuring personal data and privacy of its customers are kept confidential. In addition to complying with the relevant provisions of the Personal Data (Privacy) Ordinance, the Group has implemented various measures to prevent unauthorized access of customers' data, such as installation on all computers together with backup services security features which require password access to information stored on the hard disk or server. In addition, all staff members are reminded of the importance of keeping confidential any aspects of the Group's business and the need to comply with the "Code of Confidentiality" whose details are laid down in the Staff Manual.

During the reporting period, there were no cases of non-compliance with the relevant laws or regulations regarding product responsibility.

Anti-corruption

The Group is committed to ensuring that no bribes, payment or advantages are solicited from or given or offered to any persons, whether in the public or private sector, for any purpose, which can ensure the strict adherence to the Prevention of Bribery Ordinance. The Group regards honesty, integrity and fair play as the core values that must be upheld by our colleagues at all times. Thus, the Group has formulated whistle-blowing policy to promote business ethics and integrity so as to avoid suspected corruption, extortion and money laundering. Reporting channels such as by email for employees to report suspected corruption are provided. If there are any suspected case related to corruption, employees are encouraged to report the related cases through the mentioned channels. Anti-corruption training materials were circulated to employees of the Company for self-study.

The Group has been in strict compliance with law and regulation related to anti-corruption. During the reporting period, there was no any legal case regarding corrupt practices brought against the Group or its employees.

COMMUNITY

Community Investment

The Group is fully aware of the importance of interacting with the wider community in fulfilling corporate social responsibility. In this aspect, the Group would explore the possibility to identify suitable partners and support community and environmental programmes that align with the Group's missions and values.

Appendix I Overview of Key Performance Indicators

1. *Environmental Aspects*[1&2]

No. of KPIs	KPIs	Unit	2022	2021
A1.1 Emissions	Sulphur Dioxide	kg	**0.01**	0.01
	Nitrogen Oxides	kg	**0.67**	0.66
	Particulate Matter	kg	**0.05**	0.05
A1.2 Greenhouse gas emissions	Scope 1 Direct emissions	kg of CO_2e	**2,022.77**	2,000.68
	Scope 2 Indirect emissions	kg of CO_2e	**1,435.60**	2,091.00
	Total	kg of CO_2e	**3,458.37**	4,091.68
	Intensity	kg of CO_2e/ square meters	**29.47**	34.87
A1.4 Non-hazardous waste	Total non-hazardous waste (paper consumption)	kg	**19.47**	19.90
	Intensity	kg/square meters	**0.17**	0.17
A2.1 Energy consumption	Unleaded petrol	kWh	**7,239.45**	7,160.37
	Purchased electricity	kWh	**3,880.00**	4,100.00
	Total	kWh	**11,119.45**	11,260.37
	Intensity	kWh/square meters	**94.77**	95.97

Note

1. Unless otherwise stated, the emission factors used in calculating the environmental KPIs in this ESG Report are based on the "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEx.

2. Intensity is calculated based on the area of Hong Kong office during the reporting period amounting to 117.34 square meters (2021: 117.34 square meters).

Appendix I Overview of Key Performance Indicators *(continued)*

2. *Social Aspects*

No. of KPIs	KPIs	Unit	2022	2021
B1.1 Total number of employees	**By gender**			
	Male	person	**8**	7
	Female	person	**3**	3
	By employment type			
	Full-time	person	**11**	10
	Part-time	person	**Nil**	Nil
	By age group			
	30 or below	person	**Nil**	Nil
	31-40	person	**4**	4
	41-50	person	**1**	Nil
	51 or above	person	**6**	6
	By employment category			
	Normal	person	**2**	1
	Middle	person	**Nil**	Nil
	Senior	person	**9**	9
	By geographical region			
	Hong Kong	person	**10**	10
	The PRC	person	**1**	Nil
B1.2 Employee turnover rate	**Turnover rate by gender**			
	Male	%	**Nil**	29
	Female	%	**Nil**	Nil
	Turnover rate by age group			
	30 or below	%	**Nil**	Nil
	31-40	%	**Nil**	Nil
	41-50	%	**Nil**	Nil
	51 or above	%	**Nil**	33
	By geographical region			
	Hong Kong	%	**Nil**	20
	The PRC	%	**Nil**	Nil
B2.1 Number and rate of work-related fatalities	Number of work-related fatalities occurred in each of the past three years including the reporting year	person	**Nil**	Nil
	Rate of work-related fatalities	%	**Nil**	Nil

Appendix I Overview of Key Performance Indicators *(continued)*

2. Social Aspects (continued)

No. of KPIs	KPIs	Unit	2022	2021
B2.2 Number of working days lost due to work injury	Number of working days lost due to work injury	day	**Nil**	Nil
B5.1 Number of suppliers	**Number of suppliers/ service providers by geographical region**			
	Hong Kong	suppliers/ service providers	**15**	15
B6.2 Number of complaints about products and services	Number of complaints about service received	case	**Nil**	Nil
B7.1 Legal cases in relation to corruption	Number of legal cases in relation to corruption filed and concluded	case	**Nil**	Nil

Appendix II Environmental, Social and Governance Reporting Guide Content Index

Subject areas, aspects, general disclosures and KPIs		Section
A. Environmental		
Aspect A1: Emissions		
	General Disclosure	Environmental Policies and Performance
KPI A1.1	The types of emissions and respective emissions data.	Appendix I Overview of Key Performance Indicators: Environmental Aspects
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total and, where appropriate, intensity.	Appendix I Overview of Key Performance Indicators: Environmental Aspects
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	Environmental Policies and Performance
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Appendix I Overview of Key Performance Indicators: Environmental Aspects
KPI A1.5	Description of emission targets set and steps taken to achieve them.	Environmental Policies and Performance
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	Environmental Policies and Performance
Aspect A2: Use of Resources		
	General Disclosure	Environmental Policies and Performance
KPI A2.1	Direct and indirect energy consumption by type in total.	Appendix I Overview of Key Performance Indicators: Environmental Aspects
KPI A2.2	Water consumption in total and intensity.	Environmental Policies and Performance
KPI A2.3	Description of energy use efficiency and a description of targets set and steps taken to achieve them.	Environmental Policies and Performance
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency and a description of targets set and steps taken to achieve them.	Environmental Policies and Performance
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not applicable due to business nature

Appendix II Environmental, Social and Governance Reporting Guide Content Index *(continued)*

Subject areas, aspects, general disclosures and KPIs		Section
Aspect A3: The Environmental and Natural Resources		
	General Disclosure	The Environmental and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Policies and Performance
Aspect A4: Climate Change		
	General Disclosure	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.	Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
	General Disclosure	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I Overview of Key Performance Indicators: Social Aspects
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I Overview of Key Performance Indicators: Social Aspects
Aspect B2: Health and safety		
	General Disclosure	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I Overview of Key Performance Indicators: Social Aspects
KPI B2.2	Lost days due to work injury.	Appendix I Overview of Key Performance Indicators: Social Aspects
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety

Appendix II Environmental, Social and Governance Reporting Guide Content Index *(continued)*

Subject areas, aspects, general disclosures and KPIs		Section
Aspect B3: Development and Training		
	General Disclosure	Development and Training
KPI B3.1	The percentage of employee trained by gender and employee category.	In light of our business nature and result of materiality assessment, such KPIs is considered as not material and thus not disclosed.
KPI B3.2	The average training hours completed per employee by gender and employee category.	In light of our business nature and result of materiality assessment, such KPIs is considered as not material and thus not disclosed.
Aspect B4: Labour Standards		
	General Disclosure	Labour Standards
KPI B 4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B 4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Operating Practices		
Aspect B5: Supply Chain Management		
	General Disclosure	Supply Chain Management
KPI B5.1	Number of suppliers by region.	Appendix I Overview of Key Performance Indicators: Social Aspects
KPI B5.2	Description of practices relating to engaging supplies, number of supplies where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, how they are implemented and monitored.	Not applicable due to business nature

Appendix II Environmental, Social and Governance Reporting Guide Content Index *(continued)*

Subject areas, aspects, general disclosures and KPIs		Section
Aspect B6: Product Responsibility		
	General Disclosure	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable due to business nature
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Not applicable due to business nature
KPI B6.3	Description and practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable due to business nature
KPI B6.5	Description of customer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility
Aspect B7: Anti-corruption		
	General Disclosure	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the case.	Appendix I Overview of Key Performance Indicators: Social Aspects
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
	General Disclosure	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	In light of our result of materiality assessment, such KPIs is considered as not material and thus not disclosed.
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	In light of our result of materiality assessment, such KPIs is considered as not material and thus not disclosed.

