



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
2015

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Chan Cheong Yee

Non-executive Director

Mr. Chen Yin (*Chairman*)

Independent Non-executive Directors

Mr. Fong Wo, Felix

Mr. Leung Wing Kin

Mr. Leung Chi Kong

AUDIT COMMITTEE

Mr. Leung Chi Kong (*Chairman*)

Mr. Fong Wo, Felix

Mr. Leung Wing Kin

REMUNERATION COMMITTEE

Mr. Fong Wo, Felix (*Chairman*)

Mr. Chen Yin

Mr. Leung Wing Kin

Mr. Leung Chi Kong

NOMINATION COMMITTEE

Mr. Fong Wo, Felix (*Chairman*)

Mr. Chen Yin

Mr. Leung Wing Kin

Mr. Leung Chi Kong

CHIEF EXECUTIVE OFFICER

Mr. Zhang Xuming

COMPANY SECRETARY

Mr. Liu Jiazhen

INVESTMENT MANAGER

China Everbright Securities (HK) Limited

CUSTODIAN

China Everbright Securities (HK) Limited

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
China Citic Bank International Limited
Dah Sing Bank, Limited

AUDITORS

BDO Limited
Certified Public Accountants

LEGAL ADVISERS

Hong Kong Law

Michael Li & Co.

Bermuda Law

Conyers Dill & Pearman

PRINCIPAL SHARE REGISTRAR

MUFG Fund Service (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road, Pembroke HM08
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
A18/F, Asia Orient Tower
Town Place, 33 Lockhart Road
Wanchai, Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Suites 2706–07, 27/F
Dah Sing Financial Center
108 Gloucester Road
Wanchai, Hong Kong

WEBSITE

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 2015 (the “Period”) together with the comparative figures for the corresponding period in 2014. 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 2015

	Note	Six months ended 30 September	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Revenue	4	316	86
Other income	4	52	167
Change in fair value of financial assets at fair value through profit or loss		24,732	(1,973)
Net realised loss on disposals of financial assets at fair value through profit or loss		(425)	(1,837)
Equity-settled share-based payment		–	(72,592)
Administrative expenses		(7,329)	(7,145)
Finance cost	5	–	(32)
Share of gain/(loss) of an associate		1	(1)
Gain/(Loss) before income tax expense	6	17,347	(83,327)
Income tax expense	7	–	–
Gain/(Loss) for the period attributable to owners of the Company		17,347	(83,327)
Dividend	8	–	–
			(represented)
Gain/(Loss) per share			
Basic (HK cents per share)	9	0.21	(1.04)
Diluted (HK cents per share)	9	0.18	(1.04)
Proceeds from disposals of financial assets at fair value through profit or loss		39,527	147,587

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 September 2015*

	Six months ended	
	30 September	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Gain/(Loss) for the period attributable to owners of the Company	17,347	(83,327)
Other comprehensive income:		
Change in fair value of available-for-sale financial assets	(10,377)	3,137
Exchange difference arising from an associate during the period	(127)	18
Other comprehensive (expenses)/income for the period, net of tax	(10,504)	3,155
Total comprehensive income/(expenses) attributable to owners of the Company	6,843	(80,172)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Note	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		590	721
Interest in an associate	10	5,958	6,084
Available-for-sale financial asset	11	71,164	61,541
		77,712	68,346
Current assets			
Financial assets at fair value through profit or loss	12	51,282	29,130
Other receivables, deposits and prepayments		60,423	90,496
Bank and cash balances		15,889	2,193
		127,594	121,819
Current liabilities			
Other payables and accrued charges		1,397	1,098
		1,397	1,098
Net current assets		126,197	120,721
Net assets		203,909	189,067

**30 September
2015
HK\$'000
(unaudited)**

31 March
2015
HK\$'000
(audited)

Note

EQUITY

Equity attributable to owners
of the Company

Share capital	13	8,367	8,343
Reserves		195,542	180,724
Total equity		203,909	189,067
Net asset value per share	14	HK\$0.024	HK\$0.023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 30 September 2015*

