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ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

The Board of Directors (the "Board") of National Investments Fund Limited (the "Company") is pleased to announce the audited annual results of the Company for the year ended 31 December 2008 together with the comparative figures as follows:

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i> (Restated)
Revenue	4	(17,936)	(1,361)
Other income	5	443	593
Gain on disposal of available-for-sale financial assets		-	1,200
Change in fair value of conversion options embedded in			
convertible notes		54	-
Other operating expenses	_	(10,045)	(5,654)
Loss before income tax	7	(27,484)	(5,222)
Income tax expenses	8	_	
Loss for the year	_	(27,484)	(5,222)
	_		
Attributable to:			
Equity holders of the Company	9 _	(27,484)	(5,222)
Loss per share			
Basic and diluted, in HK cents	10	(2.52)	(0.68)
		(2.52)	(0.00)

BALANCE SHEET

AT 31 DECEMBER 2008

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Assets:		
Non-current assets		
Property, plant and equipment	75	80
Available-for-sale financial assets	2,163	-
Conversion options embedded in convertible notes	950	
	3,188	80
Current assets		
Financial assets at fair value through profit or loss	314	27,669
Prepayment, deposits and other receivables	629	267
Cash and bank balances	23,045	26,413
	23,988	54,349
Total assets	27,176	54,429
Equity: Capital and reserves attributable to the Company's equity		
holders		
Share capital	10,920	10,920
Reserves	16,035	43,002
Total equity	26,955	53,922
Liabilities:		
Current liabilities		
Accrued charges and other payable	221	507
Total liabilities	221	507
Total equity and liabilities	27,176	54,429
Net current assets	23,767	53,842
Total assets less current liabilities	26,955	53,922

NOTES

1. CORPORATE INFORMATION

The Company was incorporated on 28 June 2002 as an exempted company with limited liability in the Cayman Islands under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The principal activity of the Company is investment in listed and unlisted companies.

The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal office of the Company is located at Suite 1907, 19th Floor, Office Tower Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 27 September 2002.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Company has applied, for the first time, a number of new amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2008. A summary of the new HKFRSs are set out as below:

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset,
	Minimum Funding Requirements and their
	Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Company has not early adopted the following new HKFRSs that have been issued but are not yet effective.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible Hedged Items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combination ³
HKFRS 8	Operating Segments ²
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁵
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) – Int 18	Transfers of Assets from Customers ³

- ¹ Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009
- ² Effective for annual periods beginning on or after 1 January 2009
- ³ Effective for annual periods beginning on or after 1 July 2009
- ⁴ Effective for annual periods beginning on or after 1 July 2008
- ⁵ Effective for annual periods beginning on or after 1 October 2008

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and financial position of the Company.

3. BASIS OF PREPARATION

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

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

3. BASIS OF PREPARATION(Continued)

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involve a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The measurement basis used in the preparation of the financial statements is historical cost as modified by revaluation of certain financial assets at fair value through profit or loss (including derivative financial instruments) and available-for-sale financial assets.

4. REVENUE

The amount of significant category of revenue recognised during the year is as follow:

	2008 <i>HK\$'000</i>	2007 <i>HK\$`000</i> (Restated)
Net loss on financial assets at fair value through profit or		
loss <i>(Notes (i))</i>	(19,106)	(2,016)
Bank interest income	731	655
Interest income from available-for-sale financial assets	66	-
Dividend income from financial assets at fair value through profit		
or loss	373	
	(17,936)	(1,361)

Notes:

(i) Net loss on financial assets at fair value through profit loss represented:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Proceeds on sales Less: cost of sales	24,302 (42,160)	10,114 (8,826)
Net realised (loss)/gain on financial assets at fair value through profit or loss	(17,858)	1,288
Unrealised loss on financial assets at fair value through profit or loss	(1,248)	(3,304)
Net loss on financial assets at fair value through profit or loss	(19,106)	(2,016)

(ii) In prior years, revenue included the sale proceeds from securities trading, while the related costs of securities trading were presented as "cost of trading securities sold". In current year, the Company has revised the presentation of revenue in order to provide more relevant information in respect of the Company's operations. The net gain/(loss) on securities trading are presented within revenue in the income statement. These changes do not have any impact on the results of the Company in respect of the current and prior years.

5. OTHER INCOME

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Exchange gain	443	-
Waiver of amount due to directors		593
	443	593

6. SEGMENT INFORMATION

Business segment

For the year ended 31 December 2008 and 2007, all of the Company's revenue was derived from investment income from investments in listed securities and unlisted securities, no further detailed analysis of the Company's business segment is disclosed.

Geographical segment

In determining the Company's geographical segments, revenues are attributed to the segments based on the location of the markets and assets are attributed to the segments based on the location of the assets.

