

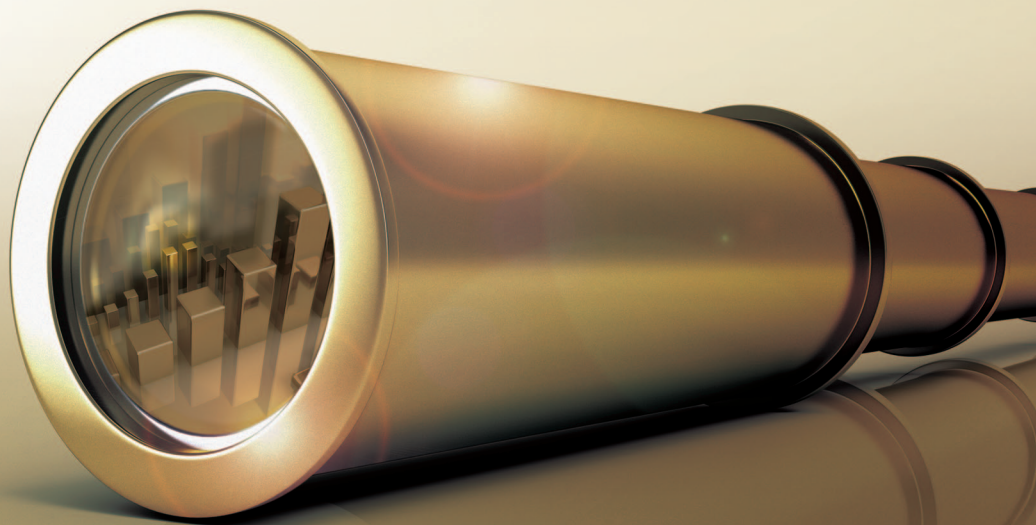


CHINA INVESTMENT DEVELOPMENT LIMITED

中國投資開發有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 204)



INTERIM REPORT
2012

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Cheong Yee
Mr. Wong Chak Keung

Non-executive Directors

Mr. Deng Li (*Chairman*)
Mr. Lin Song

Independent Non-executive Directors

Mr. Fong Wo, Felix
Mr. Leung Wing Kin
Mr. Tang Ping Sum

AUDIT COMMITTEE

Mr. Fong Wo, Felix
Mr. Leung Wing Kin
Mr. Tang Ping Sum

REMUNERATION COMMITTEE

Mr. Fong Wo, Felix
Mr. Leung Wing Kin
Mr. Tang Ping Sum

NOMINATION COMMITTEE

Mr. Deng Li
Mr. Fong Wo, Felix
Mr. Leung Wing Kin
Mr. Tang Ping Sum
Mr. Wong Chak Keung

COMPANY SECRETARY

Mr. Wong Chak Keung

INVESTMENT MANAGER

China Everbright Securities (HK) Limited

CUSTODIANS

China Everbright Securities (HK) Limited

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

AUDITORS

HLM & Co.
Certified Public Accountants

LEGAL ADVISERS

Hong Kong Law

Michael Li & Co.

Bermuda Law

Conyers Dill & Pearman

PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
Bermuda

BRANCH SHARE REGISTRAR

Union Registrars Limited
18/F, Fook Lee Commercial Centre
Town Place, 33 Lockhart, Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Units 7809-13, 78/F, The Center
99 Queen's Road Central, Central
Hong Kong

WEBSITE

<http://www.cidl.com.hk>

STOCK CODE

204

INTERIM RESULTS

The board of directors (the "Board") of China Investment Development Limited (the "Company") hereby announced the unaudited results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2012 (the "Period") together with the comparative figures for the corresponding period in 2011. The unaudited results for the Period have been reviewed by the Company's Audit Committee and are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2012

		Six months ended	
		30 September	
	Notes	2012	2011
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Continuing operations			
Revenue	5	444	6
Other income	5	39	200
Net unrealised (loss)/gain on financial assets held for trading		(227)	101
Gain on redemption of convertible bonds		-	5,393
Gain on disposal of a subsidiary	6	3,681	1
Administrative expenses		(8,897)	(3,248)
Finance costs	7	-	(148)
Share of results of an associate		(55)	-
(Loss)/profit before taxation	8	(5,015)	2,305
Taxation	9	-	-
(Loss)/profit for the period from continuing operations		(5,015)	2,305
Discontinued operations			
Profit for the period from discontinued operations	10	-	708
(Loss)/profit for the period attributable to the owners of the Company		(5,015)	3,013
Dividend	11	-	-
(Loss)/earnings per share			
12			
From continuing and discontinued operations			
— Basic (HK cents per share)		(0.80)	0.49
— Diluted (HK cents per share)		(0.80)	0.49
From continuing operations			
— Basic (HK cents per share)		(0.80)	0.38
— Diluted (HK cents per share)		(0.80)	0.38

