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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)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

#### KEY FINANCIAL HIGHLIGHTS

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	Changes
<b>RESULTS</b>			
Revenue	9,690	2,915	232.42%
Loss before taxation	(59,654)	(123,593)	(51.73)%
Loss for the year	(59,654)	(123,593)	(51.73)%
Loss attributable to owners of the Company	(59,654)	(123,593)	(51.73)%
Basic and diluted loss per share	<u>(HK\$15.96) cents</u>	<u>(HK\$48.56) cents</u>	<u>(67.13)%</u>

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	Changes
<b>KEY ITEMS IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>			
Equity attributable to owners of the Company	(100,495)	(47,443)	111.82%
Total assets	59,604	174,931	(65.93)%
Cash and bank balances	111	34,794	(99.68)%
Net liabilities per share	(HK\$23.24) cents	(HK\$19.75) cents	17.67%
Net cash per share	<u>HK\$0.03 cents</u>	<u>HK\$14.49 cents</u>	<u>(99.79)%</u>

- Revenue increased by 232.42% to approximately HK\$9.69 million.
- Loss attributable to owners of the Company decreased by 51.73% to approximately HK\$59.65 million.
- Basic and diluted loss per share was HK\$15.96 cents (2017: HK\$48.56 cents).
- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

The board (the “Board”) of directors (the “Directors”) of National Investments Fund Limited (the “Company”) hereby presents the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2018 (the “Year”) as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 31 December 2018*

	<i>Note</i>	<b>2018</b> <b>HK\$'000</b>	2017 <i>HK\$'000</i>
Revenue	5	<b>9,690</b>	2,915
Other income	6	<b>1,867</b>	4,525
Change in fair value of conversion options embedded in convertible notes		—	(740)
Change in fair value of financial assets at fair value through profit or loss		<b>(20,279)</b>	—
Impairment loss of available-for-sale financial assets		—	(13,868)
Impairment loss of other tangible assets		<b>(8)</b>	(1,007)
Impairment loss of other receivables		<b>(1,674)</b>	(40,800)
Loss on disposal of a subsidiary		<b>(10)</b>	—
Other operating expenses		<b>(42,564)</b>	(59,203)
Finance costs	7	<b>(6,676)</b>	(15,415)
<b>Loss before taxation</b>		<b>(59,654)</b>	(123,593)
Taxation	8	—	—
<b>Loss for the year</b>	9	<b>(59,654)</b>	(123,593)
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
— Change in fair value of financial assets at fair value through other comprehensive income		<b>(44,240)</b>	—
— Net loss on revaluation of available-for-sale financial assets		—	(12,136)
— Reclassification adjustments relating to available-for-sale financial assets		—	13,868

	<i>Note</i>	<b>2018</b> <b>HK\$'000</b>	2017 <i>HK\$'000</i>
<b>Other comprehensive (loss)/income for the year, net of income tax</b>		<u>(44,240)</u>	<u>1,732</u>
<b>Total comprehensive loss for the year</b>		<u><u>(103,894)</u></u>	<u><u>(121,861)</u></u>
<b>Loss for the year attributable to:</b>			
Owners of the Company		<u><u>(59,654)</u></u>	<u><u>(123,593)</u></u>
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of the Company		<u><u>(103,894)</u></u>	<u><u>(121,861)</u></u>
			(Restated)
<b>Loss per share</b>			
Basic and diluted ( <i>HK cents</i> )	<i>11</i>	<u><u>(15.96)</u></u>	<u><u>(48.56)</u></u>
<b>Dividend</b>		<u><u>Nil</u></u>	<u><u>Nil</u></u>

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

*As at 31 December 2018*

	<i>Note</i>	<b>2018</b> <b><i>HK\$'000</i></b>	2017 <i>HK\$'000</i>
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant and equipment		484	6,432
Other tangible asset		1,575	17,583
Available-for-sale financial assets		—	88,200
Financial assets at fair value through other comprehensive income		51,310	—
Conversion options embedded in convertible notes		—	7
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>53,369</b>	112,222
		<hr/>	<hr/>
<b>Current assets</b>			
Available-for-sale financial assets		—	20,487
Financial assets at fair value through profit or loss		2,180	—
Prepayments, deposits and other receivables	<i>12</i>	3,944	7,428
Cash and bank balances		111	34,794
		<hr/>	<hr/>
<b>Total current assets</b>		<b>6,235</b>	62,709
		<hr/>	<hr/>
<b>Total assets</b>		<b>59,604</b>	174,931
		<hr/> <hr/>	<hr/> <hr/>
<b>Equity:</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		43,241	24,023
Reserves		(143,736)	(71,466)
		<hr/>	<hr/>
<b>Total equity</b>		<b>(100,495)</b>	(47,443)
		<hr/>	<hr/>

	<i>Note</i>	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Liabilities:</b>			
<b>Current liabilities</b>			
Short-term loans		—	6,833
Accrued charges and other payables	<i>13</i>	<b>29,235</b>	104,649
Obligations under finance leases		—	559
Amounts due to directors		<b>10,415</b>	—
Amounts due to a related company		<b>10,791</b>	—
Promissory notes		<b>79,769</b>	—
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>130,210</b>	112,041
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Promissory notes		<b>29,889</b>	109,310
Obligations under finance lease		—	1,023
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>29,889</b>	110,333
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>160,099</b>	222,374
		<hr/> <hr/>	<hr/> <hr/>
<b>Total equity and liabilities</b>		<b>59,604</b>	174,931
		<hr/> <hr/>	<hr/> <hr/>
<b>Net current liabilities</b>		<b>(123,975)</b>	(49,332)
		<hr/> <hr/>	<hr/> <hr/>
<b>Total assets less current liabilities</b>		<b>(70,606)</b>	62,890
		<hr/> <hr/>	<hr/> <hr/>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 28 June 2002 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is 16/F., Guangdong Finance Building, 88 Connaught Road West, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 27 September 2002.

