China Development Bank International Investment Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

Interim Report 2018

Contents

Corporate Information

DIRECTORS

Executive Directors

Mr BAI Zhe *(Chairman)*
Mr ZHANG Jielong *(Deputy 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
Mr FAN Ren Da, Anthony

NOMINATION COMMITTEE

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

REGISTERED OFFICE

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

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
Royal Bank House
3rd Floor,
24 Shedden Road, P.O. Box 1586,
Grand Cayman, KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Bank of 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
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 2018 (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$**") 110.23 million (six months ended 30 June 2017: approximately HK$146.68 million) which is primarily attributable to the change in fair value of financial assets at fair value through profit or loss of approximately HK$122.88 million (six months ended 30 June 2017: approximately HK$152.66 million) netted off by the general and administrative expenses of approximately HK$4.10 million (six months ended 30 June 2017: approximately HK$5.75 million) incurred during the Period. For the Period, the interest income was approximately HK$0.02 million (six months ended 30 June 2017: approximately HK$0.02 million). The Group's gain in fair value of financial assets at fair value through profit or loss for the Period amounted to approximately HK$122.88 million (six months ended 30 June 2017: approximately HK$152.66 million). The general and administrative expenses of the Group for the Period were approximately HK$4.10 million (six months ended 30 June 2017: approximately HK$5.75 million), mainly resulted from the decrease in legal and professional fees and employee benefits expenses incurred during the Period. The Group's net asset value increased to approximately HK$1,597.27 million as at 30 June 2018 (31 December 2017: approximately HK$1,487.67 million), with earnings per share of approximately HK3.80 cents (six months ended 30 June 2017: approximately HK5.05 cents).

LIQUIDITY AND FINANCIAL RESOURCES

It is the Group's policy to adopt a prudent financial management strategy. The Group's treasury policies are designed to maintain a suitable level of liquidity facilities and minimise financial risks in order to meet operation requirements and pursue investment opportunities.

On 11 November 2016, a loan agreement was entered into between China Development Bank International Holdings Limited ("**CDBIH**") as lender and the Company as borrower, pursuant to which CDBIH will provide a term loan to the Company in an amount of up to United States Dollars ("**US$**") 100,000,000, at an interest rate of 1.65% per annum over US$ 3-month LIBOR. The loan will be repayable on the date falling twelve months after the date of first drawdown, which may be automatically extended for another twelve months unless notified by either CDBIH or the Company not to extend repayment. In preparing the condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. While the Group had net current liabilities of HK$471,345,743 as at 30 June 2018 (which included short-term bank borrowings of HK$546,000,000), the Directors consider the Group will be able to meet its financial obligations as they fall due for the foreseeable future after taking into account the availability of the unutilised revolving credit facilities of US$100,000,000 from CDBIH, the controlling shareholder of the Company, together with the expectation that the existing banking facilities and the short-term bank borrowings will be successfully renewed upon their expiry. Moreover, CDBIH has confirmed its intention to provide financial support for the continuing operations of the Group and the Company so as to enable it to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations in the twelve months from 30 June 2018. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis. As at 30 June 2018, the cash and cash equivalents of the Group was approximately HK$76.90 million (31 December 2017: HK$92.87 million). As almost all the retained cash was denominated in HK$ and placed in major banks in Hong Kong, the Group's exposure to exchange fluctuations is considered minimal. The Board believes that the Group still maintains a healthy financial position as at 30 June 2018. As at 30 June 2018, the Group had short-term borrowings of HK$546.00 million (31 December 2017: HK$546.00 million) and the gearing ratio (calculated as the short-term borrowings to the total shareholder's equity) was 34% (31 December 2017: 37%), putting the Group in an advantageous position to realise its investment strategies and pursue investment opportunities.

CAPITAL STRUCTURE

There is no change to the Group's capital structure for the Period.

CHARGE ON ASSETS, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 30 June 2018, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities (31 December 2017: Nil). As at 30 June 2018, 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 2018 are set out as follows:

