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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board (the “**Board**”) of directors (the “**Directors**”) of National Investments Fund Limited (the “**Company**”) hereby presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2019 (the “**Period**”) together with the comparative figures for the corresponding period in 2018 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

		For the six months ended 30 June	
		2019	2018
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	5	(18,642)	8,492
Other income	6	2,238	500
Change in fair value of conversion options embedded in convertible notes		—	(64)
Impairment loss of other tangible assets		—	(8)
Other operating expenses		(6,833)	(26,350)
Finance costs	7	(2,908)	(3,572)
Loss before taxation		(26,145)	(21,002)
Taxation	8	—	—
Loss for the period	9	(26,145)	(21,002)

		For the six months ended	
		30 June	
		2019	2018
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Other comprehensive (loss)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
— Net loss on revaluation of financial assets at fair value through other comprehensive income		<u>(1,179)</u>	<u>(6,470)</u>
Other comprehensive income/(loss) for the period, net of income tax		<u>(1,179)</u>	<u>(6,470)</u>
Total comprehensive loss for the period		<u><u>(27,324)</u></u>	<u><u>(27,472)</u></u>
Loss for the period attributable to:			
Owners of the Company		<u><u>(26,145)</u></u>	<u><u>(21,002)</u></u>
Total comprehensive loss for the period attributable to:			
Owners of the Company		<u><u>(27,324)</u></u>	<u><u>(27,472)</u></u>
			(Restated)
Loss per share			
Basic and diluted (<i>HK cents</i>)	<i>11</i>	<u><u>(4.14)</u></u>	<u><u>(5.84)</u></u>
Dividend		<u><u>Nil</u></u>	<u><u>Nil</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2019

		As at 30 June 2019 <i>HK\$'000</i> (Unaudited)	As at 31 December 2018 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
Assets:			
Non-current assets			
Property, plant and equipment	12	—	484
Other tangible asset	12	—	1,575
Financial assets at fair value through other comprehensive income		<u>50,131</u>	<u>51,310</u>
Total non-current assets		<u>50,131</u>	<u>53,369</u>
Current assets			
Financial assets at fair value through profit or loss		56,737	2,180
Prepayments, deposits and other receivables	13	3,867	3,944
Cash and cash equivalents		<u>301</u>	<u>111</u>
Total current assets		<u>60,905</u>	<u>6,235</u>
Total assets		<u><u>111,036</u></u>	<u><u>59,604</u></u>
Equity:			
Capital and reserves attributable to owners of the Company			
Share capital		91,463	43,241
Reserves		<u>(135,390)</u>	<u>(143,736)</u>
Total equity		<u>(43,927)</u>	<u>(100,495)</u>

		As at 30 June 2019	As at 31 December 2018
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Liabilities:			
Current liabilities			
Accrued charges and other payables	14	29,576	29,235
Amount due to directors		10,596	10,415
Amount due to a related company		4,953	10,791
Promissory notes		<u>109,838</u>	<u>79,769</u>
Total current liabilities		<u>154,963</u>	<u>130,210</u>
Non-current liabilities			
Promissory notes		<u>—</u>	<u>29,889</u>
Total non-current liabilities		<u>—</u>	<u>29,889</u>
Total liabilities		<u>154,963</u>	<u>160,099</u>
Total equity and liabilities		<u>111,036</u>	<u>59,604</u>
Net current (liabilities)/assets		<u>(94,058)</u>	<u>(123,975)</u>
Total assets less current liabilities		<u>(43,927)</u>	<u>(70,606)</u>

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 Unit 3705, 37/F., 118 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 unaudited interim condensed consolidated financial statements, which comprise the interim condensed consolidated statement of financial position of the Group as at 30 June 2019 and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the Period, have been prepared in accordance with the HKAS 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited interim condensed 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.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018.

3. APPLICATION OF NEW AND REVISED HKFRSs

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA effective as of 1 January 2019. A summary of the new and revised HKFRSs applied by the Group is set out as follow:

- HKFRSs 16, Leases
- HK(IFRIC)-Int 23, Uncertainty over Income Tax Treatments
- HKFRSs (Amendments), Annual Improvement to HKFRs, 2015–2017 Cycle
- HKAS 19 (Amendments), Plan Amendment, Curtailment or Settlement

The application of new and revised HKFRSs does not have a material impact on the results and the financial position of the Group. Details of the changes in accounting policies for HKFRS 16 are discussed below.

