China Development Bank International Investment Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

Interim Report 2019

Contents

Corporate Information

DIRECTORS

Executive Directors

Mr BAI Zhe *(Chairman)*
Mr ZHANG Jielong
(Deputy Chief Executive Officer) *Note 1*

Independent Non-executive Directors

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

COMPANY SECRETARY

Mr FUNG Wing Kam Terence *Note 2*
Mr YU Chi Kit *Note 3*

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

Notes:

1. Resigned on 29 March 2019
2. Appointed on 25 April 2019
3. Resigned on 25 April 2019

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong *Note 1*

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 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

Note:
1. Changed since 11 July 2019

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 2019 (the "**Period**"). The interim results for the Period have been reviewed by the audit committee of the Company and PricewaterhouseCoopers, the auditor of the Company.

OVERALL PERFORMANCE

For the Period, the Group recorded a profit of approximately Hong Kong Dollars ("**HK$**") 6.21 million (six months ended 30 June 2018: approximately HK$110.23 million) which is primarily attributable to the change in fair value of financial assets at fair value through profit or loss of approximately HK$24.25 million (six months ended 30 June 2018: approximately HK$122.88 million) netted off by the general and administrative expenses of approximately HK$7.73 million (six months ended 30 June 2018: approximately HK$4.10 million) incurred during the Period. For the Period, the interest income of the Group was approximately HK$0.06 million (six months ended 30 June 2018: 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$24.25 million (six months ended 30 June 2018: approximately HK$122.88 million). The general and administrative expenses of the Group for the Period were approximately HK$7.73 million (six months ended 30 June 2018: approximately HK$4.10 million), mainly resulted from the increase in legal and professional fees and employee benefits expenses incurred during the Period. The Group's net asset value increased to approximately HK$1,629.86 million as at 30 June 2019 (31 December 2018: approximately HK$1,623.94 million), with earnings per share of approximately HK0.21 cents (six months ended 30 June 2018: approximately HK3.80 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 relevant 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$419,199,242 as at 30 June 2019 (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 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 2019. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis. As at 30 June 2019, the cash and cash equivalents of the Group was approximately HK$38.70 million (31 December 2018: HK$59.15 million). As almost all the retained cash was denominated in HK$ 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 2019. As at 30 June 2019, the Group had short-term borrowings of HK$546.00 million (31 December 2018: HK$546.00 million) and the gearing ratio (calculated as the short-term borrowings to the total shareholder's equity) was 33% (31 December 2018: 34%), 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 2019, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities (31 December 2018: Nil). As at 30 June 2019, 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 top ten investments of the Group as at 30 June 2019 are set out as follows:

	Cost/carrying book cost as at 30 June 2019	Market value/ carrying amount as at 30 June 2019	Market value/ carrying amount as at 31 December 2018	Unrealised gains/(losses) recognised for the Period ended 30 June 2019	Accumulated unrealised gains/(losses) recognised as of 30 June 2019	Percentage to the Group's total assets as at 30 June 2019
	HK$	HK$	HK$	HK$	HK$	%
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)
Jade Sino Ventures Limited (**"Jade Sino"**) *(Note 1)*	194,987,520	478,920,000	444,600,000	34,320,000	283,932,480	21.9%
Jolly Investment Limited ("**Jolly**") *(Note 2)*	195,000,000	265,200,000	241,800,000	23,400,000	70,200,000	12.1%
BEST Inc. ("**Best Inc.**") *(Note 3)*	234,000,000	142,558,456	106,336,707	36,221,749	(91,441,544)	6.5%
Spruce *(Note 4)*	200,460,000	436,800,000	397,800,000	39,000,000	236,340,000	20.0%
G7 Networks Limited ("**G7**") *(Note 5)*	195,000,000	252,720,000	229,320,000	23,400,000	57,720,000	11.6%
Wacai Holdings Limited ("**Wacai**") *(Note 6)*	195,000,000	218,400,000	210,600,000	7,800,000	23,400,000	10.0%
NIO INC. ("**NIO**") *(Note 7)*	195,000,000	92,893,500	232,051,606	(139,158,106)	(102,106,500)	4.3%
Yimidida Supply Chain Group Co., Ltd. ("**Yimidida**") *(Note 8)*	153,260,180	185,298,865	186,031,900	(733,035)	32,038,685	8.5%
Beijing Far East Instrument Company Limited ("**Beijing Far East**") *(Note 9)*	47,766,126	68,720,156	68,077,433	N/A	N/A	3.1%
China Property Development (Holdings) Limited ("**CPDH**") *(Note 9)*	78,000,000	2,464,191	2,407,504	N/A	N/A	0.1%

Notes:

1. Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. As at 30 June 2019, the proportion of the issued share capital of Jade Sino owned by the Group was approximately 23.81%. As at 30 June 2019, Jade Sino directly held approximately 15.01% 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 2019, the proportion of the issued share capital of Jolly owned by the Group was approximately 23.04%. As at 30 June 2019, Jolly indirectly held approximately 20.91% 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 2019, the proportion of its issued share capital owned by the Group was approximately 0.85%. 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 2019, the proportion of the issued share capital of Spruce owned by the Group was approximately 1.06%. 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 2019, the proportion of the issued share capital of G7 owned by the Group was approximately 4.14%. 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 2019, 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 engaged in the design, manufacturing, sales and provision of after-sale services of smart and connected premium electric vehicles. On 12 September 2018, the American Depositary Shares ("**ADSs**") of NIO were listed for trading on the New York Stock Exchange. As at 30 June 2019, the proportion of its issued share capital owned by the Group was approximately 0.44%. The Board approved the potential disposal of all NIO ADSs held by the Group on 6 March 2019. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

8. Yimidida is a company incorporated in the PRC with limited liabilities which is principally engaged in the operation of the less-than-truckload freight network and was 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 country-wide freight franchise network. As at 30 June 2019, the proportion of its issued share capital owned by the Group was approximately 3.76%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

9. The investments in Beijing Far East and CPDH disclosed in the table above are accounted for in accordance with HKAS 28 (Amendments) Investment in Associate and Joint Ventures, for details please refer to Note 13 to the condensed consolidated financial statements.

UNLISTED INVESTMENTS REVIEW

The Company has been committed to identifying and exploring high-quality investment opportunities and has established certain investment layout in areas including, but not limited to, logistics infrastructure, Fin-tech, new energy and supply chain services. The investments below in Yimidida, Wacai, G7, Spruce, PG Investment, Jinko Power and Beijing Far East are expected to create investment returns for the shareholders of the Company (the "**Shareholders**") and to further promote the Company's overall market advantage

* *For identification purpose only*

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 Yimidida, Wacai, G7, Spruce, PG Investment, Jinko Power, Beijing Far East and CPDH in enhancing their efficiency, exploring business opportunities, optimising the decision-making and incentive mechanisms and improving corporate governance practices continuously.

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 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$52.50 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.

During the Period, the performance of JinkoSolar Power was similar as compared with that at the end of 2018, and the major source of its income included sales of electricity and engineering, procurement and construction. The Company expects that the performance of JinkoSolar Power in the second half of 2019 will be generally in line with our expectations.

JinkoSolar Power submitted its IPO application form to China Securities Regulatory Commission in 2018 and the application is in progress, as the Company expected. The Company expects JinkoSolar Power can make a significant contribution to the Company's performance after its listing.

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 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 Group.

The principal business of PG Investment includes investment, construction and operation of large scale logistics parks, business facilities and exhibition centers. During the Period, PG Investment had 8 operating projects in operation. At the end of the first quarter in 2019, its overall occupancy rate reached 97%. During the Period, PG Investment has completed the land bidding process of Huzhou Phase I project and Nantong project, which are expected to be completed by the end of 2019. The Company expects that PG Investment's operation in the second half of 2019 will remain relatively stable.

Spruce

On 24 November 2016, the Company had 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 of US$25.70 million, representing approximately 1.24% of the enlarged issued 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 Group.

In terms of its business, the focus of Spruce in 2019 is to continue to boost the business coverage in cities of which the market was newly exploited by it and to increase its market share. The revenue of Spruce during the Period increased rapidly, however, due to the large initial investments in such new cities, its losses increased as a result. In the future, Spruce will continue to increase its market share by shortening the distribution process of agricultural products, improving the efficiency of agricultural products supply chain, and providing economic and efficient services to farmers and restaurant customers in the agricultural supply chain industry in the PRC. The Company is confident in that Spruce will continue its business expansion at a satisfactory growth rate, and become one of the leaders in the agricultural supply chain industry in the PRC.

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 of US$25.00 million, representing approximately 5.59% of the enlarged issued share capital of G7. G7 is a leading highway logistics artificial intelligence service and intelligent equipment supplier in China with its business coverage spanning across China and its neighboring countries in Asia. G7 is connected to over 1,100,000 cargo vehicles from more than 60,000 customers. By installing smart devices on vehicles in the fleet, G7 utilizes 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 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 Group.

The Company considers that G7's business maintained rapid development during the Period, with its business scales in security products, settlements, supply chain finance, insurance and oil products achieving significant growth as compared with last year. The Company expects that in the future, G7 will continue to use its own Internet of Things and artificial intelligence technology to help logistics customers improve operational efficiency, reduce costs and potential safety hazards, thereby to further increase its market share.

Wacai

On 8 April 2017, a wholly-owned subsidiary of the Company entered into a preferred share purchase 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 enlarged issued share capital of Wacai.

Wacai is a leading online comprehensive financial planning and wealth management platform. With its devotion to providing one-stop online financial management tools, information and advisory services to its customers, 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 for wealth management, 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.

Due to the sudden tightening of regulation on Internet finance and the macro environment of large-scale de-leveraging, the business performance of Wacai was adversely and continuously affected. However, since the second half of 2018, the domestic liquidity pressure was gradually released, and Wacai had gradually shifted its business focus from the highly regulated person to person business to the credit and financial advertising businesses. Its credit business strategically focused on consumer financing, its monthly new loan amount rebounded rapidly, its risk indicators improved, and Wacai also began to access diversified sources of funds from institutional investors for such business. The financial advertising business of Wacai has been growing rapidly, and its contribution to Wacai's revenue increased substantially. The Company expects that Wacai will seek business diversification and identify new areas for growth in revenue and profit in the future.

