



**CHINA INVESTMENT DEVELOPMENT LIMITED**

**中國投資開發有限公司**

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)  
(Stock code: 204)



**Interim Report 2019**

## CORPORATION INFORMATION

### BOARD OF DIRECTORS

#### Executive Director

Mr. Chan Cheong Yee

#### Non-executive Directors

Ms. Yang Xiaoqiu (*Chairman*)

Mr. Tom Xie

#### Independent Non-executive Directors

Mr. Li Li

Mr. Lai Yuen Piu

Ms. Leung Mei Hing Carrie

### AUDIT COMMITTEE

Mr. Li Li (*Chairman*)

Mr. Lai Yuen Piu

Ms. Leung Mei Hing Carrie

### REMUNERATION COMMITTEE

Mr. Lai Yuen Piu (*Chairman*)

Mr. Li Li

Ms. Leung Mei Hing Carrie

### NOMINATION COMMITTEE

Ms. Yang Xiaoqiu (*Chairman*)

Mr. Li Li

Mr. Lai Yuen Piu

Ms. Leung Mei Hing Carrie

### RISK MANAGEMENT COMMITTEE

Mr. Chan Cheong Yee (*Chairman*)

Mr. Li Li

Mr. Lai Yuen Piu

Ms. Leung Mei Hing Carrie

### CHIEF EXECUTIVE OFFICER

Ms. Lin Yudan

### COMPANY SECRETARY

Mr. Chan Kwan Pak

### PRINCIPAL BANKERS

Dah Sing Bank, Limited

China Citic Bank International Limited

Bank of Communication

### AUDITORS

BDO Limited

*Certified Public Accountants*

### PRINCIPAL SHARE REGISTRAR

MUFG Fund Service (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road, Pembroke HM08

Bermuda

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33/F.

Two Chinachem Exchange Square,

338 King's Road,

North Point, Hong Kong

### REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

### PRINCIPAL PLACE OF BUSINESS

Suites 2706-07, 27/F

Everbright Centre Financial Center

108 Gloucester Road

Wanchai, Hong Kong

### WEBSITE

[www.chinainvestment.com.hk](http://www.chinainvestment.com.hk)

### STOCK CODE

204

The board of directors (the “Board”) of China Investment Development Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2019 together with the comparative figures for the corresponding period in 2018. The unaudited interim results have been reviewed by the audit committee of the Company.

## **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 September 2019*

		<b>Six months ended 30 September</b>	
		<b>2019</b>	2018
	Notes	<b>HK\$'000</b>	HK\$'000
		<b>(unaudited)</b>	(unaudited)
Revenue	5	<b>301</b>	301
Other income	5	<b>90</b>	455
Change in fair value of financial assets at fair value through profit or loss		<b>(19,677)</b>	(905)
Net realised loss on disposal of financial assets at fair value through profit or loss		<b>(4,792)</b>	(3,047)
Administrative expenses		<b>(5,199)</b>	(12,809)
Share of result of an associate		–	–
Loss before income tax expense	6	<b>(29,277)</b>	(16,005)
Income tax expense	7	–	–
Loss for the period attributable to owners of the Company		<b>(29,277)</b>	(16,005)

	Notes	<b>Six months ended 30 September</b>	
		<b>2019</b> <b>HK\$'000</b> <b>(unaudited)</b>	2018 HK\$'000 (unaudited)
<b>Other comprehensive income</b>			
Item that will not be reclassified to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income		<b>(9,018)</b>	(26,620)
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of available-for-sale financial assets		–	–
Exchange difference arising from an associate		<b>(351)</b>	(543)
Other comprehensive income for the period, net of tax		<b>(9,369)</b>	(27,163)
Total comprehensive income for the period		<b>(38,646)</b>	(43,168)
<b>Loss per share</b>	9		
– Basic ( <i>HK cent per share</i> )		<b>(0.028)</b>	(0.18)
– Diluted ( <i>HK cent per share</i> )		<b>(0.028)</b>	(0.18)
Proceeds from disposal of financial assets at fair value through profit or loss		<b>10,027</b>	27,713