The Group has not early adopted any other standards, interpretation or amendments that have been issued but are not yet effective.

HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC)-Int 4, *Determining whether an arrangement contains a lease*, HK(SIC)-Int 15, *Operating leases — incentives*, and HK(SIC)-Int 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“**short-term leases**”) and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Groups have initially applied HKFRS 16 as from 1 January 2019 and elected to use the modified retrospective approach. The adoption of HKFRS 16 does not have material effect to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Groups apply the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Groups have used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(ii) Lease accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Groups are required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets.

When the Groups enter into a lease in respect of a low-value asset, the Groups decide whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Groups' estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Groups will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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 six months ended 30 June 2019 and 2018. 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	
	Six months ended 30 June	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong	<u>(18,642)</u>	<u>8,492</u>

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

	Carrying amount of non-current assets	
	As at 30 June 2019	As at 31 December 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Hong Kong	<u>—</u>	<u>2,059</u>

Information about major customers

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

5. REVENUE

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

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net gain/(loss) on financial assets at fair value through profit or loss (“FVTPL”) (<i>Note</i>)	(18,642)	—
Bank interest income	—	3
Interest income from available-for-sale financial assets	—	1,139
Dividend income	—	7,350
	<u>—</u>	<u>7,350</u>
	<u>(18,642)</u>	<u>8,492</u>

Note:

Net loss on financial assets at FVTPL represented:

	Equity securities	
	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Proceeds on sales	1,668	—
Less: Cost of sales	(2,038)	—
	<u>—</u>	<u>—</u>
Net realised loss on financial assets at FVTPL	(370)	—
Unrealised loss on financial assets at FVTPL	(18,272)	—
	<u>—</u>	<u>—</u>
Net loss on financial assets at FVTPL	<u>(18,642)</u>	<u>—</u>

6. OTHER INCOME

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Waiver of payment of expenses	568	—
Sundry income	—	500
Gain on disposal of assets	1,670	—
	<u>—</u>	<u>—</u>
	<u>2,238</u>	<u>500</u>

7. FINANCE COSTS

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on promissory notes	2,908	2,900
Interest expenses on short-term loans	—	672
	<u>2,908</u>	<u>3,572</u>

8. TAXATION

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

9. LOSS FOR THE PERIOD

Loss for the period is arrived at after charging:

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Directors' and chief executive officers' emoluments	919	2,217
Total staff costs, excluding Directors' emoluments	2,282	11,983
Depreciation of property, plant and equipment	71	2,202
Legal and professional fee	758	1,266
Operating lease rental in respect of land and building	379	2,570
	<u>379</u>	<u>2,570</u>

10. DIVIDENDS

The Directors do not recommend the payment of a dividend in respect of both six months ended 30 June 2019 and 2018.

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:

	Six months ended 30 June	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share	<u>(26,145)</u>	<u>(21,002)</u>

Six months ended 30 June	
2019	2018
'000	'000
(Unaudited)	(Unaudited)

Number of shares

Weighted average number of ordinary shares for the purpose of
basic and diluted loss per share

632,222	<u>359,672</u>
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The weighted average of ordinary shares for the purpose of calculating basic loss per share for the six months ended 30 June 2019 have been adjusted for the effects of placing of shares completed on 16 April 2019 and the Share Consolidation completed on 6 March 2019 (six months ended 30 June 2018: adjusted for the effects of rights issue and placing of shares completed on 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 six months ended 30 June 2018.

For the six months ended 30 June 2019 and 2018, 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. PROPERTY, PLANT AND EQUIPMENT AND OTHER TANGIBLE ASSETS

Movements in property, plant and equipment and other tangible assets during the six months ended 30 June 2019 are as follows:

	Property, plant and equipment	Other tangible assets
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Carrying amount at 1 January 2019	484	1,575
Disposal during the period	<u>(484)</u>	<u>(1,575)</u>
Carrying amount at 30 June 2019	<u>—</u>	<u>—</u>

The other tangible assets represents the art work and diamond ring held by the Group.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2019 <i>HK\$'000</i> (Unaudited)	As at 31 December 2018 <i>HK\$'000</i> (Audited)
Prepayments	17	61
Other receivables	667	699
Rental deposits and others deposits	<u>3,183</u>	<u>3,184</u>
Total	<u><u>3,867</u></u>	<u><u>3,944</u></u>

14. ACCRUED CHARGES AND OTHER PAYABLES

	As at 30 June 2019 <i>HK\$'000</i> (Unaudited)	As at 31 December 2018 <i>HK\$'000</i> (Audited)
Accrued charges	13,214	14,181
Other payables (<i>Note</i>)	<u>16,362</u>	<u>15,054</u>
	<u><u>29,576</u></u>	<u><u>29,235</u></u>

Note:

Other payables mainly include interest payables to promissory notes of approximately HK\$16,362,000 (as at 31 December 2018: HK\$15,034,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Dividend

The Board did not declare dividend for the six months ended 30 June 2019.

