国際金融社控股有限公司

INTERNATIONAL FINANCIAL NETWORK HOLDINGS LTD.

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8123)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2007

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed issuers are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

Pursuant to Chapter 36 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules"), the Securities and Futures Commission (the "SFC") regulates International Financial Network Holdings Ltd. (the "Company") in relation to the listing of its shares on GEM of the Stock Exchange. The SFC and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors of the Company (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

The Group recorded a turnover of approximately HK$112,269,000 for the year ended 31st December, 2007.

Net loss attributable to shareholders for the year ended 31st December, 2007 amounted to approximately HK$24,655,000.

Loss per share was 1.07 HK cents.

The Directors do not recommend the payment of a final dividend for the year ended 31st December, 2007.

FINAL RESULTS

The board of Directors (the "Board") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December, 2007 together with the comparative audited figures for the corresponding period in 2006.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2007

	Note	2007 HK$	2006 HK$ (As restated)
Revenue	3	**112,268,909**	457,935,641
Cost of sales and services		**(69,582,713)**	(441,384,716)
Other gains	5	**5,289**	–
Other income	6	**1,337,098**	449,284
Employee benefits expenses		**(17,938,567)**	(14,473,809)
Depreciation of property, plant and equipment		**(1,247,774)**	(861,747)
Amortization of intangible assets		**(587,048)**	(666,432)
Impairment of investments in associates		**(10,430,519)**	–
Impairment of available-for-sale financial assets		**(322,850)**	–
Impairment of trade receivables		**(2,193,375)**	–
Other operating expenses		**(33,874,344)**	(11,850,382)
Share of loss of associates		**(752,189)**	(1,538,066)
Loss before income tax		**(23,318,083)**	(12,390,227)
Income tax expense	7	**(1,349,477)**	–
Loss for the year		**(24,667,560)**	(12,390,227)
Attributable to:			
Equity holders of the Company		**(24,655,055)**	(12,390,227)
Minority interests		**(12,505)**	–
		(24,667,560)	(12,390,227)
Loss per share for loss attributable to the equity holders of the Company during the year			
– basic and diluted	8	**(1.07) HK cents**	(0.6) HK cent

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER, 2007

		The Group	
		2007	2006
	Note	**HK$**	HK$
			(As restated)
Non-current assets			
Property, plant and equipment		**4,572,256**	2,266,986
Intangible assets		**491,698,427**	621,632
Statutory deposits		**2,030,000**	2,180,000
Investments in associates		**136,998**	11,319,706
Available-for-sale financial assets		**1,252,060**	1,528,366
		499,689,741	17,916,690
Current assets			
Trade receivables	10	**37,293,670**	12,245,724
Other receivables		**27,619,027**	2,496,749
Amount due from an associate		**548,868**	–
Bank balances and cash		**108,683,840**	28,675,822
		174,145,405	43,418,295
Total assets		**673,835,146**	61,334,985
Current liabilities			
Trade payables	11	**16,779,658**	19,976,241
Other payables		**25,626,170**	1,813,772
Amount due to an associate		**72,773**	238,763
Current income tax liabilities		**4,929,833**	–
Bank overdrafts		**–**	4,875,000
		47,408,434	26,903,776
Net current assets		**126,736,971**	16,514,519
Net assets		**626,426,712**	34,431,209

	The Group	
	2007	2006
	HK$	HK$
		(As restated)
Capital and reserves		
Share capital	**25,384,340**	20,500,340
Share premium	**187,589,377**	99,621,355
Special reserve	**4,778,740**	4,778,740
Available-for-sale investments revaluation reserve	**870,794**	621,240
Translation reserve	**932,601**	170,639
Shares to be issued	**504,000,000**	–
Share options reserve	**14,460,609**	–
Share-based compensation reserve	**4,240,920**	–
Accumulated losses	**(115,916,165)**	(91,261,110)
Equity attributable to the Company's equity holders	**626,341,216**	34,431,204
Minority interests	**85,496**	5
Total equity	**626,426,712**	34,431,209

