CHINA DEVELOPMENT BANK INTERNATIONAL INVESTMENT LIMITED

國開國際投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The board of directors (the "**Directors**" or the "**Board**") of China Development Bank International Investment Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2018 (the "**Year**"), together with the comparative figures for the previous year as follows:–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	NOTES	**2018** **HK$**	2017 *HK$*
Net valuation gains in fair value of financial assets at fair value through profit or loss		**174,308,876**	191,728,343
General and administrative expenses	*6*	**(15,161,023)**	(13,990,708)
Operating profit		**159,147,853**	177,737,635
Finance income		**52,445**	36,807
Finance costs		**(20,231,731)**	(4,361,727)
Share of profit in associates		**769,749**	3,134,448
Profit before income tax		**139,738,316**	176,547,163
Income tax (expenses)/credit	*5*	**(158,497)**	414,008
Profit for the year attributable to owners of the Company		**139,579,819**	176,961,171
Other comprehensive (loss)/income			
Item that may be subsequently reclassified to profit or loss:			
Currency translation differences		**(3,309,486)**	3,846,928
Other comprehensive (loss)/income for the year		**(3,309,486)**	3,846,928
Total comprehensive income for the year attributable to owners of the Company		**136,270,333**	180,808,099
Earnings per share			
– Basic (HK cents)	*8*	**4.81**	6.10
– Diluted (HK cents)	*8*	**4.81**	6.10

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	NOTE	2018 HK$	2017 HK$
Assets			
Non-current assets			
Property, plant and equipment		–	–
Interests in associates		**70,484,937**	73,892,455
Financial assets at fair value through profit or loss		**1,816,488,607**	1,874,231,337
		1,886,973,544	1,948,123,792
Current assets			
Other receivables, prepayments and deposits		–	49,196
Financial asset at fair value through profit or loss		**232,051,606**	–
Cash and cash equivalents		**59,154,395**	92,873,839
		291,206,001	92,923,035
Total assets		**2,178,179,545**	2,041,046,827
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		**29,022,154**	29,022,154
Reserves		**1,594,916,727**	1,458,646,394
Total equity		**1,623,938,881**	1,487,668,548
Liabilities			
Non-current liability			
Deferred tax liabilities		**1,963,374**	1,891,654
Current liabilities			
Other payables and accruals		**6,277,290**	5,486,625
Short-term borrowings		**546,000,000**	546,000,000
		552,277,290	551,486,625
Total liabilities		**554,240,664**	553,378,279
Total equity and liabilities		**2,178,179,545**	2,041,046,827
Net asset value per share	*9*	**0.56**	0.51

NOTES

1. GENERAL

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its immediate parent company is China Development Bank International Holdings Limited ("**CDBIH**"), a private limited company established in Hong Kong and its ultimate parent company is China Development Bank Corporation ("**CDB**"), a wholly state-owned policy bank established on 17 March 1994 in the People's Republic of China ("**PRC**"). CDB is a joint stock commercial bank established jointly by the Ministry of Finance ("**MOF**") and Central Huijin Investment Ltd ("**Huijin**"). The MOF is one of the ministries under the State Council of the PRC, primarily responsible for state fiscal revenue and expenditures, and taxation policies. Huijin was established to hold certain equity investments as authorised by the State Council of the PRC and does not engage in other commercial activities. Huijin exercises legal rights and obligations on behalf of the PRC government. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Suites 4506-4509, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong. The principal activities of the Group are to achieve medium-term to long-term capital appreciation of its assets primarily through its investments in money market securities, equity and debt related securities in listed and unlisted entities on a global basis. The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRS**") and the requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value. In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. While the Group had net current liabilities of approximately HK$261,071,000 as at 31 December 2018 (which included short-term bank borrowings of HK$546,000,000), the Directors consider the Group will be able to meet its financial obligations as they fall due for the foreseeable future after taking into account the availability of the unutilised revolving credit facilities of US$100,000,000 from CDBIH, the controlling shareholder of the Company, together with the expectation that the existing unutilised uncommitted banking facilities and the short-term bank borrowings will be successfully renewed upon their expiry. Moreover, CDBIH has confirmed its intention to provide financial support for the continuing operations of the Group and the Company so as to enable it to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations in the twelve months from 31 December 2018. Accordingly, the consolidated financial statements have been prepared on a going concern basis. The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

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

(a) New and amended standards and interpretations adopted by the Group

The following new standards, amendments to standards and interpretation have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2018:

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HKFRS 15 (Amendments)	Clarifications to HKFRS 15
HK(IFRIC) 22	Foreign Currency Transactions and Advance Consideration
HKAS 28 (Amendments)	Investment in Associate and Joint Ventures
HKAS 40 (Amendments)	Transfer of Investment Property
HKFRS 1 (Amendments)	First Time Adoption of HKFRS

The impact of the adoption of these standards are disclosed in Note 3(c) below. The other standards did not have any material impact on the Group's accounting policies and did not require any retrospective adjustment.

