



China Development Bank International Investment Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

Interim Report 2015



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Corporate Information

DIRECTORS

Executive Directors

Mr BAI Zhe (*Chairman*)
Mr LIU Xiao Guang
Mr YUAN Chun (*Chief Executive Officer*)
Mr ZHANG Jielong ^{Note}
(*Deputy Chief Executive Officer*)

Independent Non-executive Directors

Mr WANG Xiangfei
Mr SIN Yui Man
Mr FAN Ren Da, Anthony

COMPANY SECRETARY

Mr WONG Kwok Ho

AUDIT COMMITTEE

Mr WANG Xiangfei (*Chairman*)
Mr SIN Yui Man
Mr FAN Ren Da, Anthony

REMUNERATION COMMITTEE

Mr LIU Xiao Guang
Mr SIN Yui Man (*Chairman*)
Mr FAN Ren Da, Anthony

NOMINATION COMMITTEE

Mr BAI Zhe (*Chairman*)
Mr WANG Xiangfei
Mr FAN Ren Da, Anthony

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Note: appointed on 22 June 2015

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 4506 – 4509
Two International Finance Centre
No. 8 Finance Street, Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited

4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited

Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of Communications Co., Ltd., Hong Kong Branch

Bank of China (Hong Kong) Limited
The Bank of East Asia, Limited

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong Law

Freshfields Bruckhaus Deringer

As to the Cayman Islands Law

Conyers Dill & Pearman

INVESTMENT MANAGER

HuaAn Asset Management (Hong Kong) Limited

Suite 3808-9, 38th Floor
ICBC Tower, Citibank Plaza
3 Garden Road, Central, Hong Kong

CUSTODIAN

Orangefield Management (Hong Kong) Limited

6th Floor, St. John's Building
33 Garden Road, Central
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1062

WEBSITES

www.cdb-intl.com

www.irasia.com/listco/hk/cdbintl

Management Discussion and Analysis

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 2015 (the “**Period**”). The interim results for the Period have been reviewed by the audit committee and auditor of the Company.

OVERALL PERFORMANCE

For the Period, the Group recorded a profit of approximately Hong Kong dollars (“**HK\$**”) 65.65 million (30 June 2014: approximately HK\$27.64 million) which is primarily attributable to the increase in change in fair value of financial investments during the Period.

The investment income for the Period decreased 22.24% from the last year to approximately HK\$23.14 million (30 June 2014: approximately HK\$29.76 million), which is primarily due to reduce in interest income from the mezzanine facility due to maturity and repayment.

For both the periods ended 30 June 2014 and 2015, the Group’s investment income was all derived from Hong Kong, based on the physical location of the underlying assets that generate the revenue. The Group’s non-current assets (other than financial instruments) are located in People’s Republic of China (the “**PRC**”) and Hong Kong.

The interest income was approximately HK\$0.17 million, representing a decrease of 82.11% as compared to approximately HK\$0.95 million in the corresponding period last year.

The gain in fair value of financial assets held for trading amounts to approximately HK\$1.52 million (30 June 2014: loss in fair value of HK\$16.99 million) was recorded in the Period, which was attributable to the change in fair value of unlisted warrant instrument and related put rights of Jinqiao Investments Limited (“**Jinqiao**”) and unlisted warrant of Yingde Gases Group Company Limited (“**Yingde Gases**”).

The gain in fair value of investments designated at fair value through profit or loss amounts to approximately HK\$48.47 million (30 June 2014: gain in fair value of HK\$19.92 million) was recorded in the Period, which were attributable to the 6,383 preferred shares of JinkoSolar Power Engineering Group Limited (“**JinkoSolar Power**”), the senior, secured and guaranteed convertible notes of North Sea Rigs Holdings Limited (“**NSR Holdings**”).

The general and administrative expenses of the Group for the Period were approximately HK\$8.74 million (30 June 2014: approximately HK\$9.23 million). It is mainly resulted from the decrease in legal and professional fees incurred during the Period.

The Group’s net asset value increased from approximately HK\$1,112.64 million as at 31 December 2014 to approximately HK\$1,178.32 million as at 30 June 2015, with earnings per share of HK2.26 cents (30 June 2014: earnings per share of HK0.95 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 investment opportunities.

As at 30 June 2015, the cash and bank balance of the Group was approximately HK\$467.07 million (31 December 2014: approximately HK\$414.90 million). As almost all the retained cash was placed in Hong Kong Dollars short-term deposits with 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 2015.

As at 30 June 2015, the Group had no borrowings, gearing ratio (calculated as the long term loan to the total shareholder's equity) was zero (31 December 2014: zero), putting the Group in an advantageous position to pursue its investment strategies and grasp 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 2015, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities (31 December 2014: nil).