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2007

	Attributable to the equity holders of the Company											
The Group	Share capital HK$	Share premium HK$	Special reserve HK$	Available-for-sale investments revaluation reserve HK$	Translation reserve HK$	Shares to be issued HK$	Share options reserve HK$	Share-based compensation reserve HK$	Accumulated losses HK$	Total HK$	Minority interests HK$	Total equity HK$
Balance at 1st January, 2006	20,500,340	99,621,355	4,778,740	84,635	–	–	–	–	(78,870,883)	46,114,187	5	46,114,192
Change in fair value of available-for-sale financial assets	–	–	–	536,605	–	–	–	–	–	536,605	–	536,605
Currency translation differences – Group	–	–	–	–	170,639	–	–	–	–	170,639	–	170,639
Total income and expense recognized directly in equity	–	–	–	536,605	170,639	–	–	–	–	707,244	–	707,244
Loss for the year	–	–	–	–	–	–	–	–	(12,390,227)	(12,390,227)	–	(12,390,227)
Total recognized income and expense for the year	–	–	–	536,605	170,639	–	–	–	(12,390,227)	(11,682,983)	–	(11,682,983)
Balance at 31st December, 2006 as restated	**20,500,340**	**99,621,355**	**4,778,740**	**621,240**	**170,639**	**–**	**–**	**–**	**(91,261,110)**	**34,431,204**	**5**	**34,431,209**
Balance at 1st January, 2007 as restated	20,500,340	99,621,355	4,778,740	621,240	170,639	–	–	–	(91,261,110)	34,431,204	5	34,431,209
Change in fair value of available-for-sale financial assets	–	–	–	253,343	–	–	–	–	–	253,343	–	253,343
Currency translation differences – Group	–	–	–	–	761,962	–	–	–	–	761,962	–	761,962
Total income and expense recognized directly in equity	–	–	–	253,343	761,962	–	–	–	–	1,015,305	–	1,015,305
Loss for the year	–	–	–	–	–	–	–	–	(24,655,055)	(24,655,055)	(12,505)	(24,667,560)
Total recognized income and expense for the year	–	–	–	253,343	761,962	–	–	–	(24,655,055)	(23,639,750)	(12,505)	(23,652,255)
Balance c/f	20,500,340	99,621,355	4,778,740	874,583	932,601	–	–	–	(115,916,165)	10,791,454	(12,500)	10,778,954

The Group	Share capital HK$	Share premium HK$	Special reserve HK$	Available-for-sale investments revaluation reserve HK$	Translation reserve HK$	Shares to be issued HK$	Share options reserve HK$	Share-based compensation reserve HK$	Accumulated losses HK$	Total HK$	Minority interests HK$	Total equity HK$
	Attributable to the equity holders of the Company											
Balance b/f	20,500,340	99,621,355	4,778,740	874,583	932,601	–	–	–	(115,916,165)	10,791,454	(12,500)	10,778,954
Net gain transferred to profit or loss on disposal of available-for-sale financial assets	–	–	–	(3,789)	–	–	–	–	–	(3,789)	–	(3,789)
Acquisition of additional interests in a subsidiary	–	–	–	–	–	–	–	–	–	–	(4)	(4)
Capital contributions from minority interests	–	–	–	–	–	–	–	–	–	–	98,000	98,000
Share option scheme												
– value of employee services	–	–	–	–	–	–	–	5,725,242	–	5,725,242	–	5,725,242
– issue of shares under the share option scheme	84,000	1,831,200	–	–	–	–	–	–	–	1,915,200	–	1,915,200
Transfer upon exercise of employee share options	–	1,484,322	–	–	–	–	–	(1,484,322)	–	–	–	–
Fair values of Consideration Shares and Option to be issued in respect of acquisition of subsidiaries	–	–	–	–	–	504,000,000	14,460,609	–	–	518,460,609	–	518,460,609
Issue of shares by way of placements	4,500,000	88,100,000	–	–	–	–	–	–	–	92,600,000	–	92,600,000
Issue of shares upon exercise of options granted under a subscription agreement	300,000	480,000	–	–	–	–	–	–	–	780,000	–	780,000
Share issue costs	–	(3,927,500)	–	–	–	–	–	–	–	(3,927,500)	–	(3,927,500)
Balance at 31st December, 2007	**25,384,340**	**187,589,377**	**4,778,740**	**870,794**	**932,601**	**504,000,000**	**14,460,609**	**4,240,920**	**(115,916,165)**	**626,341,216**	**85,496**	**626,426,712**

Notes:

1. GENERAL INFORMATION

International Financial Network Holdings Ltd. (the "Company") and its subsidiaries (together the "Group") are principally engaged in the provision of financial services including the provision of a trading platform, brokerage and securities margin financing, wealth management, infrastructure broking services comprising trading, clearing and settlement, corporate finance services, provision of stock information and research as well as trading and principal investment.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. The Company's registered office is situated at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KYI-1111, Cayman Islands. The Company's principal place of business is situated at 19th Floor, V-Heun Building, 138 Queen's Road Central, Hong Kong.

The Company's shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These consolidated financial statements are presented in Hong Kong dollars (HK$) unless otherwise stated. These consolidated financial statements were approved and authorized for issue by the board of directors on 25th March, 2008.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Reclassification of "Investment in an associate classified as held for sale" to "Investment in an associate"

On 10th March, 2006, the Group completed the acquisition of approximately 29.9% equity interests in Tastyfood Holdings Ltd. ("Tastyfood"), a company incorporated in Singapore and whose shares are listed on the main board of the Singapore Exchange Securities Trading Limited. At the time of acquisition, the Group was acquiring a proprietary position to realize the potential of its investment in Tastyfood exclusively with a view to its subsequent disposal at a profit. As the directors considered that the carrying amount of the Group's investment in Tastyfood would be recovered principally through a sale transaction, the investment was previously accounted for as "Investment in an associate classified as held for sale" and measured at the lower of its carrying amount and fair value less costs to sell in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

During the year ended 31st December, 2007, the Group's investment in Tastyfood previously classified as held for sale no longer met the criteria to be so classified and accordingly, it has been accounted for using the equity method as from the date of its classification as held for sale in accordance with HKAS 28 *Investments in Associates*.