The Company is an investment holding company. The Group is principally engaged in the investment in listed and unlisted companies.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Hong Kong Companies Ordinance.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in areas where assumptions and estimates are significant to the consolidated financial statements.

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. These financial statements are presented in Hong Kong Dollars ("HK\$") and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

#### **Going concern**

For the year ended 31 December 2018, the Group incurred a loss of approximately HK\$59,654,000 (2017: approximately HK\$123,593,000) and a net cash outflow from operating activities of approximately HK\$60,218,000 (2017: approximately HK\$47,292,000). As at 31 December 2018, the Group had net current liabilities of approximately HK\$123,975,000 (2017: approximately HK\$49,332,000) and net liabilities of approximately HK\$100,495,000 (2017: approximately HK\$47,443,000).

In view of such circumstances, the directors of the Company have given careful consideration to future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to repay the outstanding promissory notes and interest payables and be able to finance its future working capital and finance requirements. Certain measures have been taken to manage its liquidity needs and to improve its financial position which include, but are not limited to, the following:

1. The Group will seek to obtain additional financing including but not limited to rights issue, open offer and placing of the new shares.

2. The Group will implement operation plans to control costs and generate adequate cash flows from the Group's operations.

Whilst the Group is taking measures to preserve cash and secure additional finance, the following material uncertainties exist:

1. The Group may not be able to obtain the financial support. The Group's ability to successfully obtain additional financing is dependent upon the future performance of the Group.
2. The operation plans to control costs and generate adequate cash flow from operations may not be effectively implemented and future performance and cash flows in respect of operating activities may not be in line with the assumptions. The achievability of the plans is dependent upon the market environment, which is expected to remain challenging in the near future.

These facts and circumstances indicate the existence of multiple material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have reviewed the Group's cash flow projections prepared by the management. The cash flow projections cover a period of not less than twelve months from the end of the reporting period. The directors of the Company are of the opinion that, taking into account the abovementioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2018 on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

### 3. APPLICATION OF NEW AND REVISED HKFRSs

The Group has applied the following new and amendments to HKFRSs ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current year.

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HKAS 28 (Amendments)	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
HKAS 40 (Amendments)	Transfers of Investment Property
HK(IFRIC) Int 22	Foreign Currency Transactions and Advance Consideration

Except as described below, the application of the New and Amendments to 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 on the disclosures set out in the consolidated financial statements.

**(a) Impact on the consolidated financial statements**

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

<b>Consolidated statement of financial position (extract)</b>	<b>31 December 2017 <i>HK\$'000</i></b>	<b>HKFRS 9 <i>HK\$'000</i></b>	<b>1 January 2018 <i>HK\$'000</i></b>
<b>Non-current assets</b>			
Available-for-sale financial assets	88,200	(88,200)	—
Financial assets at fair value through other comprehensive income	—	88,200	88,200
Conversion options embedded in convertible notes	7	(7)	—
<b>Current assets</b>			
Available-for-sale financial assets	20,487	(20,487)	—
Financial assets at fair value through profit or loss	—	20,494	20,494
<b>Net current liabilities</b>	<b>(49,332)</b>	<b>—</b>	<b>(49,332)</b>
<b>Total assets less current liabilities</b>	<b>62,890</b>	<b>—</b>	<b>62,890</b>
<b>Net liabilities</b>	<b>(47,443)</b>	<b>—</b>	<b>(47,443)</b>
<b>Capital and reserves</b>			
Reserves	(71,466)	—	(71,466)
<b>Total equity</b>	<b>(47,443)</b>	<b>—</b>	<b>(47,443)</b>



(b) **HKFRS 9 Financial Instruments**

***Impacts and changes in accounting policies of application on HKFRS 9 “Financial Instruments”***

In the current period, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

Summary of effects arising from initial application of HKFRS 9 below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

Under the transition methods chosen, the Group recognises the cumulative effect of the initial application of HKFRS 9 as an adjustment to the opening balance of equity at 1 January 2018. Comparative information is not restated. The following table gives a summary of the opening balance adjustments recognised for each line item in the consolidated statement of financial position that has been affected by HKFRS 9.