As at 30 June 2015, 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

Major Investments

Particulars of major investments of the Group as at 30 June 2015 are set out as follows:

Name of investment	Proportion of the share/paid up capital owned	Carrying book cost up to 30 June 2015 HK\$	Market value/ carrying amount as at 30 June 2015 HK\$	Unrealised gain/(loss) recognized (Note 5) HK\$	Dividend received/receivable during the period HK\$	Percentage to the Group's net assets as at 30 June 2015	Net assets attributable to the Company (Note 6) HK\$ million
Yingde Gases (HKEx stock code: 2168) (Note 1)	N/A	195,000,000	214,292,210	11,423,634	–	18.18%	N/A
JinkoSolar Power (Note 2)	5%	194,987,520	212,533,414	17,280,046	–	18.04%	273.2
NSR Holdings (Note 3)	N/A	187,200,000	202,937,393	20,350,374	–	17.22%	N/A
Beijing Far East Instrument Company Limited ("Beijing Far East") (Note 4)	25%	47,766,128	75,242,596	N/A	–	6.39%	87.1

Notes:

1. Yingde Gases is a company incorporated in the Cayman Islands and listed on the Stock Exchange. Its principal activities are the production and sales of industrial gases. The carrying amount of the convertible bonds and warrant instrument are stated at fair value.
2. JinkoSolar Power is a company incorporated in the Cayman Islands with limited liability which is mainly engaged in the development and operation of solar power projects. The carrying amount of the equity shareholding is stated at fair value.
3. NSR Holdings is a company incorporated in the Cayman Islands and is an investment holding company, and is principally involved in engaging contractors to construct the drilling rig which will then be sold or leased to drilling rig operators located in the North Sea area of Norway. The carrying amount of the convertible note is stated at fair value.
4. Beijing Far East is a sino-foreign enterprise incorporated in the PRC, and is principally engaged in producing scientific measuring and industrial control equipment. Its carrying amount is accounted for using equity method.
5. The unrealised gain/(loss) represented the changes in fair value of the respective investments during the period.
6. The calculation of net assets attributable to the Company is based on the latest published interim results or annual report of the respective investments at the end of each reporting year.

UNLISTED INVESTMENTS REVIEW

Yingde Gases

On 24 November 2013, the Group and Yingde Gases had entered into the investment agreement whereby Yingde Gases issued and the Group subscribed for (i) the principal amount of United States dollars (“**US\$**”) 25,000,000, 8% coupon convertible bond due 2015; and (ii) at nil consideration, 18,953,853 warrant exercisable to purchase ordinary shares of US\$0.000001 each in the capital of Yingde Gases.

JinkoSolar Power

On 29 September 2014, the Company has entered into a share subscription agreement (the “**Jade Sino Subscription Agreement**”) with China Development Bank International Holdings Limited (“**CDBIH**”) and Jade Sino Ventures Limited (“**Jade Sino**”), pursuant to which the Company and CDBIH have 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. After the subscription, the Company and CDBIH held approximately 23.81% and 76.19% of the enlarged share capital of Jade Sino respectively.

The principal asset of Jade Sino was the 13,404 preferred shares of JinkoSolar Power out of the total 26,809 preferred shares subscribed on 11 August 2014 by CDBIH. Upon completion of the Jade Sino Subscription Agreement, Jade Sino applied the amount of US\$52.5 million (equivalent to approximately HK\$409.5 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.

NSR Holdings

On 10 December 2012, the Group together with another proposed subscriber entered into the subscription agreement with NSR Holdings for the subscription of senior, secured and guaranteed convertible notes in an initial aggregate principal amount of up to US\$75 million. NSR Holdings is a company incorporated in the Cayman Islands and is an investment holding company.

The proceeds raised from the issuance of the convertible notes will be used by NSR Holdings in connection with the construction of the drilling rig. NSR Holdings is principally involved in engaging contractors to construct the drilling rig which will then be sold or leased to drilling rig operators located in the North Sea area of Norway. Pursuant to the subscription agreement, the Group subscribed for the convertible notes in the principal amount of up to US\$25 million.

China International Marine Containers (Group) Co., Ltd. (together with its subsidiaries, the “**CIMC Group**”) is a PRC state-owned enterprise and China International Marine Containers (Hong Kong) Limited, which is the wholly-owned subsidiary of CIMC Group, one of the guarantors in connection with the convertible notes issuance, holds the substantial assets of the CIMC Group.

Management Discussion and Analysis

The management of the Company has considered that additional upside is potentially achievable as a result of the NSR Holdings securing lease agreements or sale contracts in relation to the drilling rig which is likely to happen given the shortage in supply of new semi-submersible rigs in the North Sea area of Norway by 2015.

The management of the Company has believed that the conversion option of the Convertible Notes provides the Company with an opportunity to share in the growth of the CIMC Group.

Beijing Far East

Beijing Far East, an associate of the Group, is a leading industrial precision instrument manufacturer in China. The principal business of Beijing Far East is to manufacture meters and precise measuring instruments.

Based on the unaudited management accounts for the Period, Beijing Far East recorded its unaudited consolidated profit of approximately Renminbi (“**RMB**”) 10.48 million, an decrease of approximately 11.19%, as compared with its unaudited consolidated profit of approximately RMB11.80 million for the period ended 30 June 2014.

