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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

The board of directors (the "**Board**" or "**Directors**") of China Development Bank International Investment Limited (the "**Company**") announces the unaudited interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2018 (the "**Period**"). The interim results for the Period have been reviewed by the audit committee and PricewaterhouseCoopers, the auditor of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018

		Six months ended 30 June	
	NOTES	**2018**	2017
		HK$	*HK$*
		(Unaudited)	(Unaudited)
Net valuation gains in fair value of financial assets at fair value through profit or loss		**122,875,428**	152,662,272
General and administrative expenses	*6*	**(4,097,751)**	(5,753,727)
Operating profit		**118,777,677**	146,908,545
Finance income		**24,770**	16,697
Finance cost		**(8,919,099)**	(938,830)
Share of results in associates		**369,020**	274,751
Profit before income tax		**110,252,368**	146,261,163
Income tax (expense)/credit	*5*	**(23,325)**	414,008
Profit for the period attributable to owners of the Company		**110,229,043**	146,675,171

	NOTES	Six months ended 30 June 2018 HK$ (Unaudited)	2017 HK$ (Unaudited)
Other comprehensive (loss)/income			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operation		**(624,431)**	1,988,640
Other comprehensive (loss)/income for the period		**(624,431)**	1,988,640
Total comprehensive income for the period attributable to owners of the Company		**109,604,612**	148,663,811
Earnings per share			
– Basic (HK cents)	*7*	**3.80**	5.05
– Diluted (HK cents)	*7*	**3.80**	5.05

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	NOTE	30 June 2018 HK$ (Unaudited)	31 December 2017 HK$ (Audited)
Assets			
Non-current assets			
Property, plant and equipment		–	–
Interests in associates		**73,403,792**	73,892,455
Financial assets at fair value through profit or loss		**1,997,106,765**	1,874,231,337
		2,070,510,557	1,948,123,792
Current assets			
Other receivables, prepayments and deposits		**259,124**	49,196
Cash and cash equivalents		**76,903,215**	92,873,839
		77,162,339	92,923,035
Total assets		**2,147,672,896**	2,041,046,827
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		**29,022,154**	29,022,154
Reserves		**1,568,251,006**	1,458,646,394
Total equity		**1,597,273,160**	1,487,668,548
Liabilities			
Non-current liability			
Deferred tax liabilities		**1,891,654**	1,891,654
Current liabilities			
Other payables and accruals		**2,508,082**	5,486,625
Short-term borrowings		**546,000,000**	546,000,000
		548,508,082	551,486,625
Total liabilities		**550,399,736**	553,378,279
Total equity and liabilities		**2,147,672,896**	2,041,046,827
Net asset value per share	*8*	**0.55**	0.51

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”). In preparing the condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. While the Group had net current liabilities of HK$471,345,743 as at 30 June 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 China Development Bank International Holdings Limited (“**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 expiries. 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 30 June 2018. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis. The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated financial statements were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

2. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

A number of new or amended standards become applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting the financing standards:

HKFRS 9 “Financial Instruments”

The impact of the adoption of these standards and the new accounting policies are disclosed in Note 3 below. The other standards did not have any impact on the Group’s accounting policies and did not require retrospective adjustments.

(b) Impact of standards issued but not yet applied by the Group

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 periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

3. 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 3(a) and 3(b) below.

(a) 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.

(b) 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.

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 People's Republic of China ("**PRC**"). 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 (EXPENSE)/CREDIT

	Six months ended 30 June	
	2018	2017
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Current tax		
– Withholding tax	**(23,325)**	(20,172)
Deferred taxation on withholding tax on undistributed earnings of associates		
– Current period	**–**	434,180
	(23,325)	414,008

No provision for Hong Kong profits tax has been made in the condensed consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong during both periods. Taxation on overseas profits has been calculated on the estimated assessable profit for the Period at the rates of taxation prevailing in the countries in which the Group operates.