Yimidida

On 30 November 2017, a wholly-owned subsidiary of the Company entered into a capital increment 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 RMB130.00 million in USD equivalent. Yimidida is principally engaged in the operation of the less-than-truckload freight network and was 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 country-wide freight franchise network. Yimidida is an independent third party of the Group.

Yimidida completed its round D and round D+ equity financings during the Period, and the amount of the funds raised exceeded RMB2 billion, which set a new record in fund-raising amount in the less-than-truckload logistics industry in China. During the Period, Yimidida continuously strengthened the direct operation and management of its major franchise member companies at primary regions, and its first ranking in terms of overall cargo volume in the PRC was reinforced. The Company expects that based on its country-wide franchise freight network, Yimidida will continuously further the optimization and adjustment of the transport routes and the sortation centers, expand the density of its last-mile service stations, and upgrade the existing products and services, which will further improve its brand image and value-added service capability. The Company expects that Yimidida's business will achieve a satisfactory development in the second half of 2019.

Beijing Far East

Beijing Far East is a company incorporated in the PRC and 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. During the Period, the development of Beijing Far East was stable, Beijing Far East was transforming from a purely precision instrument manufacturer to an integrated industry solution provider. The Company believes that Beijing Far East can further expand its business by the rapid development of the industry of internet. Its carrying value is accounted by equity method. For details, please refer to Note 13 to the condensed consolidated financial statements.

CPDH

CPDH is a company incorporated in the Cayman Islands with limited liability and principally engaged in investment of residential development project. CPDH did not carry out any business during the Period and it is under litigation process. Its carrying value is accounted for using equity method. For details, please refer to Note 13 to the condensed consolidated financial statements.

LISTED INVESTMENTS REVIEW

Securities Investments

NIO

On 1 December 2017, a wholly-owned subsidiary of the Company entered into a preferred share purchase agreement with NIO, pursuant to which the Group, as one of the investors, agreed to subscribe for the preferred shares newly issued by NIO at a consideration of US$25.00 million. NIO is an independent third party of the Group. In September 2018, NIO completed the initial public offering of 160,000,000 ADSs on the New York Stock Exchange. The issue price was US$6.26 per ADS, and the total offering size was approximately US$ 1.0 billion. The listing symbol is “NIO”. Each ADS represents one Class A ordinary share of NIO.

The new energy automobile industry is a key area for China’s development. The Chinese government has introduced a series of supportive policies and incentives to promote the development of the new energy automobile industry in recent years. Its long-term strong development trend has been widely recognized by the society. NIO is one of the leading representatives of China’s new energy automobile industry, it also provides users with comprehensive, convenient and innovative charging solutions and other user-centric services.

NIO's second 5-seat high-end pure electric SUV model ES6 was launched in late 2018 and started to be delivered to consumers during the Period.

The Company believes ES6 is a better fit into public demands, which is expected to bring considerable sales and revenue contribution to NIO in 2019. On 6 March 2019, the Board approved the potential disposal of the NIO ADSs held by the Company on the New York Stock Exchange, which was also approved by CDBIH in written. Please refer to the relevant announcement published by the Company on 6 March 2019. As at 30 June 2019, no disposal related to NIO has been made.

BEST INC.

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 of US$30.00 million, representing 0.96% of the enlarged issued share capital of Best Logistics. In June 2017, the name of Best Logistics was changed to BEST Inc. In September 2017, BEST Inc. (NYSE: BSTI) completed its initial public offering of 45,000,000 ADSs, each representing one of its Class A ordinary shares, at US$10.00 per ADS for a total offering size of US$450.00 million. Its ADSs commenced trading on the New York Stock Exchange on 20 September 2017, under the symbol "BSTI."

Combining the Internet, information technology and traditional logistics services, BEST Inc. is committed to creating a one-stop logistics and supply chain service platform to provide customers with efficient services and experience. It is one of the largest integrated logistics service providers in China. Its multisided platform combines technology, integrated logistics and supply chain services, last-mile services and value-added services. BEST Cloud, the proprietary technology platform of BEST Inc., which seamlessly connects its systems with those of its ecosystem participants, is the backbone that powers its integrated services and solutions. Its logistics and supply chain services encompass B2B and B2C supply chain management, express and less-than-truckload delivery, cross-border supply chain management and a real-time bidding platform to source truckload capacity. Its last-mile services include online merchandise sourcing and store management for convenience stores as well as B2C services. In addition, it provides value-added services to support its ecosystem participants and help them grow.

During the Period, BEST Inc. continued to maintain a high growth rate. Despite the adverse impact of the overall price war in the express delivery industry, by virtue of its excellent cost control, in the first quarter in 2019, BEST Inc. achieved a gross margin of 4.3%, representing an increase of 2.1 percentage points as compared with the same period in 2018. BEST Inc. recorded a loss of RMB233 million in the first quarter in 2019, representing a significant decrease of 31.3% as compared with the same period in 2018. The Company estimates that the profitability of BEST Inc. will continue to improve in the second half of 2019.

