China Development Bank International Investment Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

Interim Report 2017

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Corporate Information

DIRECTORS

Executive Directors

Mr BAI Zhe *(Chairman)*
Mr ZHANG Jielong *(Deputy Chief Executive Officer)*
Mr LIU Xiao Guang [Note 1]
Mr YUAN Chun [Note 2] *(Chief Executive Officer)*

Independent Non-executive Directors

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

COMPANY SECRETARY

Mr YU Chi Kit

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

Mr SIN Yui Man *(Chairman)*
Mr WANG Xiangfei [Note 3]
Mr FAN Ren Da, Anthony
Mr LIU Xiao Guang [Note 1]

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

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

SMP Partners (Cayman) Limited
(formerly known as Royal Bank of Canada Trust Company (Cayman) Limited)
Royal Bank House
3rd Floor,
24 Shedden Road, P.O. Box 1586,
Grand Cayman, KY1-1110
Cayman Islands

Notes:

1. Passed away on 16 January 2017
2. Resigned on 12 June 2017
3. Appointed on 16 March 2017

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 China (Hong Kong) Limited
Bank of Communications Co., Ltd., Hong Kong Branch
China Minsheng Banking Corp., Ltd., Hong Kong Branch
The Bank of East Asia, Limited

AUDITOR

PricewaterhouseCoopers
22/F., Prince's Building
Central, Hong Kong

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
Unit No. 4702, 47th Floor
Central Plaza
No. 18 Harbour Road
Wanchai, Hong Kong

CUSTODIAN

Vistra Management (Hong Kong) Limited (formerly known as Orangefield Management (Hong Kong) Limited)
19/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1062

WEBSITE

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 2017 (the "**Period**"). The interim results for the Period have been reviewed by the audit committee and PricewaterhouseCoopers, the auditor of the Company.

OVERALL PERFORMANCE

For the Period, the Group recorded a profit of approximately Hong Kong Dollars ("**HK$**") 146.68 million (six months ended 30 June 2016: approximately HK$6.38 million) which is primarily attributable to the change in fair value of financial assets at fair value through profit or loss of approximately HK$152.66 million (six months ended 30 June 2016: approximately HK$10.00 million) netted off by the general and administrative expenses of approximately HK$5.75 million (six months ended 30 June 2016: approximately HK$3.97 million) incurred during the Period.

The Group's non-current assets (other than financial instruments and property, plant and equipment) are located in the People's Republic of China (the "**PRC**"). For the Period, the interest income was approximately HK$0.02 million (six months ended 30 June 2016: approximately HK$0.14 million). The Group's gain in fair value of financial assets at fair value through profit or loss for the Period amounted to approximately HK$152.66 million (six months ended 30 June 2016: approximately HK$10.00 million), which were attributable to the Group's investments in Wacai, G7, Spruce, Best Logistics, PG Investment and Jinko Power (defined as below). The general and administrative expenses of the Group for the Period were approximately HK$5.75 million (six months ended 30 June 2016: approximately HK$3.97 million), mainly resulted from the increase in legal and professional fees incurred during the Period. The Group's net asset value increased to approximately HK$1,455.52 million as at 30 June 2017 (31 December 2016: approximately HK$1,306.86 million), with earnings per share of HK5.05 cents (six months ended 30 June 2016: HK0.22 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 grasp investment opportunities. As at 30 June 2017, the cash and bank balance of the Group was approximately HK$99.67 million (31 December 2016: approximately HK$108.75 million). Almost all the retained cash was denominated in United States Dollars ("**US$**") and Hong Kong Dollars and was placed in major banks in Hong Kong. As the Hong Kong Dollars and United States Dollars are pegged with each other, 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 2017. As at 30 June 2017, the Group had borrowings of HK$195.00 million (31 December 2016: Nil). As at 30 June 2017, the Group's debt-to-equity ratio (calculated as the short-term borrowings to the total shareholder's equity) was approximately 0.13 (31 December 2016: Nil), putting the Group in an advantageous position to pursue its investment strategies and grasp investment opportunities.

The Directors have given careful consideration to the future liquidity of the Group. While recognising that the Group had net current liabilities of approximately HK$98.66 million as at 30 June 2017, the Directors are of the opinion that the Group will be able to meet its financial obligations as they fall due for the foreseeable future as (i) China Development Bank International Holdings Limited ("**CDBIH**"), the controlling shareholder of the Company (the "**Controlling Shareholder**"), has indicated its intention to provide financial support for the continuing operations of the Group and the Company so as to enable it to meet its liabilities as they fall due and carry on their business without a significant curtailment of operations in the twelve months from 30 June 2017; and (ii) CDBIH has provided uncommitted revolving credit facilities amounting to US$100.00 million to the Company which was not yet utilised as at 30 June 2017. The management will closely monitor the net current liability position and arrange financing from external banks and the Controlling Shareholder accordingly.

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 2017, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities (31 December 2016: Nil). As at 30 June 2017, as far as the Directors are aware, the Group was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Period, the Company had not made any material acquisition and disposal of subsidiaries and associated companies.

PORTFOLIO REVIEW

Particulars of the significant investments of the Group as at 30 June 2017 are set out as follows:

Name of investment	**Cost as at 30 June 2017** ***HK$*** ***(Unaudited)***	**Market value as at 30 June 2017** ***HK$*** ***(Unaudited)***	Market value as at 31 December 2016 *HK$* *(Audited)*	**Unrealised gains recognised for the period ended 30 June 2017** ***HK$*** ***(Unaudited)***	**Accumulated unrealised gains recognised as of 30 June 2017** ***HK$*** ***(Unaudited)***	Percentage to the Group's total assets as at 30 June 2017 *%*
Financial assets at fair value through profit or loss						
Jade Sino Ventures Limited ("**Jade Sino**") *(Note 1)*	194,987,520	347,799,551	254,764,255	93,035,296	152,812,031	20
Jolly Investment Limited ("**Jolly**") *(Note 2)*	195,000,000	241,800,000	224,640,000	17,160,000	46,800,000	15
Best Logistics Technologies Limited ("**Best Logistics**") *(Note 3)*	234,000,000	273,234,000	263,874,000	9,360,000	39,234,000	17
Spruce *(Note 4)*	200,460,000	229,760,186	200,951,790	28,808,396	29,300,186	14
G7 Networks Limited ("**G7**") *(Note 5)*	195,000,000	197,833,186	195,012,769	2,820,417	2,833,186	12
Wacai Holdings Limited ("**Wacai**") *(Note 6)*	195,000,000	196,478,163	–	1,478,163	1,478,163	12
	1,214,447,520	**1,486,905,086**	**1,139,242,814**	**152,662,272**	**272,457,566**	**90**