(a) Standards, amendments and interpretations effective in 2007

HKFRS 7, "Financial Instruments: Disclosures", and the complementary amendment to HKAS 1, "Presentation of Financial Statements – Capital Disclosures", introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Group's financial instruments, or the disclosures relating to taxation and trade and other payables.

HK(IFRIC) – Int 8, "Scope of HKFRS 2", requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of HKFRS 2. This standard does not have any impact on the Group's financial statements.

HK(IFRIC) – Int 10, "Interim Financial Reporting and Impairment", prohibits the impairment losses recognized in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the Group's financial statements.

(b) Standards, amendments and interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1st January, 2007 but they are not relevant to the Group's operations:

- HK(IFRIC) – Int 7, "Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies"; and

- HK(IFRIC) – Int 9, "Reassessment of Embedded Derivatives".

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1st January, 2008 or later periods, but the Group has not early adopted them:

- HKAS 23 (Revised), "Borrowing Costs" (effective from 1st January, 2009). The amendment requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply HKAS 23 (Revised) from 1st January, 2009 but is currently not applicable to the Group as there are no qualifying assets.

- HKFRS 8, "Operating Segments" (effective from 1st January, 2009). HKFRS 8 replaces HKAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosures about segments of an enterprise and related information". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1st January, 2009. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. As goodwill is allocated to groups of cash-generating units based on segment level, the change will also require management to reallocate goodwill to the newly identified operating segments. Management does not anticipate that this will result in any material impairment to the goodwill balance.

- HK(IFRIC) — Int 11, "HKFRS 2 – Group and Treasury Share Transactions" (effective from 1st March, 2007). HK(IFRIC)-Int 11 provides guidance on classifying share-based payment transactions involving an entity's own equity instruments or the equity instruments of the parent. The Group will apply HK(IFRIC)-Int 11 from 1st January, 2008, but it is not expected to have a significant impact on the Group's financial statements.

- HK(IFRIC) – Int 14, "HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from 1st January, 2008). HK(IFRIC) – Int 14 provides guidance on assessing the limit in HKAS 19 on the amount of the surplus that can be recognized as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Group will apply HK(IFRIC) – Int 14 from 1st January, 2008, but it is not expected to have any impact on the Group's financial statements.

(d) Interpretations to existing standards that are not yet effective and not relevant for the Group's operations

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1st January, 2008 or later periods but are not relevant for the Group's operations:

- HK(IFRIC) – Int 12, "Service Concession Arrangements" (effective from 1st January, 2008). HK(IFRIC) – Int 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. HK(IFRIC) – Int 12 is not relevant to the Group's operations because none of the Group's companies provide for public sector services.

- HK(IFRIC) – Int 13, "Customer Loyalty Programmes" (effective from 1st July, 2008). HK(IFRIC) – Int 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. HK(IFRIC) – Int 13 is not relevant to the Group's operations because none of the Group's companies operate any loyalty programmes.

3. REVENUE

	2007 HK$	2006 HK$
Income from provision of a trading platform	**170,286**	147,970
Commission income from securities and futures brokerage, and infrastructure broking service fee	**7,822,648**	3,564,998
Interest income from clients	**486,024**	439,597
Income from provision of corporate finance services	**657,816**	7,953,687
Trading and principal investment	**69,583,627**	441,067,166
Income from provision of wealth management services	**23,438,336**	4,414,987
Income from provision of fund management services	**–**	347,236
Income from provision of stock information and research	**10,110,172**	–
	112,268,909	457,935,641

4. SEGMENT INFORMATION

(a) Primary reporting format – business segments

As at 31st December, 2007, the Group is organized into 6 business segments:

(i) Provision of a trading platform;

(ii) Provision of brokerage and securities margin financing, and infrastructure broking services;

(iii) Provision of corporate finance services;

(iv) Trading and principal investment;

(v) Provision of wealth management services; and

(vi) Provision of stock information and research.

The segment results for the year ended 31st December, 2007 are as follows:

	Provision of a trading platform HK$	Brokerage and securities margin financing, and infrastructure broking services HK$	Corporate finance services HK$	Trading and principal investment HK$	Wealth management services HK$	Stock information and research HK$	Total HK$
Segment revenue	170,286	8,308,672	657,816	69,583,627	23,438,336	10,110,172	112,268,909
Segment results	16,976	(1,073,886)	(6,444,632)	(10,492,822)	949,901	8,993,192	(8,051,271)
Net unallocated expenses							(14,851,342)
Interest expenses							(166,900)
Interest income							503,619
Share of loss of associates							(752,189)
Loss before income tax							(23,318,083)
Income tax expense							(1,349,477)
Loss for the year							(24,667,560)