	Share capital HK\$'000	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2015 (audited)	8,343	265,018	7,659	123,411	47	(215,411)	189,067
Shares issued in acquisition of investment	24	7,975	-	-	-	-	7,999
Gain/(Loss) for the Period	-	-	-	-	-	17,347	17,347
Other comprehensive income							
— Change in fair value of available-for-sale financial assets	-	-	(10,377)	-	-	-	(10,377)
— Exchange difference arising from an associate during the Period	-	-	-	-	(127)	-	(127)
At 30 September 2015 (unaudited)	8,367	272,993	(2,718)	123,411	(80)	(198,064)	203,909
At 1 April 2014 (audited)	7,725	207,212	(1,490)	54,783	125	(126,526)	141,829
Shares issued by placing	220	31,680	-	-	-	-	31,900
Share issue expenses	-	(261)	-	-	-	-	(261)
Share issued in acquisition of investment	78	16,394	-	-	-	-	16,472
Share issued under share option scheme	310	12,235	-	(3,850)	-	-	8,695
Recognition of share options	-	-	-	72,592	-	-	72,592
Gain/(Loss) for the Period	-	-	-	-	-	(83,327)	(83,327)
Other comprehensive income							
— Change in fair value of available-for-sale financial assets	-	-	3,137	-	-	-	3,137
— Exchange difference arising from an associate during the Period	-	-	-	-	18	-	18
At 30 September 2014 (unaudited)	8,333	267,260	1,647	123,525	143	(209,853)	191,055

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 September 2015*

	Six months ended	
	30 September	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash generated from operating activities	25,700	5,642
Net cash (used in) investing activities	(12,004)	(15,102)
Net cash from financing activities	–	40,333
Net increase in cash and cash equivalents	13,696	30,873
Cash and cash equivalents at 1 April	2,193	73,083
Cash and cash equivalents at 30 September	15,889	103,956
Analysis of the balance of cash and cash equivalents		
Bank balances	15,889	13,912
Fixed deposits	–	90,044

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

1. GENERAL INFORMATION

China Investment Development Limited (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 Suites 2706–2707, 27/F, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, 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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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 (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 unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 March 2015 which has been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”). The accounting policies and basis of preparation used in the preparation of unaudited condensed consolidated financial statements are consistent with those applied in the Company’s audited consolidated financial statements for the year ended 31 March 2015. The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as appropriate.

Except for the adoption of new and revised HKFRSs issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2015, the significant judgement in applying accounting policies and the key sources of accounting estimates used in the unaudited condensed consolidated financial statements are consistent with those applied in the preparation of the Company's consolidated financial statements for the year ended 31 March 2015. The application of the new and revised HKFRSs have not had material impact on the results and financial positions of the Group for the current or prior accounting periods.

The Group has not yet early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective. The Group is in the process of assessing the potential impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs will have a significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. For the six months ended 30 September 2015 and 2014, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, does not contain profit or loss information of each business line or geographical area and the executive directors reviewed the financial result of the Group as a whole reported under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in investment holding. The executive directors allocate resources and assess performance on an aggregated basis. Accordingly, no operating segment is presented.

The following table provides an analysis of the Group's revenue and non-current assets including property, plant and equipment, interest in an associate and available-for-sale financial asset (i.e. "specified non-current assets") by geographical locations, determined based on physical location of the assets or location of operations in case of interest in an associate and available-for-sale financial asset, is as follows:

	Revenue from external customers		Specified non-current assets	
	Six months ended 30 September		30 September	
	2015	2014	2015	March
	HK\$'000	HK\$'000	HK\$'000	2015
	(unaudited)	(unaudited)	(unaudited)	(audited)
Hong Kong	316	86	590	721
Other regions of People's Republic of China (the "PRC")	–	–	77,122	67,625
	316	86	77,712	68,346

4. REVENUE AND OTHER INCOME

An analysis of revenue and other income are as follows:

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue:		
Interest income from assets at fair value through profit or loss	301	66
Dividend income from listed investments	15	20
	316	86
Other income:		
Bank interest income	15	159
Sundry income	37	10
	52	169
Total revenue and other income	368	255

5. FINANCIAL COST

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on borrowings wholly repayable within five years:		
Interest expenses	–	32
Total finance cost	–	32

6. PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Staff costs		
Salaries	2,003	1,607
Provident fund contributions	36	28
Equity-settled share-based payment	–	16,586
Total staff costs excluding directors' remuneration	2,039	18,221
Auditor's remuneration	185	175
Depreciation	135	135
Directors' remuneration (excluding equity-settled share-based payment)	660	616
Equity-settled share-based payment		
Director	–	6,480
Others	–	66,112
Total equity-settled share-based payment	–	72,592
Investment managers' fee	360	360
Rent and rates	969	943

7. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% (six months ended 30 September 2014: 16.5%) on the estimated assessable profits for the period. Overseas tax is calculated at the rates applicable in the respective jurisdictions. No Hong Kong profits tax has been provided for the Period as the estimated assessable profits of the Group were offset by tax losses brought forward and the Group is not subject to tax in other jurisdictions for the Period (six months ended 30 September 2014: nil).

No deferred tax asset has been recognised in respect of the unused tax losses due to unpredictability of future profits streams.

8. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: nil).

9. PROFIT/(LOSS) PER SHARE

The calculation of the basic and diluted profit/(loss) per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended	
	30 September	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit/(Loss)		
Profit/(Loss) for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	17,347	(83,327)
		(represented)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic profit/(loss) per share	8,355,302,083	7,996,861,599
Adjustment for share option granted	1,450,300,000	—
Weighted average number of ordinary shares for the purposes of diluted profit per share	9,805,602,083	—

No diluted loss per share has been presented for the corresponding period in 2014 as the potential ordinary share in respect of outstanding share options is anti-dilutive.

10. INTEREST IN AN ASSOCIATE

	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
Cost of Investment in an associate	6,080	6,080
Exchange differences	(80)	47
Share of loss of an associate	(42)	(43)
	5,958	6,084

Particulars of the associate are as follows:

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

Note: The Group is able to exercise significant influence over Bonicast Construction Material (Beijing) Co., Ltd. because it has the power to appoint one out of five directors of that company under the articles of association of that company. No dividend was received during the six months ended 30 September 2015 (six months ended 30 September 2014: nil).

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
Unlisted equity securities, at fair value	71,164	61,541

As at 30 September 2015, the Group held the following available-for-sale financial assets:

Name of investee company	Note	Place of incorporation	Percentage of effective interest held	Fair value HK\$'000	
				30.9.2015 (unaudited)	31.03.2015 (audited)
Tianjin Bao Xin Ying Precious Metal Management Limited	(a)	PRC	12.00%	7,828	10,088
Guang Zhou Shi Da Jian Credit Guarantee Limited	(b)	PRC	11.59%	8,657	7,417
China Petroleum Bio-energy Company Limited	(c)	Hong Kong	5.69%	23,503	27,911
Yenbo Gain Limited	(d)	BVI	18.18%	11,176	16,125
Perfect Worth Investment Limited	(e)	BVI	5.00%	20,000	–

Notes:

- (a) Tianjin Bao Xin Ying Precious Metal Management Limited is principally engaged in the trading of precious metals and gold products and investment advisory in Tianjin, the PRC. The initial cost of investment is HK\$6,590,000.
- (b) Guang Zhou Shi Da Jian Credit Guarantee Limited is principally engaged in providing credit guarantee service in the PRC. The initial cost of investment is HK\$9,800,000.
- (c) China Petroleum Bio-energy Company Limited and its subsidiaries are principally engaged in research, development and promotion of biomass energy and other agricultural related products. One of its subsidiary companies has obtained the development and operation right of a piece of land in Xinjiang Province, which is under construction and plantation of bio-oil crops and shelter belt plants. The initial cost of investment is HK\$24,400,000.
- (d) Yenbo Gain Limited is an investment holding company and its subsidiaries are principally engaged in cultivation and research of the fine and new varieties forest products together with the research and promotion of product cultivation technology for producing clean energy purposes. The initial cost of investment is HK\$13,092,000.
- (e) Perfect Worth Investment Limited is an investment holding company and its subsidiaries are principally engaged in the business of online distribution of footwear. The initial cost of investment is HK\$20,000,000.