Notes:

1. Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. As at 30 June 2017, the proportion of the issued share capital of Jade Sino owned by the Group was approximately 23.81%. As at 30 June 2017, Jade Sino directly held approximately 16.29% of the equity interests of Jinko Power Technology Co., Ltd*. ("**Jinko Power**") (formerly known as Jiangxi JinkoSolar Power Engineering Co., Ltd.* ("**Jiangxi JinkoSolar**")), a company incorporated in the PRC with limited liabilities. Jinko Power and its subsidiaries are principally engaged in developing, building and operating photovoltaic power stations in the PRC. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

* *For identification purpose only*

2. Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. As at 30 June 2017, the proportion of the issued share capital of Jolly owned by the Group was approximately 23.04%. As at 30 June 2017, Jolly indirectly held approximately 21.74% of the equity interests of Guangzhou P.G. Investment Co., Ltd.* ("**PG Investment**"), a company incorporated in the PRC. PG Investment is a logistics warehouse infrastructure operator in the PRC. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

3. Best Logistics was incorporated in the Cayman Islands with limited liabilities which is principally engaged in express delivery, freight delivery and supply chain service. In June 2017, the name of Best Logistics was changed to BEST Inc. As at 30 June 2017, the proportion of its enlarged issued share capital owned by the Group was approximately 0.96%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

4. Spruce is an investment holding company incorporated in the Cayman Islands and provides supply chain related services including ingredient procurement, warehousing and distribution to small-and-medium-sized restaurants in the PRC. As at 30 June 2017, the proportion of the enlarged issued share capital of Spruce owned by the Group was approximately 1.51%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

5. G7 is a technology leader in the logistics sector in the PRC. Its services span all aspects of fleet management including order processing, short/long haul visibility, asset tracking, dispatch, and route planning. As at 30 June 2017, the proportion of the enlarged issued share capital of G7 owned by the Group was approximately 6.85%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

6. Wacai is a leading online comprehensive financial planning and wealth management platform in the fin-tech industry in the PRC. As at 30 June 2017, the proportion of the enlarged issued share capital of Wacai owned by the Group was approximately 3.59%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

UNLISTED INVESTMENTS REVIEW

The Company has been committed to identifying and exploring suitable investment opportunities in the logistics industry and has established certain investment layout in areas including, but not limited to, Fin-tech, logistics infrastructure and supply chain services. The transactions below with Wacai, G7, Spruce, Best Logistics, PG Investment and Jinko Power are expected to create investment returns for the shareholders of the Company (the "**Shareholders**") and further promote the Company's overall market advantage in modern service industries such as logistics, consumption and finance.

The Company will proactively leverage the resources of China Development Bank Corporation ("**CDB**") in the areas of agriculture modernisation, logistics infrastructure and microcredit and will fully utilise the Company's extensive knowledge and experience in finance, management and relevant industries to assist Wacai, G7, Spruce, Best Logistics, PG Investment and Jinko Power in enhancing their efficiency, exploring business opportunities, optimising the decision-making and incentive mechanisms and improving corporate governance practices continuously.

Wacai

On 8 April 2017, a wholly-owned subsidiary of the Company had entered into a preferred share purchase agreement (the "**Wacai Investment Agreement**") with Wacai, pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares of Wacai at a consideration of US$25.00 million, representing approximately 3.59% of the enlarged issued share capital of Wacai.

As one of the earliest established Fin-tech companies in the PRC, Wacai has now become a leading online comprehensive financial planning and wealth management platform in the industry. In June 2009, Wacai launched the first personal finance bookkeeping mobile application named "Wacai Bookkeeper" in the PRC, and since then gradually evolved into a holistic personal finance platform with products including "Wacai Bao Wealth Management", "Credit Card Manager", "Money Manager" and "Money Town Community". With its devotion to providing one-stop online financial management tools information and advisory services to the mass market, Wacai has developed an ecosystem around personal financial planning, wealth management,

* *For identification purpose only*

credit management, and vertical online discussion forum. Based on the profound understanding of customer needs, user-friendly product design, cutting edge finance technology, and rigorous risk management, Wacai has been providing consistent and high-quality services to over 47.00 million registered users in the past eight years. Wacai is an independent third party of the Company.

G7

On 29 December 2016, a wholly-owned subsidiary of the Company entered into a convertible preferred share subscription agreement with G7 pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares of G7 at a cash consideration in the amount of US$25.00 million, representing approximately 6.85% of the enlarged issued share capital of G7.

G7 is a leading logistics data service company in the PRC with its business coverage spanning across the PRC and its neighboring countries in Asia. G7 is connected to over 300,000 cargo vehicles of more than 30,000 customers. By installing smart devices on vehicles in the fleet, G7 utilises the real-time sensing technology to provide data services that span the entire logistic process, to connect the data of every single vehicle, consignor, fleet owner and driver, and thus to improve the efficiency of transport service. Based on the big data of the connected vehicles, G7 cooperates with premium partners from oil distribution, toll roads and bridges, insurance, banking and financial leasing industries to establish a one-stop service platform that integrates primary consumption of fleets. The platform enables safer, more economical, more efficient and more environmentally-friendly logistic services. G7 is an independent third party of the Company.

Spruce

On 24 November 2016, the Company entered into an investment agreement with Spruce pursuant to which the Company agreed to subscribe for the newly issued convertible preferred shares of Spruce at a cash consideration in the amount of US$25.70 million, representing approximately 1.51% of the enlarged issued share capital of Spruce.

Spruce is a holding company incorporated in the Cayman Islands and provides supply chain related services including ingredient procurement, warehousing and distribution to small-and-medium-sized restaurants in the PRC. It is the largest e-commerce platform in terms of gross merchandise volume in the area of supply chain for agricultural products in the PRC. By shortening the distribution process of agricultural products, improving the efficiency of agricultural products supply chain, and establishing large-scale warehousing and distribution system and the fine quality control for the whole process. Spruce is able to provide economic and efficient services for farmers and restaurant customers in the PRC’s agricultural products supply chain. Spruce is an independent third party of the Company.