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大華馬施雲
會計師事務所有限公司

Independent Auditor's Report to the Shareholders of
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)

OPINION

We have audited the consolidated financial statements of China Financial International Investments Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 52 to 127, which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Valuation of financial instruments at fair value through profit or loss ("FVTPL") and financial instruments at fair value through other comprehensive income ("FVTOCI") measured at level 3 fair value measurement	
We identified the valuation of financial instruments at FVTPL and financial instruments at FVTOCI measured at level 3 fair value measurement as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and the judgments involved in the valuation. As at 30 June 2022, financial instruments at FVTPL and financial instruments at FVTOCI classified as level 3 fair value measurement amounted to approximately HK$451,436,000 and HK$35,349,000, respectively, representing 84.99% of the Group's net assets. Details of these financial instruments are set out in notes 18, 19, and 32 to the consolidated financial statements. Management engaged valuation specialists to apply valuation techniques to determine the fair values of the financial instruments at FVTPL and financial instruments at FVTOCI that are not quoted in active markets. These valuation techniques, in particular those that included significant unobservable inputs, involved subjective judgments and assumptions. The sensitivity of the assumptions used may have material impact on the valuation of these financial instruments.	Our procedures in relation to valuation of financial instruments included: • Obtaining and examining the terms of financial instruments and relevant agreements in relation to the financial instruments; • Obtaining understanding of the entity's valuation process and adoption of the key assumptions and estimations; • Evaluating the competence, capabilities and objectivity of the independent external valuation expert, taking into account its experience and qualifications and business interests with the Group; • Evaluating the appropriateness of the valuation methodologies and assumptions adopted by the management and the independent external valuation expert to estimate the fair values of financial instruments; • Assessing and challenging the reasonableness and relevance of key assumptions, parameters and inputs used based on the knowledge and understanding of the financial instruments; • Evaluating and assessing the appropriateness of the key parameters used in the valuations with assistance from internal valuation specialist when considering necessary; • Checking the mathematical accuracy of the fair value calculations; and • Reviewing and assessing the related disclosures made in the consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Moore Stephens CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

Lai Hung Wai
Practising Certificate Number: P06995

Hong Kong, 30 September 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	NOTES	2022 HK$'000	2021 HK$'000
Revenue	5	**2,234**	1,503
Other income	7	**13**	7,557
Other gain and loss	10	**(388)**	–
Fair value loss on financial assets at fair value through profit or loss ("FVTPL")		**(200,459)**	(57,961)
Reversal of impairment loss on other receivables		**–**	5,000
Administrative expenses		**(15,647)**	(20,709)
Share of loss of an associate		**(203)**	(204)
Finance costs	8	**(745)**	(1,699)
Loss before tax		**(215,195)**	(66,513)
Income tax expense	9	**–**	(132)
Loss for the year	10	**(215,195)**	(66,645)
Other comprehensive (expenses) income			
Item that will not be reclassified to profit or loss:			
Fair value (loss) gain on equity instruments at fair value through other comprehensive income ("FVTOCI")		**(4,716)**	1,602
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(6,831)**	48,857
Other comprehensive (expenses) income for the year		**(11,547)**	50,459
Total comprehensive expenses for the year		**(226,742)**	(16,186)
Loss for the year attributable to owners of the Company		**(215,195)**	(66,645)
Total comprehensive expenses for the year attributable to owners of the Company		**(226,742)**	(16,186)
LOSS PER SHARE			
Basic (HK cents)	14	**(1.961)**	(0.607)

Consolidated Statement of Financial Position

At 30 June 2022

	NOTES	2022 HK$'000	2021 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	–	62
Right-of-use asset	16	–	1,054
Interest in an associate	17	705	908
Financial assets at FVTPL	18	451,436	654,067
Equity instruments at FVTOCI	19	58,929	63,645
Deposits	20	–	7,812
		511,070	727,548
CURRENT ASSETS			
Prepayments, deposits and other receivables	20	9,785	44,019
Financial assets at FVTPL	18	45,803	56,770
Bank balances and cash	21	39,600	6,044
		95,188	106,833
CURRENT LIABILITIES			
Other payables and accruals	22	18,718	19,421
Amount due to an associate	23	138	135
Tax payable		4,200	4,200
Borrowings	24	9,997	9,997
Lease liabilities	25	416	681
		33,469	34,434
NET CURRENT ASSETS		61,719	72,399
TOTAL ASSETS LESS CURRENT LIABILITIES		572,789	799,947
NON-CURRENT LIABILITY			
Lease liabilities	25	–	416
NET ASSETS		572,789	799,531
CAPITAL AND RESERVES			
Share capital	26	109,717	109,717
Reserves		463,072	689,814
TOTAL EQUITY		572,789	799,531
NET ASSET VALUE PER SHARE (HK cents)	27	5.22	7.29

The consolidated financial statements on pages 52 to 127 were approved and authorised for issue by the board of directors on 30 September 2022 and are signed on its behalf by:

DU LIN DONG
DIRECTOR

CHEN XI
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Capital reserve *HK$'000*	Financial assets at FVTOCI reserve *HK$'000*	Exchange reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 July 2020	109,717	2,067,672	278,979	2,766	(44,201)	(24,010)	(1,575,206)	815,717
Loss for the year	–	–	–	–	–	–	(66,645)	(66,645)
Other comprehensive income for the year	–	–	–	–	1,602	48,857	–	50,459
Total comprehensive expenses for the year	–	–	–	–	1,602	48,857	(66,645)	(16,186)
At 30 June 2021	109,717	2,067,672	278,979	2,766	(42,599)	24,847	(1,641,851)	799,531
Loss for the year	–	–	–	–	–	–	(215,195)	(215,195)
Other comprehensive expenses for the year	–	–	–	–	(4,716)	(6,831)	–	(11,547)
Total comprehensive expenses for the year	–	–	–	–	(4,716)	(6,831)	(215,195)	(226,742)
At 30 June 2022	**109,717**	**2,067,672**	**278,979**	**2,766**	**(47,315)**	**18,016**	**(1,857,046)**	**572,789**

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	2022 HK$'000	2021 HK$'000
OPERATING ACTIVITIES		
Loss before tax	**(215,195)**	(66,513)
Adjustments for:		
Share of loss of an associate	**203**	204
Interest income	**(13)**	(300)
Dividend income	**(2,234)**	(1,503)
Reversal of lease liabilities	**–**	(502)
Finance costs	**745**	1,699
Depreciation of property, plant and equipment	**62**	27
Depreciation of right-of-use asset	**666**	1,912
Impairment loss of right-of-use assets	**388**	–
Gain on early termination of leases	**–**	(26)
Loss on disposal of a subsidiary	**–**	255
Fair value loss on financial assets at FVTPL	**200,459**	57,961
Reversal of impairment loss on other receivables	**–**	(5,000)
Reversal of provision for financial guarantee contracts	**–**	(6,382)
Operating cash flows before movements in working capital	**(14,919)**	(18,168)
Decrease in prepayments, deposits and other receivables	**11**	20,442
(Decrease) increase in other payables and accruals	**(577)**	9,346
Increase in an amount due to an associate	**3**	77
Purchases of financial assets at FVTPL	**–**	(71,259)
Proceeds on disposal of financial assets at FVTPL	**18,365**	47,481
Cash generated from (used in) operations	**2,883**	(12,081)
Interest received	**13**	300
Dividend received	**2,234**	3,910
Tax paid	**–**	(132)
NET CASH FROM OPERATING ACTIVITIES	**5,130**	(8,003)
NET CASH FROM (USED IN) INVESTING ACTIVITY		
Net cash inflow (outflow) of disposal of a subsidiary *(note 30)*	**30,000**	(16)
FINANCING ACTIVITIES		
Interest paid	**(745)**	(1,699)
Repayment of lease liabilities	**(681)**	(1,413)
Repayment of borrowings	**–**	(52,978)
CASH USED IN FINANCING ACTIVITIES	**(1,426)**	(56,090)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**33,704**	(64,109)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**6,044**	64,911
Effect of foreign exchange rate changes	**(148)**	5,242
CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank balances and cash	**39,600**	6,044

1. GENERAL INFORMATION

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

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

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRSs and the following amendments to Hong Kong Accounting Standards ("HKAS"s), HKFRSs, and an interpretation (hereinafter collectively referred to as "New and Revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time:

Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the Amendments to References to the Conceptual Framework in HKFRSs and the New and Revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior year and/or disclosures set out in the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(continued)*

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following New and Amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	*Insurance Contracts and the related Amendments*[1]
Amendments to HKFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale of Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to HKAS 8	*Definition of Accounting Estimates*[1]
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]
Amendments to HKAS16	*Property, Plant and Equipment – Proceeds before Intended Use*[2]
Amendments to HKAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[2]
Amendments to HKFRSs	*Annual Improvements to HKFRS Standards 2018-2020*[2]

[1] Effective for annual periods beginning on or after 1 January 2023.
[2] Effective for annual periods beginning on or after 1 January 2022.
[3] Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all New and Amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information in considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; for substantially the full term of the assets through corroboration with observable market data. Observable inputs generally used to measure the fair value of financial assets classified as Level 2 include quoted market prices for similar assets in active markets; quoted market prices in markets that are not active for identical or similar assets and other market observable inputs; and

- Level 3 inputs are unobservable inputs for the asset or liability.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any identified impairment loss.

Interest in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Interest in an associate *(continued)*

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of the associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate maybe impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

When an investment in an associate is held by, or is held indirectly through, an entity that is a venture capital organisation, upon initial recognition the entity may elect to measure the investment as designated at fair value through profit or loss and accounted for in accordance with HKFRS 9 Financial Instruments: Recognition and Measurement. Such investments shall be measured at fair value in accordance with HKFRS 9, with changes in fair value recognised in profit or loss in the period of the change.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If the control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct services.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

The Group as a lessee (continued)

Allocation of consideration to components of a contract *(continued)*

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

The Group as a lessee (continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

The Group as a lessee (continued)

COVID-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

Lease modifications

Except for COVID-19-related rent concession in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments, less any lease incentives received, using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

The Group as a lessee (continued)

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform, the Group applies the practical expedient to remeasure the lease liabilities by discounting the revised lease payments using the unchanged discount rate and makes a corresponding adjustment to the related right-of-use assets. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:

- the modification is necessary as a direct consequence of interest rate benchmark reform; and

- the new basis for determining the lease payments is economically equivalent to the previous basis (i.e. the basis immediately preceding the modification).

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Government Grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share-based payments *(continued)*

Equity-settled share-based payment transactions *(continued)*

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment on property, plant and equipment, right-of-use assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment on property, plant and equipment, right-of-use assets other than goodwill *(continued)*

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision, is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest and dividend income which are derived from the Group's ordinary course of business are presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Classification and subsequent measurement of financial assets *(continued)*

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of financial assets at FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Classification and subsequent measurement of financial assets *(continued)*

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the financial assets at FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "revenue" line item in profit or loss.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "fair value loss on financial assets at FVTPL" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including deposits, other receivables and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets *(continued)*

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets *(continued)*

(i) Significant increase in credit risk (continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets *(continued)*

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets *(continued)*

(v) Measurement and recognition of ECL (continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

Except for investments in debt instruments that are measured at FVTOCI and financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the financial assets at FVTOCI reserve without reducing the carrying amount of these debt instruments. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the financial assets at FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the financial assets at FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity (continued)

Financial liabilities at amortised cost

Financial liabilities including other payables, amount due to an associate and borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Critical judgments in applying accounting policies *(continued)*

Classification of investments in unlisted equity securities

Certain investments in unlisted equity securities of the Group are not classified as an associate nor accounted for using the equity method, even though the Group owns or potentially owns more than 20% ownership interest in those investments. In the opinion of the directors, the Group has no significant influence over those investments since the Group and each of the investee entered into relevant written agreement/declaration to conclude the followings:

- the Group will/did not have any representative on the board of directors or equivalent governing body of those investments;
- the Group will/did not participate in policy-making processes, including participation in decisions about dividends or other distributions; and
- the Group will/did not interchange any managerial personnel with those investments.