The Group does not own or control more than 20% of the voting rights in any one of these investee companies. In the opinion of the directors, the Group is not able to exercise any significant influence on the financial and operating policies on these investee companies, and therefore all of these investments are not regarded as associates of the Group and are accounted for as available-for-sale financial assets for the period ended 30 September 2015.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
Hong Kong listed securities, at market value (note a)	29,460	7,298
Investments in convertible bonds, at fair value (note b)	21,822	21,832
	51,282	29,130

Notes:

(a) As at 30 September 2015, the Group held the following Hong Kong listed securities:

Name	Number of shares held	Percentage of interest held	Cost HK\$'000	Market value HK\$'000
CITIC Limited (stock code: 00267.HK)	30,000 ordinary share	0.0001%	482	423
Echo International Holdings Group Limited (stock code: 08218.HK)	11,168,000 ordinary share	1.3960%	4,846	29,037

The fair values of the Group's investment in listed equity securities are based on quoted market price.

- (b) On 22 December 2014, the Company invested in the 3% unsecured convertible bonds issued by Guanwan Investments Limited (“Guanwan”) at a face value of HK\$20,000,000, bearing coupon interest rate of 3% per annum. Guanwan is an investment holding company which indirectly holds 100% shares of its subsidiary, 深圳金特嬌服装有限公司 (“金特嬌”). 金特嬌 is principally engaging in designing, manufacturing and retail of women’s dress in PRC. Each convertible bond due on 22 December 2017 is convertible into 24 fully paid ordinary shares of Guanwan with a par value of USD1.00 each at a conversion price of HK\$833,333 per conversion share. The Company can exercise the conversion at any time until the maturity date.

13. SHARE CAPITAL

	Number of ordinary shares of HK\$0.001 each	Nominal value HK\$’000
Authorised:		
At 31 March 2015 and 30 September 2015	100,000,000,000	100,000
Issued and fully paid:		
At 31 March 2015	8,342,514,870	8,343
Share issued in acquisition of equity investments (<i>note</i>)	24,242,424	24
At 30 September 2015	8,366,757,294	8,367

Note: On 3 June 2015, the Company entered into an agreement to acquire the sale shares by issuing 24,242,424 consideration shares. On 26 June 2015, issue of consideration shares was completed and the aggregate nominal value is HK\$24,242.

14. 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\$203,909,000 (31 March 2015: HK\$189,067,000) and the number of ordinary shares in issue as at 30 September 2015, being 8,366,757,294 (31 March 2015: 8,342,514,870).

15. 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	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Salaries, equity-settled share-based payment, allowances and benefits in kind	1,340	9,661

- (b) During the period, the Group entered into the following transactions with related parties:

Name of related party	Nature of transaction	Six months ended 30 September	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
China Everbright Securities (HK) Limited ("China Everbright") <i>(note)</i>	Investment manager fee	360	360
China Everbright	Broker commission charge	–	587
China Everbright	Interest expenses	–	32

Note: The annual investment manager's fee payable to China Everbright is HK\$720,000.

16. OPERATING LEASE COMMITMENTS

At 30 September 2015, the minimum lease payments under non-cancellable operating leases for leased premise are payable as follows:

	30 September	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Within one year	1,776	1,713
In the second to fifth years inclusive	790	2,370
	2,566	4,083

17. SUBSEQUENT EVENTS AFTER PERIOD

With reference to the announcement of the Company dated 20 October 2015, 570,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six independent Placers at the Placing Price of HK\$0.148 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The net proceeds from the Placing, after deducting the placing fees payable to the Placing Agent and other expenses incidental to the Placing, is approximately HK\$83,931,704

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 Period, the Group recorded a profit of approximately HK\$17,347,000, as against a loss of approximately HK\$83,327,000 in the corresponding period ended 30 September 2014.

Gain per share for the Period was approximately HK\$0.21 cents (six months ended 30 September 2014: Loss per share approximately HK\$1.04 cents). The net asset value per share of the Company was approximately HK\$0.024 (31 March 2015: approximately HK\$0.023) as at 30 September 2015.

