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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 2019

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 2019 (the "**Period**"). The interim results for the Period have been reviewed by the audit committee of the Company 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 2019

		Six months ended 30 June	
	Notes	**2019**	2018
		HK$	*HK$*
		(Unaudited)	(Unaudited)
Net valuation gains in fair value of financial assets at fair value through profit or loss		**24,250,608**	122,875,428
General and administrative expenses	*6*	**(7,726,521)**	(4,097,751)
Operating profit		**16,524,087**	118,777,677
Finance income		**59,137**	24,770
Finance cost		**(11,584,712)**	(8,919,099)
Share of profit in associates		**1,302,506**	369,020
Profit before income tax		**6,301,018**	110,252,368
Income tax expense	*5*	**(95,108)**	(23,325)
Profit for the period attributable to owners of the Company		**6,205,910**	110,229,043

	Notes	Six months ended 30 June	
		2019	2018
		HK$	*HK$*
		(Unaudited)	(Unaudited)
Other comprehensive loss			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(289,486)**	(624,431)
Other comprehensive loss for the period		**(289,486)**	(624,431)
Total comprehensive income for the period attributable to owners of the Company		**5,916,424**	109,604,612
Earnings per share			
– Basic (HK cents)	*7*	**0.21**	3.80
– Diluted (HK cents)	*7*	**0.21**	3.80

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	30 June 2019 HK$ (Unaudited)	31 December 2018 HK$ (Audited)
Assets			
Non-current assets			
Property, plant and equipment		–	–
Interests in associates		**71,184,347**	70,484,937
Financial assets at fair value through profit or loss		**1,979,897,321**	1,816,488,607
		2,051,081,668	1,886,973,544
Current assets			
Other receivables		**282,249**	–
Financial assets at fair value through profit or loss		**92,893,500**	232,051,606
Cash and cash equivalents		**38,702,342**	59,154,395
		131,878,091	291,206,001
Total assets		**2,182,959,759**	2,178,179,545
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		**29,022,154**	29,022,154
Reserves		**1,600,833,151**	1,594,916,727
Total equity		**1,629,855,305**	1,623,938,881
Liabilities			
Non-current liability			
Deferred tax liabilities		**2,027,121**	1,963,374
Current liabilities			
Other payables and accruals		**5,077,333**	6,277,290
Short-term borrowings		**546,000,000**	546,000,000
		551,077,333	552,277,290
Total liabilities		**553,104,454**	554,240,664
Total equity and liabilities		**2,182,959,759**	2,178,179,545
Net asset value per share	*8*	**0.56**	0.56

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 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

In preparing the condensed consolidated financial statements, the directors of the Company ("**Directors**") have given careful consideration to the future liquidity of the Group. While the Group had net current liabilities of approximately HK$419,199,000 as at 30 June 2019 (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 immediate holding company 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 30 June 2019. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

The preparation of condensed consolidated 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 2018.

2. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2018, 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 became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standard:

HKFRS 16 "Leases"

The impact of the adoption of the standard 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 entity

Standards	Subject of amendment	Effective for accounting periods beginning on or after
Amendments to HKFRS 3	Definition of business	1 January 2020
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting	1 January 2020
HKFRS 17	Insurance Contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new HKFRSs and none of those are expected to have material impact on the Group's accounting policies.

3. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 Leases on the group's condensed consolidated financial statements and discloses the new accounting policies that have been applied from 1 January 2019.

HKFRS 16 "Leases"

As at the reporting date, the operating lease for office premises of the Group is borne by its immediate holding company. The adoption of HKFRS 16 does not have a significant impact over the Group's recognition of lease.

From 1 January 2019, the lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

– fixed payments (including in-substance fixed payments), less any lease incentives receivable;

– variable lease payment that are based on an index or a rate;

– amounts expected to be payable by the lessee under residual value guarantees;

– the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and

– payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

– the amount of the initial measurement of lease liability;

– any lease payments made at or before the commencement date less any lease incentives received;

– any initial direct costs; and

– restoration costs.