Jinqiao

On 27 June 2013, the Company had entered into a facility agreement and a warrant instrument with Jinqiao in relation to a loan and warrant investment in Jinqiao (the “**Jinqiao Agreements**”). Under the Jinqiao Agreements, the Company had provided a mezzanine facility having a total commitment of US\$20 million to Jinqiao with a 20% interest rate per annum for 2 years. The Company also received the warrant issued by Jinqiao to entitle the Company to purchase the ordinary shares of Jinqiao at the exercise price of US\$13.5 per ordinary share at any time before 27 June 2015 for an aggregate amount up to US\$10 million (the “**Warrant**”). Under the Jinqiao Agreements, the proceeds were applied to providing working capital for the Golden Bridge after acquiring the shares of Zhongpin, Inc. for the purpose of privatization by way of a merger of Golden Bridge Merger Sub Limited, a wholly-owned subsidiary of Golden Bridge, into Zhongpin, Inc., with Zhongpin, Inc., the surviving entity after such merger. Please refer to the announcement made by the Company for more details of the Jinqiao Agreement.

On 30 June 2015, the Company had received the full repayment of the mezzanine facility (including all principal amount outstanding and accrued interest) from Jinqiao. Besides, on 30 June 2015, the Warrant had not been fully exercised. Subsequently, Jinqiao had paid to the Company the mandatory redemption amount in the amount of US\$1.5 million which is equal to 15% of the exercise price for the unexercised portion of the Warrant, pursuant to the terms of the warrant instrument.

LISTED INVESTMENTS REVIEW

Securities Investments

The Group has not held any listed equities in secondary market during the Period.

EMPLOYEES

As at 30 June 2015, the Company had 9 employees. The total staff costs of the Group for the Period was approximately HK\$4.95 million (30 June 2014: approximately HK\$5.44 million). The Company determines its staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages of the Company's employees including basic salary, double pay, performance bonuses and mandatory provident fund are reviewed on regular basis. The Company has adopted a share option scheme on 7 February 2005 for the purposes of providing incentives and rewards to eligible participants who have made contributions to the Group.

GEARING RATIO

The Group had no outstanding bank borrowings as at 30 June 2015 and 31 December 2014. As at 30 June 2015, the Group's current ratio (current assets to current liabilities) was approximately 661.82 (31 December 2014: approximately 298.93). The ratio of total liabilities to total assets of the Group was approximately 0.50% (31 December 2014: approximately 0.48%).

EXCHANGE EXPOSURE

The Group had an insignificant exchange risk exposure under review since all the retained cash was placed in Hong Kong Dollars short-term deposits with major banks in Hong Kong. It is the Group's policy for its operating entities to operate in their corresponding local currencies to minimize currency risks.

FUTURE PROSPECTS

Looking forward, the management believes that the business and operating environment is full of challenges with complexity and volatility. Amidst an expectation of a slower growth in Mainland China, the market is facing a slowdown in economic growth, and the economic structure has undergone significant changes during the transition from medium to long term.

In order to improve the performance of the Group and deliver the best returns to shareholders, the Group will continue to look for investment opportunities which strengthen the profitability under the acceptable risk in the portfolio of the Group. The management will continue to closely monitor the market situation and enhance all areas of operation to raise levels of financial discipline and improving profitability within the Group.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015

	NOTES	Six months ended 30 June	
		2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Investment income	4	23,140,892	29,761,543
Change in fair value of financial assets held for trading		1,522,671	(16,987,297)
Change in fair value of investments designated at fair value through profit or loss		48,467,383	19,924,805
Bank interest income		166,969	949,287
General and administrative expenses		(8,735,058)	(9,231,176)
Share of results of associates		3,169,937	3,598,544
Profit before taxation		67,732,794	28,015,706
Income tax expense	5	(2,086,025)	(372,739)
Profit for the period attributable to owners of the Company	6	65,646,769	27,642,967
Other comprehensive income (expense) Items that may be subsequently reclassified to profit or loss:			
Share of exchange differences of associate		30,723	(679,604)
Other comprehensive income (expense) for the period		30,723	(679,604)
Total comprehensive income for the period attributable to owners of the Company		65,677,492	26,963,363
Earnings per share			
– Basic (HK cents)	7	2.26	0.95

Condensed Consolidated Statement of Financial Position

At 30 June 2015

	NOTES	30 June 2015 HK\$ (Unaudited)	31 December 2014 HK\$ (Audited)
Non-current assets			
Property, plant and equipment	9	–	–
Interests in associates	10	75,616,634	72,415,974
Financial assets at fair value through profit or loss	11	213,819,373	196,342,657
		289,436,007	268,758,631
Current assets			
Financial assets at fair value through profit or loss	11	415,943,644	434,130,306
Other receivables, prepayments and deposits		11,818,679	206,510
Bank balances and cash	12	467,073,209	414,901,459
		894,835,532	849,238,275
Current liability			
Other payables and accruals		(1,352,079)	(2,840,963)
		893,483,453	846,397,312
Net current assets			
		1,182,919,460	1,115,155,943
Total assets less current liability			
Non-current liability			
Deferred taxation		(4,598,508)	(2,512,483)
		1,178,320,952	1,112,643,460
Net assets			
Capital and reserves			
Share capital	13	29,022,154	29,022,154
Reserves		1,149,298,798	1,083,621,306
		1,178,320,952	1,112,643,460
Net asset value per share	16	0.41	0.38