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
(EXPENSES)/INCOME***For the six months ended 30 September 2012*

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss)/profit for the period attributable to the owners of the Company	<u>(5,015)</u>	3,013
Other comprehensive income/(expenses):		
Changes in fair value of available-for-sale financial assets	–	(315)
Exchange differences on translation of financial statements of foreign operations	–	216
Other comprehensive expenses for the period, net of tax	–	(99)
Total comprehensive (expenses)/income attributable to the owners of the Company	<u><u>(5,015)</u></u>	<u><u>2,914</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2012

		30 September 2012	31 March 2012
	Notes	HK\$'000	HK\$'000
		(unaudited)	(audited)
Non-current assets			
Property, plant and equipment		2,127	2,837
Available-for-sale financial assets	13	21,400	18,185
Interest in an associate	14	6,019	6,074
		29,546	27,096
Current assets			
Financial assets held for trading	15	387	614
Other receivables, deposits and prepayment		2,860	3,317
Amount due from a shareholder		–	3,884
Bank and cash balances		3,388	5,954
		6,635	13,769
Assets classified as held for sale		–	4,377
		6,635	18,146
Current liabilities			
Amount due to a shareholder	16	2,380	–
Other payables and accrued charges		1,540	1,224
		3,920	1,224
Liabilities directly associated with assets classified as held for sale		–	2,008
		3,920	3,232
Net current assets		2,715	14,914
Net assets		32,261	42,010

		30 September 2012	31 March 2012
	Notes	HK\$'000 (unaudited)	HK\$'000 (audited)
Capital and reserves			
Share capital	17	6,303	6,303
Reserves		25,958	35,707
Total equity		32,261	42,010
Net asset value per share	18	HK\$0.05	HK\$0.07

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2012

	Share capital HK\$'000	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Convertible			Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
				Warrant reserve HK\$'000	bonds equity reserve HK\$'000	Share option reserve HK\$'000			
				HK\$'000	HK\$'000	HK\$'000			
At 1 April 2012 (audited)	6,303	53,948	(315)	-	-	4,730	5,049	(27,705)	42,010
Release upon redemption of convertible bonds	-	-	315	-	-	-	-	-	315
Realisation upon disposal of a subsidiary	-	-	-	-	-	-	(5,049)	-	(5,049)
Loss for the period	-	-	-	-	-	-	-	(5,015)	(5,015)
At 30 September 2012 (unaudited)	<u>6,303</u>	<u>53,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,730</u>	<u>-</u>	<u>(32,720)</u>	<u>32,261</u>
At 1 April 2011 (audited)	6,050	90,771	(875)	842	10,696	-	4,715	(118,803)	(6,604)
Capital reorganisation	(5,747)	(90,771)	-	-	-	-	-	96,518	-
Redemption of convertible bonds	-	-	-	-	(10,696)	-	-	-	(10,696)
Issue of shares	6,000	54,000	-	-	-	-	-	-	60,000
Shares issue expenses	-	(52)	-	-	-	-	-	-	(52)
Other comprehensive income (expense)	-	-	(315)	-	-	-	216	-	(99)
Profit for the period	-	-	-	-	-	-	-	3,013	3,013
At 30 September 2011 (unaudited)	<u>6,303</u>	<u>53,948</u>	<u>(1,190)</u>	<u>842</u>	<u>-</u>	<u>-</u>	<u>4,931</u>	<u>(19,272)</u>	<u>45,562</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 September 2012*

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash generated from operating activities	5,160	5,399
Net cash used in investing activities	(7,726)	(12,750)
Net cash generated from financing activities	–	27,948
Net (decrease)/increase in cash and cash equivalents	(2,566)	20,597
Effect of foreign exchange rate charge	–	502
Cash and cash equivalents at 1 April	5,954	(286)
Cash and cash equivalents at 30 September	3,388	20,813
Analysis of the balance of cash and cash equivalents		
Bank and cash balances	3,388	20,813

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 25 March 1998 and was de-registered on 11 March 2011 and was registered by way of continuation as an exempted company in Bermuda on 2 March 2011. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 12 December 2000. Its registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong is located at Units 7809-13, 78/F., The Center, 99 Queen's Road Central, Central, Hong Kong.

The Company is principally engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities.

The condensed consolidated financial statements are prepared in Hong Kong dollars, which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 March 2012. The accounting policies and basis of preparation used in the preparation of condensed consolidated financial statements are consistent with those applied in the Company's audited financial statements for the year ended 31 March 2012. The condensed consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair values or revalued amounts, as appropriate.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and revised Standards and Interpretations applied with no material effects on the condensed consolidated financial statements

The accounting policies and basis of preparation adopted in the preparation of these condensed consolidated financial statements are consistent with those used in the Group’s audited financial statements for the year ended 31 March 2012, except in relation to the following new and revised HKFRS, HKASs and Interpretations (hereinafter collectively referred to as the “new and revised HKFRSs”), which have become effective for accounting periods beginning on or after April 2012, that are adopted for the first time for the current period’s financial statements.