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 interests in associates and financial assets at fair value through profit or loss) are located in Hong Kong. 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

	Six months ended 30 June	
	2019	2018
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Current tax		
– Withholding tax	**(31,361)**	(23,325)
Deferred taxation on withholding tax on undistributed earnings of associates		
– Current period	**(63,747)**	–
	(95,108)	(23,325)

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 for 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	
	2019	2018
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Employee benefits expenses		
– Directors' fee	**150,000**	150,000
– Other staff costs (Note)		
Basic salaries and other benefits	**2,450,369**	1,899,461
Retirement benefits contribution	**203,018**	122,343
Auditor's remuneration	**361,120**	350,600
Investment management fees	**175,000**	175,000
Legal and professional fee	**2,687,582**	688,304
Others	**1,699,432**	712,043
Total general and administrative expenses	**7,726,521**	4,097,751

Note: During the six month ended 30 June 2019, the Group paid services fee of HK$258,206 (six months ended 30 June 2018: HK$324,982) 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	
	2019	2018
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	**6,205,910**	110,229,043
Weighted average number of ordinary shares in issue	**2,902,215,360**	2,902,215,360
Basic earnings per share (in HK cents)	**0.21**	3.80
Diluted earnings per share (in HK cents)	**0.21**	3.80

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 2019 and 30 June 2018.

8. NET ASSET VALUE PER SHARE

Net asset value per share is computed based on the condensed consolidated net assets of HK$1,629,855,305 as at 30 June 2019 (31 December 2018: HK$1,623,938,881) and 2,902,215,360 ordinary shares in issue as at 30 June 2019 (31 December 2018: 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$**") 6.21 million (six months ended 30 June 2018: approximately HK$110.23 million) which is primarily attributable to the change in fair value of financial assets at fair value through profit or loss of approximately HK$24.25 million (six months ended 30 June 2018: approximately HK$122.88 million) netted off by the general and administrative expenses of approximately HK$7.73 million (six months ended 30 June 2018: approximately HK$4.10 million) incurred during the Period. For the Period, the interest income of the Group was approximately HK$0.06 million (six months ended 30 June 2018: 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$24.25 million (six months ended 30 June 2018: approximately HK$122.88 million). The general and administrative expenses of the Group for the Period were approximately HK$7.73 million (six months ended 30 June 2018: approximately HK$4.10 million), mainly resulted from the increase in legal and professional fees and employee benefits expenses incurred during the Period. The Group's net asset value increased to approximately HK$1,629.86 million as at 30 June 2019 (31 December 2018: approximately HK$1,623.94 million), with earnings per share of approximately HK0.21 cents (six months ended 30 June 2018: approximately HK3.80 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 relevant 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$419,199,242 as at 30 June 2019 (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 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 2019. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis. As at 30 June 2019, the cash and cash equivalents of the Group was approximately HK$38.70 million (31 December 2018: HK$59.15 million). As almost all the retained cash was denominated in HK$ 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 2019. As at 30 June 2019, the Group had short-term borrowings of HK$546.00 million (31 December 2018: HK$546.00 million) and the gearing ratio (calculated as the short-term borrowings to the total shareholder's equity) was 33% (31 December 2018: 34%), 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 2019, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities (31 December 2018: Nil). As at 30 June 2019, 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 top ten investments of the Group as at 30 June 2019 are set out as follows:

	Cost/carrying book cost as at 30 June 2019 *HK$* (Unaudited)	Market value/ carrying amount as at 30 June 2019 *HK$* (Unaudited)	Market value/ carrying amount as at 31 December 2018 *HK$* (Audited)	Unrealised gains/(losses) recognised for the Period ended 30 June 2019 *HK$* (Unaudited)	Accumulated unrealised gains/(losses) recognised as of 30 June 2019 *HK$* (Unaudited)	Percentage to the Group's total assets as at 30 June 2019 % (Unaudited)
Jade Sino Ventures Limited ("**Jade Sino**") *(Note 1)*	194,987,520	478,920,000	444,600,000	34,320,000	283,932,480	21.9%
Jolly Investment Limited ("**Jolly**") *(Note 2)*	195,000,000	265,200,000	241,800,000	23,400,000	70,200,000	12.1%
BEST Inc. ("**Best Inc.**") *(Note 3)*	234,000,000	142,558,456	106,336,707	36,221,749	(91,441,544)	6.5%
Spruce *(Note 4)*	200,460,000	436,800,000	397,800,000	39,000,000	236,340,000	20.0%
G7 Networks Limited ("**G7**") *(Note 5)*	195,000,000	252,720,000	229,320,000	23,400,000	57,720,000	11.6%
Wacai Holdings Limited ("**Wacai**") *(Note 6)*	195,000,000	218,400,000	210,600,000	7,800,000	23,400,000	10.0%
NIO INC. ("**NIO**") *(Note 7)*	195,000,000	92,893,500	232,051,606	(139,158,106)	(102,106,500)	4.3%
Yimidida Supply Chain Group Co., Ltd. ("**Yimidida**") *(Note 8)*	153,260,180	185,298,865	186,031,900	(733,035)	32,038,685	8.5%
Beijing Far East Instrument Company Limited ("**Beijing Far East**") *(Note 9)*	47,766,126	68,720,156	68,077,433	N/A	N/A	3.1%
China Property Development (Holdings) Limited ("**CPDH**") *(Note 9)*	78,000,000	2,464,191	2,407,504	N/A	N/A	0.1%