Name of investment	**Cost as at 30 June 2018** *HK$* *(Unaudited)*	**Market value as at 30 June 2018** *HK$* *(Unaudited)*	**Market value as at 31 December 2017** *HK$* *(Audited)*	**Unrealised gains/(losses) recognised for the Period ended 30 June 2018** *HK$* *(Unaudited)*	**Accumulated unrealised gains recognised as of 30 June 2018** *HK$* *(Unaudited)*	**Percentage to the Group's total assets as at 30 June 2018** *%* *(Unaudited)*
Financial assets at fair value through profit or loss						
Jade Sino Ventures Limited ("**Jade Sino**") *(Note 1)*	194,987,520	374,400,000	374,400,000	–	179,412,480	17%
Jolly Investment Limited ("**Jolly**") *(Note 2)*	195,000,000	257,400,000	249,600,000	7,800,000	62,400,000	12%
BEST Inc. ("**Best Inc.**") *(Note 3)*	234,000,000	316,164,125	232,336,648	83,827,477	82,164,125	15%
Spruce *(Note 4)*	200,460,000	249,600,000	246,394,681	3,205,319	49,140,000	12%
G7 Networks Limited ("**G7**") *(Note 5)*	195,000,000	202,800,000	202,800,000	–	7,800,000	9%
Wacai Holdings Limited ("**Wacai**") *(Note 6)*	195,000,000	226,200,000	215,148,696	11,051,304	31,200,000	11%
NIO INC. ("**NIO**") *(Note 7)*	195,000,000	195,000,000	196,582,906	(1,582,906)	–	9%
Shanghai Yimidida Logistics Management Limited ("**Yimidida**") *(Note 8)*	153,260,180	175,542,640	156,968,406	18,574,234	22,282,460	8%
	1,562,707,700	**1,997,106,765**	**1,874,231,337**	**122,875,428**	**434,399,065**	**93%**

* *For identification purpose only*

Notes:

1. Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. As at 30 June 2018, the proportion of the issued share capital of Jade Sino owned by the Group was approximately 23.81%. As at 30 June 2018, Jade Sino directly held approximately 16.29% of the equity interests of Jinko Power Technology Co., Ltd.* ("**Jinko Power**"), a company incorporated in the PRC with limited liabilities. Jinko Power and its subsidiaries are principally engaged in developing, building and operating photovoltaic power stations in the PRC. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

2. Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. As at 30 June 2018, the proportion of the issued share capital of Jolly owned by the Group was approximately 23.04%. As at 30 June 2018, 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 Inc. was incorporated in the Cayman Islands with limited liabilities which is principally engaged in express delivery, freight delivery and supply chain service. Best Inc. was successfully listed on the New York Stock Exchange in September 2017. As at 30 June 2018, the proportion of its issued share capital owned by the Group was approximately 0.89%. 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 2018, the proportion of the issued share capital of Spruce owned by the Group was approximately 1.23%. 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 2018, the proportion of the issued share capital of G7 owned by the Group was approximately 5.85%. 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 2018, the proportion of the issued share capital of Wacai owned by the Group was approximately 3.08%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

7. NIO is an investment holding company incorporated in the Cayman Islands with limited liabilities which is principally engaged in the research and development, manufacturing and providing sales and after-sales services of high-end luxury smart electric vehicles. As at 30 June 2018, the proportion of its issued share capital owned by the Group was approximately 0.49%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

8. Yimidida is incorporated in the PRC with limited liabilities which is principally engaged in the direct operation in core areas and regional franchise, unified the branding, systems, clearing, services and management standards of its partners along the whole ecological chain, and rapidly established the less-than-truckload freight express network across the country. As at 30 June 2018, the proportion of its issued share capital owned by the Group was approximately 6.22%. 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 NIO, Yimidida, Wacai, G7, Spruce, PG Investment and Jinko Power are expected to create investment returns for the shareholders of the Company (the "**Shareholders**") to further promote the Company's overall market advantage in modern service industries such as logistics, consumption and finance. The Company will proactively leverage the resources of China Development Bank Corporation ("**CDB**") in the areas of agriculture modernisation, logistics infrastructure and microcredit and will fully utilise the Company's extensive knowledge and experience in finance, management and relevant industries to assist NIO, Yimidida, Wacai, G7, Spruce, 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.

* *For identification purpose only*

Jinko Power

On 29 September 2014, the Company had entered into a share subscription agreement (the "**Jade Sino Subscription Agreement**") with CDBIH and Jade Sino, pursuant to which the Company and CDBIH agreed to subscribe for 11,904 and 13,096 ordinary shares of Jade Sino, representing approximately 23.81% and 26.19% of the issued share capital of Jade Sino respectively. The principal asset of Jade Sino was the 13,404 preferred shares of JinkoSolar Power Engineering Group Limited ("**JinkoSolar Power**") out of the total 26,809 preferred shares subscribed on 11 August 2014 by CDBIH. Upon completion of Jade Sino Subscription Agreement, Jade Sino applied the amount of US$52.50 million (equivalent to approximately HK$409.50 million) contributed by the Company and CDBIH to completing the subscription of the remaining 13,405 preferred shares of JinkoSolar Power. The subscription of the remaining 13,405 preferred shares of JinkoSolar Power by Jade Sino was completed on 13 November 2014. As at 30 June 2018, Jade Sino directly held approximately 16.29% of the equity interests of Jinko Power, a company incorporated in the PRC with limited liabilities.