**Classification and measurement**

	<b>At 31 December 2017 <i>HK\$’000</i></b>	<b>Impact on initial application of HKFRS 9 <i>HK\$’000</i></b>	<b>At 1 January 2018 <i>HK\$’000</i></b>
Available-for-sale financial assets	108,687	(108,687)	—
Conversion options embedded in convertible notes	7	(7)	—
Financial assets at fair value through other comprehensive income ( <i>Note ii</i> )	—	88,200	88,200
Financial assets at fair value through profit or loss ( <i>Note i</i> )	—	20,494	20,494
Reserves	(71,466)	—	(71,466)

The impact of these changes on the group's equity is as follows:

	<b>Financial assets at fair value through other comprehensive income reserve</b>	<b>Available- for-sale financial assets reserve</b>	<b>Accumulated losses</b>
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Opening balance — HKAS 39</b>	—	<b>(1,786)</b>	<b>(869,355)</b>
Reclassify from available-for-sale financial assets to FVTPL	<i>(i)</i> —	(1,334)	1,334
Reclassify from available-for-sale financial assets to FVTOCI	<i>(ii)</i> (3,120)	3,120	—
<b>Balance at 1 January 2018 as restated</b>	<b><u>(3,120)</u></b>	<b><u>—</u></b>	<b><u>(868,021)</u></b>

*Notes:*

*(i) From Available-for-sale financial assets to FVTPL*

The unlisted club debenture and convertible note with the carrying amount of approximately HK\$2,030,000 and HK\$18,464,000 were reclassified from available-for-sale (“AFS”) financial assets to financial assets at fair value through profit or loss (“FVTPL”). This is because even though the Group’s business model is to hold financial assets in order to collect contractual cash flows, the cash flows of these investments do not meet the HKFRS 9 criteria as solely payments of principal and interest on the principal amount outstanding.

There was no material impact on the amounts recognized in relation to these assets from the application of HKFRS 9.

*(ii) From Available-for-sale financial assets to FVTOCI*

From AFS equity investments to fair value through other comprehensive income (“FVTOCI”) The Group elected to present in OCI for the fair value changes of all its equity investments previously classified as available-for-sale financial assets. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK\$88,200,00 were reclassified from available-for-sale investments to equity instruments at FVTOCI, of which all related to unquoted equity investments previously measured at fair value under HKAS 39.

There was no material impact on the amounts recognized in relation to these assets from the application of HKFRS 9.

Under HKAS 39, debt securities and embedded derivative financial instruments not held for trading were classified as available-for-sale financial assets and financial assets/liabilities at FVTPL respectively. The Group considered that it is appropriate not to separate out the embedded derivative from the debt host contract and to classify these securities as financial assets at FVTOCI under HKFRS 9 at 1 January, 2018 based on latest assessment.

There is no reclassification or remeasurement of the financial assets, including cash and cash equivalent, other receivables and deposit, financial assets at fair value through profit or loss for the adoption of HKFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

#### *Impairment under ECL model*

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. There is no impact of the change in impairment methodology on the Group's retained profits and equity.

While cash and bank balances are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

#### Deposit and other receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all deposit and other receivables. There was no loss allowance on both 1 January 2018 and 31 December 2018.

#### **New and revised HKFRSs that have been issued but not yet effective**

The Group has not early applied the following new and revised HKFRSs that have been issued but not yet effective in the consolidated financial statements:

HKFRSs (Amendments)	Annual improvement to HKFRSs 2015–2017 cycle <sup>1</sup>
HKFRS 3 (Amendments)	Definition of Business <sup>4</sup>
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation <sup>1</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
HKFRS 16	Leases <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>2</sup>
HKAS 1 and HKAS 8 (Amendments)	Definition of materials <sup>5</sup>
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement <sup>1</sup>
HKAS 28 (Amendments)	Long-term interests in Associates and Joint Ventures <sup>1</sup>
HK(IFRIC) Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2019.*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2021.*

<sup>3</sup> *Effective for annual periods beginning on or after a date to be determined.*

<sup>4</sup> *Effective for business combinations and assets acquisition for which acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.*

<sup>5</sup> *Effective for annual periods beginning on or after 1 January 2020.*

#### 4. SEGMENT INFORMATION

The Group manages its business by both business lines and geography. In a manner consistent with the way in which information is reported internally to the Board of Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance, the Group has presented its reportable segments under HKFRS 8 as follows:

##### Business Segment

The Group operates one segment for both years ended 31 December 2018 and 2017. All of the Group's revenue was derived from investment income from investments in listed and unlisted securities. Accordingly, the Group does not have separately reportable segment.

##### Geographical information

The Group's operations are located in Hong Kong. The following table provides an analysis of the Group's revenue by geographical market:

	Revenue by geographical market	
	2018	2017
	HK\$'000	HK\$'000
Hong Kong	<u>9,690</u>	<u>2,915</u>

The following is an analysis of the carrying amount of non-current assets (excluding financial assets at fair value through other comprehensive income, available-for-sale financial assets) analysed by the geographical area in which the assets are located:

	Carrying amount of non-current assets	
	2018	2017
	HK\$'000	HK\$'000
Hong Kong	<u>2,059</u>	<u>24,015</u>

##### Information about major customers

No single customer of the Group contributed 10% or more to the Group's revenue for both years.