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to owners of the Company						
	Share capital HK\$	Share premium HK\$	Special reserve HK\$ (Note)	Exchange reserve HK\$	Capital redemption reserve HK\$	Accumulated losses HK\$	Total HK\$
At 1 January 2014 (Audited)	29,022,154	1,043,800,995	382,880,958	15,723,003	270,200	(407,376,738)	1,064,320,572
Profit for the period	-	-	-	-	-	27,642,967	27,642,967
Other comprehensive expense							
Share of exchange differences of associate	-	-	-	(679,604)	-	-	(679,604)
Total comprehensive (expense) income for the period	-	-	-	(679,604)	-	27,642,967	26,963,363
At 30 June 2014 (Unaudited)	29,022,154	1,043,800,995	382,880,958	15,043,399	270,200	(379,733,771)	1,091,283,935
At 1 January 2015 (Audited)	29,022,154	1,043,800,995	382,880,958	15,486,918	270,200	(358,817,765)	1,112,643,460
Profit for the period	-	-	-	-	-	65,646,769	65,646,769
Other comprehensive income							
Share of exchange differences of associate	-	-	-	30,723	-	-	30,723
Total comprehensive income for the period	-	-	-	30,723	-	65,646,769	65,677,492
At 30 June 2015 (Unaudited)	29,022,154	1,043,800,995	382,880,958	15,517,641	270,200	(293,170,996)	1,178,320,952

Note: Special reserve represents the difference between the amount recorded as share capital issued by the Company pursuant to a scheme of arrangement which became effective in April 2005 under sections 670 and 673 of the Hong Kong Companies Ordinance (Cap. 622) in respect of ING Beijing Investment Company Limited ("ING Beijing") and the amount recorded for the share capital of ING Beijing acquired. ING Beijing was liquidated in November 2005.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Net cash from operating activities	13,004,781	33,514,834
Investing activities		
Repayment of principal of investment designated at fair value through profit or loss	39,000,000	39,000,000
Interest received from bank deposits	166,969	949,287
Net cash from investing activities	39,166,969	39,949,287
Net increase in cash and cash equivalents	52,171,750	73,464,121
Cash and cash equivalents at the beginning of the period	414,901,459	442,728,651
Cash and cash equivalents at the end of the period, representing bank balances and cash	467,073,209	516,192,772

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

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”) as well as 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”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (hereinafter collectively referred to as the “revised HKFRSs”) issued by the HKICPA:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the above revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in the condensed consolidated financial statements.

3. 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 no separate segment information is prepared by the Group.

The management determines the Group is domiciled in Hong Kong, which is the location of the Group’s principal office.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

3. SEGMENT INFORMATION (continued)

The Group's non-current assets (other than financial instruments) are located in People's Republic of China ("PRC"), which are based on the operations of associates for interests in associates and the physical location of the property, plant and equipment.

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.

4. INVESTMENT INCOME

	Six months ended 30 June	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Dividend income from financial assets held for trading	–	575,653
Interest income from investment designated at fair value through profit or loss	23,140,892	29,185,890
	23,140,892	29,761,543

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Deferred taxation on withholding tax on undistributed earnings of an associate Current period	331,436	372,739
Deferred taxation on withholding tax on unrealised gain on financial assets at fair value through profit and loss Current period	1,754,589	–
	2,086,025	372,739

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong during both periods.

Under the Enterprise Income Tax Law of PRC, withholding tax of 10% is imposed on dividends declared in respect of profits earned by PRC associates from 1 January 2008 onwards and unrealised gain on financial assets at fair value through profit or loss.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

6. PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit for the period attributable to owners of the Company has been arrived at after charging:

	Six months ended 30 June	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Depreciation of property, plant and equipment	–	4,497
Staff cost (including retirement benefits contribution)	4,953,763	5,442,792

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Earnings		
Profit for the period attributable to owners of the Company and earnings for the purpose of basic earnings per share	65,646,769	27,642,967
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,902,215,360	2,902,215,360

No diluted earnings per share has been presented for both periods as there were no potential ordinary share for both periods.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

8. DIVIDEND

No dividends were paid, declared or proposed during the six months ended 30 June 2015 (Six months ended 30 June 2014: nil).

9. PROPERTY, PLANT AND EQUIPMENT

There were no additions or disposals noted for both periods.

