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NationalInvestments

National Investments Fund Limited

國盛投資基金有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1227)

SUPPLEMENTAL ANNOUNCEMENT

ON THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Reference is made to the annual report of National Investments Fund Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for its financial year ended 31 December 2018 (the “**Annual Report**”) posted on the respective websites of the Stock Exchange and the Company on 26 April 2019. Unless otherwise stated, capitalized terms used herein shall bear the same meanings as defined in the Annual Report.

The Board would like to supplement the following additional information to the Annual Report:

1. SIGNIFICANT INVESTMENTS

As disclosed on pages 12 and 13 of the Annual Report, the Group had equity investments at fair value through other comprehensive income (the “**FVTOCI**”) and the financial assets at fair value through profit or loss (the (“**FVTPL**”) amounting to approximately HK\$51 million and HK\$2 million respectively as at 31 December 2018.

The performance and future prospects of such equity securities are as follows:

Name of investee company	Performance and future prospects
Upperclass Development Limited (“ Upperclass ”)	According to the management accounts for the year ended 31 December 2018 provided by the investee company, no operating revenue was recorded and loss attributable to owners of Upperclass was approximately HK\$25,938. As at 31 December 2018, the investee company had net assets of approximately HK\$90.47 million. The Directors noted that there was no fair value as at 31 December 2018. The investee company mainly held 16% interest in a PRC company which is principally engaged in leasing business in the PRC. It is expected that the leasing market in the PRC will be more volatile in the future and the Directors will closely monitor the performance of the investee company.
Smart Role Limited (“ Smart Role ”)	According to the management accounts for the year ended 31 December 2018 provided by the investee company, no operating revenue was recorded and loss attributable to owners of Smart Role was approximately HK\$1.08 million. As at 31 December 2018, Smart Role had net liabilities of approximately HK\$7.04 million. The Directors noted that the fair value of the investee company decreased during the year which may be due to the economic slowdown of the PRC, the impact of the trade war and a slumping global economy. The Directors considered that the forest material market in the PRC remains huge which would benefit the investee company in the long run. The Directors are optimistic to the future returns for the investment in forestry.

Co-Lead Holdings Limited
 (“Co-Lead”) According to the management accounts for the year ended 31 December 2018 provided by the investee company, Co-Lead’s operating revenue was approximately HK\$133.01 million and profit attributable to owners of Co-Lead was approximately HK\$1,412.02 million. As at 31 December 2018, Co-Lead had net assets of approximately HK\$4,495.99 million. Co-Lead is principally engaged in investments in equity securities of listed companies which were classified as held for trading valued at HK\$3,595.94 million as at 31 December 2018. The listed companies in which Co-Lead invested included companies operating in the industries of consumer services, media and entertainment. The principal investment of Co-Lead included 3.01% interest in a Hong Kong listed company, which is principally engaged in “Internet+” community health management, international hospitals, elderly care, rehabilitation and new energy vehicle manufacture. The investee company will continue to implement diversified investment strategy aimed at identifying suitable investment opportunities with potential of asset appreciation to bring about better return to its shareholders and the Directors are optimistic to the future returns for the investment in the investee company.

FreeOpt Holdings Limited
 (“FreeOpt”) According to the management accounts for the period from 1 April 2018 to 31 December 2018 provided by FreeOpt, FreeOpt’s operating revenue was approximately HK\$6.29 million and profit attributable to owners of FreeOpt was approximately HK\$19.86 million. As at 31 December 2018, FreeOpt had net assets of approximately HK\$474.33 million. The Directors expect that there is room for growth for the money lending industry in which FreeOpt operated and are optimistic to the future returns for the investment in the investee company.

<p>Freewill Holdings Limited (“Freewill”)</p>	<p>According to the management accounts for the period from 1 April 2018 to 31 December 2018 provided by Freewill, Freewill’s operating revenue was approximately HK\$141.74 million and profit attributable to owners of Freewill was approximately HK\$738.20 million. As at 31 December 2018, Freewill had net assets of approximately HK\$3,019.11 million. Freewill is principally engaged in investments in Co-Lead and holds 52.28% of its issued share capital. The investee company will continue to implement diversified investment strategy aimed at identifying suitable investment opportunities with potential of asset appreciation to bring about better return to its shareholders.</p>
<p>Joint Global Limited (“Joint Global”)</p>	<p>According to the latest unaudited balance sheet as at 30 April 2017 provided by the investee company, Joint Global had net assets of approximately HK\$141.06 million. Joint Global is principally engaged in investments in Co-Lead and holds 4.88% of its issued share capital. On 11 May 2017, Joint Global has resolved to distribute all its holding shares in Co-Lead to its shareholders. According to the management of the investee company, Joint Global will be liquidated shortly.</p>
<p>Satinu Resources Group Limited (“Satinu”)</p>	<p>According to the management accounts for the year ended 31 December 2018 provided by the investee company, Satinu’s operating revenue was approximately HK\$529.74 million and loss attributable to owners of Satinu was approximately HK\$1,031.66 million. As at 31 December 2018, Satinu had net assets of approximately HK\$6,933.52 million. The investee company will continue to implement diversified investment strategy aimed at identifying suitable investment opportunities with potential of asset appreciation to bring about better return to its shareholders.</p>

Premium Castle Limited
 (“Premium Castle”)

According to the management accounts for the year ended 31 December 2018 provided by the investee company, Premium Castle’s operating revenue was approximately HK\$0.32 million and loss attributable to owners of Premium Castle was approximately HK\$5.59 million. As at 31 December 2018, Premium Castle had net assets of approximately HK\$4.82 million. According to the management of the investee company, Premium Castle will be liquidated shortly. The Directors noted that there was no fair value as at 31 December 2018.

The American Club

The Directors noted that the fair value of the debenture increased during the year. The Directors are optimistic to the future returns for the investment in the debenture.

The additional information above does not affect other information contained in the Annual Report, and the contents of the Audit Report remain unchanged.

By Order of the Board
National Investments Fund Limited
Wang Ning
Chairman

Hong Kong, 21 August 2019

As at the date of this announcement, the Board comprises an executive Director, namely Mr. Chan Cheong Yee; two non-executive Directors, namely Mr. Wang Ning (Chairman) and Ms. Xie Xiangrong; and three independent non-executive Directors, namely Mr. Li Li, Mr. Liao Kai and Ms. Wu Xiaoxia.