FINANCIAL REVIEW

Revenue

For the Period, the operating revenue of the Group recorded a loss of approximately HK\$18.64 million as compared to a gain of approximately HK\$8.49 million for the six months ended 30 June 2018. Excluding the net loss of approximately HK\$18.64 million recorded on financial assets at fair value through profit or loss, the Group's revenue was approximately HK\$21.41, which represented a significant decrease of approximately 100% as compared to the operating revenue of approximately HK\$8.49 million for the six months ended 30 June 2018. The decrease in revenue was mainly due to the dividend income of approximately HK\$7.35 million generated from the unlisted investment portfolios and interest income of approximately HK\$1.14 million from financial assets at fair value through profit or loss during the six months ended 30 June 2018 and the absence of the aforesaid dividend income during the Period.

Other Income

Other income for the Period were approximately HK\$2.24 million, which represented a significant increase of approximately HK\$1.74 million as compared to the other income of approximately HK\$0.50 million for the six months ended 30 June 2018. The increase was mainly due to the gain on the disposal of property, plant and equipment of approximately HK\$1.67 million during the Period, while the Group had no such other income for the six months ended 30 June 2018.

Other Operating Expenses

Other operating expenses significantly decreased by approximately HK\$19.52 million or 74.06% from approximately HK\$26.35 million for the six months ended 30 June 2018 to approximately HK\$6.83 million for the Period. The decrease was mainly due to the Group having successfully implemented the cost control plans during the Period. Other operating expenses mainly included the legal and professional fees, consultancy fees, rental and salaries of staff.

Finance Costs

Finance costs for the Period was approximately HK\$2.91 million, which represented a significant decrease of approximately HK\$0.66 million as compared to the finance costs of approximately HK\$3.57 million for the six months ended 30 June 2018. The decrease was mainly due to the absence of interest expenses on short-term loans during the Period.

Loss Attributable to Owners of the Company

Loss attributable to owners of the Company was approximately HK\$26.15 million for the Period (six months ended 30 June 2018: loss of approximately HK\$21.00 million). The increase of loss was mainly due to the change in fair value of financial assets at fair value through profit or loss of approximately HK\$18.27 million during the Period.

Consolidated Statements of Financial Position of the Company

As at 30 June 2019, the Group had a net liabilities of approximately HK\$43.93 million (as at 31 December 2018: net liabilities of approximately HK\$100.50 million). The decrease in net liabilities was mainly resulted from the net proceeds raised from the placement of shares of the Company during the Period.

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. As at 30 June 2019, the Group's investment portfolio in listed equity securities amounted to approximately HK\$56.74 million (as at 31 December 2018: Nil), and investment in unlisted equity securities amounted to approximately HK\$50.13 million (as at 31 December 2018: approximately HK\$51.31 million).

During the Period, the Group has been actively exploring other investment opportunities in order to diversify the existing investment portfolio of the Group. On 26 February 2019, the Group entered into a memorandum of understanding to acquire 20% equity interest in a company engaged in agricultural product cultivation, production, processing and sales, details of which are set out in the announcement of the Company dated 26 February 2019. The proposed acquisition is expected to enlarge the investment portfolio of the Group which can provide a more stable investment return in order to optimize the operational efficiency and to improve the cash flow of the Group.

Moreover, in order to further optimize the assets structure of the Group so as to liquidize remnant assets and to utilize the remnant assets to settle the outstanding debt owed to the Purchaser (as defined below), thereby lowering the level of indebtedness of the Group, 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 announcement dated 22 March 2019.