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income

New and revised Standards and Interpretations in issue but not yet effective

The Group has not early applied the following new and revised Standards and Interpretations that have been issued but are not yet effective.

Amendments to HKFRSs	Annual Improvement to HKFRSs 2009–2011 Cycle ¹
HKFRS 1 (Amendments)	Government Loans ¹
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
HKFRS 9 (Revised)	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ¹
HKFRS 11	Joint Arrangements ¹
HKFRS 12	Disclosures of Interests in Other Entities ¹
HKFRS 13	Fair Value Measurement ¹
HKAS 19 (as revised in 2011)	Employee Benefits ¹
HKAS 27 (as revised in 2011)	Separate Financial Statements ¹
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ¹
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities ²
HK (IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine ¹

¹ Effective for annual periods beginning on or after 1 January 2013

² Effective for annual periods beginning on or after 1 January 2014

³ Effective for annual periods beginning on or after 1 January 2015

4. SEGMENT INFORMATION

During the six months ended 30 September 2012, the Group's turnover and net loss were mainly derived from interest income and operating expenses. The directors consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of the operating loss.

The Group operates in two (2011: three including The Republic of Korea) principal geographical areas — Hong Kong SAR and the People's Republic of China (excluding Hong Kong) ("the PRC"). The Group's segment assets and liabilities for the Period, analysed by geographical area, are as follows:

	Hong Kong, SAR		The PRC		The Republic of Korea		Total	
	30/9/2012	31/3/2012	30/9/2012	31/3/2012	30/9/2012	31/3/2012	30/9/2012	31/3/2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)
ASSETS AND LIABILITIES								
Assets								
Segment assets	3,775	2,837	6,019	6,074	-	4,370	9,794	13,281
Unallocated corporate assets							26,387	31,961
Total assets							36,181	45,242
Liabilities								
Segment liabilities	-	-	-	-	-	2,008	-	2,008
Unallocated corporate liabilities							3,920	1,224
Total liabilities							3,920	3,232
Other information:								
Addition to non-current assets	4	3,540	-	-	-	-	4	3,540
Depreciation	700	749	-	-	-	88	700	837

5. REVENUE AND OTHER INCOME

An analysis of revenue and other income are as follows:

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue:		
Interest income from available-for-sale financial assets	444	6
Other income:		
Written back of accruals	39	200
Revenue and other income from continuing operations	483	206

The Group's revenue represents interest income from investment in convertible bonds which are available-for-sale financial assets included in condensed consolidated statement of financial position. No other source of income contributed to the Group's revenue for both six months ended 30 September 2012 and 2011.

6. GAIN ON DISPOSAL OF A SUBSIDIARY

On 21 February 2012, the Group entered into the agreement with an independent third party for the disposal of 100% equity interest in Asia Light Limited and the assignment of the amount due from the disposal group to holding company at a cash consideration of HK\$1 million. The disposal has been completed on 20 April 2012. A gain of approximately HK\$3,681,000 resulted in the disposal.

	HK\$'000
Property, plant and equipment	187
Available-for-sale financial assets	3,429
Other receivables, deposits and prepayment	753
Bank and cash balances	7
Amount due to holding company	(4,313)
Other payables and accrued charges	(2,008)
Net liabilities	(1,945)
Realization of exchange reserve	(5,049)
Net liabilities disposed of	(6,994)
Assignment of amount due to holding company	4,313
Gain on disposal	3,681
Total Consideration	1,000
Net cash flow on disposal of a subsidiary	
Consideration settled in cash	1,000
Bank and cash balances of the subsidiary disposed of	(7)
Net cash inflow in respect of the disposal	993

7. FINANCE COSTS

	Six months ended 30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on borrowings wholly repayable within five years:		
Interest expenses on convertible bonds	—	148

8. (LOSS)/PROFIT BEFORE TAXATION

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss)/profit before taxation has been arrived at after charging:		
Directors' remunerations		
— Fees		
Executive directors	282	377
Non-executive directors	131	117
Independent non-executive directors	326	322
— Executive director's remuneration	360	175
— Contributions to Mandatory Provident Fund ("MPF") scheme	7	5
Total directors' remunerations	1,106	996
Staff costs		
— Salaries	126	358
— Contributions to MPF scheme	6	5
Total staff costs (excluding directors' remunerations)	132	363
Auditors' remuneration	90	100
Rent and rates	4,777	829
Depreciation	700	70
Investment managers' fee	341	295
Loss on disposal of property, plant and equipment	14	—
and after crediting:		
Interest income	444	6
Gain on redemption of convertible bonds	—	5,393
Gain on disposal of a subsidiary	3,681	1

9. TAXATION

No provision for profits tax is required since the Group has no assessable profits either arising from Hong Kong or other jurisdictions during the six months ended 30 September 2012 (six months ended 30 September 2011: nil).