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 30 September 2019*

	Notes	<b>30 September 2019 HK\$'000 (unaudited)</b>	31 March 2019 HK\$'000 (audited)
<b>ASSETS AND LIABILITIES</b>			
Non-current assets			
Property, plant and equipment		<b>206</b>	277
Right-of-use assets		<b>964</b>	–
Interest in an associate	10	<b>5,364</b>	5,714
Financial assets at fair value through other comprehensive income	11	<b>22,770</b>	31,787
Total non-current assets		<b>29,304</b>	37,778
<b>Current assets</b>			
Financial assets at fair value through profit or loss	12	<b>38,259</b>	67,879
Other receivables, deposits and prepayments		<b>2,571</b>	2,678
Bank and cash balances		<b>2,060</b>	1,137
Total current assets		<b>42,890</b>	71,694
<b>Current liabilities</b>			
Other payables and accrued charges		<b>4,004</b>	3,601
Lease liabilities		<b>964</b>	–
Total current liabilities		<b>4,968</b>	3,601
<b>Net current assets</b>		<b>37,922</b>	68,093
<b>Net assets</b>		<b>67,226</b>	105,871
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	13	<b>10,582</b>	10,582
Reserves		<b>56,644</b>	95,289
Total equity		<b>67,226</b>	105,871
Net asset value per share	14	<b>HK\$0.064</b>	HK\$0.10

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the six months ended 30 September 2019*

	Share capital HK\$'000	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2019 (audited)	10,582	372,760	(60,398)	65,781	(322)	(282,532)	105,871
Loss for the Period	-	-	-	-	-	(29,277)	(29,277)
Lapse of share options	-	-	-	(65,781)	-	65,781	-
Other comprehensive income							
– Change in fair value of financial assets at fair value through other comprehensive income	-	-	(9,017)	-	-	-	(9,017)
– Exchange difference arising from an associate during the Period	-	-	-	-	(351)	-	(351)
At 30 September 2019 (unaudited)	10,582	372,760	(69,415)	-	(673)	(246,028)	67,226
At 1 April 2018 (audited)	8,822	343,632	27,837	123,411	73	(273,457)	230,318
Loss for the Period	-	-	-	-	-	(16,005)	(16,005)
Lapse of share options	-	-	-	(11,928)	-	11,928	-
Other comprehensive income							
– Change in fair value of financial assets at fair value through other comprehensive income	-	-	(26,620)	-	-	-	(26,620)
– Exchange difference arising from an associate during the Period	-	-	-	-	(543)	-	(543)
At 30 September 2018 (unaudited)	8,822	343,632	1,217	111,483	(470)	(277,534)	187,150

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 30 September 2019*

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2019</b>	2018
	<b>HK'000</b>	HK'000
	<b>(unaudited)</b>	(unaudited)
Net cash from operating activities	<b>833</b>	2,749
Net cash generated from/(used in) investing activities	<b>90</b>	(5)
Net cash used in financing activities	<b>–</b>	–
<b>Net increase in cash and cash equivalents</b>	<b>923</b>	2,744
<b>Cash and cash equivalents at 1 April</b>	<b>1,137</b>	5,744
<b>Cash and cash equivalents at 30 September</b>	<b>2,060</b>	8,488
<b>Analysis of the balance of cash and cash equivalents</b>		
Bank balances	<b>2,060</b>	8,488



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 25 March 1998 and was de-registered on 11 March 2011 and was registered by way of continuation as an exempted company in Bermuda on 2 March 2011. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 12 December 2000. Its registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong is located at Suites 2706–2707, 27/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong.

The Company is principally engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities.

### 2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 September 2019 have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which has been measured at fair value. These condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest dollar except when otherwise indicated.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 March 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").



### 3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”)

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group’s financial statements:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23	Annual Improvements to HKFRSs 2015-2017 Cycle

The Group has not applied any amendment, new standard or interpretation that is not yet effective for the current accounting period, except for the Amendments to HKFRS16, Leases.