The Company's segment revenue, assets and liabilities for the year, analysed by geographical market, are as follows:

	Hong Kong		Australia		United Kingdom		Total	
	2 0 08	2007	2 0 08	2007	2008 2007		2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)				(Restated)		(Restated)
Segment								
assets	24,032	54,429	3,144	-	_	_	27,176	54,429
Segment								
liabilities	221	507	-	-	-	-	221	507
Segment								
revenue	(18,002)	(2,374)	66	-	-	1,013	(17,936)	(1,361)

7. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	2008 HK\$'000	2007 <i>HK\$'000</i>
Auditors' remuneration	160	180
Directors' emoluments	2,091	1,425
Total staff costs, excluding directors' emoluments	2,511	1,146
Depreciation on owned assets	35	7
Legal and professional fee	68	395
Operating lease rental in respect of land and building	744	335
Equity settled share-based payment expenses	1,493	741

8. INCOME TAX EXPENSES

Current taxation

No provision for Hong Kong profits tax has been made as the Company incurred a taxation loss for the year (2007: Nil).

The income tax expenses for the year can be reconciled to the loss per the income statement as follows:

	2008		2007	
	HK\$'000	%	HK\$'000	%
Loss before tax	(27,484)		(5,222)	
Tax at Hong Kong profits tax rate of 16.5% (2007: 17.5%) Estimated tax effect on income that are not taxable in	(4,535)	(16.5)	(914)	(17.5)
determining taxable profit Estimated tax effect on expenses that are not deductible in	(132)	(0.5)	(104)	(2.0)
determining taxable profit	246	0.9	624	12.0
Estimated tax effect of unrecognised temporary difference	-	-	(10)	(0.2)
Tax effect of unrecognised tax losses	4,421	16 .1	404	7.7
Tax income and effective tax rate for the year	-	-	-	-

9. NET LOSS ATTRIBUTABLE TO SHAREHOLDERS

The loss attributable to shareholders is dealt with in the financial statements of the Company to the extent of the loss of HK\$27,484,000 (2007: HK\$5,222,000).

10. LOSS PER SHARE

The calculation of basic loss per share is based on the Company's net loss attributable to the shareholders of HK\$27,484,000 (2007: HK\$5,222,000) and the 1,092,000,000 (2007: 767,504,000) weighted average ordinary shares in issue during the year.

Diluted loss per share for the year ended 31 December 2008 and 31 December 2007 was the same as the basic loss per share. 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.

11. NET ASSETS VALUE PER SHARE

As at 31 December 2008, the net assets value per share is HK\$0.025 (2007: HK\$0.049).

The calculation of net assets value per share is based on the net assets of approximately HK\$26,955,000 (2007: HK\$53,922,000) and 1,092,000,000 (2007: 1,092,000,000) ordinary shares in issue as at 31 December 2008.

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW

For the year ended 31 December 2008, the Company's revenue, excluding the net loss on financial assets at fair value through profit and loss, increased by 78.6% to HK\$1,170,000 (2007: HK\$655,000) and recorded a net loss on financial assets at fair value through profit or loss amounting to HK\$19,106,000 (2007: HK\$2,016,000). Included in the net loss on financial assets at fair value through profit or loss, gross proceeds from sales were HK\$24,302,000 (2007: HK\$10,114,000), and the cost of sales were HK\$42,160,000 (2007: HK\$8,826,000), therefore, the net realised loss was HK\$17,858,000 (2007: net realised gain HK\$1,288,000). Apart from the realised loss, the unrealised loss on financial assets at fair value through profit or loss for the year ended 31 December 2008 amounted to HK\$1,248,000 (2007: HK\$3,304,000).

During the year ended 31 December 2008, the company had acquired a convertible note of HK\$4,000,000, with maturity in November 2011, interest-bearing at 5.5% per annum. The issuer of this convertible note is a corporation which specialised in offering instant on-line virtual socializing network and communication platform for internet users all around the world. The conversion features contained in the note will provide a flexible way of investment to the Company.

For the year under review, the Company reported a loss attributable to shareholders of HK\$27,484,000 (2007: HK\$5,222,000), representing an increase of 426% as compared with the preceding year. The loss was mainly due to the net loss on financial assets at fair value through profit or loss of HK\$19,106,000 (2007: HK\$2,016,000), staff costs of HK\$2,511,000 (2007: HK\$1,146,000) and directors' emoluments of HK\$2,091,000 (2007: HK\$1,425,000), including the amortisation of share options of HK\$1,493,000 (2007: HK\$741,000) incurred for the year ended 31 December 2008.

During the year ended 31 December 2008, the Company received dividend income amounting to HK\$373,000 (2007: Nil).

DIVIDEND

The Board was resolved not to recommend a final dividend for the year ended 31 December 2008 (2007: Nil).