PROSPECT

Our vision is to become a well-known investment company in Hong Kong. We plan to invest in listed and non-listed 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 second half 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 in view of the weakening Renminbi, it is expected that the listed equity securities market sentiment will be more volatile in the second half of 2019. Moreover, if strong United States Dollars and weak emerging market currencies persist, it will impact fund flow of emerging market and increase the volatility in the emerging market, which would adversely affect the market sentiment. A lot of challenges are expected in the second half of 2019.

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 of the Company. The Group will also continue to adopt and maintain a prudent but proactive investment approach and will closely monitor the performance of the investment portfolios with the goal of maximizing the results and value from the investment portfolios to the shareholders of the Company. Moreover, the Group is exploring business opportunities in the Southeast Asian Region, especially Cambodia, which is growing rapidly.

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2019, the Group had significant investments in listed and unlisted equity securities and debt securities of companies which were classified as financial assets at fair value through other comprehensive income/available-for-sale financial assets, details of which are as follows:

Name of investee company	Percentage of share capital owned by the Group	Investment cost <i>HK\$'000</i>	Fair value as at 30 June 2019 <i>HK\$'000</i>	Accumulated unrealized gain/(loss) change in fair value <i>HK\$'000</i>	Dividend/ interest received/receivable during the Period <i>HK\$'000</i>
Unlisted equity securities:					
Upperclass Developments Limited <i>(Note 1)</i>	30%	—	—	—	—
Smart Role Limited <i>(Note 2)</i>	8%	59,680	20,537	(39,143)	—
Co-Lead Holdings Limited <i>(Note 3)</i>	0.39%	15,908	10,000	(5,908)	—
FreeOpt Holdings Limited <i>(Note 4)</i>	3.35%	16,000	12,000	(4,000)	—
Freewill Holdings Limited <i>(Note 5)</i>	0.59%	15,950	2,000	(13,950)	—
Joint Global Limited <i>(Note 6)</i>	0.88%	16,038	—	(16,038)	—
Satinu Resources Group Limited <i>(Note 7)</i>	0.12%	—	5,594	5,594	—
Debt securities:					
Premium Castle Limited <i>(Note 8)</i>	N/A	12,056	—	(12,056)	—
Listed equity securities:					
Investments in equity securities of companies listed in Hong Kong <i>(Note 9)</i>	N/A	75,009	56,737	(18,272)	—

Notes:

- Upperclass Developments Limited (“Upperclass”) is incorporated in British Virgin Islands and principally engaged in investment holding. The principal assets of Upperclass are the indirect shareholding of 16% interest in a company incorporated in the PRC which is principally engaged in leasing. According to the management accounts for the six months ended 30 June 2019 provided by the investee company, no operating revenue was recorded and loss attributable to owners of Upperclass was approximately HK\$1,255.67. As at 30 June 2019, the investee company had net assets of approximately HK\$90.33 million. The Directors noted that there was no fair value as at 30 June 2019. 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”) is incorporated in the British Virgin Islands and principally engaged in investment holding. The principal assets of Smart Role are the indirect shareholding of 8% interest in a company incorporated in the PRC which is principally engaged in holding of the forest rights certificates in the PRC. According to the management accounts for the three months ended 30 June 2019 provided by the investee company, no operating revenue was recorded and loss attributable to owners of Smart Role was approximately HK\$0.26 million. As at 30 June 2019, Smart Role had net liabilities of approximately HK\$10.56 million. 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.