Notes:

1. Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. As at 30 June 2019, the proportion of the issued share capital of Jade Sino owned by the Group was approximately 23.81%. As at 30 June 2019, 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 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 2019, the proportion of the issued share capital of Jolly owned by the Group was approximately 23.04%. As at 30 June 2019, Jolly indirectly held approximately 20.91% 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.

* *for identification purpose only*

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 2019, the proportion of its issued share capital owned by the Group was approximately 0.85%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

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 2019, 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 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 2019, 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 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 2019, 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 engaged in the design, manufacturing, sales and provision of after-sale services of smart and connected premium electric vehicles. On 12 September 2018, the American Depositary Shares ("**ADSs**") of NIO were listed for trading on the New York Stock Exchange. As at 30 June 2019, the proportion of its issued share capital owned by the Group was approximately 0.44%. The Board approved the potential disposal of all NIO ADSs held by the Group on 6 March 2019. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

8. Yimidida is a company incorporated in the PRC with limited liabilities which is principally engaged in the operation of the less-than-truckload freight network and was 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 country-wide freight franchise network. As at 30 June 2019, the proportion of its issued share capital owned by the Group was approximately 3.76%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

9. The investments in Beijing Far East and CPDH disclosed in the table above are accounted for in accordance with HKAS 28 (Amendments) Investment in Associate and Joint Ventures.

UNLISTED INVESTMENTS REVIEW

The Company has been committed to identifying and exploring high-quality investment opportunities and has established certain investment layout in areas including, but not limited to, logistics infrastructure, Fin-tech, new energy 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 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 Yimidida, Wacai, G7, Spruce, PG Investment, Jinko Power, Beijing Far East and CPDH 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.

During the Period, the performance of JinkoSolar Power was similar as compared with that at the end of 2018, and the major source of its income included sales of electricity and engineering, procurement and construction. The Company expects that the performance of JinkoSolar Power in the second half of 2019 will be generally in line with our expectations.

JinkoSolar Power submitted its IPO application form to China Securities Regulatory Commission in 2018 and the application is in progress, as the Company expected. The Company expects JinkoSolar Power can make a significant contribution to the Company's performance after its listing.

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.

The principal business of PG Investment includes investment, construction and operation of large scale logistics parks, business facilities and exhibition centers. During the Period, PG Investment had 8 operating projects in operation. At the end of the first quarter in 2019, its overall occupancy rate reached 97%. During the Period, PG Investment has completed the land bidding process of Huzhou Phase I project and Nantong project, which are expected to be completed by the end of 2019. The Company expects that PG Investment's operation in the second half of 2019 will remain relatively stable.

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.

In terms of its business, the focus of Spruce in 2019 is to continue to boost the business coverage in cities of which the market was newly exploited by it and to increase its market share. The revenue of Spruce during the Period increased rapidly, however, due to the large initial investments in such new cities, its losses increased as a result. In the future, Spruce will continue to increase its market share by shortening the distribution process of agricultural products, improving the efficiency of agricultural products supply chain, and providing economic and efficient services to farmers and restaurant customers in the agricultural supply chain industry in the PRC. The Company is confident in that Spruce will continue its business expansion at a satisfactory growth rate, and become one of the leaders in the agricultural supply chain industry in the PRC.

G7

On 29 December 2016, a wholly-owned subsidiary of the Company 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 highway logistics artificial intelligence service and intelligent equipment supplier in China with its business coverage spanning across China and its neighboring countries in Asia. G7 is connected to over 1,100,000 cargo vehicles from more than 60,000 customers. By installing smart devices on vehicles in the fleet, G7 utilizes 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 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.

The Company considers that G7's business maintained rapid development during the Period, with its business scales in security products, settlements, supply chain finance, insurance and oil products achieving significant growth as compared with last year. The Company expects that in the future, G7 will continue to use its own Internet of Things and artificial intelligence technology to help logistics customers improve operational efficiency, reduce costs and potential safety hazards, thereby to further increase its market share.