10. INTERESTS IN ASSOCIATES

	30 June 2015 HK\$ (Unaudited)	31 December 2014 HK\$ (Audited)
Unlisted shares, at cost	125,766,128	125,766,128
Share of post-acquisition results and other comprehensive income, net of dividend received	(50,149,494)	(53,350,154)
	75,616,634	72,415,974

Details of each of the Group's associates as at 30 June 2015 and 31 December 2014 are set out as follows:

Name of associate	Form of entity	Place of incorporation/ establishment	Place of operation	Equity interest attributable to the Group		Proportion of voting power held		Principal activities
				30 June 2015	31 December 2014	30 June 2015	31 December 2014	
Beijing Far East Instrument Company Limited	Incorporated	PRC	PRC	25%	25%	25%	25%	Manufacture of electronic and electrical instruments
China Property Development (Holdings) Limited	Incorporated	The Cayman Islands	PRC	33.42%	33.42%	20.49%	20.49%	Investment holding

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2015 HK\$ (Unaudited)	31 December 2014 HK\$ (Audited)
Unlisted overseas senior secured guaranteed convertible notes ² (i)	202,937,393	182,587,019
Unlisted overseas loan ² and warrant instrument and related put rights ¹ (ii)	–	49,764,000
Unlisted local convertible bond ² and warrant ¹ (iii)	214,292,210	202,868,576
Unlisted overseas securities ² (iv)	212,533,414	195,253,368
	629,763,017	630,472,963
Analysed to reporting purpose as		
Non-current assets	415,943,644	196,342,657
Current assets	213,819,373	434,130,306
	629,763,017	630,472,963

¹ The amounts represent financial assets held for trading

² The amounts represent investments designated at fair value through profit or loss ("FVTPL")

Certain financial assets of the Group are designated as FVTPL because the relevant financial assets constitute a group that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management and investment strategy, and information about the Group is provided internally on that basis to the Group's key management personnel.

- (i) On 28 December 2012, the Group subscribed senior, secured and guaranteed convertible notes issued by North Sea Rigs Holdings Limited ("**NSR Holdings**") denominated in US\$. NSR Holdings is a company incorporated in the Cayman Islands, principally engaged in engaging contractors to construct the drilling rig which will then be sold or leased to drilling rig operators located in the North Sea area of Norway. The convertible notes bear interest at 5.0% per annum on the principal amount of the convertible notes from the issue date to the final maturity date, which is the date falling three years after the issue date. The interest is payable semi-annually in arrears on the last day of each interest period.

As at 30 June 2015, the fair values of convertible notes are HK\$202,937,393 (31 December 2014: HK\$182,587,019). The carrying amount of the convertible bond exceeded 10% of the assets of the Group at 30 June 2015.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

- (ii) On 27 June 2013, the Group had entered into a facility agreement and a warrant instrument agreement relating to the warrant instrument and related put rights with Jinqiao Investments Limited (“**Jinqiao**”). Jinqiao is a company incorporated in the British Virgins Islands (“**BVI**”), principally engaged in trading meat and food processing, in pork and pork products, and vegetables and fruits in the PRC. Under the aforementioned agreements, the Group has provided a mezzanine facility of US\$20,000,000 to Jinqiao with a 20% interest rate per annum on outstanding balance for 2 years and received the warrant issued by Jinqiao to entitle the Group to subscribe for 740,740 ordinary shares of Jinqiao at the exercise price of US\$13.50 per ordinary share at any time before 27 June 2015 for an aggregate exercise price up to US\$10,000,000. The loan facility has been terminated and settled in June 2015. The warrant instrument arrangement has been terminated in June 2015.
- (iii) On 24 November 2013, the Group and Yingde Gases Group Company Limited (盈德氣體集團有限公司) (“**Yingde Gases**”) had entered into the investment agreement whereby Yingde Gases issued and the Group subscribed for (i) the principal amount of US\$25,000,000 8% coupon convertible bond due 2015; and (ii) at nil consideration, 18,953,853 warrant exercisable to purchase ordinary shares of US\$0.000001 each in the capital of Yingde Gases. Yingde Gases is a company incorporated in the Cayman Islands, principally engaged in the production and sales of industrial gases.

As at 30 June 2015, the fair value of convertible bond and warrant are HK\$213,006,250 and HK\$1,285,960 (31 December 2014: HK\$201,779,287 and HK\$1,089,289), respectively. The carrying amounts of the convertible bond and warrant exceeded 10% of the assets of the Group at 30 June 2015.

- (iv) On 29 September 2014, the Group has entered into a share subscription agreement (“**the Jade Sino Subscription Agreement**”) with China Development Bank International Holdings Limited (“**CDBIH**”) and Jade Sino Ventures Limited (“**Jade Sino**”), pursuant to which the Group and CDBIH have 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. After the subscription, each of the Group and CDBIH will hold approximately 23.81% and 76.19% of the enlarged share capital of Jade Sino.