#### 5. REVENUE

The amount of significant category of revenue recognizing during the year is as follows:

	2018	2017
	HK\$'000	HK\$'000
Net gain on financial assets at fair value through profit or loss ("FVTPL") (Note)	—	575
Bank interest income	3	30
Interest income from financial assets at fair value through profit or loss	2,337	2,064
Dividend income	<u>7,350</u>	<u>246</u>
	<u>9,690</u>	<u>2,915</u>

*Note:*

Net gain on financial assets at FVTPL represented:

	<b>Equity securities</b>	
	<b>2018</b>	2017
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Proceeds on sales	—	13,365
Less: Cost of sales	—	(12,790)
	<u>—</u>	<u>(12,790)</u>
Net realised gain on financial assets at FVTPL	<u>—</u>	<u>575</u>

**6. OTHER INCOME**

	<b>2018</b>	2017
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Gain on settlement of short-term loans	<b>1,367</b>	—
Waiver of payment of consultancy fee	—	3,313
Sundry income	<b>500</b>	1,211
Net exchange gain	—	1
	<u>1,867</u>	<u>4,525</u>

**7. FINANCE COSTS**

	<b>2018</b>	2017
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Interest expenses on promissory notes	<b>5,848</b>	5,829
Interest expenses on other payable	<b>104</b>	9,338
Interest expenses on short-term loans	<b>677</b>	163
Interest expenses on obligations under finance leases	<b>47</b>	78
Interest expenses on securities trading	—	7
	<u>6,676</u>	<u>15,415</u>

**8. TAXATION**

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits for the year ended 31 December 2018 (2017: Nil).

## 9. LOSS FOR THE YEAR

Loss for the year is arrived at after charging:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Auditors' remuneration		
— Audit services	350	350
— Non-audit services	—	150
Directors' and chief executive officers' emoluments	3,735	5,560
Total staff costs, excluding Directors' emoluments	12,494	15,253
Depreciation of property, plant and equipment	2,652	11,110
Operating lease rental in respect of land and building	10,331	12,231
Written off of property, plant and equipment	1,652	—
Loss on disposal of property, plant and equipment	236	—
Change in fair value of financial assets at fair value through profit or loss	20,279	—
Impairment loss of available-for-sale financial assets	—	13,868
Impairment loss of other tangible assets	8	1,007
Impairment loss of other receivables	1,674	40,800
	<u>          </u>	<u>          </u>

## 10. DIVIDENDS

The Directors do not recommend the payment of a dividend in respect of both years ended 31 December 2018 and 2017.

## 11. LOSS PER SHARE

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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share	<u>(59,654)</u>	<u>(123,593)</u>
	2018 <i>'000</i>	2017 <i>'000</i> (restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted per share	<u>373,877</u>	<u>254,524</u>

The weighted average of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 December 2018 have been adjusted for the effects of rights issue and placing of shares completed on 2 January 2018 and 23 October 2018 respectively and also the share consolidation completed on 6 March 2019 (2017: adjusted for the effects of both placing and rights issue completed on 10 January 2017, 7 March 2017 and 2 January 2018 and the share consolidation completed on 6 March 2019 respectively). The share consolidation completed on 6 March 2019 has been reflected retrospectively by restating the weighted average number of ordinary shares for the year ended 31 December 2017.

For the years ended 31 December 2018 and 2017, the Company's outstanding share options were not included in the calculation of diluted loss per share because the effects of the Company's outstanding share options were anti-dilutive.

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Prepayments	<b>61</b>	537
Other receivables ( <i>Note</i> )	<b>699</b>	3,672
Rental deposits and others deposits	<b>3,184</b>	3,219
	<u><b>3,944</b></u>	<u>7,428</u>

*Note:*

As at 31 December 2017, other receivables mainly include interest receivables from available-for-sale financial assets of approximately HK\$2,964,000.

## 13. ACCRUED CHARGES AND OTHER PAYABLES

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Accrued charges	<b>14,181</b>	12,066
Other payables ( <i>Note</i> )	<b>15,054</b>	92,583
	<u><b>29,235</b></u>	<u>104,649</u>

*Note:*

Other payables include interest payables to promissory notes of approximately HK\$15,034,000 (2017: HK\$9,834,000).

## **EXTRACT OF INDEPENDENT AUDITORS' REPORT**

### **DISCLAIMER OF OPINION**

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **BASIS FOR DISCLAIMER OF OPINION**

As explained in Note 2(b) to the consolidated financial statements, the Group incurred a loss of approximately HK\$59,654,000 and a net cash outflow from operating activities of approximately HK\$60,218,000 for the year ended 31 December 2018. As at 31 December 2018, the Group had net current liabilities of approximately HK\$123,975,000 and net liabilities of approximately HK\$100,495,000. In addition, the Group's promissory notes with interest payables of approximately HK\$124,692,000 as at 31 December 2018 will be due on 2019 and 2020 respectively.

The directors of the Company have been undertaking certain measures to improve the Group's liquidity and financial position, which are set out in Note 2(b) to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the outcome of these measures, which are subject to the following uncertainties, including (i) whether the Group is able to successfully obtain additional financing as and when required, the achievability of which depends on the future performance of the Group; and (ii) whether the Group is able to implement its operation plans for control costs and to generate adequate cash flow from operations, the achievability of which depends on the market environment which is expected to remain challenging.

These facts and circumstances, along with other matters as described in Note 2(b) to the consolidated financial statements, indicate the existence of multiple material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL REVIEW**

#### **Revenue**

During the Year, the Group's operating revenue was approximately HK\$9.69 million, which represented a significant increase of approximately 232.42% as compared to the operating revenue of approximately HK\$2.92 million for the year of 2017 (the "FY2017"). The increase in revenue was mainly due to the increase in dividend income generated from the unlisted investment portfolios during the Year. During the Year, the Group had received the distribution of 1,815,405 shares of a company as dividend from an investee company and the appraised value of the shares as at 30 June 2018 was approximately HK\$7,350,000 by making reference to the valuation report prepared by an independent valuer.