PG Investment

On 15 December 2015, the Company had entered into a share subscription agreement with Jolly and an independent third party of the Company, pursuant to which Jolly agreed to issue an aggregate of 31,449 ordinary shares of Jolly and the Company as one of the investors agreed to subscribe for 7,245 ordinary shares of Jolly at a cash consideration of US$25.00 million, representing approximately 23.04% of the issued share capital of Jolly. Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. Jolly indirectly invested in PG Investment, a PRC company. PG Investment is a leading logistics warehouse infrastructure operator in the PRC, whose principal business includes investment, construction and operation of large scale logistics parks, business facilities and exhibition centers. Jolly and PG Investment are both independent third parties of the Group.

Spruce

On 24 November 2016, the Company had entered into a share subscription agreement with Spruce, pursuant to which the Company agreed to subscribe for the newly issued convertible preferred shares of Spruce at a cash consideration of US$25.70 million, representing approximately 1.23% of the issued capital of Spruce. 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. It is the largest e-commerce platform in terms of gross merchandise volume in the area of supply chain for agricultural products in the PRC. By shortening the distribution process of agricultural products, improving the efficiency of agricultural products supply chain, and establishing large-scale warehousing and distribution system and the fine quality control for the whole process, Spruce is able to provide economic and efficient services for farmers and restaurant customers in the PRC's agricultural products supply chain. Spruce is an independent third party of the Group.

G7

On 29 December 2016, a wholly-owned subsidiary of the Company had entered into a share subscription agreement with G7, pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares of G7 at a cash consideration of US$25.00 million, representing approximately 5.85% of the 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.

Wacai

On 8 April 2017, a wholly-owned subsidiary of the Company had entered into a share subscription agreement with Wacai, pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares of Wacai at a consideration of US$25.00 million, representing approximately 3.08% of the 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, 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 Group.

NIO

On 1 December 2017, a wholly-owned subsidiary of the Company had entered into a share subscription agreement with NIO, pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares by NIO at a consideration of US$25.00 million. Established at the end of 2014, NIO is principally engaged in the research and development, manufacturing, sales and after-sales services of high-end luxury smart electric vehicles. NIO gets hold of the core research and development technologies of the batteries, electric drives and electric control systems of electric vehicles, and has competitiveness in vehicle design and brand promotion and is capable of efficiently integrating vehicle manufacturing supply chain system to promote the entire vehicle manufacturing, which as a whole makes NIO the fastest Internet-based electric vehicle manufacturing enterprise in China in terms of research and development and mass production. ES8, its first high-end luxury 7-seater electric sport utility vehicle (SUV) put into mass production, had been officially launched in December 2017. NIO has gained the supports from various Internet giants and leading investment institutions, among which Tencent is the leading investor of this round of fund-raising of NIO. NIO is an independent third party of the Group. New energy vehicle industry is in a middle to long term strong growth trend, which has been generally recognised by the society. Recently, the Chinese Government has launched a series of policies and measures to support the rapid development of the new energy vehicle industry in China. The Company has been identifying and exploring quality targets and investment opportunities in new energy vehicle industry. This transaction represents an important exploration of the Company in such area, which is expected to create an outstanding investment return for the Shareholders and further consolidate the overall market advantage of the Company in various modern consumption upgrade sectors, including automobile, logistics, consumption and finance.

Yimidida

On 30 November 2017, a wholly-owned subsidiary of the Company entered into a share subscription agreement with Yimidida, pursuant to which the Group, as one of the investors, agreed to subscribe for the shares newly issued by Yimidida at a consideration of Renminbi ("**RMB**") 130.00 million in US$ equivalent. Jointly established by several regional leading less-than-truckload logistics enterprises, Yimidida, with the mode of direct operation in core areas and regional franchise, unified the branding, systems, clearing, services and management standards of its partners along the whole ecological chain, and rapidly established the less-than-truckload freight express network across the country. Yimidida improves its franchisees' ability in soliciting orders and profitability, achieves a strong coalition, and gains its advantages in core network and continuous low cost as a national less-than-truckload express enterprise, by making full use of the long-term operation, high network coverage rate and low operation costs of its regional franchisees and providing national services. Yimidida is an independent third party of the Group. Logistics industry is a fundamental and strategic industry which supports the national economic development and also a major industry supported by CDB. The Company has been identifying and exploring appropriate investment opportunities in logistics industry and established an investment layout to a certain extent in logistics infrastructure and supply chain service. This transaction represents another achievement of the Company's continuous efforts in the development of logistics industry and identifying investment opportunities in sub-sectors, which is expected to create an outstanding investment return for the Shareholders and further consolidate the overall market advantage of the Company in various modern service industries, including automobile, logistics, consumption and finance.

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 profit of approximately HK$3.18 million (six months ended 30 June 2017: Loss of HK$13.86 million).