The principal asset of Jade Sino was 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. After completion of the Subscription, Jade Sino will apply the amount of US\$52.5 million (equivalent to approximately HK\$409.5 million) contributed by the Group and CDBIH to complete the subscription of the remaining 13,405 preferred shares of JinkoSolar Power. JinkoSolar Power is a company incorporated in the Cayman Islands, principally engaged in developing, building and operating photovoltaic power stations in the PRC. The subscription of the remaining 13,405 preferred shares of JinkoSolar Power by Jade Sino was completed on 13 November 2014. The preferred shares may, at the option of Jade Sino, be converted into fully paid ordinary shares of JinkoSolar Power. In addition, the preferred shares are redeemable at the option of Jade Sino after 30 months from the subscription date.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

As at 30 June 2015, the fair value of the ordinary shares of Jade Sino is HK\$212,533,414 (31 December 2014: HK\$195,253,368). The carrying amount of the ordinary shares exceeded 10% of the assets of the Group at 30 June 2015.

The information of the fair values of financial assets at fair value through profit or loss is disclosed in note 14.

12. BANK BALANCES AND CASH

	30 June 2015 HK\$ (Unaudited)	31 December 2014 HK\$ (Audited)
Fixed deposits with banks with maturity less than three months	71,030,382	70,875,107
Cash at banks and in hand	396,042,827	344,026,352
	467,073,209	414,901,459

Bank balances and cash comprise short-term bank deposits carrying interest at prevailing deposits rates which range from 0.47% to 0.7% (31 December 2014: 0.9% to 1.21%) per annum.

13. SHARE CAPITAL

Shares of HK\$0.01 each	Number of shares	Share capital HK\$
Authorised:		
As at 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015	12,000,000,000	120,000,000
Issued and fully paid:		
As at 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015	2,902,215,360	29,022,154

14. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Level 1, 2 or 3) based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

14. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
	30 June 2015	31 December 2014					
i) Unlisted overseas senior secured guaranteed convertible notes classified as financial assets at fair value through profit or loss	5% convertible notes issued by NSR Holdings – HK\$202,937,393	5% convertible notes issued by NSR Holdings – HK\$182,587,019	Level 3	Binomial Option Pricing Model and Discounted Cash Flow Model. The key inputs are interest rate, risk-free rate and volatility.	Interest rate, determined by reference to the yield rate of the HK\$ Fund Note and credit analysis of the Issuer and the market rate with similar credit ratio with similar credit rating and duration and credit premium, of 42.57%.	The higher the interest rate, the lower the fair value.	If the interest rate is 3% higher/lower, while all other variables were held constant, the fair value would decrease by HK\$2,043,570 and increase by HK\$2,191,933 respectively.
					Risk-free rate, determined by reference to the yield rate of the US Sovereign Strips Curve, of 0.06%.	The higher the risk-free rate, the higher the fair value.	No indication that a slight increase in the risk-free rate used would result in a significant increase in fair value measurement, and vice versa.
					Volatility, determined by reference to the historical volatility of the share prices of publicly listed entities in similar industries, of 38.43%.	The higher the volatility, the higher the fair value.	No indication that a slight increase in the volatility used would result in a significant increase in fair value measurement, and vice versa.
ii) Unlisted overseas loan classified as financial assets at fair value through profit or loss	Unlisted loan facility of Jinqiao – nil	Unlisted loan facility of Jinqiao – HK\$39,390,000	Level 3	N/A	N/A	N/A	N/A

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

14. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
	30 June 2015	31 December 2014					
iii) Unlisted overseas warrant instrument and related put rights classified as financial assets at fair value through profit or loss	Unlisted warrant instrument and related put rights of Jinqiao – nil	Unlisted warrant instrument and related put rights of Jinqiao – HK\$10,374,000	Level 3	N/A	N/A	N/A	N/A
iv) Unlisted local convertible bond classified as financial assets at fair value through profit or loss	Unlisted convertible bond of Yingde Gases – HK\$213,006,250	Unlisted convertible bond of Yingde Gases – HK\$201,779,287	Level 3	Binomial Option Pricing Model and Discounted Cash Flow Model. The key inputs are interest rate, risk-free rate and volatility.	Interest rate, determined by reference to the yield rate of a market comparable bond with similar duration, and credit premium of 14.76%.	The higher the interest rate, the lower the fair value.	If the interest rate is 10% higher/lower, while all the other variables were held constant, the fair value would decrease by HK\$3,788,578 and increase by HK\$4,031,323 respectively.
					Risk-free rate, determined by reference to the yield rate of the Hong Kong Exchange Fund Bill with similar duration, of 0.01%.	The higher the risk-free rate, the higher the fair value.	If the risk-free rate is 0.5% higher, while all the other variables were held constant, the fair value would increase by HK\$3,865,601. No indication that a slight decrease in the risk-free rate used would result in a significant decrease in the fair value measurement.
					Volatility, determined by reference to volatility of its daily average share price, of 41.80%.	The higher the implied volatility, the higher the fair value.	No indication that a slight increase in the implied volatility used would result in a significant increase in fair value measurement, and vice versa.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

14. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
	30 June 2015	31 December 2014					
v) Unlisted local warrant instrument classified as financial assets at fair value through profit or loss	Unlisted warrant instrument of Yingde Gases – HK\$1,285,960	Unlisted warrant instrument of Yingde Gases – HK\$1,089,289	Level 3	Black-Scholes Pricing Model The key inputs are risk-free rate and volatility.	Risk-free rate, determined by reference to the yield rate of the Hong Kong Exchange Fund Note with similar duration, of 0.18%. Volatility, determined by reference to volatility of its share price, of 36.70%.	The higher the risk- free rate, the higher the fair value. The higher the implied volatility, the higher the fair value.	No indication that a slight increase in the risk-free rate used would result in a significant increase in fair value measurement, and vice versa. No indication that a slight increase in the implied volatility used would result in a significant increase in fair value measurement, and vice versa.
v) Unlisted overseas securities	Unlisted preferred shares of Jinko – HK\$212,533,414	Unlisted preferred shares of Jinko – HK\$195,253,368	Level 3	Option-Pricing Model The key inputs are risk-free rate and volatility.	Risk-free rate, determined by reference to the yield rate of the US Sovereign Strip, of 0.43%. Volatility, determined by reference to the volatility of comparable companies based on historical annualized daily share prices, of 59.98%.	The higher the risk- free rate, the lower the fair value. The higher the volatility, the lower the fair value.	No indication that a slight increase in the risk-free rate used would result in a significant decrease in fair value measurement, and vice versa. If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would decrease by HK\$5,809,652 and increase by HK6,461,577 respectively.

There were no transfers between Level 1, 2 and 3 in the current and prior periods.

The directors of the Company consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

14. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair value measurements of financial assets

	Financial assets at FVTPL HK\$
At 1 January 2014	503,320,461
Total gains (loss) recognised in profit or loss	
– change in fair value of financial assets held for trading	(16,920,140)
– change in fair value of investments designated at fair value through profit or loss	19,924,805
	<u>3,004,665</u>
Repayment of principal	<u>(39,000,000)</u>
At 30 June 2014	<u>467,325,126</u>
At 1 January 2015	630,472,963
Total gains recognised in profit or loss	
– change in fair value of financial assets held for trading	1,522,671
– change in fair value of investments designated at fair value through profit or loss	48,467,383
	<u>49,990,054</u>
Repayment of principal	<u>(39,000,000)</u>
Termination of warrant instrument arrangement	<u>(11,700,000)</u>
At 30 June 2015	<u>629,763,017</u>

Of the total gains for the period included in profit or loss, HK\$49,990,054 (Six months ended 30 June 2014: HK\$3,004,665) relates to financial assets at fair value through profit or loss held at the end of the reporting period. Fair value gains on financial assets at fair value through profit or loss are included in 'change in fair value of financial assets held for trading' and 'change in fair value of investments designated at fair value through profit or loss'.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2015

14. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value measurements and valuation processes

The board of directors of the Company has delegated the valuation work to finance division, which is headed up by the executive director of finance division of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The finance division works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The executive director of finance division of the Company reports the finance division's findings to the board of directors of the Company regularly to explain the cause of fluctuations in the fair value of the assets and liabilities.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments.

15. RELATED PARTY TRANSACTIONS

- (a) On 20 September 2006, the Group entered into a custodian agreement with Orangefield Management (Hong Kong) Limited ("**Orangefield**"). Orangefield is the custodian of the Group. During the period, the Group has incurred a custodian fee of HK\$30,000 (Six months ended 30 June 2014: HK\$30,000) to Orangefield.
- (b) On 9 March 2012, the Group entered into a renewed investment management agreement with KBR Fund Management Limited (formerly known as "KBR Management Limited") ("**KBR**"). KBR is the investment manager of the Group. The existing Investment Management Agreement expired on 28 February 2014 and KBR has ceased to be the investment manager of the Group with effect from the same date. During the period, the Group incurred a fee of nil (Six months ended 30 June 2014: HK\$66,667) to KBR.
- (c) On 29 August 2014, the Group entered into an investment management agreement with Hua An Asset Management (Hong Kong) Limited ("**Hua An**"). Hua An is the investment manager of the Group with effect from 1 September 2014. During the period, the Group has incurred a fee of HK\$175,000 (Six months ended 30 June 2014: nil) to Hua An.
- (d) **Compensation of key management personnel**

The remuneration of directors of the Company and other members of the key management during the period was as follows:

	Six months ended 30 June	
	2015 HK\$ (Unaudited)	2014 HK\$ (Unaudited)
Short term benefits	3,397,497	2,849,938
Post-employment benefits	134,753	38,750
	3,532,250	2,888,688

16. NET ASSET VALUE PER SHARE

Net asset value per share is computed based on the condensed consolidated net assets of HK\$1,178,320,952 (31 December 2014: HK\$1,112,643,460) and 2,902,215,360 ordinary shares in issue as at 30 June 2015 (31 December 2014: 2,902,215,360 ordinary shares).