#### **Other income**

Other income for the Year was approximately HK\$1.87 million, which represented a significant decrease of approximately HK\$2.66 million as compared to the other income of approximately HK\$4.53 million for the FY2017. The decrease was mainly due to the decrease of waiver of payment of consultancy fee of approximately HK\$3.31 million which was one-off benefits for the FY2017. Other income mainly comprised the gain on settlement of short-term loans and sundry income during the Year.

#### **Finance costs**

Finance costs for the Year was approximately HK\$6.68 million, which represented a significant decrease of approximately HK\$8.74 million as compared to the finance costs of approximately HK\$15.42 million for the FY2017. The decrease was mainly due to the decrease of interest expenses on other payables (include interest payables to promissory notes) of approximately HK\$9.21 million during the Year.

#### **Loss attributable to owners of the Company**

Loss attributable to owners of the Company was approximately HK\$59.65 million for the Year (FY2017: loss of approximately HK\$123.59 million). The decrease of loss was mainly due to the decrease in impairment losses of approximately HK\$33.71 million made on financial assets at fair value through profit or loss, other tangible assets and other receivables and the Group having successfully implemented the costs control plans during Year.

## **Consolidated statements of financial position of the Company**

As at 31 December 2018, the Group had a net liabilities of approximately HK\$100.50 million (as at 31 December 2017: net liabilities of approximately HK\$47.44 million). The increase in net liabilities was mainly resulted from the loss suffered by the Group during the Year.

### **BUSINESS REVIEW**

The Company is an investment company and the Group is principally engaged in investments in a diversified portfolio of listed and unlisted companies.

During the Year, the Group did not invest in any listed securities and has been focusing on the investment of unlisted companies. As at 31 December 2018, the Group's investment portfolio in unlisted securities consisted of equity securities of approximately HK\$51.31 million (2017: approximately HK\$88.20 million) and debt securities of approximately HK\$2.18 million (2017: approximately HK\$20.49 million). Impairment losses of HK\$64.52 million were made on the unlisted investments during the Year.

As disclosed in the announcement of the Company dated 20 November 2018, the Group, as the vendor, had entered into a sale and purchase agreement with an independent third party as the purchaser, pursuant to which the Group conditionally agreed to sell, and the purchaser agreed to acquire approximately 29.997% of the entire issued share capital of Medisun Holdings (Overseas) Limited at the consideration of HK\$20,000,000. The aforesaid disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is subject to the shareholders' approval. It is expected that the aforesaid disposal, once completed, will provide the Group with additional cash flow and further strengthen its financial position.

### **PROSPECT**

Our vision is to become a well-known investment company in Hong Kong. We plan to invest in listed and non-listed securities with high quality to strive for short-term and medium-term gains from capital appreciation in the course of securitisation of corporate assets invested, and apply the same as our key operation strategy and income source.

Looking into the year of 2019, the unresolved trade disputes between United States and China are still major obstacles for the global economy. As the global economic growth has peaked and the central banks have normalized monetary policy, it is expected that the investment market will be more volatile in 2019. The risk of a recession in 2019 is still low, but as the economy is nearing its peak, market sentiment is becoming more cautious and volatility is increasing.

The Group will continue to implement diversified investment strategy aimed at identifying suitable investment opportunities with potential of asset appreciation to bring about better return to the Group and the Shareholders. The Group will also continue to adopt and maintain a prudent but proactive investment approach and will keep closely monitoring the performance of the investment portfolios with the aim of generating return and adding value to the shareholders of the Company.

## SIGNIFICANT INVESTMENTS HELD

As at 31 December 2018, the Group had significant investments in unlisted equity securities and debt securities of companies which were classified as financial assets at fair value through other comprehensive income and profit or loss/available-for-sale financial assets as follows:

Name of investee company	Percentage of share capital owned by the Group	Investment cost <i>HK\$'000</i>	Fair value as at 31 December 2018 <i>HK\$'000</i>	Accumulated unrealized gain/(loss) change in fair value <i>HK\$'000</i>	Dividend/ interest received/receivable during the Year <i>HK\$'000</i>
<b>Equity securities:</b>					
Upperclass Developments Limited ( <i>Note 1</i> )	30%	—	—	—	—
Smart Role Limited ( <i>Note 2</i> )	8%	59,680	30,300	(29,380)	—
Co-Lead Holdings Limited ( <i>Note 3</i> )	0.39%	15,908	6,900	(9,008)	—
FreeOpt Holdings Limited ( <i>Note 4</i> )	3.35%	16,000	5,260	(10,740)	—
Freewill Holdings Limited ( <i>Note 5</i> )	0.59%	15,950	4,960	(10,990)	7,350
Joint Global Limited ( <i>Note 6</i> )	0.88%	16,038	540	(15,498)	—
Satinu Resources Group Limited ( <i>Note 7</i> )	0.18%	—	3,350	3,350	—
<b>Debt securities:</b>					
Premium Castle Limited ( <i>Note 8</i> )	N/A	12,056	—	(12,056)	—
The American Club ( <i>Note 9</i> )	N/A	1,800	2,180	380	—

### Notes:

- Upperclass Developments Limited (“Upperclass”) is incorporated in British Virgin Islands and principally engaged in investment holding. The principal assets of Upperclass indirectly holds 16% interest in a company incorporated in the PRC, which is principally engaged in leasing.
- Smart Role Limited (“Smart Role”) is incorporated in British Virgin Islands and principally engaged in investment holding. The principal assets of Smart Role indirectly holds 8% interest in a company incorporated in the PRC, which is principally engaged in holding of the Forest Rights Certificates.
- Co-Lead Holdings Limited (“Co-Lead”) is incorporated in British Virgin Islands and principally engaged in investments in a diversified portfolio of listed companies.
- FreeOpt Holdings Limited (“FreeOpt”) is incorporated in Republic of the Marshall Islands and principally engaged in money lending.