Other than the below on the adoption of HKFRS 16, the application of other amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

Details of the changes in accounting policy is discussed as below:

#### (a) Impacts and changes in accounting policies of application on HKFRS 16 Leases

HKFRS 16 replaces HKAS 17, Leases, and the related interpretations, HK(IFRIC) 4, Determining whether an arrangement contains a lease, HK(SIC) 15, Operating leases – incentives, and HK(SIC) 27, Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under HKAS 17.

(i) **Key changes in accounting policies resulting from application of HKFRS 16**

*Definition of a lease*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

*As a lessee*

*Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

#### Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments (“HKFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

### Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

#### Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

#### Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

**(b) Transition and summary of effects arising from initial application of HKFRS 16****Definition of a lease**

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

**As a lessee**

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review;
- ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

- iv. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of factories in the People's Republic of China was determined on a portfolio basis; and
- v. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

At the date of transition to HKFRS 16, the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 April 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 2.5%.

The following table reconciles the operating lease commitments as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

	<b>At 1 April 2019 HK\$'000</b>
Operating lease commitments disclosed as at 31 March 2019 (Note 18)	2,069
Less: short term leases for which lease terms end within 31 March 2020	(130)
Less: future interest expenses	(22)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16	1,917



#### 4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. For the six months ended 30 September 2019 and 2018, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each business line or geographical area and the executive directors reviewed the financial result of the Group as a whole reported under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in investment holding. The executive directors allocate resources and assess performance on an aggregated basis. Accordingly, no operating segment is presented.

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

	Revenue from external customers		Specified non-current assets	
	Six months ended 30 September		30 September	31 March
	2019	2018	2019	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Hong Kong (place of domicile)	301	301	206	277
Other regions of the People's Republic of China (the "PRC")	–	–	5,364	5,714
	301	301	5,570	5,991

## 5. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2019</b>	2018
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Interest income from financial assets at fair value through profit or loss	<b>301</b>	301
Revenue	<b>301</b>	301
Other income:		
Others	<b>90</b>	–
Dividend income	–	455
	<b>90</b>	455
<b>Total revenue and other income</b>	<b>391</b>	756

The Group's revenue represents interest income from convertible bonds. No other source of income contributed to the Group's revenue for both 2019 and 2018.

## 6. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is stated after charging the following:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2019</b>	2018
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Employee benefit expenses (including directors' remuneration)	<b>1,652</b>	2,303
Depreciation	<b>1,024</b>	122
Investment managers' fee	<b>360</b>	360
Provision for impairment loss for deposit paid	<b>–</b>	5,900

## 7. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% (2018: 16.5%) on the estimated assessable profits for the period. Overseas tax is calculated at the rates applicable in the respective jurisdictions. No provision for income tax expense is required since the Group has no assessable profits either arising from Hong Kong or other jurisdictions during the period (2018: Nil).

## 8. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2019 (2018: Nil).

## 9. LOSS PER SHARE

The calculation of basic loss per share amounts is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares of 1,058,185,729 (2018: 8,821,857,294) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2019 and 2018 in respect of a dilution as the impact of share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

## 10. INTEREST IN AN ASSOCIATE

	<b>30 September 2019 HK\$'000 (unaudited)</b>	31 March 2019 HK\$'000 (audited)
Share of net assets	<b>5,364</b>	5,714

Particulars of the associate are as follows:

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

*Note:*

The Group is able to exercise significant influence over Bonicast because it has the power to appoint one out of five directors of that company under the articles of association of that company.

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>30 September 2019 HK\$'000 (unaudited)</b>	31 March 2019 HK\$'000 (audited)
Unlisted equity securities in PRC, at cost	<b>92,185</b>	92,185
Fair value adjustment	<b>(69,415)</b>	(60,398)
	<b>22,770</b>	31,787

The Company's unlisted equity securities in PRC designated by the Company as at fair value through other comprehensive income after the transition to HKFRS 9.