Deferred tax assets are not recognised for tax losses carry forward due to uncertainty of realisation of the related tax benefit through the future taxable profits.

10. PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS

The Group's investment business in Korea was disposed on 20 April 2012. The results of the investment business in Korea has been presented as discontinued operations and included in the condensed consolidated income statement as set out below:

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue	–	1,796
Administrative expenses	–	(1,088)
Attributable income tax expense	–	–
Profit for the period from discontinued operations	–	708

11. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2012 (six months ended 30 September 2011: nil).

12. (LOSS)/EARNINGS PER SHARE**From continuing and discontinued operations**

The calculation of the basic and diluted (loss)/earnings per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss)/profit for the period:		
(Loss)/profit for the period attributable to owners of the Company	<u>(5,015)</u>	<u>3,013</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<u>630,250,760</u>	<u>613,767,244</u>

From continuing operations

The calculation of the basic and diluted (loss)/earnings per share from continuing operations attributable to owners of the Company is based on the following data:

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss)/profit for the period attributable to owners of the Company	<u>(5,072)</u>	<u>3,013</u>
Less: profit for the period from discontinued operations	<u>-</u>	<u>708</u>
(Loss)/profit for the purpose of basic (loss)/earnings per share from continuing operations	<u>(5,072)</u>	<u>2,305</u>

The denominators used are the same as those detailed above for both basic and diluted (loss)/earnings per share.

Effect of dilutive potential shares in respect of outstanding share options would result in an anti-dilutive effect in the calculation of diluted (loss)/earnings per share from continuing and discontinued operations. Therefore, the basic and diluted (loss)/earnings per share in 2012 and 2011 are the same.

13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 September 2012 HK\$'000 (unaudited)	31 March 2012 HK\$'000 (audited)
Unlisted equity securities overseas, at cost (note 1)	–	3,429
Unlisted debt securities overseas, at fair value (note 2)	21,400	18,185
	21,400	21,614
Reclassified as disposed group held for sale	–	(3,429)
	21,400	18,185

Particulars of available-for-sale financial assets are as follows:

Name of investee company	Place of incorporation	Percentage of interest held	Unlisted equity securities, at costs							
			30.9.2012		31.3.2012		30.9.2012		31.3.2012	
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)
Note 1:										
ILC Co., Ltd. ("ILC")	The Republic of Korea	20%	-	3,429	-	-	-	-	-	3,429
Reclassified as disposal group held for sale			-	(3,429)	-	-	-	-	-	(3,429)
Total			-	-	-	-	-	-	-	-

ILC is principally engaged in producing, distributing and managing self-service coin counting machines, information technology and e-commerce business. The carrying amount of investment in ILC as at 31 March 2012 is KRW500,000,000, which is equivalent to approximately HK\$3,429,000. No dividend was received or receivable during the year ended 31 March 2012. At 31 March 2012, the directors of the Company had assessed that no impairment loss was required to be made for the investment in ILC. In April 2012, the Company had disposed of the subsidiary, Asia Light Limited and its subsidiary, Temujin Investments Korea Co., Limited which held the equity interest in ILC. Therefore, as at 31 March 2012, the investment in ILC was reclassified as disposal group held for sale.

Name of investee companies	Place of incorporation	Unlisted debt securities, at cost				Fair value adjustment		Carrying value	
		30.9.2012		31.3.2012		30.9.2012		31.3.2012	
		HK\$'000		HK\$'000		HK\$'000		HK\$'000	
		(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)
Note 2:									
Babie's Holdings Limited	British Virgin Islands	-	9,500	-	(217)	-	-	9,283	
Splendid Beauty Salon Holding Co., Ltd. (formerly known as Smart Planner Limited)	British Virgin Islands	-	9,000	-	(98)	-	-	8,902	
Miracle Fortune Group Limited	British Virgin Islands	7,000	-	-	-	7,000	-		
Treasure Billions Wisdom Limited	British Virgin Islands	7,800	-	-	-	7,800	-		
Venture Champion Limited	British Virgin Islands	6,600	-	-	-	6,600	-		
		<u>21,400</u>	<u>18,500</u>	<u>-</u>	<u>(315)</u>	<u>21,400</u>	<u>18,185</u>		