5. Freewill Holdings Limited (“Freewill”) is incorporated in Republic of the Marshall Islands and principally engaged in investments in a diversified portfolio of unlisted companies.
6. Joint Global Limited (“Joint Global”) is incorporated in Republic of the Marshall Islands and principally engaged in investments in a diversified portfolio of debt securities.
7. Satinu Resources Group Limited (“Satinu”) is incorporated in British Virgin Islands and principally engaged in integrated financial services, securities brokerage services, money lending, securities and other direct investments.
8. Premium Castle Limited (“Premium Castle”) is incorporated in British Virgin Islands and principally engaged in investment holding. The principal assets of Premium Castle directly holds 100% interest in Beijing Securities Limited incorporated in Hong Kong, which is principally engaged in securities brokerage services and other financial services. The Company holds convertible note issued by Premium Castle with principal amount of HK\$18,600,000, which comprise principal amount and outstanding interest of HK\$17,000,000 and approximately HK\$1,600,000 respectively.
9. The American Club, which provides a gathering place for social, recreational, and business activities for members. The Company holds a debenture issued by the American Club with principal amount of HK\$625,000 at a consideration of HK\$1,800,000.

The Directors believe that the future performance of the significant investments held by the Group will be affected by the overall economic environment, market conditions and the business performance of the investee companies. The Board will continue to look out for attractive investment opportunities which can generate better returns to its shareholders.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group is principally engaged in short to medium-term capital appreciation by investing in a diversified portfolio of investments in listed and unlisted securities, which are exposed to certain market risks including price risk, credit risk, liquidity risk and interest rate risk.

## **SEGMENT INFORMATION**

Particulars of the Group’s segment information are set out in note 4 to the consolidated financial statements of this announcement.

## **LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO**

During the Year, the Group’s liquidity funds were primarily used to invest in the unlisted investments and for its operations and such funds were funded by a combination of capital contribution by shareholders as well as cash generated from operation.

As at 31 December 2018, the Group had cash and bank balances of approximately HK\$0.11 million which were denominated in Hong Kong dollars (2017: approximately HK\$34.79 million).

As at 31 December 2018, the Company had outstanding balance of promissory notes in the aggregate amount of HK\$110,000,000. Eleven promissory notes in the denomination of HK\$10,000,000 each were issued to eleven independent third parties. Each promissory note bears interest at a rate of 5% per annum with a maturity period of seven years from the date of issue. The net proceeds were used for investment in securities and as general working capital of the Group.

On 2 January 2018, the Company completed a rights issue and issued 1,201,130,456 new shares with par value of HK\$0.01 each at a subscription price of HK\$0.035 per rights share on the basis of one rights share for every two shares then existing share held, and the net proceeds of the Rights Issue, after deducting the related expense, were approximately HK\$40,280,000 which were mainly used to repay the principal amount and interests of Group's loans including the Citizens Money Lending Corporation Limited. Details of the rights issue were disclosed in the announcements of the Company dated 21 November 2017, 28 November 2017, 2 January 2018 and the prospectus of the Company 7 December 2017.

On 5 October 2018, Supreme China Securities Limited (the "Placing Agent") and the Company entered into a placing agreement (the "Placing Agreement") pursuant to which the Placing Agent has agreed to place, on a fully underwritten basis, up to 720,678,273 placing shares (the "Placing Shares") at the placing price of HK\$0.015 per Placing Share (the "Placing"). The completion of the Placing took place on 23 October 2018. A total of 720,678,273 of the Placing Shares had been successfully placed and issued under the general mandate granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 20 June 2018. The gross proceeds and net proceeds from the Placing amounted to approximately HK\$11.00 million and HK\$10.30 million respectively. The Company had used the net proceeds for repayment of the outstanding indebtedness, and/or general working capital of the Group. Details of the Placing Agreement were set out in the announcements of the Company dated 5 October 2018 and 23 October 2018.

The Group had net liabilities as at 31 December 2018, therefore the gearing ratio (defined as borrowing and long term debt divided by total shareholder's equity) is not applicable. The current ratio of the Group as at 31 December 2018 was about 0.05 times as compared to 0.56 times as at 31 December 2017, based on current assets of approximately HK\$6.24 million (as at 31 December 2017: approximately HK\$62.71 million) and current liabilities of approximately HK\$130.21 million (as at 31 December 2017: approximately HK\$112.04 million).