Best Logistics

On 18 January 2016, the Company entered into a convertible preferred shares purchase agreement with Best Logistics as well as the members of Best Logistics group, the existing holders of the securities of Best Logistics and investors of the new preferred shares of Best Logistics, pursuant to which the Company, as one of the investors of the new preferred shares, agreed to subscribe for certain new preferred shares at a cash consideration in the amount of US$30.00 million, representing approximately 0.96% of the enlarged issued share capital of Best Logistics.

In June 2017, the name of Best Logistics was changed to BEST Inc.

Best Logistics is a leading innovative integrated logistics and supply chain service provider in the PRC. It engages in business including express delivery, freight delivery and supply chain service. Best Logistics, incorporated in the Cayman Islands with limited liabilities, is an independent third party of the Company.

PG Investment

On 15 December 2015, the Company entered into a share subscription agreement with Jolly and an independent third party of the Company, pursuant to which Jolly agreed to issue an aggregate of 31,449 ordinary shares of Jolly and the Company as one of the investors agreed to subscribe for 7,245 ordinary shares of Jolly at a cash consideration in the amount of US$25.00 million, representing approximately 23.04% of the enlarged issued share capital of Jolly.

Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. Jolly indirectly invested in PG Investment, a PRC company. PG Investment is a leading logistics warehouse infrastructure operator in the PRC, whose principal business includes investment, construction and operation of large scale logistics parks, business facilities and exhibition centers. Jolly and PG Investment are both independent third parties of the Company.

Jinko Power

On 29 September 2014, the Company entered into a share subscription agreement (the "**Jade Sino Subscription Agreement**") with CDBIH and Jade Sino, pursuant to which the Company and CDBIH agreed to subscribe for 11,904 and 13,096 ordinary shares of Jade Sino, representing approximately 23.81% and 26.19% of the enlarged issued share capital of Jade Sino respectively.

The principal asset of Jade Sino was the 13,404 preferred shares of JinkoSolar Power Engineering Group Limited ("**JinkoSolar Power**") out of the total 26,809 preferred shares subscribed on 11 August 2014 by CDBIH. Upon completion of Jade Sino Subscription Agreement, Jade Sino applied the amount of US$52.5 million (equivalent to approximately HK$409.50 million) contributed by the Company and CDBIH to completing the subscription of the remaining 13,405 preferred shares of JinkoSolar Power. The subscription of the remaining 13,405 preferred shares of JinkoSolar Power by Jade Sino was completed on 13 November 2014.

As at 30 June 2017, Jade Sino directly held approximately 16.29% of the equity interests of Jinko Power, a company incorporated in the PRC with limited liabilities.

Beijing Far East

Beijing Far East, an associate of the Group, is a leading industrial precision instrument manufacturer in the PRC. The principal business of Beijing Far East is to manufacture meters and precise measuring instruments. Based on the unaudited management accounts for the Period, Beijing Far East recorded its unaudited consolidated loss of approximately Renminbi ("**RMB**") 12.45 million (six months ended 30 June 2016: approximately RMB0.6 million).

EMPLOYEES

As at 30 June 2017, the Company had 7 employees (30 June 2016: 6). The total staff costs of the Group (excluding Directors' fee) for the Period was approximately HK$2.53 million (six months ended 30 June 2016: approximately HK$2.33 million). The Company determines its staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages of the Company's employees including basic salary, performance bonuses and mandatory provident fund are reviewed on regular basis. The Company 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

As at 30 June 2017, the Group had outstanding bank borrowings of HK$195.00 million (31 December 2016: Nil). As at 30 June 2017, the Group's current ratio (current assets to current liabilities) was approximately 0.50 (31 December 2016: approximately 17.42). The ratio of total liabilities to total assets of the Group was approximately 0.12 (31 December 2016: approximately 0.01).

On 3 April 2017, the Company had entered into an uncommitted revolving loan facility agreement (the "**Facility Agreement**") with China Minsheng Banking Corp., Ltd., Hong Kong Branch ("**CMBC HK**") with CMBC HK as lender and the Company as borrower, pursuant to which CMBC HK will provide an uncommitted revolving loan facility to the Company in the amount of up to US$100.00 million (the "**Loan**").

As at 30 June 2017, the Group had drawn down US$25.00 million (equivalent to approximately HK$195.00 million) under the Facility Agreement.

CMBC HK is a licensed financial institution under the laws of Hong Kong and a wholly-owned subsidiary of China Minsheng Banking Corp., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600016, and listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), stock code: 01988). CMBC HK is a third party independent of and not connected with the Company and its connected persons.

EXCHANGE EXPOSURE

Almost all the retained cash was denominated in United States Dollars and Hong Kong Dollars and was placed in major banks in Hong Kong. As the Hong Kong Dollars and United States Dollars are pegged with each other, the Group's exposure to exchange fluctuations is considered minimal.

FUTURE PROSPECTS

The Company has been committed to identifying and exploring suitable investment opportunities in the logistics industry and has established certain investment layout in areas including, but not limited to, logistics infrastructure and supply chain services. Logistics industry is a fundamental and strategic industry which supports the national economic development and is also a key industry which CDB, our ultimate Controlling Shareholder supports. The Company will continue to extend its area of investment from its current basis to the enterprises which enhance the efficiency of logistics infrastructure and create investment returns for Shareholders and further promote the Company's overall market strength in modern service industries such as logistics, consumption and finance. The Company will proactively leverage the resources of CDB in logistics infrastructure and microcredit based on its existing logistics network with its extensive industry knowledge and experience in finance and management in order to assist companies in continuously enhancing its efficiency, exploring business opportunities, optimising the decision-making process and incentive mechanism and improving corporate governance practices.

As a Fin-tech company with steady operation and sustainable operating profits, Wacai has bridged the capital and real economy through the Internet. It not only helps the capital to flow into the real economy more efficiently, but also provides more suitable wealth management means for the ordinary people, successfully reducing the credit cost for small-and-micro enterprises and effectively improving the asset yield for the investors. The business of Wacai is like-minded with the idea of CDB of providing inclusive finance to more small-and-micro enterprises and individuals which is devoted to providing finance service to more small and micro enterprises and individuals. By entering into the Wacai Investment Agreement, the Company will proactively leverage CDB's affluent knowledge and experience in financial areas and cooperate with Wacai closely in asset development and capital cooperation under the framework of "wholesale banks plus retail institution" in order to promote the positive interaction between the finance and real economy jointly.