3. Co-Lead Holdings Limited (“**Co-Lead**”) is incorporated in the British Virgin Islands and principally engaged in investments in a diversified portfolio of listed companies. According to the management accounts for the six months ended 30 June 2019 provided by the investee company, Co-Lead’s operating revenue was approximately HK\$10.96 million and loss attributable to owners of Co-Lead was approximately HK\$14.92 million. As at 30 June 2019, Co-Lead had net assets of approximately HK\$3,931.07 million. Co-Lead is principally engaged in investments in equity securities of listed companies which were classified as held for trading valued at HK\$3,094.75 million as at 30 June 2019. 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 3.02% 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.
4. FreeOpt Holdings Limited (“**FreeOpt**”) is incorporated in the Republic of the Marshall Islands and principally engaged in money lending. According to the management accounts for the six months ended 30 June 2019 provided by FreeOpt, FreeOpt’s operating revenue recorded a loss of approximately HK\$1.07 million and profit attributable to owners of FreeOpt was approximately HK\$142.62 million. As at 30 June 2019, FreeOpt had net assets of approximately HK\$616.49 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.
5. Freewill Holdings Limited (“**Freewill**”) is incorporated in the Republic of the Marshall Islands and principally engaged in investments in a diversified portfolio of unlisted companies. According to the management accounts for the six months ended 30 June 2019 provided by Freewill, Freewill’s operating revenue was approximately HK\$15.79 million and loss attributable to owners of Freewill was approximately HK\$7.80 million. As at 30 June 2019, Freewill had net assets of approximately HK\$2,454.19 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.
6. Joint Global Limited (“**Joint Global**”) is incorporated in the Republic of the Marshall Islands and principally engaged in investments in a diversified portfolio of debt securities. According to the latest unaudited balance sheet as at 30 April 2017 provided by the investee company, Joint Global had a 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.
7. Satinu Resources Group Limited (“**Satinu**”) is incorporated in the British Virgin Islands and principally engaged in integrated financial services, securities brokerage services, money lending, securities and other direct investments. According to the management accounts for the period from 1 April 2018 to 31 March 2019 provided by the investee company, Satinu’s operating revenue was approximately HK\$569.91 million and loss attributable to owners of Satinu was approximately HK\$955 million. As at 31 March 2019, Satinu had net assets of approximately HK\$7,161.71 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.

8. Premium Castle Limited (“**Premium Castle**”) is incorporated in the British Virgin Islands and principally engaged in investment holding. The principal assets of Premium Castle are the direct shareholding of 100% interest in Beijing Securities Limited, which is incorporated in Hong Kong and 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. 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 30 June 2019.
9. During the Period, the Group had significant investments in equity securities of companies listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) which were classified as held for trading, and the performance of such equity securities are as follows:

Stock code	Name of investee company	Number of shares held	Percentage of share capital owned by the Group	Investment cost (HK\$)	Market value as at 30 June 2019 (HK\$)	Unrealized gain/(loss) on change in fair value for the period ended 30 June 2019 (HK\$)
1783	Golden Ponder Holdings Limited	3,350,000	0.42%	1,124,895.00	723,600.00	(401,295.00)
2212	Future Bright Mining Holdings Limited	161,120,000	4.16%	16,456,184.00	14,017,440.00	(2,438,744.00)
2312	China Financial Leasing Group Limited	65,080,000	4.05%	16,694,224.00	11,063,600.00	(5,630,624.00)
8047	China Ocean Fishing Holdings Limited	2,700,000	0.06%	1,118,935.00	1,066,500.00	(52,435.00)
8331	Hang Kan Group Limited	14,540,000	2.17%	3,415,119.00	2,006,520.00	(1,408,599.00)
8401	Stream Ideas Group Limited	1,820,000	0.91%	1,714,933.00	1,164,800.00	(550,133.00)
8402	GT Steel Construction Group Limited	7,000,000	1.46%	3,017,095.00	3,150,000.00	132,905.00
8437	RMH Holdings Limited	13,520,000	2.25%	3,862,404.00	3,082,560.00	(779,844.00)
8482	Wan Leader International Limited	13,700,000	1.63%	2,907,557.00	2,356,400.00	(551,157.00)
8487	ISP Global Limited	10,000,000	1.25%	7,014,639.00	6,000,000.00	(1,014,639.00)
8547	Pacific Legend Group Limited	53,200,000	5.32%	12,168,437.00	7,235,200.00	(4,933,237.00)
8613	Oriental Payment Group Holdings Limited	27,990,000	2.80%	5,514,350.00	4,870,260.00	(644,090.00)
			Total:	75,008,772.00	56,736,880.00	(18,271,892.00)

Brief description of principal business of investee companies

Name of investee company Principal business and future prospect

Golden Ponder Holdings Limited	Provision of superstructure building and repair, maintenance, alteration and addition works as a main contractor. As disclosed in the annual report for the year ended 31 March 2019, the group's operating revenue was approximately HK\$425.8 million and profit attributable to owners of the company was approximately HK\$16.8 million. Golden Ponder Holdings Limited will also consider the potential business developments of other construction sectors, leveraging the advantages and resources of a listed company to expand the profit base for the shareholders.
Future Bright Mining Holdings Limited	Apart from existing marble and marble-related business, Future Bright Mining Holdings Limited had developed the trading of commodities business, which would diversify its income source and enhance its performance. As disclosed in the annual report for the year ended 31 December 2018, the group's operating revenue was approximately RMB38.75 million and loss attributable to owners of the company was approximately RMB49.53 million. Future Bright Mining Holdings Limited intended to increase the variety of marble and marble-related products through acquiring the marble projects in the PRC which would further grow the marble and marble-related business of Future Bright Mining Holdings Limited.
China Financial Leasing Group Limited	Short to medium term capital appreciation by investing in a diversified portfolio of investments in listed and unlisted securities. As disclosed in the annual report for the year ended 31 December 2018, the group's operating revenue was approximately HK\$18,000 and loss attributable to owners of the company was approximately HK\$27.13 million. China Financial Leasing Group Limited will remain cautious and continue to explore investment opportunities to enhance the shareholders' return.