Wacai

On 8 April 2017, a wholly-owned subsidiary of the Company 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 3.08% of the enlarged issued share capital of Wacai.

Wacai is a leading online comprehensive financial planning and wealth management platform. With its devotion to providing one-stop online financial management tools, information and advisory services to its customers, 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 for wealth management, 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.

Due to the sudden tightening of regulation on Internet finance and the macro environment of large-scale de-leveraging, the business performance of Wacai was adversely and continuously affected. However, since the second half of 2018, the domestic liquidity pressure was gradually released, and Wacai had gradually shifted its business focus from the highly regulated person to person business to the credit and financial advertising businesses. Its credit business strategically focused on consumer financing, its monthly new loan amount rebounded rapidly, its risk indicators improved, and Wacai also began to access diversified sources of funds from institutional investors for such business. The financial advertising business of Wacai has been growing rapidly, and its contribution to Wacai's revenue increased substantially. The Company expects that Wacai will seek business diversification and identify new areas for growth in revenue and profit in the future.

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. Yimidida is principally engaged in the operation of the less-than-truckload freight network and was 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 country-wide freight franchise network. Yimidida is an independent third party of the Group.

Yimidida completed its round D and round D+ equity financings during the Period, and the amount of the funds raised exceeded RMB2 billion, which set a new record in fund-raising amount in the less-than-truckload logistics industry in China. During the Period, Yimidida continuously strengthened the direct operation and management of its major franchise member companies at primary regions, and its first ranking in terms of overall cargo volume in the PRC was reinforced. The Company expects that based on Yimidida's country-wide franchise freight network, Yimidida will continuously further the optimization and adjustment of the transport routes and the sortation centers, expand the density of its last-mile service stations, and upgrade the existing products and services, which will further improve its brand image and value-added service capability. The Company expects that Yimidida's business will achieve a satisfactory development in the second half of 2019.

Beijing Far East

Beijing Far East is a company incorporated in the PRC and 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. During the Period, the development of Beijing Far East was stable, Beijing Far East was transforming from a purely precision instrument manufacturer to an integrated industry solution provider. The Company believes that Beijing Far East can further expand its business by the rapid development of the industry of internet. Its carrying value is accounted by equity method.

CPDH

CPDH is a company incorporated in the Cayman Islands with limited liability and principally engaged in investment of residential development project. CPDH did not carry out any business during the Period and it is under litigation process. Its carrying value is accounted for using equity method.

LISTED INVESTMENTS REVIEW

Securities Investments

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. In September 2018, NIO completed the initial public offering of 160,000,000 ADSs on the New York Stock Exchange. The issue price was US$6.26 per ADS, and the total offering size was approximately US$ 1.0 billion. The listing symbol is "NIO". Each ADS represents one Class A ordinary share of NIO.

The new energy automobile industry is a key area for China's development. The Chinese government has introduced a series of supportive policies and incentives to promote the development of the new energy automobile industry in recent years. Its long-term strong development trend has been widely recognized by the society. NIO is one of the leading representatives of China's new energy automobile industry, it also provides users with comprehensive, convenient and innovative charging solutions and other user-centric services.

NIO's second 5-seat high-end pure electric SUV model ES6 was launched in late 2018 and started to be delivered to consumers during the Period.

The Company believes ES6 is a better fit into public demands, which is expected to bring considerable sales and revenue contribution to NIO in 2019. 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. As at 30 June 2019, no disposal related to NIO has been made.

BEST INC.

On 18 January 2016, the Company 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$450.00 million. Its ADSs commenced trading on the New York Stock Exchange on 20 September 2017, under the symbol "BSTI."

Combining the Internet, information technology and traditional logistics services, BEST Inc. is committed to creating a one-stop logistics and supply chain service platform to provide customers with efficient services and experience. It is one of the largest integrated logistics service providers 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., which 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.

During the Period, BEST Inc. continued to maintain a high growth rate. Despite the adverse impact of the overall price war in the express delivery industry, by virtue of its excellent cost control, in the first quarter in 2019, BEST Inc. achieved a gross margin of 4.3%, representing an increase of 2.1 percentage points as compared with the same period in 2018. BEST Inc. recorded a loss of RMB233 million in the first quarter in 2019, representing a significant decrease of 31.3% as compared with the same period in 2018. The Company estimates that the profitability of BEST Inc. will continue to improve in the second half of 2019.