On 29 September 2011, the Company invested the 8% unsecured convertible bonds issued by Babie's Holdings Limited ("Babie's") at a face value of HK\$9,500,000, which bear coupon interest rate of 8% per annum. Babie's is an investment holding and its business is principally engaged in early childhood education catering for children's social, emotional and academic development in the PRC. As at the time of investment in Babie's, the investment in Babie's did not exceed 20% of the Company's net asset value at that time. The convertible bonds due on 29 September 2015 are convertible into fully paid ordinary shares of Babie's with a par value of USD1.00 each at a conversion price of HK\$100,000 per share. The Company can exercise the conversion at anytime until the maturity date. On 1 June 2012, the convertible bond in the principal amount of HK\$9,500,000 with accrued interest up to 31 May 2012 amounting to approximately HK\$127,000 was fully redeemed by the issuer.

On 30 September 2011, the Company invested the 8% unsecured convertible bonds issued by Splendid Beauty Salon Holding Co., Ltd. (formerly known as Smart Planner Limited) ("Splendid") at a face value of HK\$9,000,000, which bear coupon interest rate of 8% per annum. Splendid is an investment holding and its business is principally engaged in professional and quality beauty treatments, services and products in the PRC. The convertible bonds due on 30 September 2014 are convertible into fully paid ordinary shares of Splendid with a par value of USD1.00 each at a conversion price of HK\$100,000 per share. The Company can exercise the conversion at anytime until the maturity date. On 5 June 2012, the convertible bonds in the principal amount of HK\$9,000,000 with accrued interest up to 5 June 2012 amounting to approximately HK\$130,000 was fully redeemed by the issuer.

On 11 June 2012, the Company invested in the 3% unsecured convertible bonds issued by Miracle Fortune Group Limited ("Miracle") at a face value of HK\$7,000,000, bearing coupon interest rate of 3% per annum. Miracle is an investment holding company and its business will be principally engaged in provision of branding, products design, distribution network development and e-business services related to apparel and accessories business in the PRC. The convertible bonds due on June 2016 are convertible into fully paid ordinary shares of Miracle with a par value of USD1.00 each at a conversion price of HK\$200,000 per share. The Company can exercise the conversion at anytime until the maturity date.

On 14 June 2012, the Company invested in the 3% unsecured convertible bonds issued by Treasure Billions Wisdom Limited. ("Treasure") at a face value of HK\$7,800,000, bearing coupon interest rate of 3% per annum. Treasure is an investment holding company and its business will be principally engaged in provision of multi-media and outdoor advertising business in the PRC. As at the time of investment in Treasure, the investment in Treasure did not exceed 20% of the Company's net asset value at that time. The convertible bonds due on June 2016 are convertible into fully paid ordinary shares of Treasure with a par value of USD1.00 each at a conversion price of HK\$200,000 per share. The Company can exercise the conversion at anytime until the maturity date.

On 29 June 2012, the Company invested in the 3% unsecured convertible bonds issued by Venture Champion Limited. ("Venture") at a face value of HK\$6,600,000, bearing coupon interest rate of 3% per annum. Venture is an investment holding company and its business will be principally engaged in professional stage performance and provision of training in art and cultural activities in the PRC. The convertible bonds due on June 2016 are convertible into fully paid ordinary shares of Venture with a par value of USD1.00 each at a conversion price of HK\$200,000 per share. The Company can exercise the conversion at anytime until the maturity date.

14. INTEREST IN AN ASSOCIATE

	30 September 2012 HK\$'000 (unaudited)	31 March 2012 HK\$'000 (audited)
Cost of investment in an associate	6,080	6,080
Share of post-acquisition loss	(61)	(6)
	6,019	6,074

(a) Details of the Group's associate at 30 September 2012 are as follows:

Name of associate	Place of establishment/ operation	Issued and fully paid registered capital	Percentage of equity held by the Group	Proportion of voting rights	Principal activities
Bonicast Construction Material (Beijing) Co., Ltd. ("Bonicast Beijing") (note 1)	PRC	Registered RMB10,000,000	49%	20% (note 2)	Trading of construction materials

Notes:

- Bonicast Beijing is principally engaged in trading of construction material in the PRC.
 - The Group is able to exercise significant influence over Bonicast Beijing because it has 20% voting rights in accordance with the shareholders' agreement.
- (b) Summarised unaudited financial information in respect of the Group's associate is set out below:

	30 September 2012 HK\$'000	31 March 2012 HK\$'000
Total assets	12,273	12,353
Total liabilities	-	(12)
Net assets	12,273	12,341
Group's share of net assets of an associate	6,014	6,074

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
Total revenue	18,018	–
Total loss for the period	(112)	–
Group's share of loss of an associate	(55)	–

15. FINANCIAL ASSETS HELD FOR TRADING

	30 September	31 March
	2012	2012
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Hong Kong listed equity securities, at market value	387	614

The following is particulars of the financial assets held for trading as at 30 September 2012:

Name of investee company	Place of incorporation	Number of shares held	Percentage of interest held	Cost HK\$'000	Market value HK\$'000	Change in fair value HK\$'000	Net assets
							attributable to the Company HK\$'000
China Investment and Finance Group Limited ("CIFG") (note 1)	Cayman Islands	1,288,000 ordinary shares	0.211%	864	387	(477)	1,147

A brief description of the business and financial information of the above listed equity security, based on their latest financial statements, is as follow:

- (1) CIFG is principally engaged in investment in listed and unlisted companies in Hong Kong and overseas market.