6. EXPENSES BY NATURE

	Six months ended 30 June	
	2018	2017
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Employee benefits expenses		
– Directors' fee	**150,000**	154,301
– Other staff costs (Note)		
– Basic salaries and other benefits	**1,899,461**	2,389,338
– Retirement benefits contribution	**122,343**	141,629
Auditor's remuneration		
– Audit services	**–**	–
– Non-audit services	**350,600**	381,400
Investment management fees	**175,000**	175,000
Others	**1,400,347**	2,512,059
Total general and administrative expenses	**4,097,751**	5,753,727

Note: During the Period, the Group paid services fee of HK$324,982 (six months ended 30 June 2017: HK$539,887) to a personnel services company which provides staff to the Group. Such amounts are excluded from the total staff costs as mentioned above.

7. EARNINGS PER SHARE

	Six months ended 30 June	
	2018	2017
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	**110,229,043**	146,675,171

	2018	2017
Weighted average number of ordinary shares in issue	**2,902,215,360**	2,902,215,360
Basic earnings per share (in HK cents)	**3.80**	5.05
Diluted earnings per share (in HK cents)	**3.80**	5.05

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Period.

The calculation of diluted earnings per ordinary share is based on the profit for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue, 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 periods ended 30 June 2018 and 30 June 2017.

8. NET ASSET VALUE PER SHARE

Net asset value per share is computed based on the condensed consolidated net assets of HK$1,597,273,160 as at 30 June 2018 (31 December 2017: HK$1,487,668,548) and 2,902,215,360 ordinary shares in issue as at 30 June 2018 (31 December 2017: 2,902,215,360 ordinary shares).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

For the Period, the Group recorded a profit of approximately Hong Kong Dollars ("**HK$**") 110.23 million (six months ended 30 June 2017: approximately HK$146.68 million) which is primarily attributable to the change in fair value of financial assets at fair value through profit or loss of approximately HK$122.88 million (six months ended 30 June 2017: approximately HK$152.66 million) netted off by the general and administrative expenses of approximately HK$4.10 million (six months ended 30 June 2017: approximately HK$5.75 million) incurred during the Period. For the Period, the interest income was approximately HK$0.02 million (six months ended 30 June 2017: approximately HK$0.02 million). The Group's gain in fair value of financial assets at fair value through profit or loss for the Period amounted to approximately HK$122.88 million (six months ended 30 June 2017: approximately HK$152.66 million). The general and administrative expenses of the Group for the Period were approximately HK$4.10 million (six months ended 30 June 2017: approximately HK$5.75 million), mainly resulted from the decrease in legal and professional fees and employee benefits expenses incurred during the Period. The Group's net asset value increased to approximately HK$1,597.27 million as at 30 June 2018 (31 December 2017: approximately HK$1,487.67 million), with earnings per share of approximately HK3.80 cents (six months ended 30 June 2017: approximately HK5.05 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 China Development Bank International Holdings Limited ("**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 United States Dollars ("**US$**") 100,000,000, at an interest rate of 1.65% per annum over US$ 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 condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. While the Group had net current liabilities of HK$471,345,743 as at 30 June 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 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 30 June 2018. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis. As at 30 June 2018, the cash and cash equivalents of the Group was approximately HK$76.90 million (31 December 2017: HK$92.87 million). As almost all the retained cash was denominated in HK$ 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 30 June 2018. As at 30 June 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 Period.

CHARGE ON ASSETS, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 30 June 2018, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities (31 December 2017: Nil). As at 30 June 2018, 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 Period, the Company had not made any material acquisition and disposal of subsidiaries and associated companies.

PORTFOLIO REVIEW

Particulars of the significant investments of the Group as at 30 June 2018 are set out as follows:

Name of investment	Cost as at 30 June 2018	Market value as at 30 June 2018	Market value as at 31 December 2017	Unrealised gains/(losses) recognised for the Period ended 30 June 2018	Accumulated unrealised gains recognised as of 30 June 2018	Percentage to the Group's total assets as at 30 June 2018
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	%
Financial assets at fair value through profit or loss	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)
Jade Sino Ventures Limited ("**Jade Sino**") *(Note 1)*	194,987,520	374,400,000	374,400,000	–	179,412,480	17%
Jolly Investment Limited ("**Jolly**") *(Note 2)*	195,000,000	257,400,000	249,600,000	7,800,000	62,400,000	12%
BEST Inc. ("**Best Inc.**") *(Note 3)*	234,000,000	316,164,125	232,336,648	83,827,477	82,164,125	15%
Spruce *(Note 4)*	200,460,000	249,600,000	246,394,681	3,205,319	49,140,000	12%
G7 Networks Limited ("**G7**") *(Note 5)*	195,000,000	202,800,000	202,800,000	–	7,800,000	9%
Wacai Holdings Limited ("**Wacai**") *(Note 6)*	195,000,000	226,200,000	215,148,696	11,051,304	31,200,000	11%
NIO INC. ("**NIO**") *(Note 7)*	195,000,000	195,000,000	196,582,906	(1,582,906)	–	9%
Shanghai Yimidida Logistics Management Limited ("**Yimidida**") *(Note 8)*	153,260,180	175,542,640	156,968,406	18,574,234	22,282,460	8%
	1,562,707,700	**1,997,106,765**	**1,874,231,337**	**122,875,428**	**434,399,065**	**93%**

Notes:

1. Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. As at 30 June 2018, the proportion of the issued share capital of Jade Sino owned by the Group was approximately 23.81%. As at 30 June 2018, Jade Sino directly held approximately 16.29% 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 Period. No dividend was received during the Period.

2. Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. As at 30 June 2018, the proportion of the issued share capital of Jolly owned by the Group was approximately 23.04%. As at 30 June 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 Period. No dividend was received during the Period.

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 30 June 2018, the proportion of its issued share capital owned by the Group was approximately 0.89%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

* *for identification purpose only*

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 30 June 2018, the proportion of the issued share capital of Spruce owned by the Group was approximately 1.23%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

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 30 June 2018, the proportion of the issued share capital of G7 owned by the Group was approximately 5.85%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

6. Wacai is a leading online comprehensive financial planning and wealth management platform in the fin-tech industry in the PRC. As at 30 June 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 Period. No dividend was received during the Period.

7. NIO is an investment holding company incorporated in the Cayman Islands with limited liabilities which is principally engaged in the research and development, manufacturing and providing sales and after-sales services of high-end luxury smart electric vehicles. As at 30 June 2018, the proportion of its issued share capital owned by the Group was approximately 0.49%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

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 30 June 2018, the proportion of its issued share capital owned by the Group was approximately 6.22%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

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 transactions below with NIO, Yimidida, Wacai, G7, Spruce, PG Investment and Jinko Power are expected to create investment returns for the shareholders of the Company (the "**Shareholders**") 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 China Development Bank Corporation ("**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 NIO, Yimidida, Wacai, G7, Spruce, PG Investment and Jinko Power 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 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 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. As at 30 June 2018, Jade Sino directly held approximately 16.29% of the equity interests of Jinko Power, a company incorporated in the PRC with limited liabilities.

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 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 a share subscription 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 1.23% of the issued capital of Spruce. 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. 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.

* *for identification purpose only*

G7

On 29 December 2016, a wholly-owned subsidiary of the Company had entered into a 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 5.85% 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 300,000 cargo vehicles of more than 30,000 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 Company.

Wacai

On 8 April 2017, a wholly-owned subsidiary of the Company had entered into a share subscription 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 3.08% 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.

NIO

On 1 December 2017, a wholly-owned subsidiary of the Company had entered into a share subscription agreement with NIO, pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares by NIO at a consideration of US$25.00 million. Established at the end of 2014, NIO is principally engaged in the research and development, manufacturing, sales and after-sales services of high-end luxury smart electric vehicles. NIO gets hold of the core research and development technologies of the batteries, electric drives and electric control systems of electric vehicles, and has competitiveness in vehicle design and brand promotion and is capable of efficiently integrating vehicle manufacturing supply chain system to promote the entire vehicle manufacturing, which as a whole makes NIO the fastest Internet-based electric vehicle manufacturing enterprise in China in terms of research and development and mass production. ES8, its first high-end luxury 7-seater electric sport utility vehicle (SUV) put into mass production, had been officially launched in December 2017. NIO has gained the supports from various Internet giants and leading investment institutions, among which Tencent is the leading investor of this round of fund-raising of NIO. NIO is an independent third party of the Group. New energy vehicle industry is in a middle to long term strong growth trend, which has been generally recognised by the society. Recently, 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.