LISTED INVESTMENTS REVIEW

On 18 January 2016, the Company had entered into a convertible preferred shares purchase agreement with Best Logistics as well as the members of Best Logistics group, the existing holders of the securities of Best Logistics and investors of the new preferred shares of Best Logistics, pursuant to which the Company, as one of the investors of the new preferred shares, agreed to subscribe for certain new preferred shares at a cash consideration of US$30.00 million, representing 0.89% of the enlarged issued share capital of Best Logistics. In June 2017, the name of Best Logistics was changed to BEST Inc. Best Inc. (NYSE: BSTI), being one of the Group's major strategic investments and a leading and fastest-growing Smart Supply Chain service provider in China, had successfully completed its initial public offering of 45,000,000 American Depositary Shares ("**ADSs**"), each representing one of its Class A ordinary shares, at US$10.00 per ADS for a total offering size of US$450 million. The ADSs commenced trading on the New York Stock Exchange on 20 September 2017, under the symbol "BSTI". The Group had not disposed any shares of Best Inc. it holds in the initial public offering of Best Inc. Best Inc. is a leading and fastest-growing Smart Supply Chain service provider in China. Its multi-sided platform combines technology, integrated logistics and supply chain, "last mile" service and value-added services. Best Inc.'s logistics and supply chain services encompass B2B and B2C supply chain management, express and less-than-truckload delivery, as well as cross-border supply chain management and a real-time bidding platform to source truckload capacity. Best Inc.'s "last mile" services include online merchandise sourcing and store management for convenience stores and B2C services.

EMPLOYEES

As at 30 June 2018, the Company had 6 employees (30 June 2017: 6). The total staff costs of the Group (excluding Directors' fee) for the Period was approximately HK$2.02 million (six months ended 30 June 2017: HK$2.53 million). The Company determines its staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages of the Company's employees including basic salary, performance bonuses and mandatory provident fund are reviewed on a regular basis. The Company had no share option scheme during the six months ended 30 June 2018.

GEARING RATIO

As at 30 June 2018, the Group had outstanding bank borrowings of HK$546.00 million (31 December 2017: HK$546.00 million). As at 30 June 2018, the Group's current ratio (current assets to current liabilities) was approximately 14% (31 December 2017: approximately 17%). The ratio of total liabilities to total assets of the Group was approximately 26% (31 December 2017: approximately 27%). 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 2018, the Group had drawn down US$70.00 million (equivalent to approximately HK$546.00 million) under the Facility Agreement. CMBC HK is a licensed financial institution under the laws of Hong Kong and a wholly-owned subsidiary of China Minsheng Banking Corp., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600016, and listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), stock code: 01988). CMBC HK is a third party independent of and not connected with the Company and its connected persons.

EXCHANGE EXPOSURE

The Group had an insignificant exchange risk exposure under review during the Period since all the retained cash was denominated in HK$ and placed in major banks in Hong Kong. It is the Group's policy for its operating entities to operate in their corresponding local currencies to minimise currency risks.

FUTURE PROSPECTS

The Company has been committed to identifying and exploring 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 supported by CDB, the ultimate controlling shareholder of the Company. The Company will continue to be committed to identifying and exploring suitable investment opportunities in the logistics industry and has established certain investment layout in areas including logistics infrastructure and supply chain services. 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 the 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 the Company in continuously enhancing its efficiency, exploring business opportunities, optimising the decision-making process and incentive mechanism and improving corporate governance practices. 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 mainland China, 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. In order to improve the performance of the Group and deliver the best returns to the Shareholders, the Group will continue to look for investment opportunities which strengthen profitability with acceptable risk of the portfolio of the Group. The management will continue to closely monitor the market situation and enhance its operation in all areas, to raise levels of financial control and improve profitability within the Group.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2018

	Notes	**Six months ended 30 June**	
		2018	2017
		HK$	HK$
		(Unaudited)	(Unaudited)
Net valuation gains in fair value of financial assets at fair value through profit or loss		**122,875,428**	152,662,272
General and administrative expenses	9	**(4,097,751)**	(5,753,727)
Operating profit		**118,777,677**	146,908,545
Finance income		**24,770**	16,697
Finance cost		**(8,919,099)**	(938,830)
Share of results in associates		**369,020**	274,751
Profit before income tax		**110,252,368**	146,261,163
Income tax (expense)/credit	8	**(23,325)**	414,008
Profit for the period attributable to owners of the Company		**110,229,043**	146,675,171
Other comprehensive (loss)/income			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operation		**(624,431)**	1,988,640
Other comprehensive (loss)/income for the period		**(624,431)**	1,988,640
Total comprehensive income for the period attributable to owners of the Company		**109,604,612**	148,663,811
Earnings per share			
– Basic (HK cents)	11	**3.80**	5.05
– Diluted (HK cents)	11	**3.80**	5.05