Particulars of investments in unlisted equity securities held by the Group disclosed pursuant to Chapter 21 of the Listing Rules are as follows:

Name of investee company	Notes	Place of incorporation	Percentage of effective interest held	Fair value HK\$'000	
				30 September 2019 (unaudited)	31 March 2019 (audited)
Tianjin Bao Xin Ying Precious Metal Management Limited ("Bao Xin")	(a)	PRC	12.00%	3,926	4,205
Guang Zhou Shi Da Jian Credit Guarantee Limited ("Da Jian")	(b)	PRC	11.59%	4,793	5,893
China Petroleum Bio-energy Company Limited ("Bio-energy")	(c)	Hong Kong	5.69%	2,228	2,516
Yenbo Gain Limited ("Yenbo Gain")	(d)	BVI	18.18%	–	2,470
Perfect Worth Investment Limited ("Perfect Worth")	(e)	BVI	5.00%	465	478
Golden Resources Asia Limited ("Golden Resources")	(f)	BVI	14.00%	5,712	8,160
Huge Leader Investment Development Limited ("Huge Leader")	(g)	BVI	18.00%	5,646	8,065
				<b>22,770</b>	<b>31,787</b>

*Notes:*

- (a) Bao Xin is principally engaged in the trading of precious metals and gold products and investment advisory in Tianjin, the PRC. The initial cost of investment is HK\$6,590,000.

The Group's interest of Bao Xin is held through a nominated shareholder. The Company understands that there would be regulatory obstacles for the registration of transfer of equity interests of Bao Xin under the name of the Group directly. As such, the relevant arrangements in holding the 12% equity interest in Bao Xin were made.

The Company has obtained PRC legal opinion to confirm the validity and effectiveness of such arrangement. As stated in the PRC legal opinion, there are contractual and legal obligations binding on the nominated shareholder and such arrangements are valid and effective under the relevant PRC laws. In addition, the Company has obtained confirmations from Bao Xin and the nominated shareholder to confirm its beneficial interests in Bao Xin. Confirmation has been obtained from all the registered shareholders of Bao Xin to confirm the shareholding of the Group in Bao Xin.

The aforesaid arrangements have been in operation for years and the nominated shareholder(s) have complied with the relevant contractual and legal obligations and are the major shareholder(s) of Bao Xin. As such, the Company considers that the associated risks that the nominated shareholder would be in breach of such arrangement would be relatively low. Having considered the time and costs to obtain the relevant approvals for the Group to become direct registered shareholder of Bao Xin and the associated risks of not being direct registered shareholder of Bao Xin, the Company considers that the relevant arrangements are appropriate under the current circumstances.

- (b) Da Jian is principally engaged in providing credit guarantee service in the PRC. The initial cost of investment is HK\$9,800,000.
- (c) Bio-energy is principally engaged in research, development and promotion of biomass energy and other agricultural related products. One of its subsidiaries has obtained the development and operation right of a piece of land in Xinjiang Province, which is under construction and plantation of bio-oil crops and shelter belt plants. The initial cost of investment is HK\$24,400,000.
- (d) Yenbo Gain is principally engaged in cultivation and research of the fine and new varieties forest products together with the research and promotion of product cultivation technology for producing clean energy purposes. The initial cost of investment is HK\$13,092,000.

- (e) Perfect Worth is an investment holding company and its subsidiaries are principally engaged in the business of online distribution of footwear. The initial cost of investment is HK\$18,303,000.
- (f) Golden Resources is an investment holding company and its subsidiaries are principally engaged in the business of trading steel and its related products. The Company completed the investment on 11 August 2016 with the initial cost of investment of HK\$10,000,000.
- (g) Huge Leader is an investment holding company and its subsidiaries are principally engaged in the trading of engineering materials. The Company completed the investment on 26 October 2016 with the initial cost of investment of HK\$10,000,000.