The segment results for the year ended 31st December, 2006 are as follows:

	Provision of a trading platform HK$	Brokerage and securities margin financing, and infrastructure broking services HK$	Corporate finance services HK$	Trading and principal investment HK$	Wealth and fund management services HK$	Stock information and research HK$	Total HK$ (As restated)
Segment revenue	147,970	4,004,595	7,953,687	441,067,166	4,762,223	–	457,935,641
Segment results	13,868	(2,937,747)	4,440,078	426,921	(3,855,526)	–	(1,912,406)
Net unallocated expenses							(9,007,731)
Interest expenses							(65,687)
Interest income							133,663
Share of loss of associates							(1,538,066)
Loss before income tax							(12,390,227)
Income tax expense							–
Loss for the year							(12,390,227)

Other segment information for the year ended 31st December, 2007 is as follows:

	Provision of a trading platform HK$	Brokerage and securities margin financing, and infrastructure broking services HK$	Corporate finance services HK$	Trading and principal investment HK$	Wealth management services HK$	Stock information and research HK$	Unallocated HK$	Total HK$
Depreciation and amortization	–	949,968	288,345	–	12,719	93,395	490,395	1,834,822
Impairment of available-for-sale financial assets	–	–	–	322,850	–	–	–	322,850
Impairment of investments in associates	–	–	–	10,430,505	14	–	–	10,430,519
Impairment of trade receivables	–	–	2,193,375	–	–	–	–	2,193,375

Other segment information for the year ended 31st December, 2006 is as follows:

	Provision of a trading platform HK$	Brokerage and securities margin financing, and infrastructure broking services HK$	Corporate finance services HK$	Trading and principal investment HK$	Wealth and fund management services HK$	Stock information and research HK$	Unallocated HK$	Total HK$
Depreciation and amortization	–	1,024,435	2,567	–	4,603	–	496,574	1,528,179

Segment assets consist primarily of property, plant and equipment, intangible assets, statutory deposits, investments in associates, available-for-sale financial assets, trade and other receivables, and bank balances and cash. Segment liabilities comprise operating liabilities.

The segment assets and liabilities as at 31st December, 2007 and capital expenditure for the year then ended are as follows:

	Provision of a trading platform	Brokerage and securities margin financing, and infrastructure broking services	Corporate finance services	Trading and principal investment	Wealth management services	Stock information and research	Unallocated	Total
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
Segment assets	35,056	39,990,995	3,092,809	677,377	5,454,079	556,036,265	68,411,567	673,698,148
Investments in associates	–	–	–	–	136,998	–	–	136,998
	35,056	39,990,995	3,092,809	677,377	5,591,077	556,036,265	68,411,567	673,835,146
Segment liabilities	2,341	12,516,676	414,771	4,369,128	627,500	28,084,506	1,393,512	47,408,434
Capital expenditure								
Additions of property, plant and equipment	–	79,153	759,716	–	7,330	3,315,622	21,660	4,183,481
Additions of intangible assets	–	–	–	–	–	491,663,843	–	491,663,843

The segment assets and liabilities as at 31st December, 2006 and capital expenditure for the year then ended are as follows:

	Provision of a trading platform	Brokerage and securities margin financing, and infrastructure broking services	Corporate finance services	Trading and principal investment	Wealth and fund management services	Stock information and research	Unallocated	Total
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$ (As restated)
Segment assets	118,260	39,150,525	4,029,329	1,555,473	4,412,715	–	748,977	50,015,279
Investments in associates	–	–	–	11,075,137	244,555	–	14	11,319,706
	118,260	39,150,525	4,029,329	12,630,610	4,657,270	–	748,991	61,334,985
Segment liabilities	2,520	18,322,639	44,907	1,284,182	2,487,706	–	4,761,822	26,903,776
Capital expenditure								
Additions of property, plant and equipment	–	1,297,972	40,802	–	54,030	–	299,280	1,692,084

(b) **Secondary reporting format – geographical segments**

The Group mainly operates in Hong Kong, Singapore and the PRC.

	2007 HK$	2006 HK$
Revenue		
Hong Kong	**101,731,732**	457,577,895
Singapore	**427,005**	357,746
The PRC	**10,110,172**	–
	112,268,909	457,935,641

Revenue is allocated based on the country in which the customer is located.

	2007 HK$	2006 HK$ (As restated)
Total assets		
Hong Kong	**116,879,802**	48,685,355
Singapore	**782,081**	1,007,074
The PRC	**556,036,265**	–
Japan	**–**	322,850
	673,698,148	50,015,279
Investments in associates	**136,998**	11,319,706
	673,835,146	61,334,985

Total assets are allocated based on where the assets are located.

	2007 HK$	2006 HK$
Capital expenditure		
Hong Kong	**841,467**	1,651,282
Singapore	**26,392**	40,802
The PRC	**494,979,465**	–
	495,847,324	1,692,084

Capital expenditure is allocated on where the assets are located.