EMPLOYEES

As at 30 June 2019, the Company had 7 employees (30 June 2018: 6 employees). The total staff costs of the Group (excluding Directors' fee) for the Period was approximately HK$2.65 million (six months ended 30 June 2018: HK$2.02 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 2019. However, the Company provided training suitable to employees' needs and in accordance with the Company's own development strategy.

GEARING RATIO

As at 30 June 2019, the Group had outstanding bank borrowings of HK$546.00 million (31 December 2018: HK$546.00 million). As at 30 June 2019, the Group's current ratio (current assets to current liabilities) was approximately 24% (31 December 2018: approximately 53%). The ratio of total liabilities to total assets of the Group was approximately 25% (31 December 2018: approximately 25%). 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 2019, 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 high-quality investment opportunities and has established certain investment layout in areas including, but not limited to, logistics infrastructure, Internet finance, new energy and supply chain services. The company expects the logistics industry will maintain good growth, logistics industry is a fundamental and strategic industry which supports the national economic development and is also a key industry which CDB, the ultimate controlling shareholder of the Company, supports. 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, continue to focus on identifying and exploring suitable investment opportunities in the logistics industry. The Company will continue to actively pursue opportunities to bring the best returns to the Shareholders and pave the way for business growth. Looking forward, the management believe that the business and operating environment is full of challenges and volatility. 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 by continuing to diversify its investments in different segments, for example, photovoltaic power generation, Fin-tech and premium vehicles segments. The management will continue to closely monitor the market situation and enhance its operation in all areas, to raise levels of financial discipline and improve profitability of the Group.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2019

	Notes	Six months ended 30 June 2019 HK$ (Unaudited)	2018 HK$ (Unaudited)
Net valuation gains in fair value of financial assets at fair value through profit or loss		**24,250,608**	122,875,428
General and administrative expenses	9	**(7,726,521)**	(4,097,751)
Operating profit		**16,524,087**	118,777,677
Finance income		**59,137**	24,770
Finance cost		**(11,584,712)**	(8,919,099)
Share of profit in associates		**1,302,506**	369,020
Profit before income tax		**6,301,018**	110,252,368
Income tax expense	8	**(95,108)**	(23,325)
Profit for the period attributable to owners of the Company		**6,205,910**	110,229,043
Other comprehensive loss			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(289,486)**	(624,431)
Other comprehensive loss for the period		**(289,486)**	(624,431)
Total comprehensive income for the period attributable to owners of the Company		**5,916,424**	109,604,612
Earnings per share			
– Basic (HK cents)	11	**0.21**	3.80
– Diluted (HK cents)	11	**0.21**	3.80

Condensed Consolidated Statement of Financial Position

As at 30 June 2019

	Notes	30 June 2019 HK$ (Unaudited)	31 December 2018 HK$ (Audited)
Assets			
Non-current assets			
Property, plant and equipment	12	**–**	–
Interests in associates	13	**71,184,347**	70,484,937
Financial assets at fair value through profit or loss	14	**1,979,897,321**	1,816,488,607
		2,051,081,668	1,886,973,544
Current assets			
Other receivables		**282,249**	–
Financial assets at fair value through profit or loss	14	**92,893,500**	232,051,606
Cash and cash equivalents	15	**38,702,342**	59,154,395
		131,878,091	291,206,001
Total assets		**2,182,959,759**	2,178,179,545
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	17	**29,022,154**	29,022,154
Reserves		**1,600,833,151**	1,594,916,727
Total equity		**1,629,855,305**	1,623,938,881
Liabilities			
Non-current liability			
Deferred tax liabilities		**2,027,121**	1,963,374
Current liabilities			
Other payables and accruals	16	**5,077,333**	6,277,290
Short-term borrowings		**546,000,000**	546,000,000
		551,077,333	552,277,290
Total liabilities		**553,104,454**	554,240,664
Total equity and liabilities		**2,182,959,759**	2,178,179,545
Net asset value per share	21	**0.56**	0.56

The condensed consolidated financial statements on pages 14 to 38 were approved and authorised for issue by the Board of Directors on 30 August 2019 and are signed on its behalf by:

Bai Zhe
Director

WANG Xiangfei
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019

	Attributable to owners of the Company						
	Share capital HK$	Share premium HK$	Special reserve HK$ (Note)	Exchange reserve HK$	Capital redemption reserve HK$	Retained earnings HK$	Total HK$
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 (loss)/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
At 1 January 2019 (Audited)	**29,022,154**	**1,043,800,995**	**382,880,958**	**7,187,793**	**270,200**	**160,776,781**	**1,623,938,881**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**6,205,910**	**6,205,910**
Other comprehensive loss							
Exchange differences arising on translation	**-**	**-**	**-**	**(289,486)**	**-**	**-**	**(289,486)**
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**(289,486)**	**-**	**6,205,910**	**5,916,424**
Balance at 30 June 2019 (Unaudited)	**29,022,154**	**1,043,800,995**	**382,880,958**	**6,898,307**	**270,200**	**166,982,691**	**1,629,855,305**