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 September 2019 HK\$'000 (unaudited)</b>	31 March 2019 HK\$'000 (audited)
Hong Kong listed equity securities, at market value (Note a)	<b>17,870</b>	42,948
Investments in convertible bonds, at fair value (Note b)	<b>20,389</b>	24,931
	<b>38,259</b>	67,879



Notes:

- (a) Particulars of the major investments of listed equity securities held by the Group as at 30 September 2019 are as follows:

Name	Number of shares held	Percentage of interest held	Cost	Market value
			HK\$'000	HK\$'000
Asia Television Holdings Limited (stock code: 000707.HK)	63,320,000 ordinary share	0.8527%	17,148	3,483
National Investments Fund Limited (stock code: 001227.HK)	22,560,000 ordinary share	2.4666%	2,753	3,339
Golden Ponder Holdings Limited (stock code: 001783.HK)	47,750,000 ordinary share	5.9688%	12,451	10,123

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

- (b) On 22 December 2018, the Company renewed the 3% unsecured convertible bonds issued by Guanwan Investments Limited ("Guanwan") at a face value of HK\$20,000,000, bearing coupon interest rate of 3% per annum. Guanwan is an investment holding company which indirectly holds 100% shares of its subsidiary, 深圳金特嬌服装有限公司 ("金特嬌"). 金特嬌 is principally engaged in designing, manufacturing and retail of women's dress in PRC. Each convertible bond due on 22 December 2020 are convertible into 24 fully paid ordinary shares of Guanwan with a par value of USD1.00 each at a conversion price of HK\$833,333 per conversion share. The Company can exercise the conversion at any time until the maturity date.

### 13. SHARE CAPITAL

	<b>Number of ordinary shares of HK\$0.001 each</b>	<b>Nominal value HK\$'000</b>
<hr/>		
Authorised:		
At 31 March 2019 and 30 September 2019	100,000,000,000	100,000
<hr/>		
Issued and fully paid:		
At 31 March 2019 and 30 September 2019	1,058,185,729	10,582
<hr/>		

### 14. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the net assets included in the condensed consolidated statement of financial position of approximately HK\$67,226,000 (31 March 2019: HK\$105,871,000) and the number of ordinary shares in issue as at 30 September 2019, being 1,058,185,729 (31 March 2019: 1,058,185,729).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

For the six months ended 30 September 2019 (the “Period”), the Group’s revenue was approximately HK\$301,000, which was about the same when compared with that of last year. Loss for the Period attributable to owners of the Company was approximately HK\$29,277,000, representing an increase of 82.9% over the corresponding period last year. The increase in loss attributable to owners of the Company was mainly attributable to the realised loss (2018: gain) on disposal of financial assets at fair value through profit or loss and change in fair value of financial assets at fair value through profit or loss.

Loss per share for the Period was HK0.028 cents (2018: HK0.18 cents). As at 30 September 2019, the net asset value per share of the Group was HK\$0.064 (31 March 2019: HK\$0.1). The decrease in net asset value per share was mainly due to the increase in loss attributable to owners of the Company as mentioned above and the decrease in fair value of the unlisted equity securities of approximately HK\$9,018,000.

### Portfolio allocation

	<b>30 September 2019</b>	31 March 2019
Interest in an associate	<b>7%</b>	5%
Unlisted equity securities	<b>32%</b>	29%
Listed equity securities	<b>25%</b>	39%
Investments in convertible bonds	<b>28%</b>	23%
Bank and cash balance	<b>3%</b>	1%
Other assets	<b>5%</b>	3%
<b>Total assets</b>	<b>100%</b>	100%

Details of interest in an associate, unlisted and listed equity securities and investments in convertible bonds are set out in notes 10 to 13 to the condensed consolidated financial statements.