5. OTHER GAINS

	2007 HK$	2006 HK$
Gain on disposal of subsidiaries	**1,500**	–
Net gain transferred from equity on disposal of available-for-sale financial assets	**3,789**	–
	5,289	–

6. OTHER INCOME

	2007 HK$	2006 HK$
CCASS fee income	**264,418**	106,327
Handling fee income	**91,704**	57,453
Interest income on bank deposits	**460,763**	63,862
Interest income from an associate	**8,662**	–
Other interest income	**34,194**	69,801
Dividend income from listed investments	**30,645**	45,947
Sundry income	**446,712**	105,894
	1,337,098	449,284

7. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at the rate of 17.5% (2006:17.5%) on the estimated assessable profit arising in or derived from Hong Kong for the year. No provision for Hong Kong Profits Tax has been made in the financial statements as the Group incurred a tax loss for the year (2006: Nil). Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2007 HK$	2006 HK$
Current income tax		
– Hong Kong Profits Tax	**–**	–
– PRC Enterprise Income Tax	**1,349,477**	–
	1,349,477	–

No deferred tax liabilities have been recognized in the financial statements as the Group did not have material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as at 31st December, 2007 (2006: Nil).

A deferred tax asset has not been recognized in the financial statements in respect of estimated unused tax losses available for offset against future profits due to the uncertainty of future profit streams. These unrecognized temporary differences have no expiry date.

As at 31st December, 2007, the unrecognized deferred tax assets of the Group are as follows:

	The Group	
	2007	2006
	HK$	HK$
Unused tax losses	**18,282,176**	15,364,032

8. LOSS PER SHARE

Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company for the year ended 31st December, 2007 of HK$24,655,055 (2006 as restated: HK$12,390,227) by the weighted average number of 2,298,434,000 (2006: 2,050,034,000) ordinary shares in issue during the year.

Diluted

The computation of diluted loss per share did not assume the exercise of the Company's share options outstanding during the years ended 31st December, 2006 and 2007 since their exercise would result in a decrease in loss per share.

9. DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31st December, 2007 (2006: nil).

10. TRADE RECEIVABLES

	The Group	
	2007	2006
	HK$	HK$
Amounts receivable arising from securities broking:		
Margin clients	**2,207,961**	3,177,688
Cash clients	**790,256**	1,910,058
Brokers and dealers	**6**	249
HKSCC (net)	**977,460**	2,470,195
Amounts receivable arising from futures broking:		
Brokers and dealers	**–**	27,168
HKFECC	**222,945**	1,245,493
Other trade receivables	**35,288,417**	3,414,873
	39,487,045	12,245,724
Less: provision for impairment of receivables	**(2,193,375)**	–
Trade receivables, net	**37,293,670**	12,245,724

Amounts receivable from margin clients are repayable on demand, bear interest at prevailing market rates and are secured by clients' pledged securities that are listed on the Stock Exchange with a total market value of approximately HK$16,117,000 as at 31st December, 2007 (2006: HK$36,234,000). No aged analysis is disclosed as, in the opinion of the directors, the aged analysis does not give additional value in view of the nature of the business of securities margin financing.

The settlement terms of amounts receivable arising from securities broking are one or two trade days after the trade execution date, and those of amounts receivable arising from futures broking are one trade day after the trade execution date. Except for the amounts receivable from margin clients as mentioned above, these balances are aged within 30 days.

Other trade receivables arising from the provision of corporate finance services and wealth and fund management services are due immediately from date of billing but the Group will generally grant a credit period of 30 days on average to its customers. Trade receivables arising from the provision of stock information and research are with credit term of 5 to 10 days. Included in other trade receivables of the Group as at 31st December, 2007 were trade receivable from a related company of HK$16,050,450 (2006: Nil) which is controlled by a director of a subsidiary of the Company.

The following is an aged analysis of other trade receivables at the balance sheet date:

	The Group	
	2007	2006
	HK$	HK$
0 – 30 days	**12,632,423**	3,389,873
31 – 90 days	**15,861,493**	–
91 – 180 days	**4,494,126**	25,000
181 – 365 days	**107,000**	–
Over 365 days	**2,193,375**	–
	35,288,417	3,414,873

As at 31st December, 2007, other trade receivables of HK$20,462,619 (2006: HK$25,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The aged analysis of these trade receivables is as follows:

	The Group	
	2007	2006
	HK$	HK$
Up to 90 days	**15,861,493**	–
91 – 180 days	**4,494,126**	25,000
181 – 365 days	**107,000**	–
	20,462,619	25,000

As at 31st December, 2007, other trade receivables of HK$2,193,375 aged over 1 year (2006: Nil) were impaired due to unexpected difficulty in collecting the outstanding amounts.