(b) New standards, amendments to standards, interpretation and conceptual framework that have been issued but are not yet effective

The following new standards, amendments to standards, interpretation and conceptual framework have been issued but are not effective for the period and have not been early adopted by the Group:

		Effective for accounting period beginning on or after
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement	1 January 2019
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation	1 January 2019
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures	1 January 2019
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020
HKFRS 16	Leases	1 January 2019
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to HKFRS	Annual Improvements to HKFRS 2015-2017 Cycle	1 January 2019
HKFRS 17	Insurance Contracts	1 January 2021
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate and Joint Ventures	1 January 2019
Annual Improvements Project (Amendments)	Annual Improvements 2015-2017 Cycle	1 January 2019

None of these new standards, amendments to standards, interpretation and conceptual framework is expected to have a significant effect on the consolidated financial statements of the Group, except for those set out below:

HKFRS 16 "Leases"

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group does not have any non-cancellable operating lease commitments as the operating lease is borne by its immediate holding company. The standard is mandatory for first interim period within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

(c) Changes in accounting policies

This note explains the impact of the adoption of HKFRS 9 "Financial Instruments" on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

HKFRS 9 "Financial Instruments"

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of HKFRS 9 "Financial Instruments" from 1 January 2018 resulted in changes in accounting policies. The new accounting policies are set out in note (i) and note (ii) below.

(i) Classification and measurement

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The financial assets held by the Group include equity and debt investments measured at fair value through profit or loss which would likely continued to be measured on the same basis under HKFRS 9. There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for reclassification of financial liabilities that are designated at fair value through profit or loss and the Group does not have any such reclassification of financial liabilities. The derecognition rules have been transferred from HKAS 39 "Financial Instruments: Recognition and Measurement" and have not been changed.

(ii) Impairment of financial assets

The Group has two types of financial assets at amortised cost subject to HKFRS 9's new expected credit loss model, which are other receivables (excluding prepayment and deposits) and cash and cash equivalents. The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. While both financial assets are subject to the impairment requirements of HKFRS 9, the identified impairment loss was insignificant.

(iii) Accounting policies applied until 31 December 2017

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policies.

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading; and those designated at fair value through profit or loss at inception.

(i) Financial assets held for trading

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading. The Group does not hold any derivatives as hedges in a hedging relationship.

(ii) Financial assets designated at fair value through profit or loss

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Group's documented risk management and investment strategy. The Group's policy requires the Board to evaluate the information about these financial assets on a fair value basis together with other related financial information. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "other receivable, prepayments and deposits" and "cash and cash equivalents" in the consolidated statement of financial position.

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss and other comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the

Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated statement of profit or loss and other comprehensive income within 'change in fair value of financial assets at fair value through profit or loss' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statement of profit or loss and other comprehensive income as investment income when the Group's right to receive payments is established.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. For loans and receivables category, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets' original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income.

4 SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") has been identified as the Company's executive directors. The Group's principal activity is investment in equity instruments and other financial instruments. For the purpose of resources allocation and assessment of performance, the CODM regularly reviews the Group's investment portfolio, including financial assets at fair value through profit or loss. Information provided to the CODM includes fair value of the respective investees. The Group's financial assets at fair value through profit or loss portfolio are managed and evaluated on a total return basis. No other discrete financial information was provided to the CODM. Therefore, the Group has identified only one operating segment-investment holding, and no separate segment information is disclosed. Management determines the Group is domiciled in Hong Kong, which is the location of the Group's principal office. The Group's non-current assets (other than financial instruments and property, plant and equipment) are located in the PRC, which is based on the operations of the associates. The Group's revenue was all derived from the Group's operation which is located in Hong Kong. Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

5. INCOME TAX EXPENSES/(CREDIT)

No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong for the year ended 31 December 2018 (2017: 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.