Condensed Consolidated Statement of Financial Position

As at 30 June 2018

	Notes	30 June 2018 HK$ (Unaudited)	31 December 2017 HK$ (Audited)
Assets			
Non-current assets			
Property, plant and equipment	12	**–**	–
Interests in associates	13	**73,403,792**	73,892,455
Financial assets at fair value through profit or loss	14	**1,997,106,765**	1,874,231,337
		2,070,510,557	1,948,123,792
Current assets			
Other receivables, prepayments and deposits		**259,124**	49,196
Cash and cash equivalents	15	**76,903,215**	92,873,839
		77,162,339	92,923,035
Total assets		**2,147,672,896**	2,041,046,827
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	17	**29,022,154**	29,022,154
Reserves		**1,568,251,006**	1,458,646,394
Total equity		**1,597,273,160**	1,487,668,548
Liabilities			
Non-current liability			
Deferred tax liabilities		**1,891,654**	1,891,654
Current liabilities			
Other payables and accruals	16	**2,508,082**	5,486,625
Short-term borrowings		**546,000,000**	546,000,000
		548,508,082	551,486,625
Total liabilities		**550,399,736**	553,378,279
Total equity and liabilities		**2,147,672,896**	2,041,046,827
Net asset value per share	21	**0.55**	0.51

The condensed consolidated financial statements on pages 12 to 36 were approved and authorised for issue by the Board of Directors on 6 August 2018 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 2018

	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)/retained earnings HK$	Total HK$
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
At 1 January 2018 (Audited)	**29,022,154**	**1,043,800,995**	**382,880,958**	**10,497,279**	**270,200**	**21,196,962**	**1,487,668,548**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**110,229,043**	**110,229,043**
Other comprehensive loss							
Exchange differences arising on translation	**-**	**-**	**-**	**(624,431)**	**-**	**-**	**(624,431)**
Total comprehensive income for the period	**-**	**-**	**-**	**(624,431)**	**-**	**110,229,043**	**109,604,612**
Balance at 30 June 2018 (Unaudited)	**29,022,154**	**1,043,800,995**	**382,880,958**	**9,872,848**	**270,200**	**131,426,005**	**1,597,273,160**

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 2018

	Six months ended 30 June	
	2018	2017
	HK$	HK$
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(7,076,295)**	(8,155,687)
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	**–**	(195,000,000)
Interest received from bank deposits	**24,770**	16,697
Net cash generated from/(used in) investing activities	**24,770**	(194,983,303)
Cash flows from financing activities		
Interest paid	**(8,919,099)**	(938,830)
Proceed from bank and other borrowings	**–**	195,000,000
Net cash (used in)/generated from financing activities	**(8,919,099)**	194,061,170
Net decrease in cash and cash equivalents	**(15,970,624)**	(9,077,820)
Cash and cash equivalents at the beginning of the period	**92,873,839**	108,751,139
Cash and cash equivalents at the end of the period, representing bank balances and cash	**76,903,215**	99,673,319

Notes to the Condensed Consolidated Financial Statements

1 GENERAL

China Development Bank International Investment Limited (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 6 August 2018.

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 2017, 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$471,345,743 as at 30 June 2018, 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 2018; 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 2018. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated financial statements are disclosed in Note 6.

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

HKFRS 9 "Financial Instruments"

The impact of the adoption of these standards and the new accounting policies are disclosed in Note 4 below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

(b) Impact of standards issued but not yet applied by the entity

Amendments to HKFRSs effective for the financial year ending 31 December 2018 do not have any impact on the Group.

		Effective for accounting period beginning on or after
Amendments HKFRS 9	Prepayment Features with Negative Compensation	1 January 2019
HKFRS 16	Leases	1 January 2019
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments (New Interpretation)	1 January 2019
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:

3 ACCOUNTING POLICIES (continued)

HKFRS 16 "Leases"

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group does not have any non-cancellable operating lease commitments as the operating lease is borne by its immediate holding company.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

4 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 9 "Financial Instruments" on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

4 CHANGES IN ACCOUNTING POLICIES (continued)

HKFRS 9 "Financial Instruments"

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 "Financial Instruments" from 1 January 2018 resulted in changes in accounting policies. The new accounting policies are set out in Note 4(a) and 4(b) below.

(a) Classification and measurement

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The financial assets held by the Group include equity and debt investments measured at fair value through profit or loss which would likely continued to be measured on the same basis under HKFRS 9.

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

(b) Impairment of financial assets

The Group has two types of financial assets at amortised cost subject to HKFRS 9's new expected credit loss model, which are other receivables (excluding prepayment and deposits) and cash and cash equivalents.

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets.

While both financial assets are subject to the impairment requirements of HKFRS 9, the identified impairment loss was insignificant.

5 FINANCIAL RISK MANAGEMENT

5.1 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 2017.

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

5.2 Liquidity risk

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

5 FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2018 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 2018 (unaudited)	Fair value as at 31 December 2017 (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$374,400,000	HK$374,400,000	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 7.12%.	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$1,888,552 and increase by HK$1,976,887 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 55.26%.	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$3,629,894 and decrease by HK$4,104,243 respectively.