The Company will continue to actively pursue opportunities to bring the best returns to the Shareholders and pave the way for business growth. The Company anticipates the growth in logistic industry to remain optimistic.

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

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2017

	Notes	Six months ended 30 June 2017 HK$ (Unaudited)	2016 HK$ (Unaudited)
Change in fair value of financial assets at fair value through profit or loss		**152,662,272**	9,995,533
General and administrative expenses	8	**(5,753,727)**	(3,973,313)
Operating profit		**146,908,545**	6,022,220
Finance income		**16,697**	135,876
Finance cost		**(938,830)**	–
Share of results in associates		**274,751**	262,973
Profit before income tax		**146,261,163**	6,421,069
Income tax credit/(expense)	7	**414,008**	(39,308)
Profit for the period attributable to owners of the Company		**146,675,171**	6,381,761
Other comprehensive income/(expense)			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operation		**1,988,640**	(1,342,021)
Other comprehensive income/(expense) for the period		**1,988,640**	(1,342,021)
Total comprehensive income for the period attributable to owners of the Company		**148,663,811**	5,039,740
Earnings per share			
– Basic (HK cents)	10	**5.05**	0.22
– Diluted (HK cents)	10	**5.05**	0.22

Condensed Consolidated Statement of Financial Position

As at 30 June 2017

	Note	30 June 2017 HK$ (Unaudited)	31 December 2016 HK$ (Audited)
Assets			
Non-current assets			
Property, plant and equipment	11	**–**	–
Interests in associates	12	**69,174,469**	67,112,795
Financial assets at fair value through profit or loss	13	**1,486,905,086**	1,139,242,814
		1,556,079,555	1,206,355,609
Current assets			
Other receivables, prepayments and deposits		**181,844**	343,809
Cash and cash equivalents	14	**99,673,319**	108,751,139
		99,855,163	109,094,948
Total assets		**1,655,934,718**	1,315,450,557
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	16	**29,022,154**	29,022,154
Reserves		**1,426,502,106**	1,277,838,295
Total equity		**1,455,524,260**	1,306,860,449
Liabilities			
Non-current liability			
Deferred tax liabilities		**1,891,654**	2,325,834
Current liabilities			
Short-term borrowings		**195,000,000**	–
Other payables and accruals	15	**3,518,804**	6,264,274
		198,518,804	6,264,274
Total liabilities		**200,410,458**	8,590,108
Total equity and liabilities	20	**1,655,934,718**	1,315,450,557
Net asset value per share	20	**0.50**	0.45

The condensed consolidated financial statements on pages 11 to 32 were approved and authorised for issue by the Board of Directors on 10 August 2017 and are signed on its behalf by:

Bai Zhe
DIRECTOR

Zhang Jielong
DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

	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 2016 (Audited)	29,022,154	1,043,800,995	382,880,958	11,103,151	270,200	(245,556,717)	1,221,520,741
Profit for the period	–	–	–	–	–	6,381,761	6,381,761
Other comprehensive expense							
Exchange differences arising on translation	–	–	–	(1,342,021)	–	–	(1,342,021)
Total comprehensive (expense)/ income for the period	–	–	–	(1,342,021)	–	6,381,761	5,039,740
Balance at 30 June 2016 (Unaudited)	29,022,154	1,043,800,995	382,880,958	9,761,130	270,200	(239,174,956)	1,226,560,481
At 1 January 2017 (Audited)	**29,022,154**	**1,043,800,995**	**382,880,958**	**6,650,351**	**270,200**	**(155,764,209)**	**1,306,860,449**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**146,675,171**	**146,675,171**
Other comprehensive income							
Exchange differences arising on translation	**–**	**–**	**–**	**1,988,640**	**–**	**–**	**1,988,640**
Total comprehensive income for the period	**–**	**–**	**–**	**1,988,640**	**–**	**146,675,171**	**148,663,811**
Balance at 30 June 2017 (Unaudited)	**29,022,154**	**1,043,800,995**	**382,880,958**	**8,638,991**	**270,200**	**(9,089,038)**	**1,455,524,260**

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 section 166 of the Hong Kong Companies Ordinance 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 2017

	Six months ended 30 June	
	2017	2016
	HK$	HK$
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(8,155,687)**	(6,285,008)
Investing activities		
Purchase of financial assets at fair through profit or loss	**(195,000,000)**	(234,000,000)
Interest received from bank deposits	**16,697**	135,876
Net cash used in investing activities	**(194,983,303)**	(233,864,124)
Financing activities		
Interest paid	**(938,830)**	–
Proceed from bank and other borrowings	**195,000,000**	–
Net cash generated from financing activities	**194,061,170**	–
Net decrease in cash and cash equivalents	**(9,077,820)**	(240,149,132)
Cash and cash equivalents at the beginning of the period	**108,751,139**	748,578,554
Cash and cash equivalents at the end of the period, representing bank balances and cash	**99,673,319**	508,429,422

Notes to the Condensed Consolidated Financial Statements

1 GENERAL

The Company is a limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its immediate parent company is China Development Bank International Holdings Limited ("**CDBIH**"), a private limited company established in Hong Kong and its ultimate parent company is China Development Bank Corporation ("**CDB**"), a wholly state-owned policy bank established on 17 March 1994 in the People's Republic of China ("**PRC**"). CDB is a joint stock commercial bank established jointly by the Ministry of Finance ("**MOF**") and Central Huijin Investment Ltd ("**Huijin**"). The MOF is one of the ministries under the State Council, primarily responsible for state fiscal revenue and expenditures, and taxation policies. Huijin was established to hold certain equity investments as authorised by the State Council and does not engage in other commercial activities. Huijin exercises legal rights and obligations on behalf of the PRC government. The address of the registered office and principal place of business of the Company are disclosed in the corporate information of the interim report.

The principal activities of the Company and its subsidiaries (the "**Group**") are to achieve medium-term to long-term capital appreciation of its assets primarily through its investments in money market securities, equity and debt related securities in listed and unlisted entities on a global basis.