As the Group will/did not act to fulfill any one of the points stated above, it does not consider as having significant influence on the investments. Hence, those investments are not considered as associate of the Group. Such investments are treated as either financial asset at FVTPL or equity instruments at FVTOCI, depending on the business model of the respective investments. Further details are set out in notes 18 and 19.

Going concern considerations

The assessment of the going concern assumption involves making a judgment by the directors of the Company, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The directors of the Company consider that the Group has the ability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast doubts about the going concern assumption are set out in note 32.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurement of financial instruments

At the end of the reporting period, HK$486,785,000 of the Group's financial assets (comprising equity instruments at FVTOCI of HK$35,349,000, and financial assets at FVTPL of HK$451,436,000) are measured at fair values with fair values being determined based on unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. Further details are set out in note 32c.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty *(continued)*

Provision for taxation

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment's domicile.

Impairment on financial assets (including other receivables)

Management regularly reviews the impairment assessment and evaluates ECL of the financial assets (including other receivables and bank balances). Appropriate impairment allowance is recognised in profit or loss.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the one as at the date of initial recognition. In making this assessment, the other receivables are assessed individually by the management of the Group, based on the financial background, financial condition and the historical settlement records, including past due dates and default rates and forward-looking information, that is reasonable and supportable available without undue cost or effort.

5. REVENUE

	2022	2021
	HK$'000	*HK$'000*
Dividend income from:		
Financial assets at FVTPL	**2,234**	187
Financial assets at FVTOCI	**–**	1,316
	2,234	1,503

6. OPERATING SEGMENTS

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

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

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

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

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

4. Others – equity investments in investees engaged in guarantee service, investment, property development, warehouse operation and management consultation service and other businesses

6. OPERATING SEGMENTS *(continued)*

Segment revenue and results

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

For the year ended 30 June 2022

	Micro-loan service HK$'000	Real estate and natural gas HK$'000	Clean energy HK$'000	Others HK$'000	Total HK$'000
Segment revenue	**181**	**–**	**2,053**	**–**	**2,234**
Segment loss	**(4,202)**	**(14,827)**	**(171,785)**	**(7,411)**	**(198,225)**
Share of loss of an associate					**(203)**
Other income					**13**
Finance costs					**(745)**
Central administrative expenses					**(16,035)**
Loss before tax					**(215,195)**

For the year ended 30 June 2021

	Micro-loan service HK$'000	Real estate and natural gas HK$'000	Clean energy HK$'000	Others HK$'000	Total HK$'000
Segment revenue	–	187	–	1,316	1,503
Segment loss	(11,400)	(8,274)	(35,830)	(954)	(56,458)
Share of loss of an associate					(204)
Other income					7,557
Reversal of impairment loss on other receivables					5,000
Finance costs					(1,699)
Loss on disposal of a subsidiary					(255)
Central administrative expenses					(20,454)
Loss before tax					(66,513)

Segment loss represents the loss from each segment without allocation of share of loss of an associate, other income, reversal of impairment loss on other receivables, finance costs, loss on disposal of a subsidiary and central administrative expenses.

6. OPERATING SEGMENTS *(continued)*

Other segment information

For the year ended 30 June 2022

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

For the year ended 30 June 2021

	Micro-loan service HK$'000	Real estate and natural gas HK$'000	Clean energy HK$'000	Others HK$'000	Total HK$'000
Fair value loss on financial assets at FVTPL	(11,400)	(8,461)	(35,830)	(2,270)	(57,961)

Segment assets and liabilities

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

	2022 HK$'000	2021 HK$'000
Micro-loan service	**7,466**	11,848
Real estate and natural gas	**62,827**	86,562
Clean energy	**381,995**	561,108
Others	**103,880**	114,964
Total segment assets	**556,168**	774,482
Unallocated assets	**50,090**	59,899
Consolidated assets	**606,258**	834,381

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

- all assets are allocated to reportable segments other than property, plant and equipment, right-of-use asset, interest in an associate, prepayments, deposits and other receivables and bank balances and cash; and
- no liabilities are allocated to reportable segments.

7. OTHER INCOME

	2022 HK$'000	2021 HK$'000
Bank interest income	**13**	300
Reversal of provision for financial guarantee contracts	**–**	6,382
Exchange gain	**–**	27
Government grant *(note)*	**–**	320
Sundry income	**–**	528
	13	7,557

Note: During the year ended 30 June 2021, the Group recognised government grants of HK$320,000 in respect of COVID-19-related subsidies, relating to Employment Support Scheme provided by the Hong Kong government. In the opinion of the directors of the Company, the Group had fulfilled all conditions attached to the grants.

8. FINANCE COSTS

	2022 HK$'000	2021 HK$'000
Interest on borrowings	**700**	1,564
Interest on lease liabilities	**45**	135
	745	1,699

9. INCOME TAX EXPENSE

	2022 HK$'000	2021 HK$'000
Withholding tax *(note)*	**–**	132

Note: Withholding tax represents withholding tax of 10% on dividend income from the PRC.

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

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

9. INCOME TAX EXPENSE *(continued)*

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

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

The tax charge for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2022	2021
	HK$'000	*HK$'000*
Loss before tax	**(215,195)**	(66,513)
Tax at the domestic income tax rate of 16.5% (2021: 16.5%) *(note)*	**(35,507)**	(10,975)
Tax effect of share of loss of an associate	**34**	34
Tax effect of expenses not deductible for tax purpose	**30,363**	10,733
Tax effect of income not taxable for tax purpose	**(372)**	(3,234)
Tax effect of tax losses not recognised	**5,479**	3,446
Tax effect of deductible temporary differences not recognised	**3**	–
Utilisation of deductable temporary differences previously not recognised	**–**	(4)
Withholding tax	**–**	132
Income tax expense for the year	**–**	132

Note: The domestic tax rate (which is Hong Kong Profits Tax rate) in the jurisdiction where the operation of the Group is substantially based is used.

At the end of the reporting period, the Group has unused tax losses of HK$436,463,000 (2021: HK$403,260,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

10. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging (crediting):

	2022 HK$'000	2021 HK$'000
Directors' emoluments *(note 11)*	**5,558**	6,544
Other staff:		
Salaries and other benefits	**4,747**	5,319
Contributions to retirement benefits scheme	**53**	75
Total employee benefits expense	**10,358**	11,938
Auditor's remuneration		
– audit services	**1,100**	1,047
– non-audit services	**200**	190
Custodian fee	**156**	168
Depreciation of property, plant and equipment	**62**	27
Depreciation of right-of-use asset	**666**	1,912
Loss on disposal of a subsidiary *(note 30)*	**–**	255
Investment management fees *(note 34)*	**356**	350
Impairment loss of right-of-use asset (included in other gain and loss)	**388**	–
Reversal of provision for financial guarantee contracts	**–**	(6,382)

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

For the year ended 30 June 2022

	Mr. Du Lin Dong HK$'000 *(note (i))*	Total HK$'000
(A) Executive director:		
Fees	**120**	**120**
Salaries and other benefits	**3,000**	**3,000**
Contributions to retirement benefits scheme	**18**	**18**
Sub-total	**3,138**	**3,138**

The executive director's emoluments shown above were for his services in connection with the management of the affairs of the Company and the Group.

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(continued)*

For the year ended 30 June 2022 *(continued)*

	Mr. Ding Xiaobin *HK$'000*	Mr. Zhang Huayu *HK$'000*	Ms. Li Jie *HK$'000*	Ms. Chen Xi *HK$'000*	Total *HK$'000*
(B) Non-executive directors:					
Fees	60	2,000	120	60	2,240

The non-executive directors' emoluments shown above were for their services as directors of the Company.

	Mr. Zeng Xianggao *HK$'000*	Mr. Zhang Jing *HK$'000*	Mr. Wong Lok Man *HK$'000* *(note (iii))*	Total *HK$'000*
(C) Independent non-executive directors:				
Fees	60	60	60	180

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Total	5,558

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(continued)*

For the year ended 30 June 2021

	Mr. Du Lin Dong *HK$'000* *(note (i))*	Total *HK$'000*
(A) Executive director:		
Fees	120	120
Salaries and other benefits	4,000	4,000
Contributions to retirement benefits scheme	18	18
Sub-total	4,138	4,138

The executive director's emoluments shown above were for his services in connection with the management of the affairs of the Company and the Group.

	Mr. Ding Xiaobin *HK$'000*	Mr. Zhang Huayu *HK$'000*	Ms. Li Jie *HK$'000*	Ms. Chen Xi *HK$'000*	Total *HK$'000*
(B) Non-executive directors:					
Fees	60	2,000	120	60	2,240

The non-executive directors' emoluments shown above were for their services as directors of the Company.

	Mr. Zeng Xianggao *HK$'000*	Mr. Li Cailin *HK$'000* *(note (ii))*	Mr. Zhang Jing *HK$'000*	Mr. Wong Lok Man *HK$'000* *(note (iii))*	Total *HK$'000*
(C) Independent non-executive directors:					
Fees	60	8	60	38	166

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Total	6,544

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(continued)*

Notes:

(i) Mr. Du Lin Dong is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

(ii) Deceased on 20 August 2020.