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 2019

	Six months ended 30 June	
	2019	2018
	HK$	HK$
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(8,926,478)**	(7,076,295)
Cash flows from investing activities		
Interest received from bank deposits	**59,137**	24,770
Net cash generated from investing activities	**59,137**	24,770
Cash flows from financing activities		
Interest paid	**(11,584,712)**	(8,919,099)
Net cash used in financing activities	**(11,584,712)**	(8,919,099)
Net decrease in cash and cash equivalents	**(20,452,053)**	(15,970,624)
Cash and cash equivalents at the beginning of the period	**59,154,395**	92,873,839
Cash and cash equivalents at the end of the period, representing bank balances and cash	**38,702,342**	76,903,215

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 holding company is China Development Bank International Holdings Limited ("**CDBIH**"), a private limited company established in Hong Kong and its ultimate holding 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 30 August 2019.

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 2018, 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 ("**Directors**") have given careful consideration to the future liquidity of the Group. While the Group had net current liabilities of approximately HK$419,199,000 as at 30 June 2019 (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, together with the expectation that the existing unutilised uncommitted 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 2019. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

The preparation of condensed consolidated 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 2018, 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 standard:

HKFRS 16 "Leases"

The impact of the adoption of the standard 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

Standards	**Subject of amendment**	**Effective for accounting periods beginning on or after**
Amendments to HKFRS 3	Definition of business	1 January 2020
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting	1 January 2020
HKFRS 17	Insurance Contracts	1 January 2021
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 none of those are expected to have material impact on the Group's accounting policies.

4 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 Leases on the group's condensed consolidated financial statements and discloses the new accounting policies that have been applied from 1 January 2019.

HKFRS 16 "Leases"

As at the reporting date, the operating lease for office premises of the Group is borne by its immediate holding company. The adoption of HKFRS 16 does not have a significant impact over the Group's recognition of lease.

From 1 January 2019, the lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

4 CHANGES IN ACCOUNTING POLICIES (continued)

HKFRS 16 "Leases" (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk

The Group's activities expose it to a variety of financial risks: market risk (including currency 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 2018.

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 2019 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		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
	30 June 2019 (unaudited) HK$	31 December 2018 (audited) HK$					
(i) Unlisted ordinary shares of Jade Sino Ventures Limited	**478,920,000**	444,600,000	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 7.35% (2018: 9.04%).	The higher the credit spread rate, the lower the fair value (2018: same).	If the credit spread rate is 2.5% higher/lower, while all other variables were held constant, the fair value would decrease by HK$113,131 (2018: $135,968) and increase by HK$116,415 (2018: $141,406) 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 59.47% (2018: 66.26%).	The higher the volatility, the higher the fair value (2018: same).	If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK$1,738,909 (2018: $670,832) and decrease by HK$1,228,843 (2018: $617,830) respectively.

5 FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation (Continued)

Financial assets	Fair value as at 30 June 2019 (unaudited) HK$	Fair value as at 31 December 2018 (audited) HK$	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	**265,200,000**	241,800,000	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 7.39% (2018: 7.97%).	The higher the credit spread rate, the lower the fair value (2018: same).	If the credit spread rate is 2.5% higher/lower, while all other variables were held constant, the fair value would decrease by HK$8,992,097 (2018 $1,377,069) and increase by HK$9,553,253 (2018: $1,479,058) 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 37.86% (2018: 35.20%).	The higher the volatility, the higher the fair value (2018: same).	If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK$2,492,950 (2018: $582,497) and decrease by HK$2,254,114 (2018: $213,502) respectively.
(iii) Listed equity securities of BEST Inc.	**142,558,456**	106,336,707	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 2019 (unaudited) HK$	Fair value as at 31 December 2018 (audited) HK$	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	**436,800,000**	397,800,000	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 10.03% (2018: 11.06%).	The higher the credit spread rate, the lower the fair value (2018: same).	If the credit spread rate is 2.5% higher/lower, while all other variables were held constant, the fair value would decrease by HK$4,853,612 (2018: $203,875) and increase by HK$5,871,380 (2018: $232,673) 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 48.70% (2018: 43.49%).	The higher the volatility, the higher the fair value (2018: same).	If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK$8,335,010 (2018: $52,804) and decrease by HK$5,289,250 (2018: $109,946) respectively.

5 FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation (Continued)

Financial assets	Fair value as at 30 June 2019 (unaudited) HK$	Fair value as at 31 December 2018 (audited) HK$	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
(v) Unlisted convertible preferred shares with put option of G7 Networks Limited	**252,720,000**	229,320,000	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 7.39% (2018: 7.97%).	The higher the credit spread rate, the lower the fair value (2018: same).	If the credit spread rate is 2.5% higher/ lower, while all other variables were held constant, the fair value would decrease by HK$20,311,192 (2018: $2,564,493) and increase by HK$23,041,309 (2018: $2,937,826) 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 35.37% (2018: 37.77%).	The higher the volatility, the lower the fair value (2018: same).	If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK$9,941,295 (2018: $1,249,612) and decrease by HK$9,022,198 (2018: $1,098,341) respectively.