Report on Review of Condensed Consolidated Financial Statements



**TO THE BOARD OF DIRECTORS OF
CHINA DEVELOPMENT BANK INTERNATIONAL INVESTMENT LIMITED**
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Development Bank International Investment Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 10 to 27 which comprise the condensed consolidated statement of financial position as of 30 June 2015, and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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 HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19 August 2015

Other Information

DIRECTORS' INTERESTS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, none of the Directors or the chief executive of the Company or their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), which were required, pursuant to Section 352 of the SFO, to be recorded in the register required to be kept therein, or which were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in the Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to any Directors or chief executive of the Company, as at 30 June 2015, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept under section 336 of the SFO:

Long positions in the shares and underlying shares of the Company

Name of Shareholder	Nature of Interests	Number of issued shares of the Company held	Approximate percentage of the existing issued share capital of the Company
China Development Bank Corporation (“CDB”) (Note 1)	Corporate Interest	1,920,000,000	66.16%
China Development Bank Capital Corporation Ltd. (國開金融有限責任公司) (“CDBC”) (Note 1)	Corporate Interest	1,920,000,000	66.16%
China Development Bank International Holdings Limited (“CDBIH”) (Note 1)	Corporate Interest	1,920,000,000	66.16%
Mr LIU Tong (Note 2)	Corporate Interest	163,702,560	5.64%
Yoobright Investments Limited (Note 2)	Corporate Interest	163,702,560	5.64%

Other Information

Notes:

1. CDBIH is a wholly-owned subsidiary of CDBC. CDBC is a wholly-owned subsidiary of CDB. Thus, CDB and CDBC are deemed to be interested in the same percentage of shares held by CDBIH.
2. Yoobright is beneficially and wholly owned by Mr LIU Tong. Mr LIU Tong is therefore deemed to be interested in the same percentage of shares held by Yoobright.

Save as disclosed above, at 30 June 2015, the Company had not been notified by any person, other than Directors and chief executive of the Company, who had interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 7 February 2005 (the “**Share Option Scheme**”) under which the Board may, at its discretion, grant to any director, employee, executive or officer of the Company, or any director, employee, executive of any subsidiaries from time to time of the Company, to subscribe for the Company’s shares.

As at 30 June 2015, no option had been granted by the Company since the adoption of the Share Option Scheme. There are no share options outstanding as at 1 January 2015 and 30 June 2015. During the Period, there were no share options exercised, lapsed or cancelled under the Share Option Scheme.

Save as disclosed above, none of the Directors or chief executive of the Company, or their respective associates had any right to subscribe for the securities of the Company or its associated corporations, or had exercised any such right during the Period.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (30 June 2014: 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 the risk management and audit process. The Audit Committee acts in an advisory capacity and make recommendations to the Board. The terms of reference of the Audit Committee were adopted and revised in 2015. The Audit Committee has reviewed 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, Deloitte Touche Tohmatsu, 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.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “**Remuneration Committee**”) comprises three members, namely Mr LIU Xiao Guang, Mr SIN Yui Man and Mr FAN Ren Da, Anthony. The majority members of the Remuneration Committee are independent non-executive Directors. The chairman of the Remuneration Committee is Mr SIN Yui Man, an independent non-executive Director of the Company. The Remuneration Committee advises the Board on the Group’s overall policy and structure for the remuneration of Directors and senior management. The terms of reference of the Remuneration Committee were adopted and revised in 2012.

NOMINATION COMMITTEE

The nomination committee of the Company (the “**Nomination Committee**”) comprises three members, namely Mr BAI Zhe, Mr WANG Xiangfei and Mr FAN Ren Da, Anthony. The majority members of the Nomination Committee are independent non-executive Directors. The chairman of the Nomination Committee is Mr BAI Zhe, chairman of the Board. The Nomination Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy. The terms of reference of the Nomination Committee were adopted in 2012. The Board has adopted the board diversity policy in 2013.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code 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.

CHANGES IN DIRECTORS BIOGRAPHICAL DETAILS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes of Directors' biographical details since the date of the annual report of the Company for 2014 are as follows.

Pursuant to the announcement of Beijing Capital Group Co., Ltd. dated 21 May 2015, Mr LIU Xiao Guang resigned as the chairman of Beijing Capital Group Co., Ltd. on 21 May 2015. Besides, Mr LIU Xiao Guang is also a non-executive director of Beijing Capital Juda Limited (formerly known as Juda International Holdings Limited) (listed on the Stock Exchange, stock code: 1329) ("**Juda**"). The change of company name from "Juda International Holdings Limited" to "Beijing Capital Juda Limited" took effect on 26 March 2015, pursuant to the announcement of Juda dated 21 April 2015.

Mr ZHANG Jielong has been appointed as an executive Director and deputy chief executive officer of the Company (the "**Deputy Chief Executive Officer**") with effect from 22 June 2015. Details of Mr ZHANG's appointment an executive Director and Deputy Chief Executive Officer were disclosed in the announcement of the Company dated 22 June 2015.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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.

DIRECTORS

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

By Order of the Board

China Development International Investment Limited

BAI Zhe

Chairman

Hong Kong, 19 August 2015