	2018	2017
	HK$	*HK$*
Withholding tax	**86,777**	20,172
Deferred taxation on withholding tax on undistributed earnings of associates	**71,720**	(434,180)
	158,497	(414,008)

6. EXPENSES BY NATURE

	2018	2017
	HK$	*HK$*
Employee benefits expenses *(note)*		
– Directors' fee	**300,000**	304,301
– Basic salaries and other benefits	**5,742,398**	5,079,880
– Retirement benefits contribution	**256,496**	213,386
Auditor's remuneration		
– Audit services	**1,047,370**	997,500
– Non-audit services	**368,130**	390,900
Investment management fees	**350,000**	350,000
Legal and professional fees	**4,074,898**	3,364,076
Others	**3,021,731**	3,290,665
Total of general and administrative expenses	**15,161,023**	13,990,708

Note:

During the year ended 31 December 2018, the Group paid services fee of HK$1,062,978 (2017: HK$1,036,226) to a personnel services company which provides staff to the Group. Such amounts are excluded from the total staff costs as mentioned above.

7. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2018, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

8. EARNINGS PER SHARE

	2018	2017
	HK$	*HK$*
Profit for the year attributable to owners of the Company	**139,579,819**	176,961,171

	2018	2017
	No. of shares	No. of shares
Weighted average number of shares in issue	**2,902,215,360**	2,902,215,360
Basic earnings per share (in HK cents)	**4.81**	6.10
Diluted earnings per share (in HK cents)	**4.81**	6.10

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year. The calculation of diluted earnings per ordinary share is based on the profit for the year attributable to owners of the Company and the weighted average number of ordinary shares used, which is the same for calculating basic earnings per ordinary share above, as the Company did not have any dilutive potential ordinary shares arising from share options for the two years ended 31 December 2018 and 31 December 2017.

9. NET ASSET VALUE PER SHARE

Net asset value per share is computed based on the consolidated net assets of HK$1,623,938,881 (2017: HK$1,487,668,548) and 2,902,215,360 ordinary shares in issue as at 31 December 2018 (2017: 2,902,215,360 ordinary shares).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

For the Year, the Group recorded a profit for the year attributable to owners of the Company of approximately HK$139.58 million (2017: HK$176.96 million) which is primarily attributable to the net valuation gains in fair value of financial assets at fair value through profit or loss for the Year. The finance income for the Year was approximately HK$0.05 million (2017: HK$0.04 million). The net valuation gains on fair value of financial assets at fair value through profit or loss amounted to approximately HK$174.31 million (2017: HK$191.73 million) was recorded in the Year. The general and administrative expenses of the Group for the Year were approximately HK$15.16 million (2017: HK$13.99 million). The increase was mainly resulted from the increase in employee benefits expenses and legal and professional fees incurred during the Year. The finance expenses for the Year were approximately HK$20.23 million (2017: HK$4.36 million). The Group's net asset value increased to approximately HK$1,623.94 million (2017: HK$1,487.67 million). Earnings per share for the Year was amounted to approximately HK4.81 cents (2017: HK6.10 cents).

LIQUIDITY AND FINANCIAL RESOURCES

It is the Group's policy to adopt a prudent financial management strategy. The Group's treasury policies are designed to maintain a suitable level of liquidity facilities and minimise financial risks in order to meet operation requirements and pursue investment opportunities. On 11 November 2016, a loan agreement was entered into between CDBIH as lender and the Company as borrower, pursuant to which CDBIH will provide a term loan to the Company in an amount of up to US$100 million, at an interest rate of 1.65% per annum over US$ 3-month LIBOR. The loan will be repayable on the date falling twelve months after the date of first drawdown, which may be automatically extended for another twelve months unless notified by either CDBIH or the Company not to extend repayment. In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. While the Group had net current liabilities of approximately HK$261.07 million as at 31 December 2018 (which included short-term bank borrowings of HK$546.00 million), the Directors consider the Group will be able to meet its financial obligations as they fall due for the foreseeable future after taking into account the availability of the unutilised revolving credit facilities of US$100 million from CDBIH, the controlling shareholder of the Company, together with the expectation that the existing banking facilities and the short-term bank borrowings will be successfully renewed upon their expiry. Moreover, CDBIH has confirmed its intention to provide financial support for the continuing operations of the Group and the Company so as to enable it to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations in the twelve months from 31 December 2018. Accordingly, the consolidated financial statements have been prepared on a going concern basis. As at 31 December 2018, the cash and cash equivalents of the Group was approximately HK$59.15 million (2017: HK$92.87 million). As almost all the retained cash was denominated in Hong Kong Dollars and placed in major banks in Hong Kong, the Group's exposure to exchange fluctuations is considered minimal. The Board believes that the Group still maintains a healthy financial position as at 31 December 2018. As at 31 December 2018, the Group had short-term borrowings of HK$546.00 million (31 December 2017: HK$546.00 million) and the gearing ratio (calculated as the short-term borrowings to the total shareholder's equity) was 34% (31 December 2017: 37%), putting the Group in an advantageous position to realise its investment strategies and pursue investment opportunities.