The maximum exposure to credit risk at the reporting date is the fair value of the trade receivables. Other than the amounts receivable from margin clients, the Group does not hold any collateral as security in respect of its trade receivables.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	The Group	
	2007	2006
	HK$	HK$
Hong Kong dollars	**6,113,792**	12,245,724
RMB	**31,179,878**	–
	37,293,670	12,245,724

11. TRADE PAYABLES

	The Group	
	2007	2006
	HK$	HK$
Amounts payable arising from securities broking:		
Margin clients	**1,023,880**	3,280,592
Cash clients	**10,244,358**	12,300,837
HKSCC (net)	**–**	–
Amounts payable arising from futures broking:		
Clients	**806,810**	1,898,551
Other trade payables	**4,704,610**	2,496,261
	16,779,658	19,976,241

Amounts payable to margin clients are repayable on demand and bear interest at prevailing market rates. No aged analysis is disclosed as, in the opinion of the directors, the aged analysis does not give additional value in view of the nature of the business of securities margin financing.

The settlement terms of amounts payable arising from securities broking are one or two trade days after the trade execution date. Except for the amounts payable to margin clients as mentioned above, these balances are aged within 30 days.

Amounts payable to clients arising from futures broking are margin deposits received from clients for their trading of futures contracts. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand. No aged analysis is disclosed as, in the opinion of the directors, the aged analysis does not give additional value in view of the nature of the business of futures broking.

The following is an aged analysis of other trade payables at the balance sheet date:

	The Group	
	2007	2006
	HK$	HK$
0 – 30 days	**2,001,384**	2,472,209
31 – 90 days	**687,780**	17,594
91 – 180 days	**2,014,654**	6,458
181 – 365 days	**792**	–
	4,704,610	2,496,261

The carrying amounts of the Group's trade payables are denominated in Hong Kong dollars.

BUSINESS REVIEW

The businesses of International Financial Network Holdings Ltd. and its subsidiaries ("IFN" or the "Group") for the year under review have been geared towards a two-pronged strategy: (i) focusing on the Group's core businesses and (ii) exploring the investment opportunities to expand its revenue base and generate profitability.

The strategy of streamlining its operation and focusing on its core business has produced positive results to the Group in 2007. Total income from securities and future businesses for 2007 amounted to HK$8.3 million, about 107% increase as compared to that of about HK$4 million in last year. The income from wealth management also recorded about a four-fold increase from about HK$4.8 million in 2006 to about HK$23.4 million in 2007.

The acquisition of GoHi Holdings Limited ("GoHi"), which is the holding company of 首華證券諮詢（深圳）有限公司 First China Securities Consultancy (Shenzhen) Co., Ltd. ("First China") (formerly transliterated as First China Investment Services Limited) is a good fit strategy for the Group to expand its revenue base and generate profitability.

First China is a financial services company providing financial information and/or programmes to a variety of parties such as clients of securities companies, investors and internet portal companies in the People's Republic of China. Located in Shenzhen China, First China has provided the Group with a good platform for its expansion to and development in other parts of China. Following the completion of the aforesaid acquisition in mid November 2007, the Group consolidated a total income of about HK$10.I million and a profit of about HK$7.6 million from First China in 2007. We believe that First China will continue to make substantial positive contribution to the Group for the years to come.

In 2007, the Company completed two lots of share placement: 350,000,000 shares in April and 100,000,000 shares in December. The total net fund raised from such placements amounted to HK$88.7 million. The new fund has added more resources and vitality to the Group for its organic growth as well as opportunities for other investments and acquisitions.

The financial results of the Group for 2007 reflected the determination of the Board to absorb all the losses of the non-core businesses of the Group in the year so as to pave way for a new era of financial performance in 2008. The turnover of the Group was approximately HK$112.3 million for the year ended 31st December, 2007 (2006: approximately HK$457.9 million) while the loss attributable to shareholders for the year ended 31st December, 2007 was approximately HK$24.7 million (2006: HK$12.4 million). Detailed results are discussed under the following section headed "Financial Review".

The business achievements in 2007 matched with the Company's overall business strategies and objectives. With the addition of First China as a new member of the Group, it provides the Group with the benefits of (i) providing a ready business platform and a valuable client base for the Group in the an expanding industry in Mainland China (ii) complementing the range of the Group's existing services and (iii) ensuring a steady and reliable source of income and profit to the Group. Strengthened by the strong liquidity of the Group as a result of the two share placements during the year, the Board believes that the business performance of the Group will have a significant improvement for the coming year.

FINANCIAL REVIEW

Results of the Group

The turnover of the Group was about HK$112.3 million for the year ended 31st December, 2007 (2006: approximately HK$457.9 million). The decrease was mainly due to the significant reduction of the trading and principal investment activities which was a conscious decision as the Company believed the market was overpriced for the year ended 31st December, 2007. The loss attributable to shareholders for the year ended 31st December, 2007 was approximately HK$24.7 million compared with the loss of approximately HK$12.4 million of the corresponding period in 2006. The increase in loss was mainly attributable to the impairments of (i) the investments in Tastyfood Holdings Ltd. ("Tastyfood") due to Tastyfood's net liabilities, continuing losses and prolonged suspension in trading of its listed shares on the main board of the Singapore Exchange Securities Trading Limited and (ii) the trade receivables aged over 1 year with unexpected difficulty in collecting the outstanding amount. Regarding the impairment in Tastyfood, Tastyfood has continued to actively explore other investment opportunities. If a new business is injected into Tastyfood, the impairment loss will be recovered and may even enable the Group to record an income exceeding the impairment loss.