## Refundable deposits for potential investment projects

As disclosed in the consolidated financial statements of the Company in the annual results for the year ended 31 March 2019, refundable deposits (the “Deposits”) of approximately HK\$59 million were placed. Those Deposits were relating to seven potential investees covering banking and financial industry in the PRC, a company engaged in research, development and promotion of biomass energy and other agricultural related products and four high technology companies. The brief details of the Deposits in those potential investments as at 30 September 2019 are as follows:

	<b>Refundable deposits amount</b> (HK\$'000)
Two companies involved in banking and financial industry	20,000
A company in Hainan Province, the PRC, engaged in research, development and promotion of biomass energy and other agricultural related products	9,000
Four high technology companies referred by an investment agent (the “Investment Agent”)	30,000

In relation to the two potential investees involved in the banking and financial industry in the PRC, the Group has completed its due diligence works. The Group understands that there is a requirement under the applicable PRC laws and regulations that the registered shareholder of such investees should have a profit-making track record period for not less than 3 financial years. The Company is in the course of identifying suitable special purpose vehicles for making investments.

The Group has completed its due diligence in respect of the potential investee engaged in research, development and promotion of biomass energy and other agricultural related products and believes that there are prospects in the business segment. However, the potential investee has received notice from authorities that the land used by the potential investee would be seized with compensation. In light of such uncertainty, the Company considers that it is in the interests of the Company and its shareholders as a whole that investment in the potential investee should be made after receipt by the potential investees of relevant land compensation. It was expected that the process would be completed on or before 31 December 2018. However, no further update has been obtained as at the date of this report.

In relation to those four high technology companies, those potential investment projects were only referred by the Investment Agent in 2017 to the Company and the Company is still in the course of negotiating with such potential investees regarding the investment plans, in particular if any industry leaders would co-invest in such potential investees. To the best of the directors' knowledge, information and belief, the Investment Agent and its ultimate beneficial owner(s) are independent third parties and the Investment Agent has referred potential investees to the Company from time to time since 2014. It is common practice in the industry that the Company would have to produce fund proof and to make earnest monies such that the investment agent(s) could refer potential investees to the Company.

During the due diligence process, the Company has reviewed the financial positions of those relevant potential investees and considers that they have the capacity to return the Deposits. Furthermore, the Company has obtained annual confirmations from the relevant potential investees and/or Investment Agent which confirm repayment of the Deposits in the previous years. However, the Group is unable to obtain annual confirmation for the year.

As at the date of this report, the Company has not entered into any formal investment agreements with the potential investees. However, it was expected that such investments, if materialised, the investment sums for each of the projects would be not less than the Deposits paid and the Deposits paid will be utilized towards the investment sums. In the event that the investments shall not be made, the Company shall have the right to demand the refund of the Deposits. Since there was uncertainty on the recoverability of the Deposits as the date of this report, full provision for impairment loss on the Deposits was made for prudence sake. Legal proceedings have been carried out to recover the same.

## **FINANCIAL RESOURCES AND LIQUIDITY**

As at 30 September 2019, the Group had cash and cash equivalents of approximately HK\$2,060,000 (31 March 2019: approximately HK\$1,137,000). The Group had net current assets and net assets of approximately HK\$37,922,000 (31 March 2019: HK\$68,093,000) and approximately HK\$67,226,000 (31 March 2019: HK\$105,871,000) respectively as at 30 September 2019. The Group had no bank and other borrowing as at 30 September 2019.

The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 8.63 (31 March 2019: 19.91) as at 30 September 2019.

## **CAPITAL STRUCTURE**

There were no changes in the capital structure of the Company for the Period. The capital of the Company comprises only ordinary shares as at 30 September 2019.

## FOREIGN EXCHANGE EXPOSURE

Most of the business transactions of the Group are denominated in Hong Kong dollars and Renminbi. The management of the Group will closely monitor the fluctuation in these currencies and take appropriate actions when needed. As at 30 September 2019, the Group did not engage in currency hedging nor did it adopt any formal hedging activities. The Group had not entered into any financial derivatives in currencies other than Hong Kong dollars during the Period.

## PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2019, there were no charges on the Group's assets and the Group had no material contingent liabilities.