China Ocean Fishing Holdings Limited	Provision of supply chain management services, money lending business and ocean fishing business. As disclosed in the annual report for the year ended 31 March 2019, the group’s operating revenue was approximately HK\$960.60 million and profit attributable to owners of the company was approximately HK\$46.58 million. China Ocean Fishing Holdings Limited will continue to proactively seek other promising investment and business opportunities to broaden the source of income of the group and enhance value to the shareholders.
Hang Kan Group Limited	Bentonite mining, production and sales of drilling mud and pelletising clay. As disclosed in the annual report for the year ended 31 December 2018, the group’s operating revenue was approximately CNY51.20 million and loss attributable to owners of the company was approximately CNY57.59 million. Hang Kan Group Limited intends to continue expanding its customer base and market share by boosting product awareness of pelletising clay, refining its production technology and developing new products with a view to enhancing the overall competitiveness to cope with the unfavorable business environment. On the other hand, the group aims to maintain sales volume of drilling mud by means of improved product quality and adhering to the “selling more with lower margin” strategy.
Stream Ideas Group Limited	Provision of online advertising services. As disclosed in the annual report for the year ended 31 March 2019, the group’s operating revenue was approximately HK\$28.17 million and profit attributable to owners of the company was approximately HK\$5.37 million. It is noted that the revenue of Stream Ideas Group Limited was growing in Taiwan, Malaysia and Singapore market, and the experience, reputation and a first mover advantage of Stream Ideas Group Limited would leverage its strengths to reinforce the leading industry position.

GT Steel Construction
Group Limited

Design, supply, fabrication and erect structural steel-works for the construction of buildings, including technological plants, industrial buildings, commercial buildings, government institutions and residential buildings in Singapore. As disclosed in the quarterly report for the three months ended 31 March 2019, the group's operating revenue was approximately S\$16.83 million and profit attributable to owners of the company was approximately S\$2.33 million. GT Steel Construction Group Limited intends to expand and strengthen its market position in the structural steelwork industry in Singapore through the expansion of its production capacity and workforce. GT Steel Construction Group Limited is in the process of considering a proposed transfer of listing of the shares of the Company from GEM to the Main Board of the Stock Exchange.

RMH Holdings Limited

Leading specialist dermatological and surgical practice accredited by the MOH based in Singapore that offers accessible, comprehensive, quality and specialty care services for a variety of dermatological conditions affecting skin, hair and nails by utilising a wide range of advanced and sophisticated medical, surgical, laser and aesthetic treatments. As disclosed in the annual report for the year ended 31 December 2018, the group's operating revenue was approximately S\$6.99 million and profit attributable to owners of the company was approximately S\$1.85 million. With strong potential in the specialist dermatology and surgical services industry in Singapore, RMH Holdings Limited will continue to seek to enlarge its market share in the dermatological and surgical services industry in Singapore and to build its reputation, grow the "Dermatology & Surgery Clinic" brand and business. It will continue to consolidate its position in the market and achieve a continued growth in its business.