The condensed consolidated interim financial information is presented in Hong Kong Dollars ("**HK$**"), unless otherwise stated. The condensed consolidated interim financial information has been approved for issue by the Board on 10 August 2017.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

In preparing the condensed consolidated financial statements, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity of the Group. While recognising that the Group had net current liabilities of HK$98,663,641 as at 30 June 2017, the Directors are of the opinion that the Group will be able to meet its financial obligations as they fall due for the foreseeable future as (i) CDBIH, the controlling shareholder of the Company, has indicated its intention to provide financial support for the continuing operations of the Group and the Company so as to enable it to meet its liabilities as they fall due and carry on their business without a significant curtailment of operations in the twelve months from 30 June 2017; and (ii) CDBIH has provided uncommitted revolving credit facilities amounting to US$100,000,000 to the Company which was not yet utilised as at 30 June 2017. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated financial statements are disclosed in Note 5.

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments for HKFRSs, effective for the financial year ending 31 December 2017. Amendments to HKFRSs effective for the financial year ending 31 December 2017 do not have a material impact on the Group.

		Effective for accounting period beginning on or after
HKFRS 2	Classification and measurement of share-based payment transactions (amendments)	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRIC 22	Foreign currency transactions and advance consideration	1 January 2018
Annual improvements projects	Annual improvements 2014-2016 cycle	1 January 2018
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new HKFRSs and set out below are those that are expected to have material impact on the Group's accounting policies:

HKFRS 9 "Financial instruments"

HKFRS 9 "Financial instrument" addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognised in other comprehensive income, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss.

There are equity investments currently measured at fair value through profit or loss ("**FVTPL**") for the Group (Note 13). They would likely continue to be measured on the same basis under HKFRS 9. Accordingly, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

3 ACCOUNTING POLICIES (continued)

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 "Financial Instruments": Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("**ECL**") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income ("**FVOCI**"), contract assets under HKFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments or certain financial guarantee contracts.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016.

There have been no changes in the risk management policies since year end.

4.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2017 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Financial assets	Fair value as at 30 June 2017 (unaudited)	Fair value as at 31 December 2016 (audited)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
(i) Unlisted ordinary shares of Jade Sino Ventures Limited	HK$347,799,551	HK$254,764,255	Level 3	Option-Pricing model The key inputs are credit spread rate and volatility	Credit spread rate, determined by reference with credit analysis of the issuer and the market rate with similar credit ratio, of 10.58%.	The higher the credit spread rate, the lower the fair value.	If the credit spread rate is 2.5% higher/lower, while all other variables were held constant, the fair value would decrease by HK$2,306,980 and increase by HK$2,416,016 respectively.
					Volatility, determined by reference to the average annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share of the comparable companies, of 46.49%.	The higher the volatility, the higher the fair value.	If the volatility is 10% higher/lower, while all other variables were held constant/the fair value would increase by HK$7,404,602 and decrease by HK$6,893,038 respectively.

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation (continued)

Financial assets		Fair value as at 30 June 2017 (unaudited)	Fair value as at 31 December 2016 (audited)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
(ii)	Unlisted ordinary shares of Jolly Investment Limited	HK$241,800,000	HK$224,640,000	Level 3	Option-Pricing model The key inputs are credit spread rate and volatility	Credit spread rate, determined by reference with credit analysis of the issuer and the market rate with similar credit ratio, of 10.07%.	The higher the credit spread rate, the lower the fair value.	If the credit spread rate is 2.5% higher/lower, while all other variables were held constant, the fair value would decrease by HK$14,040,000 and increase by HK$16,380,000 respectively.
						Volatility, determined by reference to the average annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share of the comparable companies, of 48.34%.	The higher the volatility, the higher the fair value.	If the volatility is 10% higher/lower, while all other variables were held constant/the fair value would increase by HK$12,480,000 and decrease by HK$7,800,000 respectively.
(iii)	Unlisted convertible preferred shares with put option of Best Logisties Technologies Limited	HK$273,234,000	HK$263,874,000	Level 3	Option-Pricing model The key inputs are credit spread rate and volatility	Credit spread rate, determined by reference with credit analysis of the issuer and the market rate with similar credit ratio, of 7.78%.	The higher the credit spread rate, the lower the fair value.	If the credit spread rate is 2.5% higher/lower, while all other variables were held constant, the fair value would decrease by HK$7,722,000 and increase by HK$8,190,000 respectively.
						Volatility, determined by reference to the average annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share of the comparable companies, of 43.36%.	The higher the volatility, the higher the fair value.	If the volatility is 10% higher/lower, while all other variables were held constant/the fair value would increase by HK$3,744,000 and decrease by HK$5,304,000 respectively.

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation (continued)

Financial assets	Fair value as at 30 June 2017 (unaudited)	Fair value as at 31 December 2016 (audited)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
(iv) Unlisted convertible preferred shares with put option of Spruce	HK$229,760,186	HK$200,951,790	Level 3	Option-Pricing model The key inputs are credit spread rate and volatility	Credit spread rate, determined by reference with credit analysis of the issuer and the market rate with similar credit ratio, of 7.12%.	The higher the credit spread rate, the lower the fair value.	If the credit spread rate is 2.5% higher/lower, while all other variables were held constant, the fair value would decrease by HK$9,171,517 and increase by HK$10,224,439 respectively.
					Volatility, determined by reference to the average annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share of the comparable companies, of 43.08%.	The higher the volatility, the higher the fair value.	If the volatility is 10% higher/lower, while all other variables were held constant/the fair value would increase by HK$8,475,739 and decrease by HK$9,364,450 respectively.
(v) Unlisted convertible preferred shares with put option of G7 Networks Limited	HK$197,833,186	HK$195,012,769	Level 3	Option-Pricing model The key inputs are credit spread rate and volatility	Credit spread rate, determined by reference with credit analysis of the issuer and the market rate with similar credit ratio, of 8.79%.	The higher the credit spread rate, the lower the fair value.	If the credit spread rate is 2.5% higher/lower, while all other variables were held constant, the fair value would decrease by HK$9,876,992 and increase by HK$10,774,265 respectively.
					Volatility, determined by reference to the average annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share of the comparable companies, of 41.52%.	The higher the volatility, the higher the fair value.	If the volatility is 10% higher/lower, while all other variables were held constant/the fair value would increase by HK$2,032,360 and decrease by HK$1,387,435 respectively.