CAPITAL STRUCTURE

There is no change to the Group's capital structure for the Year.

CHARGE ON ASSETS, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2018 and 31 December 2017, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities. As at 31 December 2018 and 31 December 2017, as far as the Directors are aware, the Group was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Year, the Company had not made any material acquisition or disposal of subsidiaries and associated companies.

PORTFOLIO REVIEW

Particulars of the significant investments of the Group as at 31 December 2018 are set out as follows:

	Cost as at 31 December 2018 *HK$* (Audited)	Market value as at 31 December 2018 *HK$* (Audited)	Market value as at 31 December 2017 *HK$* (Audited)	Unrealised gains/(losses) recognised for the year ended 31 December 2018 *HK$* (Audited)	Accumulated unrealised gains/(losses) recognised as of 31 December 2018 *HK$* (Audited)	Percentage to the Group's total assets as at 31 December 2018 *%* (Audited)
Jade Sino Ventures Limited ("**Jade Sino**") *(Note 1)*	194,987,520	444,600,000	374,400,000	70,200,000	249,612,480	20%
Jolly Investment Limited ("**Jolly**") *(Note 2)*	195,000,000	241,800,000	249,600,000	(7,800,000)	46,800,000	11%
BEST Inc. ("**Best Inc.**") *(Note 3)*	234,000,000	106,336,707	232,336,648	(125,999,941)	(127,663,293)	5%
Spruce *(Note 4)*	200,460,000	397,800,000	246,394,681	151,405,319	197,340,000	18%
G7 Networks Limited ("**G7**") *(Note 5)*	195,000,000	229,320,000	202,800,000	26,520,000	34,320,000	11%
Wacai Holdings Limited ("**Wacai**") *(Note 6)*	195,000,000	210,600,000	215,148,696	(4,548,696)	15,600,000	10%
NIO INC. ("**NIO**") *(Note 7)*	195,000,000	232,051,606	196,582,906	35,468,700	37,051,606	11%
Yimidida Supply Chain Group Co., Ltd. ("**Yimidida**") *(Note 8)*	153,260,180	186,031,900	156,968,406	29,063,494	32,771,720	9%
	1,562,707,700	**2,048,540,213**	**1,874,231,337**	**174,308,876**	**485,832,513**	**94%**

Notes:

1. Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. As at 31 December 2018, the proportion of the issued share capital of Jade Sino owned by the Group was approximately 23.81%. As at 31 December 2018, Jade Sino directly held approximately 15.01% of the equity interests of Jinko Power Technology Co., Ltd. ("**Jinko Power**"), a company incorporated in the PRC with limited liabilities. Jinko Power and its subsidiaries are principally engaged in developing, building and operating photovoltaic power stations in the PRC. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.

2. Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. As at 31 December 2018, the proportion of the issued share capital of Jolly owned by the Group was approximately 23.04%. As at 31 December 2018, Jolly indirectly held approximately 21.74% of the equity interests of Guangzhou P.G. Investment Co., Ltd. ("**PG Investment**"), a company incorporated in the PRC. PG Investment is a logistics warehouse infrastructure operator in the PRC. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.

3. Best Inc. was incorporated in the Cayman Islands with limited liabilities which is principally engaged in express delivery, freight delivery and supply chain service. Best Inc. was successfully listed on the New York Stock Exchange in September 2017. As at 31 December 2018, the proportion of its issued share capital owned by the Group was approximately 0.86%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.

4. Spruce is an investment holding company incorporated in the Cayman Islands and provides supply chain related services including ingredient procurement, warehousing and distribution to small-and-medium-sized restaurants in the PRC. As at 31 December 2018, the proportion of the issued share capital of Spruce owned by the Group was approximately 1.06%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.

5. G7 is a technology leader in the logistics sector in the PRC. Its services span all aspects of fleet management including order processing, short/long haul visibility, asset tracking, dispatch, and route planning. As at 31 December 2018, the proportion of the issued share capital of G7 owned by the Group was approximately 4.14%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.