## **CAPITAL STRUCTURE**

During the Year, the changes of share capital structure of the Company were as follows:

On 2 January 2018, the Company completed a rights issue and issued 1,201,130,456 new shares with par value of HK\$0.01 each at a subscription price of HK\$0.035 per rights share on the basis of one rights share for every two shares then existing share held, and the net proceeds of the Rights Issue, after deducting the related expense, were approximately HK\$40,280,000 which were mainly used to repay the principal amount and interests of Group's loans including the Citizens Money Lending Corporation Limited. Details of the rights issue were disclosed in the announcements of the Company dated 21 November 2017, 28 November 2017, 2 January 2018 and the prospectus of the Company 7 December 2017. Upon the completion of the aforesaid rights issue, the total number of issued shares of the Company was increased from 2,402,260,913 shares to 3,603,391,369 shares.

On 23 October 2018, a total of 720,678,273 new shares of the Company had been successfully placed by the Placing Agent to not less than six places at the placing price of HK\$0.015 per Placing Share under the general mandate granted to the Directors by resolution of the shareholders of the Company passed at the annual general meeting of the Company held on 20 June 2018. Upon the completion of the aforesaid placing of new shares, the total number of issued shares of the Company was increased from 3,603,391,369 shares to 4,324,069,642.

## **SUMMARY OF MATERIAL LEGAL PROCEEDINGS INVOLVING THE COMPANY**

On 26 March 2018, the Company received a petition (the "Petition") from Medisun Holdings Limited issued from the High Court of the Hong Kong Special Administrative Region (the "High Court") that the Company may be wound up by the High Court on the ground that the Company is unable to pay its debts of approximately HK\$7,143,000. On 29 March 2018, the Company also received a notice from Carley Company S.A., a creditor of the Company, that it intends to appear on the hearing of the Petition and to support such Petition. The Petition has been dismissed by the High Court at the hearing before the High Court on 8 October 2018. The Company is ordered to pay Carley Company S.A., a supporting creditor of the Petition, its costs of the proceedings. For details please refer to the Company's announcements dated 26 March 2018, 27 March 2018, 29 March 2018, 11 May 2018, 28 May 2018, 30 May 2018, 4 June 2018, 7 June 2018, 19 June 2018, 20 August 2018 and 8 October 2018.

As at the date of this announcement, there are no outstanding winding-up petitions against the Company.

## **EMPLOYEES**

As at 31 December 2018, the Group employed a total of 4 full time employees in Hong Kong. The total staff costs (including directors' emoluments) were approximately HK\$16.16 million for the Year.

Employees' remuneration packages have been reviewed periodically and determined with reference to the performance of the individual and prevailing market practices. Remuneration packages include basic salaries and other employees' benefits including double pay, housing allowance and contributions to statutory mandatory provident funds. Share options may also be granted to eligible employees.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

The Group had no significant capital commitments and contingent liabilities as at 31 December 2018.

## **CHARGES ON GROUP ASSETS**

On 8 January 2018, the Company has fully settled the loan entered with Citizens Money Lending Corporation Limited with cash of approximately HK\$39,233,000. The share charges of the Group's wholly-owned subsidiaries in favour of Massive Shine Limited, Old Peak Limited, Eighty Riches Limited, Union Power Holdings Limited and Fine East Trading Limited were released on 8 January 2018.

The Group had no charges on the Group's assets as at 31 December 2018.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

There was no specific plan for material investments or capital asset as at 31 December 2018.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES**

The Group's monetary assets and transactions are mainly denominated in Hong Kong dollars, exposure to exchange fluctuation is considered minimal. During the Year, the Group did not use financial instruments for hedging purposes.

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

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

## **AUDIT COMMITTEE**

The audit committee of the Board (the “Audit Committee”) was set up with written terms of reference, which was revised and adopted on 31 December 2015, in accordance with the requirements of the Listing Rules. The Audit Committee consists of all the independent non-executive Directors, namely Ms. Chan So Fong, Mr. Li Li, Mr. Liao Kai and Mr. Liu Jin. It is chaired by Mr. Li Li.

The Audit Committee had, amongst other things, reviewed the audited results of the Group for the Year.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Group has adopted the code of conduct with respect to the dealings in securities of the Company by the Directors as set out in Appendix 10 of the Listing Rules (the “Model Code”).

Having made specific enquiry with the Directors, all the Directors confirmed that they have complied with the required standard set out in the Model Code during the Year.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and to enhance the corporate value, accountability and transparency of the Company. The Company’s corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Corporate Governance Code (the “CG Code”) in Appendix 14 to the Listing Rules. Except for the deviations from code provisions A.2.1, A.4.1 and E.1.2 of the CG Code as explained below, the Company had complied with the applicable code provisions of the CG Code during the Year. The Company periodically reviews its corporate governance practices to ensure that the Company complies with the requirements of the CG Code. The Company acknowledges the importance of corporate governance and ensures transparency and accountability of the Company’s operations.



## **Deviation from the CG Code**

According to 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. Mr. Feng Wen has resigned as the Chief Executive Officer of the Company (“CEO”) on 27 June 2018. Whilst the Company is in the course of identifying suitable candidate for this position, Mr. Wong Danny F., a then executive director and chairman of the Company, temporarily assumed such duties. The Board is of the view that such arrangement would provide strong and consistent leadership for the development of the Group during this transitional period. On 8 October 2018, Ms. Xie Xiangrong was appointed as a Non-executive Director and the Chairman of the Board while Mr. Dai Wei, was appointed as the Chief Executive Officer of the Company. Since then, the roles of Chairman and Chief Executive Officer of the Group have been separated in accordance with code provision A.2.1 of the CG Code.