The investment portfolio of the Group as at 30 September 2015 is summarized as follows:

	Carrying value HK\$'000	Percentage of the total assets as at 30 September 2015
Interest in an associate	5,958	2.90%
Available-for-sale financial assets	71,164	34.66%
Financial assets at fair value through profit or loss		
— Hong Kong listed equity securities, at market value	29,460	14.35%
— Investments in convertible bonds, at fair value	21,822	10.63%

Financial Resources and Liquidity

As at 30 September 2015, the Group had cash and cash equivalents of approximately HK\$15,889,000 (31 March 2015: approximately HK\$2,193,000). The Group had net current assets and net assets of approximately HK\$126,197,000 (31 March 2015: HK\$120,721,000) and approximately HK\$203,909,000 (31 March 2015: HK\$189,067,000) respectively as at 30 September 2015. The Group had no bank and other borrowing as at 30 September 2015.

The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 91.33 (31 March 2015: 110.95) as at 30 September 2015.

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 13 to the condensed consolidated financial statements. The capital of the Company comprises only ordinary shares as at 30 September 2015.

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 2015, the Group did not engage in currency hedging nor did it adopt any formal hedging activities. The Group had not entered into any financial derivatives in currencies other than Hong Kong dollars during the Period.

Pledge of Assets and Contingent Liabilities

As at 30 September 2015, 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) amounted to approximately HK\$2,699,000 (six months ended 30 September 2014: HK\$25,317,000, including equity-settled share-based payments to certain directors and employees in the amount of approximately HK\$23,066,000) for the Period. The employees were remunerated based on their responsibilities and performance.

Prospect

In the year 2015, the global economic development remains sluggish and uncertain. There is also a slowdown in economic growth in the PRC market. However, for the longer term, the Group still maintains prudent optimism toward investments and will commit capital in a timely fashion. On the tiptoe, the Group will pay close attention to monitor its investment portfolio and adjust its investment policies and strategies where appropriate from time to time.

The Group will continue to emphasize on investing in the new energy market. The Biomass project in Xinjiang region is one of the valuable projects. It is believed the new energy sector can maintain an economic sustainability. Besides, the e-commerce market is expanding in the PRC backed by the introduction of “Internet Plus” concept. The Group has responded quickly by investing in Letao which is a well-known e-commerce platform of footwear in the PRC. The Group will keep on spreading its wings on investing in more web-based companies like Letao, as we are of the opinion that internet business is and will be penetrating into different fields constantly by increasing the flexibility on marketing, reducing more overhead for companies and providing in-depth data on consumer behaviour. The trend of Internet Plus is non-stoppable and the Group is willing to ride on that.

Apart from investing in the new energy and e-commerce industries, the Group will continue to seek opportunities in other investments to contribute favorable return for our shareholders.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

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

As at 30 September 2015, the interests and short positions held by the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, the "SFO") as recorded in the register required to be kept 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

Name of Directors/ chief executive	Capacity in which interests are held	Number of shares/underlying shares held			Approximate percentage of shareholding (note 1)
		Number of shares held	Number of shares issuable on share options held (note 2)	Total interests	
Mr. Chen Yin (note 3)	Interest of controlled corporation	1,026,320,000	–	1,026,320,000	12.27%
	Beneficial owner		27,300,000	27,300,000	0.33%
Mr. Chan Cheong Yee	Beneficial owner	–	81,100,000	81,100,000	0.97%
Mr. Fong Wo, Felix	Beneficial owner	–	30,000,000	30,000,000	0.36%
Mr. Leung Wing Kin	Beneficial owner	–	10,000,000	10,000,000	0.12%
Mr. Leung Chi Kong	Beneficial owner	–	20,000,000	20,000,000	0.24%
Mr. Zhang Xuming (note 4)	Interest of controlled corporation	722,640,000	–	722,640,000	8.64%
	Beneficial owner	–	81,100,000	81,100,000	0.97%

Notes:

1. The percentage of shareholding is calculated on the basis of the Company's issued share capital of 8,366,757,294 shares as at 30 September 2015.
2. The relevant interests are share options granted pursuant to the Company's share option scheme adopted on 9 April 2009 (the "Scheme"). Upon exercise of the share options in accordance with the Scheme, ordinary shares of HK\$0.001 each in the share capital of the Company are issuable. The share options are personal to the respective Directors and the holders thereof are entitled to subscribe for shares of the Company.