Yimidida

On 30 November 2017, a wholly-owned subsidiary of the Company entered into a share subscription 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 Renminbi ("**RMB**") 130.00 million in US$ 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, an associate of the Group, 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 Period, Beijing Far East recorded its unaudited consolidated profit of approximately HK$3.18 million (six months ended 30 June 2017: Loss of HK$13.86 million).

LISTED INVESTMENTS REVIEW

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 0.89% of the enlarged issued share capital of Best Logistics. In June 2017, the name of Best Logistics was changed to BEST Inc. Best Inc. (NYSE: BSTI), being one of the Group's major strategic investments and a leading and fastest-growing Smart Supply Chain service provider in China, had successfully completed its initial public offering of 45,000,000 American Depositary Shares ("**ADSs**"), each representing one of its Class A ordinary shares, at US$10.00 per ADS for a total offering size of US$450.00 million. The 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 holds in the initial public offering of Best Inc. Best Inc. is a leading and fastest-growing Smart Supply Chain service provider in China. Its multi-sided platform combines technology, integrated logistics and supply chain, "last mile" service and value-added services. Best Inc.'s logistics and supply chain services encompass B2B and B2C supply chain management, express and less-than-truckload delivery, as well as cross-border supply chain management and a real-time bidding platform to source truckload capacity. Best Inc.'s "last mile" services include online merchandise sourcing and store management for convenience stores and B2C services.

EMPLOYEES

As at 30 June 2018, the Company had 6 employees (30 June 2017: 6). The total staff costs of the Group (excluding Directors' fee) for the Period was approximately HK$2.02 million (six months ended 30 June 2017: HK$2.53 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, performance bonuses and mandatory provident fund are reviewed on regular basis. The Company had no share option scheme during the six months ended 30 June 2018.

GEARING RATIO

As at 30 June 2018, the Group had outstanding bank borrowings of HK$546.00 million (31 December 2017: HK$546.00 million). As at 30 June 2018, the Group's current ratio (current assets to current liabilities) was approximately 14% (31 December 2017: approximately 17%). The ratio of total liabilities to total assets of the Group was approximately 26% (31 December 2017: approximately 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 30 June 2018, the Group had drawn down US$70.00 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 of Hong Kong Limited (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 HK$ and placed in major banks in Hong Kong. It is the Group's policy for its operating entities to operate in 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 within the Group.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (30 June 2017: Nil).

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises three members, namely, Mr WANG Xiangfei, Mr SIN Yui Man and Mr FAN Ren Da, Anthony. All members of the Audit Committee are independent non-executive Directors. The chairman of the Audit Committee is Mr WANG Xiangfei, an independent non-executive Director of the Company. The members of the Audit Committee meet regularly to review the financial report and other information submitted and reported to the Shareholders, the system of internal control, and the effectiveness and objectivity of risk management and audit process. The Audit Committee acts in an advisory capacity and makes recommendations to the Board. The terms of reference of the Audit Committee were adopted and revised in 2015. The Audit Committee has reviewed this announcement and the interim report, including the unaudited condensed consolidated interim financial information of the Group for the Period, which has also been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the Period, the Directors believe that the Company has complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

ACKNOWLEDGMENT

On behalf of the Board, I would like to take this opportunity to express our appreciation to the external professionals to provide their professional services to the Group throughout the Period. I would like to thank my fellow Directors for their valuable contribution and the staff of the Company for their commitment and dedicated services throughout the Period. I would like to express our gratitude to our Shareholders for their support to the Group.

PUBLICATION OF INTERIM REPORT

The 2018 interim report will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cdb-intl.com) and dispatched to the Shareholders in due course.

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

Hong Kong, 6 August 2018

As at the date of this announcement, the Board is comprised of Mr BAI Zhe and Mr ZHANG Jielong as executive Directors; and Mr WANG Xiangfei, Mr SIN Yui Man and Mr FAN Ren Da, Anthony as independent non-executive Directors.