5 FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation (Continued)

Financial assets	Fair value as at 30 June 2019 (unaudited) HK$	Fair value as at 31 December 2018 (audited) HK$	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	**218,400,000**	210,600,000	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 8.24% (2018: 9.21%).	The higher the credit spread rate, the lower the fair value (2018: same).	If the credit spread rate is 2.5% higher/ lower, while all other variables were held constant, the fair value would decrease by HK$4,589,068 (2018: 1,113,287) and increase by HK$11,148,813 (2018: $1,199,243) 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 50.19% (2018: 46.49%).	The higher the volatility, the higher the fair value (2018: same).	If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK$1,513,223 (2018: $296,196) and decrease by HK$861,237 (2018: $185,681) respectively.
(vii) Listed equity securities of NIO INC. Limited	**92,893,500**	232,051,606	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 2019 (unaudited) HK$	Fair value as at 31 December 2018 (audited) HK$	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	**185,298,865**	186,031,900	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 10.14% (2018: 10.91%).	The higher the credit spread rate, the lower the fair value (2018: same).	If the credit spread rate is 2.5% higher/lower, while all other variables were held constant, the fair value would decrease by HK$8,354,119 (2018: $7,809,056) and increase by HK$9,164,745 (2018: $8,655,836) 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 47.60% (2018: 55.01%).	The higher the volatility, the higher the fair value (2018: same).	If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK$8,441,127 (2018: $6,878,791) and decrease by HK$9,917,771 (2018: $7,675,432) respectively.

5 FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation (Continued)

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.

	Level 1 HK$	Level 2 HK$	Level 3 HK$	Total HK$
30 June 2019	**(unaudited)**	**(unaudited)**	**(unaudited)**	**(unaudited)**
Financial assets				
Financial assets at fair value through profit or loss	**235,451,956**	**–**	**1,837,338,865**	**2,072,790,821**
31 December 2018	**(audited)**	**(audited)**	**(audited)**	**(audited)**
Financial assets				
Financial assets at fair value through profit or loss	338,388,313	–	1,710,151,900	2,048,540,213

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 2018 and 2019.

Reconciliation of Level 3 fair value measurement on financial assets at fair value through profit or loss (“FVTPL”).

	Financial assets at FVTPL HK$
At 1 January 2018	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
At 1 January 2019	1,710,151,900
Total gains recognised in profit or loss	
– change in fair value of financial assets at fair value through profit or loss	127,186,965
At 30 June 2019 (unaudited)	1,837,338,865

Of the total gains for the period included in profit or loss, HK$127,186,965 (six months ended 30 June 2018: HK$39,047,951) 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 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 finance division reports 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 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 interests in associates and financial assets at fair value through profit or loss) are located in Hong Kong. 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

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	
	2019	2018
	HK$	HK$
	(Unaudited)	(Unaudited)
Current tax		
– Withholding tax	**(31,361)**	(23,325)
Deferred taxation on withholding tax on undistributed earnings of associates		
– Current period	**(63,747)**	–
	(95,108)	(23,325)

9 EXPENSES BY NATURE

	Six months ended 30 June	
	2019	2018
	HK$	HK$
	(Unaudited)	(Unaudited)
Employee benefits expenses		
– Directors' fee	**150,000**	150,000
– Other staff costs (Note)		
Basic salaries and other benefits	**2,450,369**	1,899,461
Retirement benefits contribution	**203,018**	122,343
Auditor's remuneration	**361,120**	350,600
Investment management fees	**175,000**	175,000
Legal and professional fee	**2,687,582**	688,304
Others	**1,699,432**	712,043
Total general and administrative expenses	**7,726,521**	4,097,751

Note: During the six month ended 30 June 2019, the Group paid services fee of HK$258,206 (six months ended 30 June 2018: HK$324,982) 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 2019 (30 June 2018: Nil).

11 EARNINGS PER SHARE

	Six months ended 30 June	
	2019	2018
	HK$	HK$
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	**6,205,910**	110,229,043
Weighted average number of ordinary shares in issue	**2,902,215,360**	2,902,215,360
Basic earnings per share (in HK cents)	**0.21**	3.80
Diluted earnings per share (in HK cents)	**0.21**	3.80

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 2019 and 30 June 2018.

12 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Furniture and fixtures	Total
	HK$	HK$	HK$
At 1 January 2018, 31 December 2018, 1 January 2019 and 30 June 2019			
Cost	401,733	357,522	759,255
Accumulated depreciation	(401,733)	(357,522)	(759,255)
Net book amount	–	–	–

As at 30 June 2019, the Group has gross carrying amount of fully depreciated property, plant and equipment of HK$759,255 (31 December 2018: HK$759,255) that is still in use.