EMPLOYEES

As at 30 June 2019, the Company had 7 employees (30 June 2018: 6 employees). The total staff costs of the Group (excluding Directors' fee) for the Period was approximately HK$2.65 million (six months ended 30 June 2018: HK$2.02 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 a regular basis. The Company had no share option scheme during the six months ended 30 June 2019. However, the Company provided training suitable to employees' needs and in accordance with the Company's own development strategy.

GEARING RATIO

As at 30 June 2019, the Group had outstanding bank borrowings of HK$546.00 million (31 December 2018: HK$546.00 million). As at 30 June 2019, the Group's current ratio (current assets to current liabilities) was approximately 24% (31 December 2018: approximately 53%). The ratio of total liabilities to total assets of the Group was approximately 25% (31 December 2018: approximately 25%). 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 2019, 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 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 during the Period 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 high-quality investment opportunities and has established certain investment layout in areas including, but not limited to, logistics infrastructure, Internet finance, new energy and supply chain services. The company expects the logistics industry will maintain good growth, logistics industry is a fundamental and strategic industry which supports the national economic development and is also a key industry which CDB, the ultimate controlling shareholder of the Company, supports. 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, continue to focus on identifying and exploring suitable investment opportunities in the logistics industry. The Company will continue to actively pursue opportunities to bring the best returns to the Shareholders and pave the way for business growth. Looking forward, the management believe that the business and operating environment is full of challenges and volatility. 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 by continuing to diversify its investments in different segments, for example, photovoltaic power generation, Fin-tech and premium vehicles segments. The management will continue to closely monitor the market situation and enhance its operation in all areas, to raise levels of financial discipline and improve profitability of the Group.

SUBSEQUENT EVENTS

There are no subsequent events after the end of the Period.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (30 June 2018: 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 revised in 2018. The Audit Committee has reviewed the interim results 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. The terms of reference of the Audit Committee were revised in 2018. Please refer to the "Revised Terms of Reference of Audit Committee" published by the Company on 21 December 2018.

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, save as disclosed below, 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.

Under paragraph A.5.5 (2) of Appendix 14 to the Listing Rules, where a listed issuer proposes to elect an individual as independent non-executive director at a general meeting and the individual will be holding his seventh (or more) listed company directorship, it must explain why the board believes the individual would still be able to devote sufficient time to the board in the relevant shareholder circular and/or explanatory statement accompanying the meeting notice.

Pursuant to Article 88 of the Articles, Mr. FAN Ren Da, Anthony ("**Mr. Fan**") has retired by rotation from the Board at the annual general meeting of the Company dated 24 June 2019 (the "**AGM**") and offered himself for re-election. The re-election of Mr. Fan has been considered and approved on the annual general meeting of the Company dated 24 June 2019. The reason why the Board believed Mr. Fan would still be able to devote sufficient time to the Board despite his directorship in more than seven listed companies was not disclosed in the circular for the AGM.

The Company did not make the disclosure required under the Appendix 14 to the Listing Rules mainly because at the Company's AGM, Mr. Fan was purely subject to re-election due to a technical mechanism of retirement by rotation provided under the Articles of Association of the Company and the Companies Laws of the Cayman Islands, rather than being elected as a new independent non-executive director of the Company.

The Board believes that despite Mr. Fan's positions as a director in more than seven listed companies, he would still be able to devote sufficient time to the Board on the following grounds:

- Mr. Fan has been serving as a director of the Company since 2012. During his term of office, he has been actively participating in the meetings of the Board and board committees and the annual general meetings of the Company to the extent possible. He had a 100% attendance rate for every Board meeting (except one meeting in 2016) and annual general meeting of the Company since he became a director of the Company. As a member of each of the board committees, he also had a 100% attendance rate for all board committee meetings in the past seven years.

- Mr. Fan also attended all trainings provided to the directors for the past 7 years.

- Since 2012, Mr. Fan has always been a director of more than 7 listed companies, which did not prevent him from participating in the Company's business based on his attendance rates. Mr. Fan is familiar with the Company and its business over the years. He has provided great assistance to the other members of the Board as well as to the management of the Company.

- Mr. Fan is fully aware of the requirements under the Listing Rules for a director to devote sufficient time in the Company's matters and will make sure that he is able to do so to fulfil his duties and obligation as a director.

- Mr. Fan is experienced in matters of Hong Kong listed companies and familiar with the Listing Rules and other laws and regulations in Hong Kong, which makes him more efficient in dealing with the corporate matters of the companies of which he is an independent non-executive director and enables him to manage to perform his duties and obligations as an independent non-executive director of multiple listed companies at the same time.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code 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 2019 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, 30 August 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.