PROSPECT

With the financial turmoil occurred in the year 2008, its impact in the global investment market was massive and extensive. Despite governments of leading economic countries had strived of searching possible ways of measures to safe-guard their assets and economic systems by offering different levels of financial assistance programs, the global investment market is still in volatility and very vulnerable. However, the board believes that threats brings out opportunities, existing investment markets are full of potential investments which would provide a very attractive returns. Of course, the Board of Directors will still to continue to adopt a very cautious investment strategies and policies to select appropriate projects with higher returns or pre-IPO investments opportunities. Our core investment strategies primarily focus on industries such as information-technology, infrastructure, resources and environmental protection and media.

LIQUIDITY AND FINANCIAL RESOURCES

The Company had cash and cash equivalents of approximately HK\$23,045,000 (2007: approximately HK\$26,413,000) as at 31 December 2008.

The Company had net current assets of approximately HK\$23,767,000 (2007: HK\$53,842,000) as at 31 December 2008. The Company had no borrowing and had not obtained any credit facilities from financial institutions during the year. All the cash and cash equivalents were placed in Hong Kong Dollars account with the banks in Hong Kong, exposure to exchange fluctuation is considered minimal. The gearing ratio, calculated on the basis of total liabilities over total shareholders' funds as at 31 December 2008, was 0.008 (2007: 0.009).

CAPITAL STRUCTURE

The shares of the Company were listed on the Stock Exchange. There has been no change in the capital structure of the Company for the year under review.

EMPLOYEES

As at 31 December 2008, the Company had 13 employees (2007: 11), including executive directors, non-executive director and independent non-executive directors. Total staff costs for the year ended 31 December 2008 amounted to HK\$4,602,000 (2007: HK\$2,571,000), including the amortisation of share options amounted to HK\$1,493,000 (2007: HK\$741,000). The Company's remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of individual employees.

CHARGES ON THE COMPANY'S ASSETS AND CONTINGENT LIABILITIES

There were no charges on the Company's assets or any significant contingent liabilities as at 31 December 2008 (2007: Nil).

CORPORATE GOVERNANCE REPORT

Good corporate governance has always been recognised as vital to the Company's success and to sustain development to the Company. The Board had committed to a high standard of corporate governance as an essential component of quality and has introduced corporate governance practices appropriate to the conduct and growth of the business.

The Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules on the Stock Exchange sets out the principles of good corporate governance (the "Principles") and two levels of corporate governance practices:

- (a) code provisions (the "Code Provisions") which listed issuers are expected to comply with or to give considered reasons for any deviation; and
- (b) recommended best practices for guidance only, which listed issuers are encouraged to comply with or give considered reasons for deviation.

During the year ended 31 December 2008 under review, the Company has applied the Principles and the Code Provisions as set out in the Code and complied with most of the Code Provisions save for a deviation from the Code Provisions in respect of Code Provisions E.2.1. According to Code Provision E.1.2, the Chairman of the Board, should attend the annual general meeting. In respect of the annual general meeting held on 23 May 2008, the Chairman of the Board, Mr. Wong Danny F., was engaged in an important business meeting on that date, therefore, he was not able to attend in that annual general meeting.

The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the Code, and acknowledges the important role of its Board in providing effective leadership and direction to Company's business, and ensuring transparency and accountability of Company's operations.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2008, the Company has not purchased, sold nor redeemed any of the Company's listed securities.

CODE OF CONDUCT ON DIRECTORS' SECURITIES TRANSACTION

The Company has adopted its own code of conduct regarding directors' securities transactions (the "Code of Conduct") on terms no less than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. All directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2008.

AUDIT COMMITTEE

The audit committee currently consists of three independent non-executive directors, Mr. Liu Jin, Mr. Char Shik Ngor, Stephen and Mr. Fung Kwok Leung who is the chairperson of the Audit Committee.

The audit committee has reviewed with management the accounting principles and practices adopted by the Company and discussed internal controls, auditing and financial reporting matters, including a review of audited financial statements for the year ended 31 December 2008.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This announcement is posted on the websites of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) under "Latest Listed Companies Information" and the Company (www.nif-hk.com). The annual report of the Company will be despatched to the shareholders and posted on the aforementioned websites in due course.

APPRECIATION

On behalf of the Board, I would like to express my appreciation to the shareholders for their continued support and to our staff members for their dedicated effort.

On behalf of the Board National Investments Fund Limited Wong Danny F. Chairman & Executive Director

Hong Kong, 23 April 2009

As at the date hereof, the Board of the Company comprises three executive directors, namely Mr. Wong Danny F. (Chairman), Mr. Wu Tse Wai, Frederick(Chief Executive Officer) and Mr. Fong Chi Wah; a non-executive director, namely Ms. Yang XiaoFeng; and three independent non-executive directors, namely Mr. Char Shik Ngor, Stephen, Mr. Fung Kwok Leung and Mr. Liu Jin.