6. Wacai is a leading online comprehensive financial planning and wealth management platform in the Fin-tech industry in the PRC. As at 31 December 2018, the proportion of the issued share capital of Wacai owned by the Group was approximately 3.08%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.

7. NIO is an investment holding company incorporated in the Cayman Islands with limited liabilities which is principally engaged in the design, manufacturing and sales of smart and connected premium electric vehicles, driving innovations in next generation technologies in connectivity, autonomous driving and artificial intelligence. On 12 September 2018, the American Depositary Shares ("**ADSs**") of NIO were listed for trading on the New York Stock Exchange. As at 31 December 2018, the proportion of its issued share capital owned by the Group was approximately 0.44%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year. The Board approved the potential disposal of all NIO ADSs on 6 March 2019. Please refer to "Subsequent Event" in this announcement for details.

8. Yimidida is incorporated in the PRC with limited liabilities which is principally engaged in the direct operation in core areas and regional franchise, unified the branding, systems, clearing, services and management standards of its partners along the whole ecological chain, and rapidly established the less-than-truckload freight express network across the country. As at 31 December 2018, the proportion of its issued share capital owned by the Group was approximately 5.38%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.

UNLISTED INVESTMENTS REVIEW

The Company has been committed to identifying and exploring suitable investment opportunities in the logistics industry and has established certain investment layout in areas including, but not limited to, Fin-tech, logistics infrastructure and supply chain services. The investments below in Yimidida, Wacai, G7, Spruce, PG Investment, Jinko Power and Beijing Far East are expected to create investment returns for the shareholders of the Company (the "**Shareholders**") and to further promote the Company's overall market advantage in modern service industries such as logistics, consumption and finance. The Company will proactively leverage the resources of CDB in the areas of agriculture modernisation, logistics infrastructure and microcredit and will fully utilise the Company's extensive knowledge and experience in finance, management and relevant industries to assist, Yimidida, Wacai, G7, Spruce, PG Investment, Jinko Power and Beijing Far East in enhancing their efficiency, exploring business opportunities, optimising the decision-making and incentive mechanisms and improving corporate governance practices continuously.

Jinko Power

On 29 September 2014, the Company had entered into a share subscription agreement (the "**Jade Sino Subscription Agreement**") with CDBIH and Jade Sino, pursuant to which the Company and CDBIH agreed to subscribe for 11,904 and 13,096 ordinary shares of Jade Sino, representing approximately 23.81% and 26.19% of the enlarged issued share capital of Jade Sino respectively. The principal asset of Jade Sino was the 13,404 preferred shares of JinkoSolar Power Engineering Group Limited ("**JinkoSolar Power**") out of the total 26,809 preferred shares subscribed on 11 August 2014 by CDBIH. Upon completion of Jade Sino Subscription Agreement, Jade Sino applied the amount of US$52.50 million (equivalent to approximately HK$409.50 million) contributed by the Company and CDBIH to completing the subscription of the remaining 13,405 preferred shares of JinkoSolar Power. The subscription of the remaining 13,405 preferred shares of JinkoSolar Power by Jade Sino was completed on 13 November 2014.

PG Investment

On 15 December 2015, the Company had entered into a share subscription agreement with Jolly and an independent third party of the Company, pursuant to which Jolly agreed to issue an aggregate of 31,449 ordinary shares of Jolly and the Company as one of the investors agreed to subscribe for 7,245 ordinary shares of Jolly at a cash consideration of US$25.00 million, representing approximately 23.04% of the enlarged issued share capital of Jolly. Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. Jolly indirectly invested in PG Investment, a PRC company. PG Investment is a leading logistics warehouse infrastructure operator in the PRC, whose principal business includes investment, construction and operation of large scale logistics parks, business facilities and exhibition centers. Jolly and PG Investment are both independent third parties of the Group.

Spruce

On 24 November 2016, the Company had entered into an investment agreement with Spruce pursuant to which the Company agreed to subscribe for the newly issued convertible preferred shares of Spruce at a cash consideration of US$25.70 million, representing approximately 1.24% of the enlarged issued capital of Spruce. Spruce is a holding company incorporated in the Cayman Islands and provides supply chain related services including ingredient procurement, warehousing and distribution to small-and-medium-sized restaurants in the PRC. It is the largest e-commerce platform in terms of gross merchandise volume in the area of supply chain for agricultural products in the PRC. By shortening the distribution process of agricultural products, improving the efficiency of agricultural products supply chain, and establishing large-scale warehousing and distribution system and the fine quality control for the whole process. Spruce is able to provide economic and efficient services for farmers and restaurant customers in the PRC's agricultural products supply chain. Spruce is an independent third party of the Group.