13 INTERESTS IN ASSOCIATES

	HK$
At 1 January 2018	73,892,455
Share of profit	769,749
Dividend from an associate	(867,781)
Currency translation difference	(3,309,486)
At 31 December 2018 (audited) and 1 January 2019	70,484,937
Share of profit	1,302,506
Dividend from an associate	(313,610)
Currency translation difference	(289,486)
At 30 June 2019 (unaudited)	71,184,347

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 2019	31 December 2018	30 June 2019	31 December 2018	
Beijing Far East Instrument Company Limited	The PRC	The PRC	25%	25%	25%	25%	Manufacture of electronic and electrical instruments
China Property Development (Holdings) Limited	The Cayman Islands	The PRC	33.42%	33.42%	20.49%	20.49%	Investment holding

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2019 HK$ (Unaudited)	31 December 2018 HK$ (Audited)
Financial assets designated at fair value through profit or loss (i), (iii), (iv), (v), (vi), (vii), (viii)	**1,807,590,821**	1,806,740,213
Interests in an associate measured at FVTPL (ii)	**265,200,000**	241,800,000
	2,072,790,821	2,048,540,213
Analysed to reporting purpose as		
Non-current assets	**1,979,897,321**	1,816,488,607
Current assets	**92,893,500**	232,051,606
	2,072,790,821	2,048,540,213

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

Changes in fair values of financial assets at fair value through profit or loss are recorded in the condensed consolidated statement of profit or loss and other 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 15.01% 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.

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 during the period on a voluntary basis, and it is the intention of the Company to extend and hold the redemption option until a qualified IPO occurs.

Jinko Solar submitted its IPO application from to China Securities Regulatory Commission in 2018 and the application is in progress.

As at 30 June 2019, the fair value of the ordinary shares of Jade Sino held by the Group was HK$478,920,000 (31 December 2018: HK$444,600,000). As at 30 June 2019, Jade Sino directly held approximately 15.01% of the equity interests of Jinko Power.

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 20.91% 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 2019, the fair value of the ordinary shares of Jolly held by the Group was HK$265,200,000 (31 December 2018: HK$241,800,000). As at 30 June 2019, Jolly indirectly held approximately 20.91% of the equity interests of PG Investment.

(iii) On 18 January 2016, the Group entered into a shares subscription agreement with BEST Inc. ("**Best Inc.**"). 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 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.

Shares of Best Inc. were successfully listed for trading 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 2019, the fair value of the shares of Best Inc. held by the Group was approximately HK$142,558,000 (31 December 2018: HK$106,337,000). As at 30 June 2019, the proportion of its issued share capital of Best Inc. owned by the Group was approximately 0.85%.

(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 1.24% 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.

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

(iv) (continued)
As at 30 June 2019, the fair value of the convertible preferred shares with the put option of Spruce held by the Group was approximately HK$436,800,000 (31 December 2018: HK$397,800,000). As at 30 June 2019, the proportion of the issued share capital of Spruce owned by the Group was approximately 1.06%.

(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 5.59% 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 2019, the fair value of the convertible preferred shares with the put option of G7 Networks held by the Group was HK$252,720,000 (31 December 2018: HK$229,320,000). As at 30 June 2019, the proportion of the issued share capital of G7 Networks owned by the Group was approximately 4.14%.

(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 2019, the fair value of the convertible preferred shares with the put option of Wacai held by the Group was approximately HK$218,400,000 (31 December 2018: HK$210,600,000). As at 30 June 2019, the proportion of the issued share capital of Wacai owned by the Group was approximately 3.08%.

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

(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. On 12 September 2018, shares of NIO were successfully listed for trading on the New York Stock Exchange. As at 30 June 2019, the fair value of the shares of NIO held by the Group was approximately HK$92,894,000 (31 December 2018: HK$232,052,000). As at 30 June 2019, the proportion of its issued share capital of NIO owned by the Group was approximately 0.44%.

(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 7.39% 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 2019, the proportion of its issued share capital owned by the Group was approximately 3.76%. As at 30 June 2019, the fair value of the convertible preferred shares held by the Group was approximately HK$185,299,000 (31 December 2018: HK$186,032,000).

15 CASH AND CASH EQUIVALENTS

	30 June 2019 **HK$** **(Unaudited)**	31 December 2018 HK$ (Audited)
Cash at banks and on hand	**38,702,342**	51,315,669
Short-term bank deposits	**–**	7,838,726
Cash and cash equivalents	**38,702,342**	59,154,395

Short-term bank deposits carry interest at prevailing rate at 1.50% per annum for the year ended 31 December 2018.

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

	30 June 2019 **HK$** **(Unaudited)**	31 December 2018 HK$ (Audited)
United States Dollars ("US$")	**16,380,344**	30,783,738
HK$	**20,089,922**	26,140,942
Renminbi ("RMB")	**2,232,076**	2,229,715
	38,702,342	59,154,395

16 OTHER PAYABLES AND ACCRUALS

	30 June 2019 HK$ (Unaudited)	31 December 2018 HK$ (Audited)
Accrued operating expenses	**5,077,333**	6,277,290

17 SHARE CAPITAL

	Number of ordinary shares	**Nominal value of ordinary shares** HK$
Authorised		
As at 1 January 2018, 31 December 2018, 1 January 2019 and 30 June 2019	2,902,215,360	29,022,154
Issued and fully paid		
As at 1 January 2018, 31 December 2018, 1 January 2019 and 30 June 2019	2,902,215,360	29,022,154