The audited net loss attributable to the owners of CIFG for the year ended 31 March 2012 was approximately HK\$278,193 and the audited net assets attributable to the owners of CIFG at 31 March 2012 was approximately HK\$543 million. The fair value of the investment in CIFG is based on quoted market bid prices. No dividend was received during the six months ended 30 September 2012.

16. AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder is unsecured, interest free and has no fixed repayment term.

17. SHARE CAPITAL

	Number of ordinary shares of HK\$0.20 each	Number of ordinary shares of HK\$0.01 each	Nominal value HK\$'000
Authorised:			
At 1 April 2011	500,000,000	–	100,000
Capital reorganisation (note a)	<u>(500,000,000)</u>	<u>10,000,000,000</u>	<u>–</u>
At 31 March 2012 and 30 September 2012	<u>–</u>	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:			
At 1 April 2011	30,250,760	–	6,050
Capital reorganisation (note a)	<u>(30,250,760)</u>	<u>30,250,760</u>	<u>(5,747)</u>
Issue of shares (note b)	<u>–</u>	<u>600,000,000</u>	<u>6,000</u>
At 31 March 2012 and 30 September 2012	<u>–</u>	<u>630,250,760</u>	<u>6,303</u>

Notes:

- (a) The capital reorganisation of the Company was effective on 6 April 2011 by way of a reduction of share capital which involved a subdivision of each share of HK\$0.20 each into 20 new shares of HK\$0.01 each and the cancellation of 19 of every 20 issued shares in the share capital of the Company after the subdivision of shares, so effectively the share capital of the Company was reduced to the extent that HK\$0.19 of the paid-up capital of the Company on each of the existing issued share of HK\$0.20 was cancelled.
- (b) On 6 April 2011, the Company completed the issue of 600,000,000 new shares of HK\$0.01 each to Jade Bright Limited, the existing substantial shareholder of the Company, at the consideration of HK\$60,000,000 under subscription agreement dated 10 December 2010 (as supplemented by the supplemental agreement dated 13 January 2011) and entered into between the Company and Jade Bright Limited. Immediately after the completion of the subscription agreement, Jade Bright Limited had then placed 129,418,000 new shares to six independent investors.

18. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the net assets included in the condensed consolidated statement of financial position of approximately HK\$32,261,000 (31 March 2012: HK\$42,010,000) and the number of ordinary shares in issue as at 30 September 2012, being 630,250,760 (31 March 2012: 630,250,760).

19. SHARE OPTION

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 9 April 2009 for the primary purpose of providing incentive to directors, eligible employees and advisers. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries and advisers to subscribe for shares of the Company.

At 30 September 2012, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 41,800,000 (31 March 2012: 41,800,000), representing 6.63% (31 March 2012: 6.63%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to independent non-executive directors in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Consideration of HK\$1.00 is payable by each grantee upon acceptance of an option.

Category	Date of grant	Granted		Exercised		At 30/9/2012	Exercisable period	Exercise price per share
		At 1/4/2012	during the period	during the period	At 30/9/2012			
Executive director	30 March 2012	6,300,000	-	-	6,300,000	30 March 2012 to 30 March 2017	HK\$0.2552	
Non-executive director	30 March 2012	6,300,000	-	-	6,300,000	30 March 2012 to 30 March 2017	HK\$0.2552	
Independent non-executive directors	30 March 2012	2,000,000	-	-	2,000,000	30 March 2012 to 30 March 2017	HK\$0.2552	
Employee	30 March 2012	1,000,000	-	-	1,000,000	30 March 2012 to 30 March 2017	HK\$0.2552	
Consultants	30 March 2012	26,200,000	-	-	26,200,000	30 March 2012 to 30 March 2017	HK\$0.2552	
Total		<u>41,800,000</u>	<u>-</u>	<u>-</u>	<u>41,800,000</u>			

20. RELATED PARTY TRANSACTIONS

- (a) Compensation of key management personnel, including the directors and other members of key management, during the period is as follows:

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Directors' remunerations	1,106	996