Wan Leader International Limited	<p>Provision of freight forwarding and related logistics services, including reselling cargo space which purchased from airlines' general sales agents, shipping liners and other freight forwarders to direct shippers or respective freight forwarders, which act on behalf of their shipper customers and eventually deliver the goods to the destinations, provision of warehousing and related value-added services, including labelling services and packaging services. As disclosed in the annual report for the year ended 31 March 2019, the group's operating revenue was approximately HK\$193.03 million and loss attributable to owners of the company was approximately HK\$15.97 million. Wan Leader International Limited will further strengthen its sales and marketing effort, closely monitor the needs of the customers and carefully control the cost of services as to expand its customer base and achieve sustainable business growth and long-term benefits to its shareholders.</p>
ISP Global Limited	<p>Sale of sound and communication systems and related services, provision of integrated services of sound and communication systems, and provision of alert alarm system services in Singapore. As disclosed in the quarterly report for nine months ended 31 March 2019, the group's operating revenue was approximately S\$6.72 million and profit attributable to owners of the company was approximately S\$0.34 million. ISP Global Limited plans to expand its manpower capability, and fleet of machinery and equipment, which will enhance its available resources to bid for future projects.</p>
Pacific Legend Group Limited	<p>Sale of home furniture and accessories, rental of home furniture and accessories and project and hospitality services, which typically involve designing, styling, decorating and furnishing commercial or residential properties such as hotels, serviced apartments and showflats. As disclosed in the annual report for the year ended 31 December 2018, the group's operating revenue was approximately HK\$278.10 million and loss attributable to owners of the company was approximately HK\$17.37 million. Pacific Legend Group Limited will continue to actively search for appropriate store locations in China in line with the plan for use of proceeds from the listing of the company. Timing of this is subject to finding suitable retail locations.</p>

Oriental Payment Group Holdings Limited Merchant acquiring business in Thailand. As disclosed in the annual report for the year ended 31 March 2019, the group's operating revenue was approximately HK\$111.80 million and loss attributable to owners of the company was approximately HK\$8.11 million. Oriental Payment Group Holdings Limited continues to remain cost conscious through stringent cost control measures in order to improve performance of the group. Oriental Payment Group Holdings Limited will proactively seek business opportunities that will contribute and sustain the group's future development on generating better return to the shareholders of the company.

During the Period, no dividend was received from the above securities investment. As at 30 June 2019, the market value of the listed securities being held by the Group was approximately HK\$56,736,880 and an unrealized loss on fair value change was approximately HK\$18.27 million. No impairment was made to the above securities investment.

The Directors believe that the future performance of the equity securities of companies listed on the Stock Exchange held by the Group will be affected by the overall economic environment, equity market conditions, investor sentiment 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.

Save as disclosed above, there were no other significant investments by the Group during the Period.

LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO

During the Period, 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 30 June 2019, the Group had cash and cash equivalents of approximately HK\$0.30 million which were denominated in Hong Kong dollars (as at 31 December 2018: approximately HK\$0.11 million).

As at 30 June 2019, 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 and to be repaid within one year. The net proceeds were used for investment in securities and as general working capital of the Group.

On 4 January 2019, Chung Lee Securities Company Limited (the “**Placing Agent**”) and the Company entered into a placing agreement (as supplemented by the supplemental agreements dated 21 January 2019 and 29 March 2019) (the “**Placing Agreement**”) pursuant to which the Placing Agent has agreed to place, on a best effort basis, up to 860,000,000 placing shares (the “**Placing Shares**”) at the placing price of HK\$0.18 per Placing Share (the “**Placing**”). The completion of the Placing took place on 16 April 2019. A total of 482,220,000 of the Placing Shares had been successfully placed and issued under the specific mandate obtained at the extraordinary general meeting of the Company held on 5 March 2019. The gross proceeds and net proceeds from the Placing amounted to approximately HK\$86.80 million and HK\$83.90 million respectively. The Company intends to apply the net proceeds for repayment of the outstanding indebtedness, and/or general working capital of the Group. Details of the Placing and the Placing Agreement were set out in the announcements of the Company dated 4 January 2019, 21 January 2019, 29 March 2019 and 16 April 2019, the circular of the Company dated 13 February 2019.

The Group had net liabilities as at 30 June 2019, 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 30 June 2019 was about 0.39 times as compared to 0.05 times as at 31 December 2018, based on current assets of approximately HK\$60.91 million (as at 31 December 2018: approximately HK\$6.24 million) and current liabilities of approximately HK\$154.96 million (as at 31 December 2018: approximately HK\$130.21 million).

CAPITAL STRUCTURE

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

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 decreased from 20,000,000,000 ordinary shares to 2,000,000,000 ordinary shares and the total number of issued shares decreased from 4,324,069,642 ordinary shares to 432,406,964 ordinary shares.