3. Mr. Chen Yin is deemed to have interests in 1,026,320,000 shares in the Company held by Micah Holdings Limited Investments Limited, a private company wholly-owned by Ms. Ji Jie, the spouse of Mr. Chen.
4. Mr. Zhang Xuming, the chief executive officer of the Company, is deemed to have interests in the 722,640,000 shares held by Salus Investments Limited, a private company wholly and beneficially owned by him.

Save as disclosed above, as at 30 September 2015, none of the Directors or chief executive of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept 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 2015, the following persons, other than a Director or chief executive of the Company, were interested or had short positions in more than 5% of the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in shares of the Company

Name of Shareholder	Capacity in which interests are held	Number of shares held	Approximate percentage of shareholding (note 1)
Micah Holdings Limited (note 2)	Beneficial owner	1,026,320,000	12.27%
Ms. Ji Jie	Interest of controlled corporation	1,026,320,000	12.27%
Salus Investments Limited (note 3)	Beneficial owner	722,640,000	8.64%

Notes:

1. The percentage of shareholding is calculated on the basis of the Company's issued share capital of 8,366,757,294 shares as at 30 September 2015.
2. Micah Holdings Limited is a private company wholly and beneficially owned by Ms. Ji Jie. Ms. Ji Jie is deemed to have interest in the shares held by Micah Holdings Limited.
3. Salus Investments Limited is a private company wholly and beneficially owned by Mr. Zhang Xuming, the chief executive officer of the Company.

Save as disclosed above, as at 30 September 2015, the Company was not notified of any persons, other than the Directors and the chief executive of the Company, having any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

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.

Movements of the share options of the Company during the Period are listed below:

Category	Date of grant	Exercise period	Exercise price per share HK\$	Number of share options				At 30 September 2015
				At 1 April 2015	Granted during the Period	Exercised during the Period	Lapsed during the Period	
Executive director	24 January 2014	24 January 2014 – 23 January 2019	0.1824	6,000,000	–	–	–	6,000,000
Non-executive director	24 January 2014	24 January 2014 – 23 January 2019	0.1824	2,600,000	–	–	–	2,600,000
Independent non-executive directors	24 January 2014	24 January 2014 – 23 January 2019	0.1824	1,000,000	–	–	–	1,000,000
Others	24 January 2014	24 January 2014 – 23 January 2019	0.1824	54,330,000	–	–	–	54,330,000
Executive director	16 September 2014	16 September 2014 – 15 September 2019	0.1560	2,110,000	–	–	–	2,110,000
Non-executive director	16 September 2014	16 September 2014 – 15 September 2019	0.1560	130,000	–	–	–	130,000
Independent non-executive directors	16 September 2014	16 September 2014 – 15 September 2019	0.1560	5,000,000	–	–	–	5,000,000
Others	16 September 2014	16 September 2014 – 15 September 2019	0.1560	73,860,000	–	–	–	73,860,000
Total				145,030,000	–	–	–	145,030,000

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 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the six months ended 30 September 2015.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the six months ended 30 September 2015 was the Company or any of its subsidiaries 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.

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for ensuring that high standards of corporate governance are maintained and for accounting to shareholders. During the six months ended 30 September 2015, the Company complied with the Corporate Governance Code (the "CG Code") as contained in Appendix 14 to the Listing Rules except for the following deviations:

The code provision A.6.7 of the CG Code states that independent non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Three independent non-executive directors were unable to attend the annual general meeting of the Company held on 28 August 2015 due to their other important engagement.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry to all Directors regarding any non-compliance with the Model Code during the Period and they all confirmed that they had fully complied with the required standard set out in the Model Code.

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 were in the hands of the public was not less than 25% of the Company's total number of issued shares during the six months ended 30 September 2015.

AUDIT COMMITTEE

As at the date of this report, the Audit Committee comprises three independent non-executive directors. 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 2015 has been reviewed by the Audit Committee.

ACKNOWLEDGEMENT

I would like to take this opportunity to express our sincere appreciation of the support from our shareholders. I would also like to thank my fellow directors for their valuable contribution and the staff members of the Group for their commitment and dedicated services throughout the Period.

By Order of the Board
China Investment Development Limited
Chen Yin
Chairman

Hong Kong, 30 November 2015