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation (continued)

Financial assets		Fair value as at 30 June 2017 (unaudited)	Fair value as at 31 December 2016 (audited)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
(vi)	Unlisted convertible preferred shares with put option of Wacai Holdings Limited	HK$196,478,163	N/A	Level 3	Option-Pricing model The key inputs are credit spread rate and volatility	Credit spread rate, determined by reference with credit analysis of the issuer and the market rate with similar credit ratio, of 7.37%.	The higher the credit spread rate, the lower the fair value.	If the credit spread rate is 2.5% higher/lower, while all other variables were held constant, the fair value would decrease by HK$15,194,614 and increase by HK$13,602,740 respectively.
						Volatility, determined by reference to the average annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share of the comparable companies, of 64.14%.	The higher the volatility, the higher the fair value.	If the volatility is 10% higher/lower, while all other variables were held constant/the fair value would increase by HK$916,729 and decrease by HK$1,287,361 respectively.

There were no transfers between Level 1, 2 and 3 during the Period.

The fair values of the financial assets are determined in accordance with option-pricing model which is a generally accepted pricing models.

The Directors consider that the carrying amounts of the financial assets recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation (continued)

Fair value hierarchy

	Level 1 HK$	Level 2 HK$	Level 3 HK$	Total HK$
30 June 2017	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Financial assets				
Financial assets at fair value through profit or loss	**–**	**–**	**1,486,905,086**	**1,486,905,086**
31 December 2016	**(audited)**	**(audited)**	**(audited)**	**(audited)**
Financial assets				
Financial assets at fair value through profit or loss	–	–	1,139,242,814	1,139,242,814

The fair values of the financial assets included in the level 3 category above have been determined in accordance with option-pricing model, with the most significant inputs being the credit spread rate that reflects the credit risk of counterparties and the volatility.

The following table presents the changes in level 3 instruments for the period ended 30 June 2016 and 2017.

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL HK$
At 1 January 2016	218,164,078
Total gains recognised in profit or loss	
– change in fair value of financial assets at fair value through profit or loss	9,995,533
Purchases	
– settled by cash during the period	234,000,000
– prepaid in prior year	195,000,000
At 30 June 2016 (unaudited)	657,159,611
At 1 January 2017 (audited)	1,139,242,814
Total gains recognised in profit or loss	
– change in fair value of financial assets at fair value through profit or loss	152,662,272
Purchases	
– settled by cash during the period	195,000,000
At 30 June 2017 (unaudited)	1,486,905,086

Of the total gains for the period included in profit or loss, HK$152,662,272 (Six months ended 30 June 2016: HK$9,995,533) 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 at fair value through profit or loss'.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value of financial instruments and interests in associates measured at FVTPL

The Group selects appropriate valuation techniques for financial instruments and interest in associates measured at FVTPL for financial reporting purposes. The director has delegated the valuation work to finance division, which is headed up by the vice president of finance division of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of assets, 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 vice president of finance division of the Company reports the finance division's findings to the 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. Note 4.3 provides detailed information about the valuation techniques and inputs used in the determination of the fair value of various assets.

6 SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") has been identified as the Company's executive directors. The Group's principal activity is investment in equity instruments and other financial instruments. For the purpose of resources allocation and assessment of performance, the CODM regularly reviews the Group's investment portfolio, including financial assets at fair value through profit or loss. Information provided to the CODM includes fair value of the respective investees. The Group's financial assets at fair value through profit or loss portfolio are managed and evaluated on a total return basis. No other discrete financial information was provided to the CODM. Therefore, the Group has identified only one operating segment – investment holding, and no separate segment information is disclosed.

Management determines the Group is domiciled in Hong Kong, which is the location of the Group's principal office.

The Group's non-current assets (other than financial instruments and property, plant and equipment) are located in the PRC.

The Group's revenue was all derived from the Group's operation which is located in Hong Kong.

Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

7 INCOME TAX CREDIT/(EXPENSE)

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

	Six months ended 30 June	
	2017	2016
	HK$	HK$
	(Unaudited)	(Unaudited)
Current tax		
– Withholding tax	**(20,172)**	–
Deferred taxation on withholding tax on undistributed earnings of associates		
– Current year	**434,180**	(39,308)
	414,008	(39,308)

8 EXPENSE BY NATURE

	Six months ended 30 June	
	2017	2016
	HK$	HK$
	(Unaudited)	(Unaudited)
Employee benefits expenses		
– Directors' fee	**154,301**	200,000
– Other staff costs (note)		
Basic salaries and other benefits	**2,389,338**	2,218,298
Retirement benefits contribution	**141,629**	110,189
Auditor's remuneration	**381,400**	420,000
Investment management fees	**175,000**	175,000
Others	**2,512,059**	849,826
Total general and administrative expenses	**5,753,727**	3,973,313

Note: During the six month ended 30 June 2017, the Group paid services fee of HK$539,887 (six months ended 30 June 2016: HK$556,165) to a personnel services company which provides staff to the Group. Such amounts are excluded from the total staff costs as mentioned above.

9 DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2017 (30 June 2016: nil).

10 EARNINGS PER SHARE

	Six months ended 30 June	
	2017	2016
	HK$	HK$
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	**146,675,171**	6,381,761

	2017	2016
Weighted average number of shares in issue	**2,902,215,360**	2,902,215,360
Basic earnings per share (in HK cents)	**5.05**	0.22
Diluted earnings per share (in HK cents)	**5.05**	0.22

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

The calculation of diluted earnings per ordinary share is based on the profit for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue, which is the same for calculating basic earnings per ordinary share above, as the Company did not have any dilutive potential ordinary shares arising from share options for the two periods ended 30 June 2017 and 30 June 2016.

11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	**Furniture and fixtures**	**Total**
	HK$	HK$	HK$
At 1 January 2016, 30 June 2016, 1 January 2017 and 30 June 2017			
Cost	401,733	357,522	759,255
Accumulated depreciation	(401,733)	(357,522)	(759,255)
Net book amount	–	–	–

As at 30 June 2017, the Group had gross carrying amount of fully depreciated property, plant and equipment of HK$759,255 (31 December 2016: HK$759,255) that is still in use.