G7

On 29 December 2016, a wholly-owned subsidiary of the Company had entered into a convertible preferred share subscription agreement with G7 pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares of G7 at a cash consideration of US$25.00 million, representing approximately 5.59% of the enlarged issued share capital of G7. G7 is a leading logistics data service company in the PRC with its business coverage spanning across the PRC and its neighboring countries in Asia. G7 is connected to over 800,000 cargo vehicles of more than 60,000 customers. By installing smart devices on vehicles in the fleet, G7 utilises the real-time sensing technology to provide data services that span the entire logistic process, to connect the data of every single vehicle, consignor, fleet owner and driver, and thus to improve the efficiency of transport service. Based on the big data of the connected vehicles, G7 cooperates with premium partners from oil distribution, toll roads and bridges, insurance, banking and financial leasing industries to establish a one-stop service platform that integrates primary consumption of fleets. The platform enables safer, more economical, more efficient and more environmentally-friendly logistic services. G7 is an independent third party of the Group.

Wacai

On 8 April 2017, a wholly-owned subsidiary of the Company had entered into a preferred share purchase agreement with Wacai, pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares of Wacai at a consideration of US$25.00 million, representing approximately 3.09% of the enlarged issued share capital of Wacai. As one of the earliest established Fin-tech companies in the PRC, Wacai has now become a leading online comprehensive financial planning and wealth management platform in the industry. In June 2009, Wacai launched the first personal finance bookkeeping mobile application named "Wacai Bookkeeper" in the PRC, and since then gradually evolved into a holistic personal finance platform with products including "Wacai Bao Wealth Management", "Credit Card Manager", "Money Manager" and "Money Town Community". With its devotion to providing one-stop online financial management tools, information and advisory services to the mass market, Wacai has developed an ecosystem around personal financial planning, wealth management, credit management, and vertical online discussion forum. Based on the profound understanding of customer needs, user-friendly product design, cutting edge finance technology, and rigorous risk management, Wacai has been providing consistent and high-quality services to over 47.00 million registered users in the past eight years. Wacai is an independent third party of the Group.

Yimidida

On 30 November 2017, a wholly-owned subsidiary of the Company entered into a capital increment agreement with Yimidida, pursuant to which the Group, as one of the investors, agreed to subscribe for the shares newly issued by Yimidida at a consideration of RMB130.00 million in USD equivalent. Jointly established by several regional leading less-than-truckload logistics enterprises, Yimidida, with the mode of direct operation in core areas and regional franchise, unified the branding, systems, clearing, services and management standards of its partners along the whole ecological chain, and rapidly established the less-than-truckload freight express network across the country. Yimidida improves its franchisees' ability in soliciting orders and profitability, achieves a strong coalition, and gains its advantages in core network and continuous low cost as a national less-than-truckload express enterprise, by making full use of the long-term operation, high network coverage rate and low operation costs of its regional franchisees and providing national services. Yimidida is an independent third party of the Group. Logistics industry is a fundamental and strategic industry which supports the national economic development and also a major industry supported by CDB. The Company has been identifying and exploring appropriate investment opportunities in logistics industry and established an investment layout to a certain extent in logistics infrastructure and supply chain service. This transaction represents another achievement of the Company's continuous efforts in the development of logistics industry and identifying investment opportunities in sub-sectors, which is expected to create an outstanding investment return for the Shareholders and further consolidate the overall market advantage of the Company in various modern service industries, including automobile, logistics, consumption and finance.

Beijing Far East

Beijing Far East Instrument Company Limited (北京遠東儀表有限公司) ("**Beijing Far East**"), is a leading industrial precision instrument manufacturer in the PRC. The principal business of Beijing Far East is to manufacture meters and precise measuring instruments. Based on the unaudited management accounts for the Year, Beijing Far East recorded its unaudited consolidated profit for the Year of approximately HK$6.59 million (2017: HK$0.85 million).