5 FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation (continued)

Financial assets	Fair value as at 30 June 2018 (unaudited)	Fair value as at 31 December 2017 (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$257,400,000	HK$249,600,000	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 8.43%.	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$11,723,595 and increase by HK$12,630,181 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 42.20%.	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$10,344,095 and decrease by HK$8,880,869 respectively.
(iii) Listed equity securities of BEST Inc.	HK$316,164,125	HK$232,336,648	Level 1	Quoted bid prices in an active market	N/A	N/A	N/A

5 FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation (continued)

Financial assets	Fair value as at 30 June 2018 (unaudited)	Fair value as at 31 December 2017 (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$249,600,000	HK$246,394,681	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 8.36%.	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$5,762,951 and increase by HK$6,268,117 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 38.36%.	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$7,362,320 and decrease by HK$9,578,033 respectively.
(v) Unlisted convertible preferred shares with put option of G7 Networks Limited	HK$202,800,000	HK$202,800,000	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 8.43%.	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$7,482,922 and increase by HK$7,996,069 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 32.78%.	The higher the volatility, the lower the fair value.	If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would decrease by HK$1,055,613 and increase by HK$1,471,072 respectively.

5 FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation (continued)

Financial assets	Fair value as at 30 June 2018 (unaudited)	Fair value as at 31 December 2017 (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$226,200,000	HK$215,148,696	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 8.61%.	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$9,966,263 and increase by HK$10,861,797 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 58.45%.	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$2,049,645 and decrease by HK$1,494,795 respectively.
(vii) Unlisted convertible preferred shares with put option of NIO INC. Limited	HK$195,000,000	HK$196,582,906	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 5.96%.	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$14,528,709 and increase by HK$16,116,929 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 39.86%.	The higher the volatility, the lower the fair value. (2017: 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 decrease (2017: increase) by HK$17,215 (2017: HK$2,553,566) and increase (2017: decrease) by HK$305,183 (2017: HK$1,466,576) respectively.

5 FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation (continued)

Financial assets	Fair value as at 30 June 2018 (unaudited)	Fair value as at 31 December 2017 (audited)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
(viii) Unlisted convertible preferred shares with put option of Shanghai Yimidida Logistics Management Limited	HK$175,542,640	HK$156,968,406	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 4.02%.	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$9,732,490 and increase by HK$10,900,877 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 54.49%.	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$7,600,961 and decrease by HK$8,490,244 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 model.

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.

* *For identification purpose only*

5 FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation (continued)

	Level 1 HK$	Level 2 HK$	Level 3 HK$	Total HK$
30 June 2018	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Financial assets				
Financial assets at fair value through profit or loss	**316,164,125**	**–**	**1,680,942,640**	**1,997,106,765**
31 December 2017	**(audited)**	**(audited)**	**(audited)**	**(audited)**
Financial assets				
Financial assets at fair value through profit or loss	232,336,648	–	1,641,894,689	1,874,231,337

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 2017 and 2018.

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL HK$
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
At 1 January 2018 (audited)	1,641,894,689
Total gains recognised in profit or loss	
– change in fair value of financial assets at fair value through profit or loss	39,047,951
At 30 June 2018 (unaudited)	1,680,942,640

Of the total gains for the period included in profit or loss, HK$39,047,951 (six months ended 30 June 2017: HK$152,662,272) relates to financial assets at fair value through profit or loss classified as level 3 held at the end of the reporting period. Fair value gains on financial assets at fair value through profit or loss are included in 'net valuation gains in fair value of financial assets at fair value through profit or loss'.

6 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 Directors have 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.

The Group selects appropriate valuation techniques for financial instruments and interest in associates measured at FVTPL for financial reporting purposes. The Directors have 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.

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 5.3 provides detailed information about the valuation techniques and inputs used in the determination of the fair value of various assets.

7 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.

8 INCOME TAX (EXPENSE)/CREDIT

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

	Six months ended 30 June	
	2018	2017
	HK$	HK$
	(Unaudited)	(Unaudited)
Current tax		
– Withholding tax	**(23,325)**	(20,172)
Deferred taxation on withholding tax on undistributed earnings of associates		
– Current period	**–**	434,180
	(23,325)	414,008

9 EXPENSES BY NATURE

	Six months ended 30 June	
	2018	2017
	HK$	HK$
	(Unaudited)	(Unaudited)
Employee benefits expenses		
– Directors' fee	**150,000**	154,301
– Other staff costs (Note)		
Basic salaries and other benefits	**1,899,461**	2,389,338
Retirement benefits contribution	**122,343**	141,629
Auditor's remuneration	**350,600**	381,400
Investment management fees	**175,000**	175,000
Others	**1,400,347**	2,512,059
Total general and administrative expenses	**4,097,751**	5,753,727

Note: During the six month ended 30 June 2018, the Group paid services fee of HK$324,982 (six months ended 30 June 2017: HK$539,887) to a personnel services company which provides staff to the Group. Such amounts are excluded from the total staff costs as mentioned above.