Goodwill arising from the acquisition of First China

Pursuant to the agreements in respect of the acquisition of GoHi, the Company will issue the following shares of the Company subject to the fulfillment of certain conditions as stipulated in the agreements:

(i) Issue of 200,000,000 new shares of HK$0.01 each in the capital of the Company (the "Consideration Shares") at each of the next three anniversary dates after completion;

(ii) Grant of an option (the "Option") to subscribe for a maximum of 60,000,000 new shares of HK$0.01 each in the capital of the Company (the "Option Shares") at an exercise price of HK$0.15 per Option Share, of which 20,000,000 Option Shares are exercisable at each of the next three anniversary dates after completion; and

(iii) Issue of a maximum of 160,000,000 new shares of HK$0.01 each in the capital of the Company (the "Bonus Shares") at each of the next three anniversary dates after completion.

According to Hong Kong Financial Reporting Standards ("HKFRSs"), the total consideration of about HK$504 million for the acquisition of GoHi in 2007 is calculated based on the potential share issues and potential grant of options with reference to the price/value of the Company's Shares on the date of completion of the acquisition (i.e.16th November, 2007) as follows: (a) multiplication of the maximum 600,000,000 Consideration Shares to be issued by the closing price of HK$0.84 of the Company's share as quoted by the Stock Exchange on 16th November, 2007; and (b) the fair value of the 20,000,000 Options as valued under an option pricing model. The fair values of the remaining 40,000,000 Option Shares to be issued in 2008 and 2009 and the Bonus Shares to be issued have not been included in the above calculation as they cannot be measured reliably .

The total goodwill arising from the acquisition of GoHi for the year ended 31st December, 2007 was HK$491.7 million and such amount would be required to be tested for impairment annually according to HKFRSs. The Directors considered that for year ended 31st December, 2007, no impairment was required for the goodwill.

Liquidity and financial resources

The Group is in a sound and healthy financial and liquidity position. As at 31st December, 2007, the shareholders' fund of the Group amounted to approximately HK$626 million, representing an increase of approximately HK$592 million or by 17.4 times from that of 31st December, 2006. During the year, the Company issued 488.4 million new shares by top-up placements of 450 million shares and upon exercise of 38.4 million share options.

On 31st December, 2007, our cash and bank balances were approximately HK$108.7 million of which about HK$11.9 million were held on behalf of clients in trust and segregated accounts. After deducting such money held in trust and segregated accounts, the net amount of cash and bank balances for the Group was about HK$96.8 million. By comparing such net amount of HK$96.8 million in 2007 with the net amount of HK$12.2 million in 2006, the increase in cash and bank balances of the Group was about HK$84.6 million, representing an increase of about 7 times. Such increase was a result of new funds raised during the year. The liquidity ratio on 31st December, 2007 was at 3.7 times, as compared to 1.6 times on 31st December, 2006.

The Group manages the foreign exchange exposure arising from its normal course of business activities and investments in foreign operations by funding its local operations and investments through cash flows generated from business transactions locally. As the end of the year, the Group did not have any material un-hedged foreign exchange exposure or interest rate mismatch.

Capital Structure

As at end of 2007, the total number of the Company's shares has been increased to 2,538,434,000 after the successful share placements in April and December and the exercises of the Company's share options. The total net amount of fund raised through such share placements and option exercises was about HK$92.9 million, and has been applied as working capital of the Group.

The Group did not have any borrowings and long-term debts at the end of the year in 2007. The Company has given a corporate guarantee to the extent of HK$45 million to a bank in respect of general banking facility granted to a subsidiary. However, no overdraft was drawn under this facility at the balance sheet date.

Brokerage and Trading Platform

This unit recorded revenue of HK$8.48 million for the year ended 31st December, 2007 as compared to HK$4.15 million for the previous year. The increase was attributable to the significant growth in securities brokerage income due to the continuous boom of initial public offerings and continuous growth of the Mainland China economy during the year under review. The unit recorded a loss of HK$1.06 million for the year.

Trading and Principal Investment

As a result of a fluctuated equity market, the total revenue of the unit deceased to HK$69.58 million for the year (2006 : HK$441.07 million). The unit recorded a loss of HK$10.49 million for the year.

Corporate Finance Advisory Services

Due to the reconstruction of this unit, the total fee income of this segment was 0.66 million (2006 : HK$7.95 million). This segment recorded a loss of HK$6.44 million for the year.

Wealth Management

The Group consolidated its wealth management operation and disposed of its fund management operation in February 2007, The total fee income of the wealth management significantly increased to HK$23.44 million for the year (2006 : HK$4.76 million). This unit recorded a profit of HK$0.95 million for the year.

