

TARGET

Intelligence Report

VOLUME XXIV No. 67

S A T U R D A Y

March 26, 2022

CHINA INVESTMENT AND FINANCE GROUP LTD: ANYBODY WANT TO INVEST IN THIS COMPANY ?

China Investment and Finance Group Ltd (中國投融資集團有限公司) (Code: 1226, Main Board, The Stock Exchange of Hongkong Ltd) has never been the sweetheart of very many investors, engaged in the purchases and sales of equities, listed on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

And, by the looks of things, today, Senior Management of this investment company is highly unlikely, ever, to achieve much of an endearment from the most-savvy of investors.

The Company obtained express permission to have its shares, listed on the Main Board of The Stock Exchange of Hongkong Ltd, on or about September 19, 2002.

With regard to the three Financial Years, ended March 31, 2020, Management was forced to admit that it had recorded aggregate Net Losses Attributable to Shareholders of not less than \$HK1,254,241,000.

In respect of the 2021 Financial Year, Management reported a Net Profit Attributable to Shareholders of \$HK3,569,000.

That financial result, however, was certainly an improvement over the Net Loss Attributable to Shareholders of \$HK126,376,000, recorded in the 2020 Financial Year.

On September 15, 2021, Management announced an Unaudited Consolidated Net Asset Value Per Share, in respect of August 31, 2021, of 69 cents.

On January 14, 2022, Management announced an Unaudited Consolidated Net Asset Value Per Share, in respect of December 31, 2021, of approximately 76 cents.

At Pages Four and Five of the 2020/2021 Annual Report with regard to the Financial Year, ended March 31, 2021, a '**STATEMENT FROM THE MANAGEMENT**' informed shareholders, under the subheading, '**Financial Results**':

'For the Year, the Group recorded gross proceeds from disposal of securities of approximately HK\$30.4 million, representing a decrease of

approximately 78.9%, as compared to the amount of approximately HK\$144.3 million for the last year. The Group recorded in revenue of approximately HK\$4.5 million, representing an increase of approximately 54.3% as compared to the amount of approximately HK\$2.9 million for the last year. The Company recorded profit attributable to the owners of the Company for the year amounted to approximately HK\$3.6 million (2020: loss of approximately HK\$126.4 million). The audited consolidated net assets of the Group as at 31 March 2021 amounted to approximately HK\$195.5 million (2020: approximately HK\$182.6 million). The net asset per share of the Group was (sic) amounted to approximately HK\$0.72 (2020: approximately HK\$0.08). The increase in net asset value per share of the Company over the year was (sic) principally resulted from the net effect of (i) the share consolidation for every then 10 shares of the Company into 1 share of the Company; (ii) the placing of 45,150,000 new shares of the Company at a price of HK\$0.150 each; and (iii) the net profit attributable to the shareholders of the Company for the year of approximately HK\$3.6 million.

‘The Group’s financial performance changed from net loss approximately HK\$126.4 million for the year ended 31 March 2020 to net profit approximately HK\$3.6 million for the Year. Such change is mainly attributable to the change in performance of the Group’s listed investments and the expected credit loss assessment. The Group recorded net loss on listed investments of approximately HK\$80.1 million in the last year, while net gain on listed investments of approximately HK\$20.0 million was recorded in the current year. In relation to the expected credit loss assessment, the Group recorded impairment losses of approximately HK\$17.0 million in the last year, while reversal of impairment losses of approximately HK\$1.3 million is recorded in the current year. Taking into account of decrease in fair value on unlisted investments of approximately HK\$13.2 million (2020: approximately HK\$24.7 million), administrative expenses of approximately HK\$8.9 million (2020: approximately HK\$7.8 million) and other expenses, the Group recorded net profit of approximately HK\$3.6 million in the current year (2020: loss of approximately HK\$126.4 million).

‘The investment portfolio as at 31 March 2021 of the Group mainly comprises of unlisted securities, listed securities and bonds investment in Hong Kong and China. The value of investment portfolio of the Group is of approximately HK\$170.7 million. As a whole, the portfolio was carefully managed and being fully diversified to minimise commercial risk resulting from over concentration of the investment of the Group in any single industry.’

At Pages Six through to 11 of the 2020/2021 Annual Report, one was told a little of Management’s investments:

- Peak Zone Group Ltd, a company, engaged in the electronic commerce industry, in respect of the company’s Financial Year, ended March 31,

2021, recorded an unaudited Consolidated Net Profit Attributable to Shareholders of approximately \$HK3 million;

- Prominent Alliance Ltd, a company, engaged in dealing in securities and advising on securities and asset management, recorded an unaudited Consolidated Net Loss Attributable to Shareholders of approximately \$HK16 million;
- China e-Wallet Payment Group Ltd (中國錢包支付集團有限公司), a company, engaged in the provision of Internet and mobile applications and the distribution of computer-related and mobile-related electronic products and accessories, the shares of which are listed on the Main Board of The Stock Exchange of Hongkong Ltd (Stock Code, Number 802), recorded an audited Consolidated Net Loss Attributable to Shareholders of approximately \$HK41.80 million;
- WLS Holdings Ltd (滙隆控股有限公司), a company, whose shares are listed on the secondary equity market of The Stock Exchange of Hongkong Ltd, known as 'the GEM' – the Growth Enterprise Market – being Stock Code, Number 8021, reported an audited Consolidated Net Loss Attributable to Shareholders for the Financial Year, ended April 30, 2020, was approximately \$HK108.90 million; and,
- Power Financial Group Ltd (權威金融集團有限公司) (Code: 397, Main Board, The Stock Exchange of Hongkong Ltd), a company, engaged in financial services, asset management and money lending, recorded an audited Consolidated Net Profit Attributable to Shareholders of approximately \$HK44.20 million in respect of this company's Financial Year, ended December 31, 2020.

In ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.