10 DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2018 (30 June 2017: Nil).

11 EARNINGS PER SHARE

	Six months ended 30 June	
	2018	2017
	HK$	HK$
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	**110,229,043**	146,675,171

	2018	2017
Weighted average number of shares in issue	**2,902,215,360**	2,902,215,360
Basic earnings per share (in HK cents)	**3.80**	5.05
Diluted earnings per share (in HK cents)	**3.80**	5.05

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 2018 and 30 June 2017.

12 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	**Furniture and fixtures**	**Total**
	HK$	HK$	HK$
At 1 January 2017, 30 June 2017, 1 January 2018 and 30 June 2018			
Cost	401,733	357,522	759,255
Accumulated depreciation	(401,733)	(357,522)	(759,255)
Net book amount	–	–	–

As at 30 June 2018, the Group has gross carrying amount of fully depreciated property, plant and equipment of HK$759,255 (31 December 2017: HK$759,255) that is still in use.

13 INTERESTS IN ASSOCIATES

	HK$
At 1 January 2017 (audited)	67,112,795
Share of profit	3,134,448
Dividends from associates	(201,716)
Currency translation difference	3,846,928
At 31 December 2017 and 1 January 2018 (audited)	73,892,455
Share of profit	369,020
Dividends from associates	(233,252)
Currency translation difference	(624,431)
At 30 June 2018 (unaudited)	73,403,792

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 2018	31 December 2017	30 June 2018	31 December 2017	
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

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2018 HK$ (Unaudited)	31 December 2017 HK$ (Audited)
Financial assets designated at fair value through profit or loss (i), (iii), (iv), (v), (vi), (vii), (viii)	**1,739,706,765**	1,624,631,337
Interests in an associate measured at FVTPL (ii)	**257,400,000**	249,600,000
	1,997,106,765	1,874,231,337
Analysed to reporting purpose as		
Non-current assets	**1,997,106,765**	1,874,231,337
Current assets	**–**	–
	1,997,106,765	1,874,231,337

14 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 5.3.

(i) On 29 September 2014, the Group 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 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.

    The ordinary shares may, at the option of Jade Sino, be converted into fully paid ordinary shares of JinkoSolar Power. In addition, the convertible ordinary shares are redeemable at the option of Jade Sino if a qualified IPO has not occurred on or prior to 25 January 2017, with an annual return of 13% on the principal. The Group had not exercised its redemption option of Jade Sino on a voluntary basis, and it is the intention of the Company to extend and hold the redemption option until a qualified IPO occurs.

    As at 30 June 2018, the fair value of the ordinary shares of Jade Sino held by the Group was HK$374,400,000 (31 December 2017: HK$374,400,000).

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

(ii) On 15 December 2015, the Group 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 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 2018, the fair value of the ordinary shares of Jolly held by the Group was HK$257,400,000 (31 December 2017: HK$249,600,000).

(iii) On 18 January 2016, the Group entered into a shares subscription agreement with BEST Inc. ("**Best Inc.**", formerly known as 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 0.89% of the 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 Inc. was successfully listed on New York Stock Exchange in September 2017.

Best Inc. is principally engaged in express delivery, freight delivery and supply chain service.

As at 30 June 2018, the fair value of the shares of Best Inc. held by the Group was approximately HK$316,164,000 (31 December 2017: HK$232,337,000).

(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 1.23% of the 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 2018, the fair value of the convertible preferred shares with the put option of Spruce held by the Group was approximately HK$249,600,000 (31 December 2017: HK$246,395,000).

14 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 preferred shares of G7 Network for an aggregate amount of US$25,000,000 (equivalent to HK$195,000,000), representing 5.85% of the 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 convertible 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 2018, the fair value of the convertible preferred shares with the put option of G7 Networks held by the Group was HK$202,800,000 (31 December 2017: HK$202,800,000).

(vi) On 8 April 2017, Excellent Fortune Limited, a wholly-owned subsidiary of the Company entered into a share subscription agreement with Wacai Holdings Limited ("**Wacai**") ("**Wacai Investment Agreement**"). Pursuant to the agreement, the Group subscribed 3,317,010 convertible preferred share of Wacai for an aggregate amount of US$25,000,000 (equivalent to HK$195,000,000), representing 3.08% of the issued share capital of Wacai. The convertible preferred shares may, at the option of the Group, be converted into fully paid ordinary shares of Wacai. 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 27 April 2021, with an annual return of 10%. Wacai operates an online comprehensive financial planning and wealth management platform in the fin-tech industry in the PRC. As at 30 June 2018, the fair value of the convertible preferred shares with the put option of Wacai held by the Group was approximately HK$226,200,000 (31 December 2017: HK$215,149,000).