On 16 April 2019, a total of 482,220,000 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\$0.18 per placing share under the specific mandate obtained at the extraordinary general meeting of the Company held on 5 March 2019. Upon the completion of the aforesaid placing of new shares, the total number of issued shares increased from 432,406,964 ordinary shares to 914,626,964 ordinary shares.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

The net proceeds from the placing of new shares under specific mandate on 16 April 2019, after deducting the commissions and other fees and expenses in relation to the placing, amounted to approximately HK\$83.90 million. The net proceeds will be applied in accordance with the proposed applications set out in the announcements of the Company dated 4 January 2019 and 16 April 2019, and the circular of the Company dated 13 February 2019.

Up to 30 June 2019, the Group had used the net proceeds as follows:

	Original allocation of net proceeds	Utilisation up to 30 June 2019	Remaining balance of unused net proceeds as at 30 June 2019
	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>
	(unaudited)	(unaudited)	(unaudited)
Repayment of outstanding indebtedness and general working capital of the Group	<u>83.90</u>	<u>8.89</u>	<u>75.01</u>

The following table sets out the breakdown of the use of proceeds as repayment of outstanding indebtedness and general working capital of the Group:

	<i>HK\$'000</i> (unaudited)
Audit fee	350
Staff costs	2,328
Operating lease rental	448
Expenses for preparation of announcements and circulars	688
Interest paid to promissory notes	1,400
Legal and professional fees	2,637
Listing fee	476
Other operating expenses	<u>564</u>
Total	<u><u>8,891</u></u>

Considering that some of the outstanding debts have not yet reached the repayment date, the Group had temporarily re-allocated the remaining proceeds of approximately HK\$75.01 million to investment in equity securities of companies listed on the Stock Exchange. It is expected that the Group will obtain the aforesaid HK\$75.01 million in or around December 2019 when the outstanding debts need to be paid at maturity through the realization of the equity securities. The Group intends to use the remaining proceeds of approximately HK\$75.01 million for repayment of outstanding indebtedness and general working capital of the Group as originally planned.

SHARE OPTION SCHEME

The Company adopted a new share option scheme approved by the shareholders of the Company on 30 June 2017 (the “**Share Option Scheme**”).

During the Period and as at 30 June 2019, no share options were outstanding or had been granted or agreed to be granted by the Company under the Share Option Scheme.

EMPLOYEES

As at 30 June 2019, the Group had 8 employees in Hong Kong, including executive Directors, non-executive Director and independent non-executive Directors. The total employment costs were approximately HK\$3.14 million for the Period.

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, medical 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 30 June 2019.

CHARGES ON GROUP ASSETS

The Group had no charges on the Group’s assets as at 30 June 2019.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital asset as at 30 June 2019.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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

CONNECTED TRANSACTIONS

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 announcement dated 22 March 2019.

CONTINUING CONNECTED TRANSACTIONS

Investment Management Agreement

The investment management agreement dated 1 November 2016 was entered into between the Company and Avia Asset Management Limited ("**Investment Management Agreement**"). Under the Investment Management Agreement, Avia Asset Management Limited agreed to provide investment management services to the Company from 1 November 2016 unless and until terminated by either party by serving not less than 6 months' notice in writing to the other party with a fixed management fee of HK\$55,000 per month. Pursuant to Rule 14A.08 of the Listing Rules, an investment manager is deemed to be connected person of the Company. The entering into of the Investment Management Agreement with Avia Asset Management Limited constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules but is exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. The Investment Management Agreement had been terminated on 31 July 2019 pursuant to the termination notice dated 29 January 2019 served by the Company to Avia Asset Management Limited.

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.4.1 of the CG Code as explained below, the Company had complied with the applicable code provisions of the CG Code during the Period. 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.4.1 of the CG Code, non-executive Directors should be appointed for specific term, subject to re-election. Except for Ms. Wu Xiaoxia and Mr. Liao Kai who is 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.

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 to the Listing Rules (the "Model Code").

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed minimum public float under the Listing Rules during the Period and at any time up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

REVIEW OF ACCOUNTS BY THE AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) consists of all independent non-executive Directors, namely Mr. Li Li, Mr. Liao Kai and Ms. Wu Xiaoxia. The major functions of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control of the Group. The Audit Committee had reviewed this announcement and the unaudited financial results of the Group for the Period and considered that they were prepared in compliance with the relevant accounting standards, and that the Company has made appropriate disclosure thereof under the requirement of the Listing Rules.

PUBLICATION OF INTERIM RESULTS AND 2019 INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.nif-hk.com). The 2019 interim 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
Wang Ning
Chairman

Hong Kong, 28 August 2019

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