(iii) Appointed on 18 November 2020.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

No emoluments were paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office as a director in connection with the management of the affairs of any member of the Group during both years.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two directors (2021: two directors), details of whose remuneration are set out in note 11 above. Details of the remuneration for the year of the remaining three (2021: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2022 **HK$'000**	2021 HK$'000
Salaries and other benefits	**4,348**	4,283
Contributions to retirement benefits scheme	**53**	53
	4,401	4,336

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2022 Number of Employees	2021 Number of employees
Nil to HK$1,000,000	**2**	2
HK$2,500,001 to HK$3,000,000	**1**	1
	3	3

During the years ended 30 June 2022 and 2021, no emoluments were paid by the Group to these individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

13. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30 June 2022, nor has any dividend been proposed since the end of the reporting period (2021: nil).

14. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2022	2021
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(215,195)**	(66,645)

Number of shares

	2022	2021
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**10,971,634**	10,971,634

No diluted loss per share for both years was presented as there were no potential ordinary shares in issue for both years.

15. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
At 1 July 2020 and 30 June 2021 and 2022	95	71	1,678	1,844
DEPRECIATION				
At 1 July 2020	9	68	1,678	1,755
Provided for the year	24	3	–	27
At 30 June 2021	33	71	1,678	1,782
Provided for the year	62	–	–	62
At 30 June 2022	95	71	1,678	1,844
CARRYING VALUES				
At 30 June 2022	**–**	**–**	**–**	**–**
At 30 June 2021	62	–	–	62

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Furniture and fixtures	25%
Office equipment	$33\frac{1}{3}$%
Motor vehicles	30%

16. RIGHT-OF-USE ASSET

	Leasehold land and building HK$'000
Carrying amount as at 1 July 2020	3,390
Lease termination	(543)
Depreciation charge during the year	(1,912)
Exchange adjustments	119
Carrying amount as at 30 June 2021	1,054
Depreciation charge during the year	(666)
Impairment loss recognised during the year	(388)
Carrying amount as at 31 June 2022	–

	2022 **HK$'000**	2021 HK$'000
Total cash outflow for leases	**726**	1,548

For the year ended 30 June 2022, the Group leases one (2021: one) office for its operations. Lease contracts are entered into for fixed term of 3 years (2021: 3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The lease agreements do not impose any covenants other than the security deposits in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. INTEREST IN AN ASSOCIATE

	2022 HK$'000	2021 HK$'000
Cost of investment in an associate	290	290
Share of post-acquisition profits and other comprehensive income	415	618
	705	908

Details of the Group's associate at the end of the reporting period are as follows:

Name of associate	Place of incorporation	Principal place of business	Paid up issued capital	Proportion of ownership interest and voting rights held by the Group		Principal activity
				2022	2021	
China Financial International Investments & Managements Limited ("CFIIM")	Hong Kong	Hong Kong	HK$1,000,000	29%	29%	Provision of asset management services

Summarised financial information of CFIIM

The associate is accounted for using the equity method in these consolidated financial statements.

	2022 HK$'000	2021 HK$'000
Current assets	2,481	3,179
Current liabilities	50	50
Net assets	2,431	3,129
Revenue	356	350
Loss and total comprehensive expense for the year	(697)	(704)
Dividends received from the associate during the year	–	–

17. INTEREST IN AN ASSOCIATE *(continued)*

Summarised financial information of CFIIM *(continued)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2022 *HK$'000*	2021 *HK$'000*
Net assets of CFIIM	**2,431**	3,129
Proportion of the Group's ownership interest in CFIIM	**29%**	29%
The Group's share of net assets of CFIIM	**705**	908

18. FINANCIAL ASSETS AT FVTPL

	Notes	**2022** *HK$'000*	2021 *HK$'000*
Financial assets mandatorily measured at FVTPL:			
Listed securities held for trading			
– Equity securities listed in Hong Kong	*(i)*	**45,803**	56,770
Financial assets classified/designated at FVTPL:			
– Unlisted equity investments	*(ii)*	**451,436**	654,067
Total		**497,239**	710,837
Analysed for reporting purposes as:			
Current assets		**45,803**	56,770
Non-current assets		**451,436**	654,067
		497,239	710,837

18. FINANCIAL ASSETS AT FVTPL *(continued)*

Notes:

(i) The fair values of listed securities are determined based on the quoted market bid prices available on the relevant exchange at the end of the reporting period.

Particulars of the major components of the investment portfolio as at 30 June 2022, in terms of the carrying value of the respective individual investment, are as follows:

China City Infrastructure Group Limited ("China City Infrastructure")
As at 30 June 2022, the Group held 436,079,429 shares (2021: 436,079,429 shares) in China City Infrastructure, representing approximately 13.94% (2021: 13.94%) of the issued share capital of China City Infrastructure. No dividend was declared and received during both years. As at 30 June 2022, the market value of the investment in the shares of China City Infrastructure was HK$39,247,000 (2021: HK$54,074,000).

Hidili Industry International Development Limited ("Hidili Industry")
As at 30 June 2022 and 2021, the Group held 12,369,000 shares in Hidili Industry, representing approximately 0.6% of the issued share capital of Hidili Industry. Hidili Industry is principally engaged in coal mining and manufacture and sale of clean coal. No dividend was declared and received during both years. As at 30 June 2022, the market value of the investment in the shares of Hidili Industry was HK$6,556,000 (2021: HK$2,696,000).

(ii) At the end of the reporting period, the Group had the following unlisted equity investments:

Name	*Notes*	Place of incorporation/ registration and business	Group's effective interest		Principal activities	2022 Fair value	2022 Cost	2021 Fair value	2021 Cost
			2022	2021		*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Micro-loan service:									
Tianjin Rongshun Microfinance Limited ("Tianjin Rongshun")	*(a)*	The PRC	**30%**	30%	Provision of small loan and financial consultation services	**981**	**36,606**	1,369	36,606
TIIC RongShun Micro-Loan Company Limited ("TIIC Rongshun")	*(b)*	The PRC	**10%**	10%	Provision of small loan and financial consultation services	**3,213**	**12,189**	4,443	12,189
Harbin Zhongjinguoxin Microfinance Co., Ltd. ("Harbin Zhongjinguoxin")	*(c)*	The PRC	**30%**	30%	Provision of small loan and financial consultation services	**–**	**36,693**	–	36,693
Tianjin Binlian Microfinance Limited ("Tianjin Binlian")	*(d)*	The PRC	**3.3%**	3.3%	Provision of small loan and financial consultation services	**658**	**12,271**	1,177	12,271
Ziyang Yanjiang CFI GuoSen Microfinance Co., Ltd. ("Ziyang Yanjiang")	*(e)*	The PRC	**30%**	30%	Provision of small loan and financial consultation services	**–**	**73,730**	–	73,730
Nanjing Jiangning MingYangRongTong Agricultural Microfinance Co., Ltd. ("Nanjing Jiangning")	*(f)*	The PRC	**30%**	30%	Provision of small loan and financial consultation services	**2,614**	**36,673**	4,859	36,673

18. FINANCIAL ASSETS AT FVTPL *(continued)*

Notes: (continued)

(ii) *(continued)*

Name	Notes	Place of incorporation/ registration and business	Group's effective interest		Principal activities	2022 Fair value HK$'000	2022 Cost HK$'000	2021 Fair value HK$'000	2021 Cost HK$'000
			2022	2021					
Clean energy:									
Henan Tianguan Energy and Biotechnology Company Limited ("Henan Tianguan")	*(g)*	The PRC	**30%**	30%	Production and sales of denatured fuel ethanol, sales of acetone, butanol, polyols, production and sales of biodegradable plastic and biodiesel, sales of chemical products, wheat bran flour, feed sales, acetic acid and acetaldehyde production	**132,963**	**230,763**	164,322	230,763
Hunan South China New Energy Limited ("Hunan South China")	*(h)*	The PRC	**30%**	30%	New energy technologies development, transfer and consultation, research and development, manufacturing and sales of chemical products, chemical reagents and auxiliaries (excluding hazardous chemicals and precursor chemicals)	**27,934**	**51,200**	54,763	51,200
Hainan Keyi Huirui Energy and Biotechnology Company Limited ("Keyi Huirui")	*(i)*	The PRC	**30%**	30%	Biotechnology energy technology development, transfer and consultation, research and development, manufacturing and sales of biotechnology energy and chemical equipment	**86,224**	**117,450**	110,334	117,450
Mengzhou Houyuan Biotechnology Limited ("Mengzhou Houyuan")	*(j)*	The PRC	**30%**	30%	Biotechnology and ethanol bio-chemical product development and production	**33,910**	**150,065**	110,426	150,065
Tianguan New Energy Limited ("Tianguan New Energy")	*(k)*	The PRC	**5%**	5%	Ethanol products transportation, development, trading and consultation service	**6,872**	**5,952**	4,588	5,952
Henan Zhongxin Biotechnology Limited ("Zhongxin Biotechnology")	*(l)*	The PRC	**30%**	30%	Production and sales of fuel ethanol and related products	**41,219**	**52,084**	62,562	52,084
Henan Zhongxin Petrochemical Oil Trading Limited ("Zhongxin Petrochemical Oil")	*(m)*	The PRC	**30%**	30%	Operating refined petroleum products	**52,873**	**52,084**	54,113	52,084
Others:									
Xi'an Kairong Financial Service Limited ("Xi'an Kairong")	*(n)*	The PRC	**30%**	30%	Provision of financial management services	**2,241**	**18,724**	5,549	18,724
Hubei Zhongjin Tech Financial Services Co., Ltd. ("Hubei Zhongjin")	*(o)*	The PRC	**–**	30%	Provision of financial management services	**–**	**–**	3,773	19,030
Jilin Jusheng Light Alloy Co., Ltd. ("Jusheng Light Alloy")	*(p)*	The PRC	**30%**	30%	Food and agriculture products trading and warehouse management	**59,734**	**65,400**	71,789	65,400
						451,436		654,067	

18. FINANCIAL ASSETS AT FVTPL *(continued)*

Notes: (continued)

(ii) *(continued)*

(a) On 24 August 2011, the Group invested in a 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 consultation services in Tianjin, the PRC.