LISTED INVESTMENTS REVIEW

NIO

On 1 December 2017, a wholly-owned subsidiary of the Company entered into a preferred share purchase agreement with NIO, pursuant to which the Group, as one of the investors, agreed to subscribe for the preferred shares newly issued by NIO at a consideration of US$25.00 million. NIO is an independent third party of the Group. Founded in November 2014, NIO is a pioneer in China's premium electric vehicle market, with a mission to shape a joyful lifestyle by offering premium smart electric vehicles and being the best user enterprise. NIO designs, jointly manufactures, and sells smart and connected premium electric vehicles, driving innovations in next generation technologies in connectivity, autonomous driving and artificial intelligence. Redefining the user experience, NIO provides users with comprehensive, convenient and innovative charging solutions and other user-centric services. NIO began deliveries of the ES8, a 7-seater high performance electric SUV in China in June 2018 and launched ES6, a 5-seater electric SUV in December 2018. In September 2018, NIO announced the initial public offering of 160,000,000 ADSs at a price to the public of US$6.26 per ADS for a total offering size of approximately US$1.0 billion. Each ADS represents one Class A ordinary share of NIO. The ADSs began trading on the New York Stock Exchange on 12 September 2018 under the symbol "NIO". New energy vehicle industry is in a middle to long term strong growth trend, which has been generally recognised by the society. In recent years, the Chinese government has launched a series of policies and measures to support the rapid development of the new energy vehicle industry in China. The Company has been identifying and exploring quality targets and investment opportunities in new energy vehicle industry. This transaction represents an important exploration of the Company in such area, which is expected to create an outstanding investment return for the Shareholders and further consolidate the overall market advantage of the Company in various modern consumption upgrade sectors, including automobile, logistics, consumption and finance. The Board approved the potential disposal of the NIO ADSs on 6 March 2019. Please refer to "Subsequent Event" in this announcement for details.

BEST Inc.

BEST Inc. is a leading smart supply chain service provider in China. Its multisided platform combines technology, integrated logistics and supply chain services, last-mile services and value-added services. BEST Cloud, the proprietary technology platform of BEST Inc. that seamlessly connects its systems with those of its ecosystem participants, is the backbone that powers its integrated services and solutions. Its logistics and supply chain services encompass B2B and B2C supply chain management, express and less-than-truckload delivery, cross-border supply chain management and a real-time bidding platform to source truckload capacity. Its last-mile services include online merchandise sourcing and store management for convenience stores as well as B2C services. In addition, it provides value-added services to support its ecosystem participants and help them grow. On 18 January 2016, the Company had entered into a convertible preferred shares purchase agreement with Best Logistics as well as the members of Best Logistics group, the existing holders of the securities of Best Logistics and investors of the new preferred shares of Best Logistics, pursuant to which the Company, as one of the investors of the new preferred shares, agreed to subscribe for certain new preferred shares at a cash consideration of US$30.00 million, representing 0.96% of the enlarged issued share capital of Best Logistics. In June 2017, the name of Best Logistics was changed to BEST Inc. In September 2017, BEST Inc. (NYSE: BSTI) completed its initial public offering of 45,000,000 ADSs, each representing one of its Class A ordinary shares, at US$10.00 per ADS for a total offering size of US$450 million. Its ADSs commenced trading on the New York Stock Exchange on 20 September 2017, under the symbol "BSTI." The Group had not disposed any shares of BEST Inc. it held in the initial public offering of BEST Inc.

EMPLOYEES

As at 31 December 2018, the Company had 6 employees (31 December 2017: 6 employees). The total staff costs of the Group for the Year was approximately HK$6.00 million (2017: HK$5.29 million) . The Company determines its staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages of the Company's employees including basic salary, double pay, performance bonuses and mandatory provident fund are reviewed on regular basis.

GEARING RATIO

The Group had outstanding short-term borrowings of HK$546.00 million as at 31 December 2018 (31 December 2017: HK$546.00 million). As at 31 December 2018, the Group's current ratio (current assets to current liabilities) was approximately 53% (2017: 17%). The ratio of total liabilities to total assets of the Group was approximately 25% (2017: 27%). On 3 April 2017, the Company had entered into an uncommitted revolving loan facility agreement (the "**Facility Agreement**") with China Minsheng Banking Corp., Ltd., Hong Kong Branch ("**CMBC HK**") with CMBC HK as lender and the Company as borrower, pursuant to which CMBC HK will provide an uncommitted revolving loan facility to the Company in the amount of up to US$100.00 million (the "**Loan**"). As at 31 December 2018, the Group had drawn down US$70.00 million (equivalent to approximately HK$546.00 million) under the Facility Agreement. CMBC HK is a licensed financial institution under the laws of Hong Kong and a wholly-owned subsidiary of China Minsheng Banking Corp., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600016, and listed on the Stock Exchange, stock code: 01988). CMBC HK is a third party independent of and not connected with the Company and its connected persons.