## STAFF COST AND REMUNERATION POLICY

As at 30 September 2019, the Group had a total of 7 employees (2018: 7 employees). The Group's total staff costs (including directors' remuneration) amounted to approximately HK\$1,652,000 (2018: HK\$2,303,000) for the Period. The Company adopted the model set out in Code Provision B.1.2(c)(ii) of Appendix 14 to the Listing Rules as its remuneration model for determining the emoluments of the directors. This model stipulates that the remuneration committee shall make recommendations to the Board on the remuneration packages of individual executive directors and senior management. The remuneration committee of the Company would take into consideration, among other things, the duties and responsibilities of the directors and senior management and prevailing market conditions when determining their remuneration.

The Company has adopted a share option scheme to provide incentives to eligible persons, including directors, employees, consultants, suppliers and customers of the Group.

## PROSPECT

Looking forward, the unresolved trade disputes between the United States and China are still major obstacles for the global economy. As the global economic growth has peaked and in view of the weakening Renminbi, it is expected that the listed equity securities market sentiment will be more volatile in the second half of 2019. Moreover, if strong United States Dollar and weak emerging market currencies persist, it will impact fund flow of emerging market and increase the volatility in the emerging market, which would adversely affect the market sentiment. A lot of challenges are expected in the second half of 2019.

The Group penetrates to diversify the investment portfolio and sourcing stable investments to reduce the risk of concentration in one single Hong Kong stock market. The Group will keep on seeking business investment opportunities in Chinese enterprises with potentials and will bring considerable long-term returns. The Group will adopt a pragmatic and enterprising approach to deploy the investment strategy, with an objective to contribute favorable return for our shareholders.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION

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

As at 30 September 2019, the interests and short positions held by the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, the "SFO") as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

<b>Name of Director/chief executive</b>	<b>Capacity in which interests are held</b>	<b>Number of shares held</b>	<b>Approximate percentage of shareholding (Note)</b>
Yang Xiaojie	Beneficial owner	284,000,000	2.68%

*Note:* The percentage of shareholding is calculated on the basis of the Company's issued share capital of 1,058,185,729 shares as at 30 September 2019.

Save as disclosed above, as at 30 September 2019, none of the Directors or chief executive of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



## SUBSTANTIAL SHAREHOLDERS

As at 30 September 2019, the following persons, other than the Director and chief executive of the Company as disclosed in the section titled “Directors’ and Chief Executive’s Interests in shares, underlying shares and debentures”, were interested or had short positions in more than 5% of the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholder	Capacity in which interests are held	Number of shares held	Approximate percentage of shareholding (Note 1)
Tse Tong Lam Antonio	Beneficial owner	147,000,000	13.89%
Micah Holdings Limited (Note 2)	Beneficial owner	109,188,000	10.32%
Ji Jie (Note 2)	Interest of controlled corporation	109,188,000	10.32%

Notes:

1. The percentage of shareholding is calculated on the basis of the Company’s issued share capital of 1,058,185,729 shares as at 30 September 2019.
2. Micah Holdings Limited, a private limited company incorporated in the British Virgin Islands, and wholly and beneficially owned by Ms. Ji Jie.

Save as disclosed above, as at 30 September 2019, the Company was not notified of any persons, other than the Directors and the chief executive of the Company, having any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## SHARE OPTIONS

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants for their contribution to, and continuing efforts to promote the interests of, the Group. The existing Scheme was adopted on 28 December 2018 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

During the Period, no share options were granted, exercised, lapsed or cancelled pursuant to the Scheme.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the Period.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

During the Period, the Company has fully complied with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

## **CHANGES TO INFORMATION IN RESPECT OF DIRECTORS**

In accordance with Rule 13.51B(1) of the Listing Rules, there was no change to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since the date of the 2018/19 Annual Report.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry by the Company, the directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2019. During the Period, the Company was not aware of any non-compliance with the required standards as set out in the Model Code.

By Order of the Board  
**China Investment Development Limited**  
**Yang Xiaoqiu**  
*Chairman*

Hong Kong, 22 January 2020