- (b) The investment managers were remunerated based on their respective investment management agreements as follows:

	Six months ended	
	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
United Gain Investment Limited ("United Gain") <i>Note 1</i>	41	295
China Everbright Securities (HK) Limited ("China Everbright") <i>Note 2</i>	300	–
	341	295

Notes:

1. In March 2009, the Company and United Gain entered into an investment management agreement for appointing United Gain as investment manager of the Group. The annual investment manager's fee is equivalent to the higher of HK\$100,000 or 1.25% of the Group's net asset value, provided that such annual fee shall not exceed HK\$600,000. On 30 April 2012, the Company and United Gain agreed to terminate the investment management agreement with effect from 1 May 2012.
2. On 30 April 2012, the Company entered into an investment management agreement with China Everbright, the new investment manager of the Company, for a period of three years effective from 1 May 2012. The annual investment manager's fee payable to China Everbright is HK\$720,000.

21. OPERATING LEASE COMMITMENTS

At 30 September 2012, the minimum lease payments under non-cancelable operating leases for leased premises are payable as below:

	30 September	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Within one year	8,958	2,664
In the second to fifth year inclusive	5,180	4,218
	14,138	6,882

22. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company and its subsidiaries are engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities.

For the six months ended 30 September 2012 ("Period"), the Group incurred a loss for the Period of approximately HK\$5,015,000 as compared to profit for the corresponding period of approximately HK\$3,013,000 in 2011, representing a decrease of approximately 266.45%. Basic loss per share for the Period was approximately HK\$0.80 (six months ended 30 September 2011: basic earnings per share of approximately HK\$0.49). The net asset value per share of the Company was approximately HK\$0.05 (31 March 2012: approximately HK\$0.07) as at 30 September 2012.

The investment portfolio of the Group as at 30 September 2012 is as follows:

	Fair value HK\$'000	Percentage of the total assets as at 30 September 2012
Available-for-sale financial assets	21,400	59.15%
Interest in an associate	6,019	16.64%
Financial assets held for trading	387	1.07%

Financial Resources and Liquidity

As at 30 September 2012, the Group had cash and cash equivalents of approximately HK\$3,388,000 (31 March 2012: approximately HK\$5,954,000). The Group had the net current assets and the net assets of approximately HK\$2,715,000 (31 March 2012: HK\$14,914,000) and approximately HK\$32,261,000 (31 March 2012: HK\$42,010,000) respectively as at 30 September 2012. The Group had no bank and other borrowing as at 30 September 2012.

The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 1.7 (31 March 2012: 5.6) as at 30 September 2012.

Interim Dividend

The Board of the Company does not recommend the payment of an interim dividend to the shareholders of the Company for the Period.

Capital Structure

Details in the changes of the capital structure of the Company for the Period are set out in note 17 to the condensed consolidated financial statements. The capital of the Company comprises only ordinary shares as at 30 September 2012.

Foreign Exchange Exposure

Most of the business transactions of the Group are denominated in Hong Kong dollars and Renminbi. The management of the Group will closely monitor the fluctuation in these currencies and take appropriate actions when needed. As at 30 September 2012, the Group does not have any hedging activities its foreign exchange exposure nor does it adopt any formal hedging policies. The Group had not entered into any financial derivatives during the year.

Pledge of Assets and Contingent Liabilities

As at 30 September 2012, there were no charges on the Group's assets and the Group did not have any contingent liabilities.

Staff Cost

The Group's total staff costs (including directors' remuneration) for the Period amounted to approximately HK\$1,238,000 (six months ended 30 September 2011: HK\$1,359,000). The employees were remunerated based on their responsibilities and performance.

Prospect

Looking into the second half of the financial year, the Company will continue to seek suitable investment opportunities as the Board anticipate a soft landing in the China economy. The Board expect the economic growth will gradually recover as policy efforts begin to boost domestic demand in the Mainland China.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2012, the interests and short positions of the Directors and chief executives of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

Share options

Name of Director	Capacity/nature of interest	Number of options held	Number of underlying shares held
Wong Chak Keung	Beneficial owner	6,300,000	6,300,000
Deng Li	Beneficial owner	6,300,000	6,300,000
Fong Wo, Felix	Beneficial owner	1,000,000	1,000,000
Tang Ping Sum	Beneficial owner	1,000,000	1,000,000

All the interests disclosed above represent long positions in the shares and underlying shares of the Company.

Save as disclosed above, none of the Directors, chief executives of the Company or their associates had any interests or short positions, whether beneficial or non-beneficial, in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 September 2012 as required to be recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2012, the register of the Company's substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors or chief executives of the Company, the following shareholders of the Company had notified the Company of the relevant interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation.