EXCHANGE EXPOSURE

The Group had an insignificant exchange risk exposure under review since all the retained cash was denominated in Hong Kong Dollars and placed in several major banks in Hong Kong. The Group did not have significant exchange rate in 2018. It is the Group's policy for its operating entities to operate by using their corresponding local currencies to minimise currency risks.

FUTURE PROSPECTS

The Company has been committed to identifying and exploring suitable investment opportunities in the logistics industry and has established certain investment layout in areas including, but not limited to, logistics infrastructure and supply chain services. Logistics industry is a fundamental and strategic industry which supports the national economic development and is also a key industry supported by CDB, the ultimate controlling shareholder of the Company. The Company will continue to be committed to identifying and exploring suitable investment opportunities in the logistics industry and has established certain investment layout in areas including logistics infrastructure and supply chain services. The Company will continue to extend its area of investment from its current basis to the enterprises which enhance the efficiency of logistics infrastructure and create investment returns for the Shareholders and further promote the Company's overall market strength in modern service industries such as logistics, consumption and finance. The Company will proactively leverage the resources of CDB in logistics infrastructure and microcredit based on its existing logistics network with its extensive industry knowledge and experience in finance and management in order to assist the Company in continuously enhancing its efficiency, exploring business opportunities, optimising the decision-making process and incentive mechanism and improving corporate governance practices. The Company anticipates the growth in logistic industry to remain optimistic. Looking forward, the management believes that the business and operating environment is full of challenges and volatility. Amidst an expectation of a slower growth in mainland China, the market is facing a slowdown in economic growth, and the economic structure has undergone significant changes during the transition from medium-term to long-term. In order to improve the performance of the Group and deliver the best returns to the Shareholders, the Group will continue to look for investment opportunities which strengthen profitability with acceptable risk of the portfolio of the Group. The management will continue to closely monitor the market situation and enhance its operation in all areas, to raise levels of financial control and improve profitability of the Group.

SUBSEQUENT EVENT

On 6 March 2019, the Board approved the potential disposal of the NIO ADSs held by the Company on the New York Stock Exchange, which was also approved by CDBIH in written. Please refer to the relevant announcement published by the Company on 6 March 2019. The carrying value of the investment in NIO of HK$232.05 million as at 31 December 2018, was classified as financial asset at fair value through profit or loss in the consolidated statement of financial position.

DIVIDEND

The Directors do not recommend the payment of any dividend for the Year (2017: Nil).

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the "**AGM**") will be held on Monday, 24 June 2019. For further details of the AGM, please refer to the notice of AGM, which will be despatched in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the identity of the Shareholders who are entitled to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 18 June 2019. The register of members of the Company will be closed from Wednesday, 19 June 2019 to Monday, 24 June 2019 (both dates inclusive), during which period no share transfers will be registered. Shareholders whose names appear on the register of the members of the Company on Monday, 24 June 2019 are entitled to attend and vote at the AGM.

CORPORATE GOVERNANCE

Throughout the Year, the Directors believe that the Company complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") for the Year. The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries by the Company, the Directors have confirmed that they have complied with the required standards as set out in the Model Code during the Year.

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 Year.

AUDIT COMMITTEE

As at 31 December 2018, all members of the audit committee of the Company (the "**Audit Committee**") are independent non-executive Directors. The Audit Committee acts in an advisory capacity and makes recommendations to the Board. The Group's 2018 annual results were reviewed and recommended to the Board for approval by the Audit Committee.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditors, PricewaterhouseCoopers ("**PwC**"), to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on the preliminary announcement.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

This announcement is published on the website of the Stock Exchange (http://www.hkexnews.com.hk) and the Company's website (http://www.cdb-intl.com). The annual report for the Year, containing all the information required by Appendix 16 to the Listing Rules, will be dispatched to the Shareholders and published on the Stock Exchange's and the Company's website in due course.

By Order of the Board
China Development Bank International Investment Limited
BAI Zhe
Chairman

Hong Kong, 29 March 2019

As at the date of this announcement, the Board is comprised of Mr BAI Zhe as Executive Director; and Mr WANG Xiangfei, Mr SIN Yui Man and Mr FAN Ren Da, Anthony as Independent Non-executive Directors.