According to code provision A.4.1 of the CG Code, Non-executive Directors should be appointed for specific term, subject to re-election. Except for Ms. Chan So Fong and Mr. Liao Kai who are appointed for a specific term of three years, the other Non-executive Director and Independent Non-executive Directors are not appointed for a specific term but they are subject to retirement by rotation and re-election in accordance with the articles of association of the Company (the “Articles”).

According to code provision E.1.2 of the CG Code, the chairman of the Board should attend general meeting. In respect of the annual general meeting held on 20 June 2018 (the “2018 AGM”), Mr. Wong Danny F., the then Chairman of the Board, was engaged in an important business meeting and was not able to attend. However, Mr. Char Shik Ngor, Stephen, a then Independent Non-executive Director of the Company, the Chairman of the Nomination Committee and members of the Audit Committee and Remuneration Committee of the Company, attend the 2018 AGM and answered questions raised during the 2018 AGM.

## **EVENTS AFTER THE REPORTING PERIOD**

### **Placing of new shares under specific mandate**

On 4 January 2019, Chung Lee Securities Company Limited as the placing agent (the “Chung Lee”) and the Company entered into a placing agreement (the “2019 Placing Agreement”) pursuant to which the Company has conditionally agreed to place through Chung Lee, on a best effort basis, up to 8,600,000,000 placing shares (the “New Placing Shares”) to expected to be not less than six placees who and whose ultimate beneficial owners shall be independent third parties (the “New Placees”) at the placing price of HK\$0.018 per New Placing Share (the “2019 Placing”). The New Placing Shares would be issued under the specific mandate obtained at the extraordinary general meeting of the Company on 5 March 2019.

## **Share consolidation**

At the extraordinary general meeting of the Company held on 5 March 2019, an ordinary resolution was duly passed under which every 10 existing issued and unissued ordinary shares of par value of HK\$0.01 each in the share capital of the Company as of 6 March 2019 was consolidated into 1 ordinary share of par value of HK\$0.10 each (the “Share Consolidation”). The authorized and issued share capital of the Company were decreased immediately after the Share Consolidation. The total number of authorised shares of the Company was decreased from 20,000,000,000 ordinary shares to 2,000,000,000 ordinary shares and the total number of issued shares was decreased from 4,324,069,642 ordinary shares to 432,406,964 ordinary shares.

## **Proposed acquisition**

On 26 February 2019, Shenzhen Qianhai National Enterprise Consulting Limited\* (深圳前海國盛企業諮詢有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding in connection with the proposed acquisition of 20% equity interest in Xiangxi Zhonghui Trading Limited\* (湘西眾薈商貿有限公司) (the “Target Company”). The Target Company is a limited liability company established in the PRC on 24 December 2015 with registered capital of RMB10 million and is engaged in agricultural product cultivation, production, processing and sales in the PRC. The terms of the proposed acquisition are subject to further negotiation and the signing of a formal sale and purchase agreement within 180 days after the date of the memorandum of understanding or such longer period as extended by mutual agreement between the parties. For details, please refer to the Company’s announcements dated 26 February 2019.

## **Disposal of assets**

On 22 March 2019, the Company and OBOR Investments Fund Management Limited (the “Purchaser”) entered into the sale and purchase agreement, pursuant to which the Company agreed to dispose and the Purchaser agreed to acquire a collection of assets at an aggregate consideration of HK\$5,838,000. The entire issued share capital of the Purchaser is owned by Mr. Wong Danny F., a former executive Director who resigned on 18 March 2019. For details, please refer to the Company’s announcements dated 22 March 2019.

Except as disclosed in this announcement, since 31 December 2018 and up to the date hereof, no important events has occurred affecting the Group.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting of the Company will be held on Thursday, 13 June 2019 (the “2019 AGM”). A notice convening the 2019 AGM will be published and despatched to the shareholders of the Company in accordance with the articles of association of the Company, the Listing Rules and other applicable laws and regulations.

## **DIVIDEND**

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to establish entitlements to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Monday, 10 June 2019 to Thursday, 13 June 2019, both days inclusive, during which period no transfer of the Shares can be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 6 June 2019.

## **AUDITORS**

The consolidated financial statements of the Group for the Year have been audited by HLB Hodgson Impey Cheng Limited, who will retire and, being eligible, offer themselves for re-appointment at the 2019 AGM. A resolution will be submitted to the 2019 AGM to re-appoint Messrs. HLB Hodgson Impey Cheng Limited as auditors of the Company.

The Company has not changed its external auditors since 25 March 2003.

## **PUBLICATION OF FINAL RESULTS AND 2018 ANNUAL REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.nif-hk.com](http://www.nif-hk.com)). The 2018 annual report of the Company will be despatched to the shareholders and available on the websites of the Stock Exchange and the Company in due course.

By order of the Board  
**National Investments Fund Limited**  
**Xie Xiangrong**  
*Chairperson*

Hong Kong, 26 March 2019

*As at the date of this announcement, the Board comprises an executive Director, namely, Mr. Chan Cheong Yee; a non-executive Director, namely Ms. Xie Xiangrong (Chairperson); and four independent non-executive Directors, namely Mr. Liu Jin, Mr. Li Li, Ms. Chan So Fong and Mr. Liao Kai.*