Name of Shareholder	Capacity/nature of interest	Number of ordinary shares <i>(note 1)</i>	Approximate percentage of interest
Jade Bright Limited <i>(note 2)</i>	Beneficial owner	373,732,000 (L)	59.29%
Bestlead Group Limited <i>(note 2 and 3)</i>	Interest of controlled corporation	373,732,000 (L)	59.29%
Liu Yuanyuan <i>(note 2)</i>	Interest of controlled corporation	373,732,000 (L)	59.29%
Jin Xiaoqing <i>(note 2)</i>	Interest of controlled corporation	373,732,000 (L)	59.29%

Notes:

1. The letter "L" denotes the persons' long positions in the shares of the Company.
2. Jade Bright Limited is a private company owned as to 30% owned by Mr. Liu Hui, 29% owned by Bestlead Group Limited, 26% owned by Ms. Liu Yuanyun, and 15% owned by Mr. Jin Xiaoqiang.
3. Bestlead Group Limited is a private company wholly and beneficially owned by Mr. Chen Yibiao, a former director of the Company. Mr. Chen Yibiao is deemed to have interest in the Shares indirectly held by Bestlead Group Limited. Mr. Chen Yibiao is also a director of Bestlead Group Limited.

Save as disclosed above, the Company has not been notified of any other person (other than a Director or a chief executive of the Company) who had an interest or a short position in any shares, underlying shares or debentures of the Company or its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30 September 2012.

SHARE OPTIONS

On 9 April 2009, the Company adopted a share option scheme (the "Scheme") under which the Board may at its discretion grant any eligible participant share options, as it may determine appropriate. The Scheme is valid and effective for a period of ten years commencing on 9 April 2009, after which no further options may be offered or granted.

Movement of the share option of the Company during the period are listed below:

Category	Date of grant	Exercise price HK\$	Exercisable period	Number of option outstanding at 1.4.2012	Granted during the period	Exercised during the period	Number of option outstanding at 30.9.2012
Executive director	30.3.2012	0.2552	30.3.2012– 30.3.2017	6,300,000	–	–	6,300,000
Non-executive director	30.3.2012	0.2552	30.3.2012– 30.3.2017	6,300,000	–	–	6,300,000
Independent non-executive directors	30.3.2012	0.2552	30.3.2012– 30.3.2017	2,000,000	–	–	2,000,000
Employee	30.3.2012	0.2552	30.3.2012– 30.3.2017	1,000,000	–	–	1,000,000
Consultants	30.3.2012	0.2552	30.3.2012– 30.3.2017	26,200,000	–	–	26,200,000
Grand Total				<u>41,800,000</u>	<u>–</u>	<u>–</u>	<u>41,800,000</u>

Save as disclosed above, the Company has no other options, warrant, derivatives, convertible notes or other securities of the Company convertible into or giving rights to subscribe for shares as at 30 September 2012.

PURCHASE, SALE AND REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's shares during the six months ended 30 September 2012.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the six months ended 30 September 2012 was the Company or its subsidiary a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) (the "CG Code") as set out in Appendix 14 of the Listing Rules during the period except for the following deviations:

CODE PROVISION A.4.1

The code provision A.4.1 of the CG Code states that non-executive directors should be appointed for a specific term, subject to retirement by rotation and re-election at the annual general meeting of the Company. Currently, all the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the forthcoming annual general meeting in accordance with the Company's Bye-laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

CODE PROVISION A.6.7

The code provision A.6.7 of the CG Code states that independent non-executive directors and non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Three independent non-executive directors and two non-executive directors were unable to attend annual general meeting of the Company held on 28 September 2012 (the "2012 AGM") due to other important engagement.

CODE PROVISION E.1.2

The code provision E.1.2 of the CG code states that the chairman of the Board should attend the annual general meeting of the Company. Due to other business commitment, Mr. Deng Li, the chairman of the Board, was unable to attend the 2012 AGM. However, arrangements including the attendance of another member of the Board had been in place to ensure the annual general meeting was in order.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 September 2012, the Company complied with the code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Model Code in Appendix 10 of the Listing Rules. Having made specific enquiry to all directors, all directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding securities transactions by directors throughout the six months ended 30 September 2012.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the percentage of the Company's shares which are in the hands of the public is not less than 25% of the Company's total number of issued shares during the six months ended 30 September 2012.

AUDIT COMMITTEE

As at the date of this interim report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Fong Wo, Felix, Mr. Leung Wing Kin and Tang Ping Sum. The principal duties of the Audit Committee include the review and supervision of the Company's financial reporting system and internal control procedures and review of the Company's financial information.

The Group's unaudited interim financial information for the six months ended 30 September 2012 has been reviewed by the Audit Committee.

By Order of the Board
China Investment Development Limited
Deng Li
Chairman

Hong Kong, 28 November 2012