12 INTERESTS IN ASSOCIATES

	HK$
At 1 January 2016	70,777,676
Share of profit	3,605,976
Dividends from associates	(2,818,057)
Currency translation difference	(4,452,800)
At 31 December 2016 and 1 January 2017 (audited)	67,112,795
Share of profit	274,751
Dividends from associates	(201,717)
Currency translation difference	1,988,640
At 30 June 2017 (unaudited)	69,174,469

The Group's principle associates accounted for using the equity method are as follows:

Name of associate	Place of incorporation/ establishment	Place of operation	Equity interest attributable to the Group		Proportion of voting power held		Principal activities
			30 June 2017	31 December 2016	30 June 2017	31 December 2016	
Beijing Far East Instrument Company Limited	Peoples' Republic of China	Peoples' Republic of China	25%	25%	25%	25%	Manufacture of electronic and electrical instruments
China Property Development (Holdings) Limited	The Cayman Islands	Peoples' Republic of China	33.42%	33.42%	20.49%	20.49%	Investment holding

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2017 HK$ (Unaudited)	31 December 2016 HK$ (Audited)
Financial assets designated at fair value through profit or loss (i), (iii), (iv), (v), (vi)	**1,245,105,086**	914,602,814
Interests in an associate measured at FVTPL (ii)	**241,800,000**	224,640,000
	1,486,905,086	1,139,242,814
Analysed to reporting purpose as		
Non-current assets	**1,486,905,086**	1,139,242,814
Current assets	**–**	–
	1,486,905,086	1,139,242,814

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

Certain financial assets of the Group are designated at fair value through profit or loss because the relevant financial assets are managed and their performance are evaluated on a fair value basis, in accordance with the Group's documented risk management and investment strategy.

Changes in fair values of financial assets at fair value through profit or loss are recorded in the condensed consolidated statement of comprehensive income.

The information of the fair values of financial assets at fair value through profit or loss is disclosed in note 4.3.

(i) On 29 September 2014, the Group had entered into a share subscription agreement with Jade Sino Ventures Limited ("**Jade Sino**"). Pursuant to the agreement, the Group subscribed 11,904 ordinary shares of Jade Sino for an aggregate amount of US$24,998,400 (equivalent to HK$194,987,520), representing approximately 23.81% of the enlarged issued share capital of Jade Sino.

Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. It directly holds 16.29% of the equity interests of Jinko Power Technology Co., Ltd.* ("**Jinko Power**", formerly known as Jiangxi JinkoSolar Power Engineering Co., Ltd.* ("**Jiangxi JinkoSolar**"), a company incorporated in the PRC with limited liabilities. Jinko Power and its subsidiaries are principally engaged in developing, building and operating photovoltaic power stations in the PRC.

As at 30 June 2017, the fair value of the ordinary shares of Jade Sino held by the Group was HK$347,799,551 (31 December 2016: HK$254,764,255).

* *For identification purpose only*

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

(ii) On 15 December 2015, the Group had entered into a share subscription agreement with Jolly Investment Limited ("**Jolly**"). Pursuant to the agreement, the Group subscribed 7,245 ordinary shares of Jolly for an aggregate amount of US$25,000,000 (equivalent to HK$195,000,000), representing 23.04% of the enlarged issued share capital of Jolly.

Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. It indirectly holds 21.74% of the equity interests of Guangzhou P.G. Investment Co., Ltd.* (廣州寶供投資有限公司) ("**PG Investment**"), a company incorporated in the PRC. PG Investment is a logistics warehouse infrastructure operator in the PRC.

The ordinary shares of PG Investment are redeemable at the option of Jolly if a qualified IPO has not occurred on or prior to 15 December 2020, with an annual return of 12% on the principal.

As at 30 June 2017, the fair value of the ordinary shares of Jolly held by the Group was HK$241,800,000 (31 December 2016: HK$224,640,000).

(iii) On 18 January 2016, the Group entered into a shares subscription agreement with Best Logistics Technologies Limited ("**Best Logistics**"). Pursuant to the agreement, the Group subscribed 3,317,010 convertible preferred shares of Best Logistics for an aggregate amount of US$30,000,000 (equivalent to HK$234,000,000), representing 0.96% of the enlarged issued share capital of Best Logistics.

The convertible preferred shares may, at the option of the Group, be converted into fully paid ordinary shares of Best Logistics. In addition, the convertible preferred shares are redeemable at the option of the Group if a qualified IPO has not occurred on or prior to 31 December 2018, with an annual return of 12% on the principal.

In June 2017, the name of Best Logistics was changed to BEST Inc.

Best Logistics was incorporated in the Cayman Islands with limited liabilities which is principally engaged in express delivery, freight delivery and supply chain service.

As at 30 June 2017, the fair value of the preferred shares with the put option of Best Logistics held by the Group was HK$273,234,000 (31 December 2016: HK$263,874,000).

(iv) On 24 November 2016, the Group entered into a shares subscription agreement with Spruce. Pursuant to the agreement, the Group subscribed 34,441,169 convertible preferred shares of Spruce for an aggregate amount of US$25,700,000 (equivalent to HK$200,460,000), representing 1.51% of the enlarged issued share capital of Spruce.

The convertible preferred shares may, at the option of the Group, be converted into fully paid ordinary shares of Spruce. In addition, the convertible preferred shares are redeemable at the option of the Group if a qualified IPO has not occurred on or prior to 22 March 2021, with 120% on applicable Preferred Share Purchase Price.

Spruce is an investment holding company incorporated in the Cayman Islands with limited liabilities. It provides supply chain related services including ingredient procurement, warehousing and distribution to small-and-medium-sized restaurants in the PRC.

As at 30 June 2017, the fair value of the preferred shares with the put option of Spruce held by the Group was HK$229,760,186 (31 December 2016: HK$200,951,790).

* *For identification purpose only*

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

(v) On 29 December 2016, Excellent Fleet Limited, a wholly owned subsidiary of the Company, entered into a share subscription agreement with G7 Networks Limited ("**G7 Networks**"). Pursuant to the agreement, the Group subscribed 1,986,008 convertible preference shares of G7 Network for an aggregate amount of US$25,000,000 (equivalent to HK$195,000,000), representing 6.85% of the enlarged issued share capital of G7 Networks.