(b) On 2 September 2011, the Group invested in a 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 consultation services in Tianjin, the PRC.

(c) On 29 August 2011, the Group invested in a 30% equity interest of Harbin Zhongjinguoxin, a joint venture established in the PRC. Harbin Zhongjinguoxin is principally engaged in the provision of small loan and financial consultation services in Harbin, Heilongjiang Province, the PRC.

On 22 December 2016, the Company entered into a disposal agreement to dispose of all of its equity interest in Harbin Zhongjinguoxin to an independent third party for a cash consideration of Renminbi ("RMB") 25,000,000. A deposit of HK$2,500,000 was received and still included as receipt in advance in "other payables and accruals" as at 30 June 2021 and 2022. As at 30 June 2022, in the opinion of the Directors of the Company, the disposal transaction has yet been completed after 12 months from the date of the disposal agreement but the transaction still be considered as valid.

(d) On 13 January 2012, the Group invested in a 10% equity interest of Tianjin Binlian, a joint venture established in the PRC. The Group's equity interest in Tianjin Binlian was reduced to 3.3% on 22 January 2014, as the registered capital of Tianjin Binlian was enlarged by the new registered capital subscribed by its other shareholders on that date. Tianjin Binlian is principally engaged in the provision of small loan and financial consultation services in Tianjin, especially Dongli District, the PRC.

(e) On 6 August 2012, the Group invested in a 30% equity interest of Ziyang Yanjiang, a joint venture established in the PRC. Ziyang Yanjiang is principally engaged in the provision of small loan and financial consultation services in Ziyang, Sichuan Province, the PRC.

(f) On 31 August 2012, the Group invested in a 30% equity interest of Nanjing Jiangning, a joint venture established in the PRC. Nanjing Jiangning is principally engaged in the provision of small loan and financial consultation services in Jiangning District, Nanjing, Jiangsu Province, the PRC.

(g) On 11 May 2018, the Group invested in a 30% equity interest of Henan Tianguan, a joint venture established in the PRC. Henan Tianguan is principally engaged in production and sales of denatured fuel ethanol, sales of acetone, butanol, polyols, production and sales of biodegradable plastic and biodiesel, sales of chemical products, wheat bran flour, feed sales, acetic acid and acetaldehyde production.

(h) On 23 January 2019, Keyi (Shanghai) Investment Limited ("Keyi (Shanghai)"), a wholly-owned subsidiary of the Company, invested in a 30% equity interest of Hunan South China with the capital contribution of RMB45,000,000. Hunan South China is engaged in new energy technologies development, transfer and consultation, research and development, manufacturing and sales of chemical products, chemical reagents and auxiliaries (excluding hazardous chemical and precursor chemicals).

(i) In August 2019, Keyi (Shanghai) entered into an agreement with three partners in relation to the formation of Keyi Huirui. The registered capital of Keyi Huirui is RMB350,000,000. Keyi (Shanghai) injected RMB105,000,000 for acquiring 30% of Keyi Huirui's equity interest. Keyi Huirui is engaged in biotechnology energy technology development transfer and consultation research and development, manufacturing and sales of biotechnology energy and chemical equipment. On 5 September 2019, Keyi Huirui was officially set up.

18. FINANCIAL ASSETS AT FVTPL *(continued)*

Notes: (continued)

(ii) *(continued)*

(j) On 17 October 2019, the Group entered into an agreement with Hollys (China) Limited ("Hollys") to obtain repayment of outstanding principal and interests accrued of the bonds issued by Hollys in return of the 30% equity interest investment in Mengzhou Houyuan.

Mengzhou Houyuan is principally engaged in development and production of biotechnology and ethanol bio-chemical products in Henan Province, the PRC.

(k) In October 2019, the Group invested in a 5% equity interest of Tianguan New Energy, a joint venture established in the PRC. Tianguan New Energy is principally engaged in ethanol products transportation, development and relevant consultation services in Huizhou, Guangdong Province, the PRC.

(l) On 16 March 2020, the Group invested in a 30% equity interest of Zhongxin Biotechnology, a joint venture established in the PRC. Zhongxin Biotechnology is principally engaged in production and sales of fuel ethanol and related products, the production and supply of electricity and heat, and the research, development and technical services of fuel ethanol and denatured fuel ethanol.

(m) On 16 March 2020, the Group invested in a 30% equity interest of Zhongxin Petrochemical Oil, a joint venture established in the PRC. Zhongxin Petrochemical Oil is principally operating refined petroleum products (such as vehicle ethanol gasoline, kerosene, diesel, natural gas) without storage facilities, selling food and chemical products, retail medicine and road cargo transport.

(n) On 18 December 2012, the Group invested in a 30% equity interest of Xi'an Kairong, a joint venture established in the PRC. Xi'an Kairong is principally engaged in the provision of financial management services to small and medium enterprises ("SMEs") in Xi'an Economic Development Zone, Shaanxi Province, the PRC.

(o) On 22 September 2014, the Group invested in a 30% equity interest of Hubei Zhongjin, a joint venture established in the PRC. Hubei Zhongjin is principally engaged in the provision of financial management services to SMEs in Wuhan, Hubei Province, the PRC.

Hubei Zhongjin was dissolved on 21 February 2022.

(p) On 11 June 2020, the Group invested in a 30% equity interest of Jusheng Light Alloy, which is principally engaged in food and agriculture products trading and warehouse management in Jilin Province, PRC.

The fair values of all the above investments were determined by the directors of the Company with reference to the professional valuation carried out by GW Financial Advisory Services Limited, an independent valuer.

At the end of the reporting period, the Group held more than 20% of the effective shareholding interest in the above investee companies. The investments in these companies are not accounted for as associates as the Group had no significant influence over these companies. In accordance with the relevant written agreement/declaration signed between the Group and these investee companies as well as the other shareholders of the investee companies, the Group does not have the right to participate in its policy-making processes, to appoint directors nor management and to interchange of managerial personnel. Hence, all of these investments are not regarded as associates of the Group and are accounted for as financial assets at FVTPL for the year ended 30 June 2022 and 2021.

19. EQUITY INSTRUMENTS AT FVTOCI

	2022 **HK$'000**	2021 HK$'000
Listed investments:		
– Equity securities listed in Hong Kong *(note i)*	**23,580**	32,488
Unlisted investments:		
– Equity securities *(note ii)*	**35,349**	31,157
Total	**58,929**	63,645

Notes:

(i) The fair values 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.

Particulars of the investment as at 30 June 2022, in terms of the carrying value of the listed investment, are as follows:

China City Infrastructure
On 21 June 2016, the Company and China City Infrastructure, a company listed on the Stock Exchange, entered into the share subscription agreement to subscribe for 262,000,000 new shares of China City Infrastructure with a one-year lock-up period for a total subscription price of HK$131,000,000 at HK$0.50 per share. The transaction was completed on 28 June 2016. At 30 June 2022, the 262,000,000 shares (2021: 262,000,000 shares) representing approximately 8.4% (2021: 8.4%) of the entire issued share capital in China City Infrastructure. China City Infrastructure is principally engaged in infrastructure businesses, property investment, property development, hotel business, property management and natural gas in the PRC. As at 30 June 2022, the fair value of the Group's interest in China City Infrastructure was HK$23,580,000 (2021: HK$32,488,000).

19. EQUITY INSTRUMENTS AT FVTOCI *(continued)*

Notes: (continued)

(ii) Unlisted equity investments

As at 30 June 2022, the Group held the following unlisted equity investments:

Name	*Notes*	Place of incorporation/ registration and business	Group's effective interest		Principal activities	**2022 Fair value**	**2022 Cost**	2021 Fair value	2021 Cost
			2022	2021		***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*
Others:									
Jiangxi Huazhang Hanchen Guarantee Group Limited ("Jiangxi Huazhang")	*(a)*	The PRC	**2.06%**	2.98%	Provision of financing guarantees to SMEs	**35,349**	**43,150**	31,157	43,150
Shenzhen Zhongtoujinxin Asset Management Company Limited ("Zhongtoujinxin")	*(b)*	The PRC	**30%**	30%	Provision of consultation services on project investments	**–**	**18,350**	–	18,350
						35,349		31,157	

(a) On 13 April 2011, the Group acquired a 30% equity interest of Jiangxi Huazhang, a joint venture established in the PRC. The Group's equity interest in Jiangxi Huazhang became 7.2% on 15 July 2013, dropped to 2.98% on 19 August 2016 and furtherly dropped to 2.06% on 23 September 2021, as the registered capital of Jiangxi Huazhang was enlarged by the new registered capital subscribed by its other shareholders on those dates. Jiangxi Huazhang is principally engaged in the provision of financing guarantees to SMEs in the Jiangxi Province, the PRC.

(b) On 29 April 2011, the Group invested in a 30% equity interest of Zhongtoujinxin, a joint venture established in the PRC. The first contribution of RMB6,000,000 (equivalent to HK$7,200,000) was made by the Company in 2011 and the second contribution of RMB9,000,000 (equivalent to HK$11,150,000) was made on 10 May 2012. Zhongtoujinxin is principally engaged in the provision of consultation services for project investments in the PRC.

The fair values of all of the above investments were determined by the directors of the Company with reference to the professional valuation carried out by GW Financial Advisory Services Limited, an independent valuer.