Financial Information and Research Services

The Group completed the acquisition of this business in November 2007. The total income of this segment was HK$10.1 million for the year. This segment contributed about HK$9.0 million to the profit before taxation of the Group.

SIGNIFICANT INVESTMENT

The Group acquired an approximately 29.9% interests in the issued share capital of Tastyfood, a Singapore main board listed company, on 10th March, 2006 for a consideration of S$2,440,000 (equivalent to approximately HK$11,224,000). This acquisition was classified as held for sale financial assets in 2006 as the Company was taking a proprietary position with the intention to subsequently realize and disposal it at a profit in a short term. During the year ended 31st December, 2007, the aforesaid investment no longer met with the criteria so classified and accordingly, it has been re-classified as an investment in associate. As such, the Group had no significant investment at the year end of 2007.

CHARGES ON ASSETS

As at 31st December, 2007, the Group did not have any charges on its assets (2006: Nil).

CONTINGENT LIABILITIES

As at 31st December, 2007, the Group did not have any contingent liabilities (2006: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES/FUTURE PLAN FOR MATERIAL INVESTMENTS

In November 2007, the Group through its 100% equity interest in Aceview International Limited acquired the entire shareholding of GoHi which directly owns 100% interest in First China. This acquisition constitutes a major acquisition under the Rules Governing the Listing on the Growth Enterprise Market ("GEM Listing Rules") of the Stock Exchange and was approved by shareholders in an extraordinary general meeting held on 8th November, 2007.

Other than the aforementioned, there was no other material acquisition/disposal which would have been required to be disclosed under the GEM Listing Rules for the year under review. At present, the Group has no concrete plans for any material investments.

EMPLOYEE INFORMATION

As at 31st December, 2007, the Group had a workforce of 58 employees (2006: 51). The total staff costs, including directors' emoluments, amounted to about HK$17.9 million for the year ended 31st December, 2007 (2006: approximately HK$14.5 million).

The Group's remuneration policies are reviewed on an annual basis and commensurate with the industry pay level. The remuneration package includes basic salary, provident fund, medical benefits and discretionary bonus. The Group has also adopted a share option scheme as an added incentive for its employees. During the year, the Company granted one lot of share option to certain directors and employees entitling them to subscribe up to 32,400,000 shares of the Company at an exercise price of HK$0.228 per share within the period from 5th September, 2007 to 4th September, 2017.

OUTLOOK

The two-pronged strategy works perfectly well for the Group. While the focus on core businesses has substantially improved the results of these businesses, the acquisition of GoHi has also produced positive contribution to the Group. With the expected net profit for the coming three years as per the agreements for the acquisition of GoHi, it is anticipated that the Group will soon start to record its profitability for the first time since its listing on the Stock Exchange in 2002.

By leveraging on the competitive advantages of our existing core businesses as well as that of the newly acquired business of First China, the Group is about to embark on a new chapter in 2008. I would like to take this opportunity to thank our shareholders, Board of Directors, our staff and business partners for their continuous support and commitment. Together, we can look forward to a landmark in 2008 for IFN.

INTEREST IN COMPETITORS

An independent non-executive director of the Company, Mr. Michael Wu Wai Chung, also acts as an independent non-executive director of another listed company (SW Kingsway Capital Holdings Limited) whose subsidiaries engaged in securities-related business which may compete with the Group in this aspect of its business. The Board however considers that there is no conflict of interest in this regard.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company's Directors have complied with such code of conduct and the required standard of dealings.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices as contained in Appendix 15 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company has established an Audit Committee with specific written terms of reference. The Audit Committee consists of three independent non-executive directors, namely, Dr. Tsang Hing Lun, Dr. Japhet Sebastian Law and Mr. Michael Wu Wai Chung. Chaired by Dr. Tsang Hing Lun, the Audit Committee's role and function include making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor; review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard; develop and implement policy on the engagement of an external auditor to supply non-audit services; monitor the integrity of financial statements, annual reports and accounts, half-yearly and quarterly reports of the Company, and review significant financial reporting judgments contained in them; review the Company's financial controls, internal control and risk management systems; and review the Group's financial and accounting policies, procedures and practices.

During the year, the Audit Committee's work includes reviewing the Company's quarterly, half yearly and annual results, reviewing the Company's system of internal control, and the Company's accounting policies.

The Audit Committee has reviewed the financial statements of the Group for the year ended 31st December, 2007 pursuant to the relevant provisions contained in the Code of Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules and was of the opinion that such statements had complied with applicable accounting standards and that adequate disclosures had been made in respect thereof.

By order of the Board
Lee Yiu Sun
Chief Executive Officer

Hong Kong, 25th March, 2008

As at the date of this announcement, the executive directors of the Company are Mr. Richard Yingneng Yin and Mr. Lee Yiu Sun, the non-executive director of the Company is Dr. Kennedy Wong Ying Ho, the independent non-executive directors are Mr. Michael Wu Wai Chung, Dr. Japhet Sebastian Law and Dr. Tsang Hing Lun.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.ifn.hk.