The convertible preferred shares may, at the option of the Group, be converted into fully paid ordinary shares of G7 Networks. In addition, the preferred shares are redeemable at the option of the Group if a qualified IPO has not occurred on or prior to 8 June 2020, with an annual return of 12% on the principal.

G7 Networks was incorporated in the Cayman Islands with limited liabilities and engages in fleet logistic management services.

As at 30 June 2017, the fair value of the preferred shares with the put option of G7 Networks held by the Group was HK$197,833,186 (31 December 2016: HK$195,012,769).

(vi) A wholly-owned subsidiary of the Company entered into a preferred share purchase agreement (the"**Wacai Investment Agreement**") with Wacai Holdings Limited ("**Wacai**") on 8 April 2017, pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares of Wacai at a consideration of US$25,000,000, and the subscription of the preferred shares of Wacai by the Company has been completed.

As at 30 June 2017, the fair value of the preferred shares with the put option of Wacai held by the Group was HK$196,467,163.

14 CASH AND CASH EQUIVALENTS

	30 June 2017 HK$ (Unaudited)	31 December 2016 HK$ (Audited)
Cash at banks and on hand	**97,197,123**	106,282,216
Short-term bank deposits	**2,476,196**	2,468,923
Cash and cash equivalents	**99,673,319**	108,751,139

Bank balances and cash comprise short-term bank deposits carrying interest at prevailing rate at 0.9% (31 December 2016: 0.9%) per annum.

14 CASH AND CASH EQUIVALENTS (continued)

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	30 June 2017 HK$ (Unaudited)	31 December 2016 HK$ (Audited)
United States Dollars	**55,277,910**	56,773,197
Hong Kong Dollars	**42,178,046**	49,545,486
Renminbi	**2,217,363**	2,432,456
	99,673,319	108,751,139

15 OTHER PAYABLES AND ACCRUALS

	30 June 2017 HK$ (Unaudited)	31 December 2016 HK$ (Audited)
Accrued operating expenses	**3,518,804**	6,264,274

16 SHARE CAPITAL

	Number of ordinary shares	**Nominal value of ordinary shares** HK$
Authorised		
As at 1 January 2016, 31 December 2016, 1 January 2017 and 30 June 2017	2,902,215,360	29,022,154
Issued and fully paid		
As at 1 January 2016, 31 December 2016, 1 January 2017 and 30 June 2017	2,902,215,360	29,022,154

17 RELATED PARTY TRANSACTIONS

The Company's immediate parent company is CDBIH, a private limited company established in Hong Kong and its ultimate parent company is CDB, a wholly state-owned policy bank established on 17 March 1994 in the PRC. CDB is a joint stock commercial bank established jointly by the MOF and Huijin. The MOF is one of the ministries under the State Council, primarily responsible for state fiscal revenue and expenditures, and taxation policies. Huijin was established to hold certain equity investments as authorised by the State Council and does not engage in other commercial activities. Huijin exercises legal rights and obligations on behalf of the PRC government.

In addition to those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:

(a) On 11 November 2016, the Company entered into a loan facility agreement with its immediate parent company pursuant to which its immediate parent company will provide term loans to the Company with amount up to US$100,000,000. The term loans are unsecured, interest bearing at LIBOR + 1.65% per annum, and repayable at twelve months after the date of withdrawal. As at 30 June 2017, the Company had not utilised any of the loan facility.

(b) Key management compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2017	2016
	HK$	HK$
	(Unaudited)	(Unaudited)
Short term benefits	**2,308,145**	1,777,367
Post-employment benefits	**45,000**	42,832
	2,353,145	1,820,199

Note: Certain directors' compensation was borne by the immediate parent company of the Group.

(c) The Group shared the office premises with its immediate parent company and the rental expense was borne by its immediate parent company.

18 SHARE-BASED PAYMENT TRANSACTIONS

The Company operates a share option scheme (the "**Scheme**") under which the board of directors of the Company may grant options to the Group's employees, including directors, to subscribe for shares of the Company. Each option gives the holder the right to subscribe for one share. Maximum number of shares in respect of which options may be granted under the Scheme may not exceed 64,711,400 ordinary shares. Maximum entitlement for each participant under the Scheme is not permitted to exceed 1% of the issued share capital in any twelve month period. An amount of HK$10 is payable upon acceptance of an option as consideration and minimum period of six calendar months after the offer date of the relevant option must be held before it can be exercised.

The subscription price will be the highest of:

(a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of grant (being a business day);

(b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and

(c) the nominal value of the shares of the Company.

There were no options granted under the Scheme during the period ended 30 June 2017 (30 June 2016: Nil). There are no outstanding options as at 30 June 2017 (31 December 2016: Nil)

19 EVENT AFTER THE BALANCE SHEET DATE

No significant events are noted after the end of the reporting period are noted.

20 NET ASSET VALUE PER SHARE

Net asset value per share is computed based on the condensed consolidated net assets of HK$1,455,524,260 as at 30 June 2017 (31 December 2016: HK$1,306,860,449) and 2,902,215,360 ordinary shares in issue as at 30 June 2017 (31 December 2016: 2,902,215,360 ordinary shares).

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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 interim financial information set out on pages 11 to 32, which comprises the interim condensed consolidated statement of financial position of China Development Bank International Investment Limited (the "**Company**") and its subsidiaries (together, the "**Group**") as at 30 June 2017 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The 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" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information 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 Hong Kong Institute of Certified Public Accountants. A review of interim financial information 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.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 10 August 2017

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

As at 30 June 2017, 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.

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 2017, 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
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%
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%

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 2017, 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 registered 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 of 30 June 2017, 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 2017 and 30 June 2017. 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 2016: Nil).

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

As at 30 June 2017, the remuneration committee of the Company (the "**Remuneration Committee**") comprises three members, namely Mr WANG Xiangfei, Mr SIN Yui Man and Mr FAN Ren Da, Anthony. All 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 2016 are as follows.

Mr FAN Ren Da, Anthony, the independent non-executive Director, had retired as an independent non-executive director of LT Commercial Real Estate Limited (listed on the Stock Exchange, stock code: 112) after the conclusion of its annual general meeting held on 30 June 2017.

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 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 Bank International Investment Limited

BAI Zhe
Chairman

Hong Kong, 10 August 2017