At the end of the reporting period, the Group held more than 20% of the effective shareholding interest in the above investee company. The investment in this company is not accounted for as associate as the Group had no significant influence over it. In accordance with the relevant written agreement/declaration signed between the Group and this investee company as well as the other shareholders of the investee company, the Group does not have the right to participate in its policy-making processes, to appoint directors nor management and to interchange of managerial personnel. Hence, this investment is not regarded as associate of the Group and are accounted for as equity instruments at FVTOCI for the year ended 30 June 2022 and 2021.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2022 HK$'000	2021 HK$'000
Deposits paid for potential investments	(i)	**10,000**	10,000
Rental and utilities deposits		**313**	318
Consideration receivable for disposal of a subsidiary	(ii)	**–**	30,000
Consideration receivable for the disposal of an investment	(iii)	**–**	12,025
Other receivables		**1,607**	1,623
		11,920	53,966
Less: loss allowance		**(2,500)**	(2,500)
		9,420	51,466
Prepayments		**365**	365
		9,785	51,831
Analysed for reporting purposes as:			
Current assets		**9,785**	44,019
Non-current assets		**–**	7,812
		9,785	51,831

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Notes:

(i) Deposits paid for potential investments

	2022	2021
	HK$'000	*HK$'000*
Mr. Zhang Gui Qing ("Mr. Zhang") *(note (a))*	**10,000**	10,000
	10,000	10,000
Less: loss allowance	**(2,500)**	(2,500)
	7,500	7,500

(a) During the year ended 30 June 2020, the Company entered into an agreement ("Agreement 1") with an independent third party, Mr. Zhang. Pursuant to Agreement 1, Mr. Zhang is responsible for assisting to seek and recommend potential investments in the PRC to the Company with a term of three years, and the Company agreed to provide the deposit to Mr. Zhang amounted to HK$10,000,000 during the period as agreed, the deposit is refundable after the period expired and is interest free. As at 30 June 2022 and 2021, the deposit remained unutilized.

At 1 July 2021 and 30 June 2022, the provisional for ECL in respect of the deposit paid to Mr. Zhang was HK$2,500,000.

(ii) During the year ended 30 June 2021, the Group disposed a subsidiary, China Financial International (Jiangxi) Limited (as disclosed in note 30) to an independent third party with the consideration of HK$30,000,000. The consideration was fully settled during the year ended 30 June 2022.

(iii) During the year ended 30 June 2021, the Group disposed investment of its entire interest of Nanyang Xinglong Property Development Limited with the consideration of HK$12,025,000 (equivalent to RMB10,000,000) to an independent third party. The consideration was fully settled during the year ended 30 June 2022.

21. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0% to 0.03% (2021: 0% to 1.97%) per annum.

For the year ended 30 June 2022, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided.

22. OTHER PAYABLES AND ACCRUALS

	2022 HK$'000	2021 HK$'000
Receipts in advance	**2,500**	8,513
Accruals	**11,108**	4,234
Other payables	**5,110**	6,674
	18,718	19,421

23. AMOUNT DUE TO AN ASSOCIATE

CFIIM is the investment manager of the Group and provides investment management services to the Group in relation to the Group's investments. The amount represents the balance due to CFIIM that is unsecured, interest-free and at a credit term of 30 days from the invoice date.

24. BORROWINGS

	2022 HK$'000	2021 HK$'000
Bonds (unsecured)	**9,997**	9,997
The carrying amount of the above borrowings are repayable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	**9,997**	9,997
Analysed for reporting purposes as:		
Current liabilities	**9,997**	9,997
Non-current liabilities	**–**	–
	9,997	9,997

As at 30 June 2022, bonds with a total nominal amount of HK$10,000,000 (2021: HK$10,000,000) were issued to independent third parties at 7% (2021: 5%) interest rate per annum with maturity dates in 2023 (2021: 2021).

24. BORROWINGS *(continued)*

Notes:

(a) As at 9 April 2020, the Group has entered into an extension agreement for the bond of HK$5,000,000 (the "Bond I") to extend the maturity date from 8 July 2020 to 7 July 2021.

(b) As at 9 April 2020, the Group has entered into an extension agreement for the bond of HK$5,000,000 (the "Bond II") to extend the maturity date from 12 November 2020 to 11 November 2021.

(c) As at 30 June 2021, the Group has entered into an agreement with the bond holder of Bond I and Bond II to combine two bonds with the principal amount of HK$10,000,000 at 7% interest rate per annum with maturity date in 30 June 2023, effective from 1 July 2021.

25. LEASE LIABILITIES

	2022	2021
	HK$'000	*HK$'000*
Lease liabilities payable:		
Within one year	**416**	681
Within a period of more than one year but not more than two years	**–**	416
	416	1,097
Less: amount due for settlement within 12 months shown under current liabilities	**416**	681
Amount due for settlement after 12 months shown under non-current liabilities	**–**	416

The Group's lease liabilities are denominated in the functional currency of the relevant group entities.

26. SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital
	'000	*HK$'000*
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 July 2020, 30 June 2021 and 30 June 2022	30,000,000	300,000
Issued and fully paid:		
At 1 July 2020, 30 June 2021 and 30 June 2022	10,971,634	109,717

27. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share is based on the net assets of HK$572,789,000 (2021: HK$799,531,000) and 10,971,634,000 (2021: 10,971,634,000) issued and fully paid ordinary shares as at 30 June 2022.

28. SHARE-BASED PAYMENT TRANSACTIONS

Under the share option scheme adopted by the Company on 15 January 2008 (the "Scheme"), options were granted to certain directors and consultants entitling them to subscribe for shares of the Company under the Scheme. The Scheme was approved and adopted by shareholders of the Company on 15 January 2008 (the "Date of Adoption"), whereby the directors of the Company are authorised, at their discretion, to invite full time employees of the Group, (including executive and non-executive directors of the Company or any of its subsidiaries) and any suppliers, consultants, agents or advisers of the Group, to take up options to subscribe for shares of the Company. The maximum number of shares in respect of which options may be granted under the Scheme, when aggregated with any shares subject to any other schemes, shall not exceed 10% of the issued share capital of the Company on the Date of Adoption.

28. SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

On 15 December 2017, the Scheme was terminated and the new share option scheme (the "New Scheme") was approved by the Shareholders of the Company at the annual general meeting to replace the Scheme. The New Scheme shall be valid and effective for a period of 10 years ending on 14 December 2027. The exercise price of the options under the New Scheme is determinable by the board of directors, but will be at least the highest of:

(i) the closing price of the shares on the Stock Exchange (as stated in the Stock Exchange's daily quotation sheets) on the offer date, which must be a business day;

(ii) the average of the closing prices of the shares on the Stock Exchange (as stated in the Stock Exchange's daily quotation sheets) for the 5 business days immediately preceding the offer date; and

(iii) the nominal value of the Company's shares on the offer date.

The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options under the New Scheme may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The maximum number of the shares available for issue upon exercise of all share options which may be further granted under the New Scheme is 1,097,163,403 shares, representing 10% of the total number of issued shares of the Company on 15 December 2017.

No share options were granted under the New Scheme for both years.

29. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme (subject to a maximum of HK$1,500 per month per employee) which contribution is matched by employees.

The employees of the Group's subsidiary in the PRC are members of the state-managed retirement benefit scheme operated by the government of the PRC. The subsidiary is required to contribute certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in profit or loss of HK$71,000 (2021: HK$93,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

30. DISPOSAL OF A SUBSIDIARY

During the year ended 30 June 2021, the Group disposed a subsidiary, China Financial International Investments (Jiangxi) Limited, which is mainly engaged in investing unlisted equities in micro-loan business in PRC. The net assets of the subsidiary at the date of disposal were as follows:

	HK$'000
Consideration received/receivable	
Deferred cash consideration	**30,000**
Analysis of assets and liabilities over which control was lost:	
Bank	**16**
Financial assets at FVTPL	**30,380**
Financial asset at FVTOCI	**–**
Amount due to the Company	**(141)**
Net assets disposed of	**30,255**
Loss on disposal of a subsidiary	
Consideration received or receivable	**30,000**
Net assets disposed of	**(30,255)**
	(255)
Net cash outflow arising on disposal	
Cash consideration	**–**
Less: bank balances and cash disposed of	**(16)**
	(16)

31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

32. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2022	2021
	HK$'000	*HK$'000*
Financial assets		
Mandatorily measured at FVTPL		
– Held-for-trading	**497,239**	710,837
Financial assets at amortised cost	**49,020**	57,510
Equity instruments at FVTOCI	**58,929**	63,645
	605,188	831,992
Financial liabilities		
Amortised cost	**15,245**	16,806
Lease liabilities	**416**	1,097
	15,661	17,903

32. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, deposits and other receivables, bank balances and cash, other payables, amount due to an associate and borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group mainly operates in Hong Kong and the PRC, with certain of their purchases and disposals of investments being settled in HK$ and RMB. The Group has foreign currency bank balances, other receivables, financial assets at FVTPL and equity instruments at FVTOCI. The Group is thus exposed to currency risk arising from fluctuations on foreign currencies, primarily United States Dollars ("US$") and RMB, against the functional currency of the relevant group entities. The management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As HK$ is pegged to US$, the Group does not have material exchange rate risk on such currency.

The Group's exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of the entities within the Group into the Group's presentation currency are excluded.

	2022		2021	
	US$	**RMB**	US$	RMB
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Financial assets at FVTPL	**–**	**163,051**	–	207,166
Equity instruments at FVTOCI	**–**	**35,349**	–	31,157
Bank balances	**24**	**908**	47	13
Overall exposure to currency risk	**24**	**199,308**	47	238,336

32. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

Market risk (continued)

(i) Currency risk *(continued)*

Sensitivity analysis

The following table demonstrates the sensitivity at the end of reporting period to a reasonably possible change in the HK$ exchange rate against RMB for group entities with RMB or HK$ as functional currencies, with all other variables held constant, of the Group's loss for the year and accumulated losses.

		Increase (decrease) in loss for the year and accumulated losses
	%	*HK$'000*
2022		
If HK$ weakens against RMB	**5**	**(9,965)**
If HK$ strengthens against RMB	**(5)**	**9,965**
2021		
If HK$ weakens against RMB	5	(11,917)
If HK$ strengthens against RMB	(5)	11,917

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' loss for the year and accumulated losses measured in the respective functional currencies, translated into HK$ at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group, including intra-group balances with foreign operations within the Group denominated in a currency other than the functional currency of the foreign operations, which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for year ended 30 June 2021.

32. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings (see note 24 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 21 for details). The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

Total interest income from financial assets that are measured at amortised cost is as follows:

	2022	2021
	HK$'000	*HK$'000*
Other income		
Financial assets at amortised cost	**13**	300

Interest expense on financial liabilities not measured at FVTPL:

	2022	2021
	HK$'000	*HK$'000*
Financial liabilities at amortised cost	**700**	1,564
Leases liabilities	**45**	135
	745	1,699

No sensitivity analysis is performed as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

32. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

Market risk (continued)

(iii) Other price risk

The Group is exposed to equity price risk through its investments in equity securities measured at FVTPL and FVTOCI. For equity securities measured at FVTPL quoted in the Stock Exchange, the management manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group also invested in certain unquoted equity securities for investees operating in various industry sectors for long term strategic purposes which had been designated as FVTOCI. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date. Sensitivity analyses for unquoted equity securities with fair value measurement categorised within Level 3 were disclosed in note 32c.

If the prices of the respective equity instruments had been 5% (2021: 5%) higher/lower, the loss for the year ended 30 June 2022 would decrease/increase by HK$3,469,000 (2021: decrease/increase by HK$4,463,000) as a result of the changes in fair value of equity investments at FVTPL by HK$2,290,000 (2021: HK$2,839,000) and equity instruments at FVTOCI by HK$1,179,000 (2021: HK$1,624,000).

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to other receivables and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Deposits and other receivables

The Group has a policy for assessing the impairment on deposits and other receivables on an individual basis. The assessment includes evaluation of collectability and aged analysis of the receivables and on management's judgment on creditworthiness, collateral and past collection history of each counterparty.

Bank balances

The Group has concentration of credit risk on liquid funds which are deposited with several banks. The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

32. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment (continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	All financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts.	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date.	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources.	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

32. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

2022	*Notes*	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount
					HK$'000
Financial assets at amortised cost					
Deposits and other receivables	*20*	**N/A**	**(note a)**	**12m ECL**	**11,920**
Bank balances	*21*	**AA**	**N/A**	**12m ECL**	**39,600**

2021	*Notes*	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount
					HK$'000
Financial assets at amortised cost					
Deposits and other receivables	*20*	N/A	(note a)	12m ECL	53,966
Bank balances	*21*	AA	N/A	12m ECL	6,044

32. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment (continued)

Note:

(a) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

2022	**Past due**	**Not past due/no fixed repayment terms**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Deposits and other receivables	**–**	**11,920**	**11,920**

2021	**Past due**	**Not past due/no fixed repayment terms**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Deposits and other receivables	–	53,966	53,966

The following tables show reconciliation of loss allowances that have been recognised for deposits and other receivables.

	12m ECL	**Lifetime ECL (credit-impaired)**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 July 2020	7,500	–	7,500
Reversal of impairment loss recognised	(5,000)	–	(5,000)
At 30 June 2021 and 2022	**2,500**	**–**	**2,500**

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

At 30 June 2022, the Group had bank balances and cash of HK$39,600,000 and net current assets of HK$61,719,000. Future cash flows from operating activities is dependent on realisation of the listed and unlisted investments. In order to continue funding future capital programmes, the Company may need to obtain additional equity or debt financing, or assess other options. The ability to access the required capital to maintain current financial position and cash flows is dependent on a variety of external factors.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

32. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

Liquidity table

	Weighted average effective interest rate	On demand or less than 1 month	1 month to 1 year	1 to 2 years	Over 2 years	Total undiscounted cash flows	Carrying amount at 30 June
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2022							
Other payables	–	5,110	–	–	–	5,110	5,110
Amount due to an associate	–	138	–	–	–	138	138
Borrowings	7.00%	58	10,642	–	–	10,700	9,997
Lease liabilities	5.75%	61	363	–	–	424	416
		5,367	11,005	–	–	16,372	15,661
2021							
Other payables	–	6,674	–	–	–	6,674	6,674
Amount due to an associate	–	135	–	–	–	135	135
Borrowings	5.00%	9,997	–	–	–	9,997	9,997
Lease liabilities	5.75%	61	666	363	–	1,090	1,097
		16,867	666	363	–	17,896	17,903

As disclosed in note 24, the Group has entered into an agreement with the bond holder to combine two bonds with principal amount of HK$10,000,000 at 7% interest rate with maturity date in 30 June 2023, effective from 1 July 2021. The borrowing will be repaid two years after the end of the reporting period in accordance with the scheduled repayment date set out in the loan agreement, detail of which are set out in the table below as at 30 June 2021:

	Weighted average effective interest rate	On demand or less than 1 month	1 month to 1 year	1 to 2 years	Over 2 years	Total undiscounted cash flows	Carrying amount at 30 June 2021
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Borrowings	7.00%	58	642	10,700	–	11,400	9,997

32. FINANCIAL INSTRUMENTS *(continued)*

c. Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management of the Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy at 30 June 2022

	Level 1 *HK$'000*	Level 2 *HK$'000*	Level 3 *HK$'000*	Total *HK$'000*
Equity instruments at FVTOCI:				
– Listed investments	23,580	–	–	23,580
– Unlisted investments	–	–	35,349	35,349
Financial assets at FVTPL				
– Listed securities	45,803	–	–	45,803
– Unlisted equity investments	–	–	451,436	451,436
	69,383	–	486,785	556,168

Fair value hierarchy at 30 June 2021

	Level 1 *HK$'000*	Level 2 *HK$'000*	Level 3 *HK$'000*	Total *HK$'000*
Equity instruments at FVTOCI:				
– Listed investments	32,488	–	–	32,488
– Unlisted investments	–	–	31,157	31,157
Financial assets at FVTPL				
– Listed securities	56,770	–	–	56,770
– Unlisted equity investments	–	–	654,067	654,067
	89,258	–	685,224	774,482

32. FINANCIAL INSTRUMENTS *(continued)*

c. Fair value measurements of financial instruments *(continued)*

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

	Valuation technique	Significant unobservable inputs	Value	Sensitivity of fair value to the input
Unlisted equity investments classified as financial assets at FVTPL				
Micro-loan service	Market comparable companies	Price to book ratio ("PB ratio")	30 June 2022: 0.4743 30 June 2021: 0.5188	The fair value is positively correlated to the PB ratios. Had the PB ratio increased by 5%, the carrying amount would have increased by HK$373,300 (2021: HK$593,000). Had the PB ratio decreased by 5%, the carrying amount would have decreased by HK$373,300 (2021: HK$593,000).
		Discount for lack of marketability ("DLOM")	30 June 2022: 50% 30 June 2021: 28%	The fair value is negatively correlated to the DLOM. Had the DLOM decreased by 5%, the carrying amount would have increased by HK$746,600 (2021: HK$823,000). Had the DLOM increased by 5%, the carrying amount would have decreased by HK$746,600 (2021: HK$823,000).

32. FINANCIAL INSTRUMENTS *(continued)*

c. Fair value measurements of financial instruments *(continued)*

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

	Valuation technique	Significant unobservable inputs	Value	Sensitivity of fair value to the input
Unlisted equity investments classified as financial assets at FVTPL				
Others	Market comparable companies	PB ratio (financial service) Ratio of enterprise value over earnings before interest, tax depreciation and amortization ("EV/EBITDA ratio") (trading of agriculture product)	30 June 2022: (financial service: 0.3212; trading of agriculture product: 14.74) 30 June 2021: (financial services: 0.5188; trading of agriculture product: 15.29)	The fair value is positively correlated to the PB ratios. Had the PB and EV/EBITDA ratio increased by 5%, the carrying amounts would have increased by HK$112,000 (2021: HK$466,000). Had the PB and EV/EBITDA ratio decreased by 5%, the carrying amount would have decreased by HK$112,000 (2021: HK$466,000).
		DLOM	30 June 2022: 50% 30 June 2021: 28%	The fair value is negatively correlated to the DLOM. Had the LOMD decreased by 5%, the carrying amount would have increased by HK$224,000 (2021: HK$647,000). Had the DLOM increased by 5%, the carrying amount would have decreased by HK$224,000 (2021: HK$647,000).

32. FINANCIAL INSTRUMENTS *(continued)*

c. Fair value measurements of financial instruments *(continued)*

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

	Valuation technique	Significant unobservable inputs	Value	Sensitivity of fair value to the input
Unlisted equity investments classified as financial assets at FVTPL				
Clean energy	Market comparable companies	EV/EBITDA ratio	30 June 2022: (ethanol producer: 5.66; ethanol trading: 7.12) 30 June 2021: (ethanol producer: 9.50; ethanol trading: 9.50)	The fair values of companies are also determined with reference to multiples of comparable listed companies, using average of the EV/EBITDA ratio of comparables. The fair value measurement is positively correlated to the EV/EBITDA ratio. Had the EV/EBITDA ratio increased by 5% as at 30 June 2022, the Group's profit or loss would have increased by HK$12,201,000 (2021: HK$13,744,000). Had EV/EBITDA ratio decreased by 5% as at 30 June 2022, the Group's profit or loss would have decreased by HK$12,201,000 (2021: HK$13,744,000).
		DLOM	30 June 2022: 38% 30 June 2021: 30%	The fair values of companies are also determined with reference to DLOM. The fair value measurement is negatively correlated to the DLOM. Had the DLOM decreased by 5% as at 30 June 2022, the Group's profit or loss would have increased by HK$25,828,000 (30 June 2021: HK$27,202,000). Had the DLOM increased by 5% as at 30 June 2022, the Group's profit or loss would have decreased by HK$25,828,000 (30 June 2021: HK$27,202,000).