(vii) On 1 December 2017, Star Azure International Limited, a wholly-owned subsidiary of the Company entered into a share subscription agreement with NIO INC. ("**NIO**") ("**NIO Investment Agreement**"). Pursuant to the agreement, the Group subscribed 4,670,362 convertible preferred shares of NIO for an aggregate amount of US$25,000,000 (equivalent to HK$195,000,000). The convertible preferred shares may, at the option of the Group, be converted into fully paid ordinary shares of NIO. In addition, the convertible preferred shares are redeemable at the option of the Group if a qualified IPO has not occurred on or prior 31 December 2021, with an annual return of 8%. NIO, an investment holding company incorporated in the Cayman Islands with limited liabilities, is principally engaged in the research and development, manufacturing, sales and after-sales service of high-end luxury smart electric vehicles. As at 30 June 2018, the proportion of its issued share capital owned by the Group was approximately 0.49%. As at 30 June 2018, the fair value of the convertible preferred shares held by the Group was approximately HK$195,000,000 (31 December 2017: HK$196,583,000).

(viii) On 30 November 2017, Excellent Graticule Limited, a wholly-owned subsidiary of the Company entered into a share subscription agreement with Shanghai Yimidida Logistics Management Limited ("**Yimidida**") ("**Yimidida Capital Increment Agreement**"). Pursuant to the agreement, the Group subscribed for the shares of Yimidida for an aggregate amount of RMB130,000,000, (equivalent to HK$153,260,180) representing 6.22% of the issued share capital of Yimidida. Yimidida is principally engaged in the provision of its logistics management services in the PRC. As at 30 June 2018, the proportion of its issued share capital owned by the Group was approximately 7.39%. As at 30 June 2018, the fair value of the convertible preferred shares held by the Group was approximately HK$175,543,000 (31 December 2017: HK$156,968,000).

15 CASH AND CASH EQUIVALENTS

	30 June 2018 HK$ (Unaudited)	31 December 2017 HK$ (Audited)
Cash at banks and on hand	**74,394,334**	90,383,557
Short-term bank deposits	**2,508,881**	2,490,282
Cash and cash equivalents	**76,903,215**	92,873,839

Bank balances and cash comprise short-term bank deposits carrying interest at prevailing rate at 0.9% (31 December 2017: 0.9%) per annum.

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

	30 June 2018 HK$ (Unaudited)	31 December 2017 HK$ (Audited)
United States Dollars ("US$")	**43,712,163**	52,800,695
Hong Kong Dollars ("HK$")	**31,675,577**	37,667,703
Renminbi ("RMB")	**1,515,475**	2,405,441
	76,903,215	92,873,839

16 OTHER PAYABLES AND ACCRUALS

	30 June 2018 HK$ (Unaudited)	31 December 2017 HK$ (Audited)
Accrued operating expenses	**2,508,082**	5,486,625

17 SHARE CAPITAL

	Number of ordinary shares	**Nominal value of ordinary shares** HK$
Authorised		
As at 1 January 2017, 31 December 2017, 1 January 2018 and 30 June 2018	2,902,215,360	29,022,154
Issued and fully paid		
As at 1 January 2017, 31 December 2017, 1 January 2018 and 30 June 2018	2,902,215,360	29,022,154

18 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 2018, 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	
	2018	2017
	HK$	HK$
	(Unaudited)	(Unaudited)
Short term benefits	**2,381,131**	2,308,145
Post-employment benefits	**44,965**	45,000
	2,426,096	2,353,145

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.

19 SHARE-BASED PAYMENT TRANSACTIONS

The Company does not operate any share option scheme.

There were no options granted during the period ended 30 June 2018 (30 June 2017: Nil). There are no outstanding options as at 30 June 2018 (31 December 2017: Nil).

20 EVENT AFTER THE BALANCE SHEET DATE

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

21 NET ASSET VALUE PER SHARE

Net asset value per share is computed based on the condensed consolidated net assets of HK$1,597,273,160 as at 30 June 2018 (31 December 2017: HK$1,487,668,548) and 2,902,215,360 ordinary shares in issue as at 30 June 2018 (31 December 2017: 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 12 to 36, 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 2018 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of 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" issued by the Hong Kong Institute of Certified Public Accountants. 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 of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 6 August 2018

Other Information

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

As at 30 June 2018, 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 2018, 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 2018, 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

The Company had no share option scheme during the Period. 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 2017: 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 2018, the remuneration committee of the Company (the "**Remuneration Committee**") comprises three members, namely Mr SIN Yui Man, Mr WANG Xiangfei 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

There is no 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 comprises 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, 6 August 2018