18 RELATED PARTY TRANSACTIONS

The Company's immediate holding company is CDBIH, a private limited company established in Hong Kong and its ultimate holding 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 condensed consolidated financial statements, the following transactions were carried out with related parties:

(a) On 11 November 2016, the Company entered into a revolving credit facilities agreement with its immediate parent company pursuant to which its immediate parent company will provide revolving loans to the Company with amount up to US$100,000,000. The revolving loans are unsecured, interest bearing at London Inter-Bank Offered Rate ("**LIBOR**") + 1.65% per annum, and repayable at twelve months after the date of drawdown. The credit facilities provided by CDBIH has no expiry date. The Company has to repay the money to CDBIH 12 months after the withdrawal date. However, if there is no written notice from either party one month before the maturity, the loan will be automatically extended for 12 months. As at 30 June 2019, the Company has not utilised any of the credit facilities.

18 RELATED PARTY TRANSACTIONS (continued)

(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	
	2019	2018
	HK$	HK$
	(Unaudited)	(Unaudited)
Short term benefits	**1,816,117**	1,865,636
Post-employment benefits	**45,000**	44,965
	1,861,117	1,910,601

Note: Certain Directors' compensation was borne by the immediate holding company of the Group.

(c) The Group shared the office premises with its immediate holding company and the rental expense was borne by its immediate holding 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 2019 (30 June 2018: Nil). There are no outstanding options as at 30 June 2019 (31 December 2018: 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$1,629,855,305 as at 30 June 2019 (31 December 2018: HK$1,623,938,881) and 2,902,215,360 ordinary shares in issue as at 30 June 2019 (31 December 2018: 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 14 to 38, 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 2019 and the interim condensed consolidated statement of profit or loss and other 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.

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, 30 August 2019

OTHER INFORMATION

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

As at 30 June 2019, 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 2019, 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 as 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, as at 30 June 2019, 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 2018: 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 revised in 2018. 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. The terms of reference of the Audit Committee were revised in 2018. Please refer to the "Revised Terms of Reference of Audit Committee" published by the Company on 21 December 2018.

REMUNERATION COMMITTEE

As at 30 June 2019, 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 revised in 2018. Please refer to the "Revised Terms of Reference of Remuneration Committee" published by the Company on 21 December 2018.

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 revised in 2018. Please refer to the "Revised Terms of Reference of Nomination Committee" published by the Company on 21 December 2018. 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, save as disclosed below, 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.

Under paragraph A.5.5 (2) of Appendix 14 to the Listing Rules, where a listed issuer proposes to elect an individual as independent non-executive director at a general meeting and the individual will be holding his seventh (or more) listed company directorship, it must explain why the board believes the individual would still be able to devote sufficient time to the board in the relevant shareholder circular and/or explanatory statement accompanying the meeting notice.

Pursuant to Article 88 of the Articles of Association of the Company, Mr. FAN Ren Da, Anthony ("**Mr. Fan**") has retired by rotation from the Board at the annual general meeting of the Company dated 24 June 2019 (the "**AGM**") and offered himself for re-election. The re-election of Mr. Fan has been considered and approved on the annual general meeting of the Company dated 24 June 2019. The reason why the Board believed Mr. Fan would still be able to devote sufficient time to the Board despite his directorship in more than seven listed companies was not disclosed in the circular for the AGM.

The Company did not make the disclosure required under the Appendix 14 to the Listing Rules mainly because at the Company's AGM, Mr. Fan was purely subject to re-election due to a technical mechanism of retirement by rotation provided under the Articles of Association of the Company and the Companies Laws of the Cayman Islands, rather than being elected as a new independent non-executive director of the Company.

The Board believes that despite Mr. Fan's positions as a director in more than seven listed companies, he would still be able to devote sufficient time to the Board on the following grounds:

- Mr. Fan has been serving as a director of the Company since 2012. During his term of office, he has been actively participating in the meetings of the Board and board committees and the annual general meetings of the Company to the extent possible. He had a 100% attendance rate for every Board meeting (except one meeting in 2016) and annual general meeting of the Company since he became a director of the Company. As a member of each of the board committees, he also had a 100% attendance rate for all board committee meetings in the past seven years.

- Mr. Fan also attended all trainings provided to the directors for the past 7 years.

- Since 2012, Mr. Fan has always been a director of more than 7 listed companies, which did not prevent him from participating in the Company's business based on his attendance rates. Mr. Fan is familiar with the Company and its business over the years. He has provided great assistance to the other members of the Board as well as to the management of the Company.

- Mr. Fan is fully aware of the requirements under the Listing Rules for a director to devote sufficient time in the Company's matters and will make sure that he is able to do so to fulfil his duties and obligation as a director.

- Mr. Fan is experienced in matters of Hong Kong listed companies and familiar with the Listing Rules and other laws and regulations in Hong Kong, which makes him more efficient in dealing with the corporate matters of the companies of which he is an independent non-executive director and enables him to manage to perform his duties and obligations as an independent non-executive director of multiple listed companies at the same time.

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 as executive Director; 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, 30 August 2019