32. FINANCIAL INSTRUMENTS *(continued)*

c. Fair value measurements of financial instruments *(continued)*

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

	Valuation technique	Significant unobservable inputs	Value	Sensitivity of fair value to the input
Unlisted security classified as equity instruments at FVTOCI				
Others	Market comparable companies	PB ratio	30 June 2022: 1 30 June 2021: 0.5188	The fair values of companies are determined with reference to multiples of comparable listed companies, using the average of the PB ratios of comparables. The fair value measurement is positively correlated to the PB ratios. Had the highest PB ratio among the comparables been used as at 30 June 2022, the Group's OCI would have increased by HK$1,767,000 (2021: HK$1,558,000). Had the lowest PB ratio among the comparables been used as at 30 June 2022, the Group's OCI would have decreased by HK$1,767,000 (2021: HK$1,558,000).
		DLOM	30 June 2022: 50% 30 June 2021: 28%	The fair values of companies are also determined with reference to DLOM. The fair value measurement is negatively correlated to the DLOM. Had the DLOM decreased by 5% as at 30 June 2022, the Group's OCI would have increased by HK$3,535,000 (2021: HK$2,164,000). Had the DLOM increased by 5% as at 30 June 2022, the Group's OCI would have decreased by HK$3,535,000 (2021: HK$2,164,000).

There were no transfers between Level 1 and 2 during both years.

32. FINANCIAL INSTRUMENTS *(continued)*

c. Fair value measurements of financial instruments *(continued)*

(ii) Reconciliation of Level 3 fair value measurements

For the year ended 30 June 2022

	Financial assets at FVTPL (unlisted) *HK$'000*	**Equity instruments at FVTOCI (unlisted)** *HK$'000*	**Total** *HK$'000*
Opening balance	**654,067**	**31,157**	**685,224**
Total losses:			
– in profit or loss	**(189,492)**	**–**	**(189,492)**
– in OCI	**–**	**4,192**	**4,192**
– exchange realignment	**(6,799)**	**–**	**(6,799)**
Disposals	**(6,340)**	**–**	**(6,340)**
Closing balance	**451,436**	**35,349**	**486,785**

For the year ended 30 June 2021

	Financial assets at FVTPL (unlisted) *HK$'000*	Equity instruments at FVTOCI (unlisted) *HK$'000*	Total *HK$'000*
Opening balance	635,796	28,507	664,303
Total losses:			
– in profit or loss	(54,840)	–	(54,840)
– in OCI	–	2,650	2,650
– exchange realignment	43,732	–	43,732
Purchases	71,259	–	71,259
Disposals	(41,880)	–	(41,880)
Closing balance	654,067	31,157	685,224

32. FINANCIAL INSTRUMENTS *(continued)*

c. Fair value measurements of financial instruments *(continued)*

(ii) Reconciliation of Level 3 fair value measurements (continued)

Of the total losses for the year included in profit or loss, HK$189,492,000 (2021: HK$54,840,000) relates to financial assets at FVTPL held at the end of the current reporting period. Fair value gains or losses on financial assets at FVTPL are included in "fair value loss on financial assets at FVTPL".

Included in OCI are gain of HK$4,192,000 (2021: gain of HK$2,650,000) relating to unlisted equity securities classified as equity instruments at FVTOCI, held at the end of the current reporting period and are reported as changes of "financial assets at FVTOCI reserve".

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in financial statements approximate their fair values due to short maturity.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings *(note 24)* *HK$'000*	**Lease liabilities** *(note 25)* *HK$'000*	**Total** *HK$'000*
At 1 July 2020	62,975	3,458	66,433
Financing cash outflows	(54,542)	(1,548)	(56,090)
Finance costs	1,564	135	1,699
Reversal of lease liabilities	–	(502)	(502)
Early termination of leases	–	(570)	(570)
Foreign exchange translation	–	124	124
At 30 June 2021	9,997	1,097	11,094
Financing cash outflows	(700)	(726)	(1,426)
Finance costs	700	45	745
At 30 June 2022	9,997	416	10,413

34. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties:

	2022 HK$'000	2021 HK$'000
Investment management fee paid/payable to CFIIM *(note i)*	**356**	350
Legal advisory fees paid/payable to Michael Li & Co *(note ii)*	**–**	22

Notes:

(i) An investment management agreement (the "Investment Management Agreement") was entered into between the Company and CFIIM on 25 April 2014 to renew the appointment of CFIIM as the investment manager of the Company for a further period of three years effective from 29 April 2014 to 28 April 2017. Pursuant to the Investment Management Agreement, CFIIM is entitled to a management fee which is receivable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio managed by CFIIM on the last business day of each calendar month.

The Investment Management Agreement expired on 28 April 2017 and a new investment management agreement (the "2nd Investment Management Agreement") was entered into accordingly on 26 April 2017 to renew the appointment of CFIIM as the investment manager of the Company for a further period of three years effective from 29 April 2017 to 28 April 2020. Pursuant to the 2nd Investment Management Agreement, CFIIM is entitled to a management fee which is receivable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio managed by CFIIM on the last business day of each calendar month.

The Investment Management Agreement expired on 28 April 2020 and a new investment management agreement (the "3rd Investment Management Agreement") was entered into accordingly on 27 April 2020 to renew the appointment of CFIIM as the investment manager of the Company for a further period of three years effective from 29 April 2020 to 28 April 2023. Pursuant to the 3rd Investment Management Agreement, CFIIM is entitled to a management fee which is receivable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio managed by CFIIM on the last business day of each calendar month.

Investment management fees also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are disclosed in the report of directors in the annual report.

(ii) Michael Li & Co is a company controlled by the company secretary of the Company, Mr. Li Chi Chung, and provided various legal advisory services to the Group. Mr. Li Chi Chung resigned as the company secretary of the Company on 4 January 2021.

Compensation of key management personnel

The remuneration of directors of the Company who are considered as key management during the year is set out in note 11.

The remuneration of directors and key executives is determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

35. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries held by the Company at the end of the reporting period are set out below.

Name of subsidiary	Place of incorporation	Paid up issued/ registered capital	Proportion of ownership interest held directly by the Company		Principal activities and place of operation
			2022	2021	
Best Joy Asia Investment Limited	British Virgin Islands ("BVI")	US$1,000	**100%**	100%	Investment holding, Hong Kong
CFII (Nanchang)	BVI	US$10,000	**100%**	100%	Inactive
China Financial International Investments (Haerbin) Limited	BVI	US$10,000	**100%**	100%	Inactive
China Financial International Investments (Henan) Limited	BVI	US$10,000	**100%**	100%	Inactive
Joy State	Hong Kong	HK$1	**100%**	100%	Investment holding, Hong Kong
Keyi (Shanghai)	PRC	RMB200,000,000	**100%**	100%	Investment holding, PRC

36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2022 HK$'000	2021 HK$'000
NON-CURRENT ASSETS		
Property, plant and equipment	–	62
Right-of-use assets	–	1,054
Investments in subsidiaries	245,071	245,071
Interest in an associate	290	290
Financial assets at FVTPL	110,671	142,433
Equity instruments at FVTOCI	58,929	63,645
Amounts due from subsidiaries	68,540	241,011
Deposits	–	312
	483,501	693,878
CURRENT ASSETS		
Prepayments, deposits and other receivables	9,398	39,093
Financial assets at FVTPL	45,803	56,770
Amounts due from subsidiaries	313	313
Bank balances and cash	666	2,045
	56,180	98,221
CURRENT LIABILITIES		
Other payables and accruals	13,619	6,743
Amounts due to subsidiaries	3,455	55
Amount due to an associate	138	135
Tax payable	4,200	4,200
Borrowings	9,997	9,997
Lease liabilities	416	681
	31,825	21,811
NET CURRENT ASSETS	24,355	76,410
TOTAL ASSETS LESS CURRENT LIABILITIES	507,856	770,288
NON-CURRENT LIABILITY		
Lease liabilities	–	416
NET ASSETS	507,856	769,872
CAPITAL AND RESERVES		
Share capital	109,717	109,717
Reserves	398,139	660,155
TOTAL EQUITY	507,856	769,872

36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(continued)*

Movements in the Company's reserves

	Share premium *HK$'000*	Contributed surplus *HK$'000* *(note (i))*	Capital reserve *HK$'000* *(note(ii))*	Financial assets at FVTOCI reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 30 June 2020	2,067,672	278,979	2,766	(44,201)	(1,643,843)	661,373
Loss for the year	–	–	–	–	(2,820)	(2,820)
Other comprehensive income for the year	–	–	–	1,602	–	1,602
Total comprehensive expense for the year	–	–	–	1,602	(2,820)	(1,218)
At 30 June 2021	2,067,672	278,979	2,766	(42,599)	(1,646,663)	660,155
Loss for the year	–	–	–	–	(257,300)	(257,300)
Other comprehensive expense for the year	–	–	–	(4,716)	–	(4,716)
Total comprehensive expense for the year	–	–	–	(4,716)	(257,300)	(262,016)
At 30 June 2022	**2,067,672**	**278,979**	**2,766**	**(47,315)**	**(1,903,963)**	**398,139**

Notes:

(i) The contribution surplus represents share premium reduction. Under the Companies Law of Bermuda, the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of the contributed surplus if (i) it would after the payment, be unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

(ii) The capital reserve represents the waiver of an amount due to a shareholder in 2005.

Five Year Financial Summary

A summary of the results, assets and liabilities of the Group for the last 5 financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

RESULTS

	Year ended 30 June				
	2022	2021	2020	2019	2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**2,234**	1,503	21,613	68,845	66,797
Loss before tax	**(215,915)**	(66,513)	(218,500)	(326,783)	(72,547)
Income tax expense	**–**	(132)	–	(780)	(295)
Loss for the year	**(215,915)**	(66,645)	(218,500)	(327,563)	(72,842)
Other comprehensive (expenses) income for the year, net of tax	**(11,547)**	50,459	(50,489)	(44,725)	(46,062)
Total comprehensive expenses for the year	**(226,742)**	(16,186)	(268,989)	(372,288)	(118,904)

ASSETS AND LIABILITIES

	As at 30 June				
	2022	2021	2020	2019	2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	**606,258**	834,381	902,306	1,166,192	1,586,175
Total liabilities	**(33,469)**	(34,850)	(86,589)	(81,486)	(126,092)
Total equity	**572,789**	799,531	815,717	1,084,706	1,460,083