



China Development Bank International Investment Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

Interim Report 2020



Contents

Corporate information	2
Management discussion and analysis	4
Condensed consolidated statement of profit or loss and other comprehensive income	14
Condensed consolidated statement of financial position	15
Condensed consolidated statement of changes in equity	16
Condensed consolidated statement of cash flows	17
Notes to the condensed consolidated financial statements	18
Report on review of interim financial information	38
Other Information	40

Corporate Information

DIRECTORS

Executive Director

Mr BAI Zhe (*Chairman*)

Independent Non-executive Directors

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

COMPANY SECRETARY

Mr FUNG Wing Kam Terence

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 4506-4509
Two International Finance
Centre No. 8 Finance Street
Central Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.,
Hong Kong Branch
China Construction Bank (Asia) Corporation
Limited
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

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 2020 (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\$**”) 190.23 million (six months ended 30 June 2019: approximately HK\$6.21 million) which is primarily attributable to the change in fair value of financial assets at fair value through profit or loss of approximately HK\$207.54 million (six months ended 30 June 2019: approximately HK\$24.25 million) netted off by the general and administrative expenses of approximately HK\$6.65 million (six months ended 30 June 2019: approximately HK\$7.73 million) incurred during the Period. For the Period, the interest income of the Group was approximately HK\$0.10 million (six months ended 30 June 2019: approximately HK\$0.06 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\$207.54 million (six months ended 30 June 2019: approximately HK\$24.25 million). The general and administrative expenses of the Group for the Period were approximately HK\$6.65 million (six months ended 30 June 2019: approximately HK\$7.73 million), the decrease was mainly resulted from the decrease in legal and professional fees incurred during the Period. The Group’s net asset value increased to approximately HK\$1,987.45 million as at 30 June 2020 (31 December 2019: approximately HK\$1,798.48 million), with earnings per share of approximately HK\$6.55 cents (six months ended 30 June 2019: approximately HK\$0.21 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 the lender and the Company as the borrower, pursuant to which CDBIH will provide a term loan to the Company in an amount of up to United States Dollars (“**US\$**”) 100 million, 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.

On 3 April 2017, an uncommitted revolving loan facility agreement was entered into between 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 USD100,000,000.

On 6 January 2020, a new facility agreement was entered into among China Construction Bank (Asia) Corporation Limited (“**CCB Asia**”) as the lender, the Company as the borrower, and CDBIH as the guarantor, pursuant to which CDBIH will be the guarantor of the Company for an uncommitted term loan facility in the amount of up to US\$50,000,000 and an uncommitted revolving loan facility in the amount of up to US\$100,000,000 both granted by CCB Asia. CCB Asia is a licensed financial institution under the laws of Hong Kong and a wholly-owned subsidiary of China Construction Bank Corporation (“**China Construction Bank**”) (listed on the Shanghai Stock Exchange, stock code: 601939 and listed on the Stock Exchange of Hong Kong Limited stock code: 939). CCB Asia is a third party independent of and not connected with the Company and its connected persons, despite that Central Huijin Investment Ltd., which owns directly and indirectly 57.31% interest in China Construction Bank, the parent company of CCB Asia, also owns 34.68% interest in China Development Bank, the controlling shareholder of CDBC at the date of the Facility Agreement was entered into.

As at 30 June 2020, the Group had total borrowings of HK\$624 million (31 December 2019: HK\$546 million) and the debt-to-equity ratio (calculated as the sum of short-term borrowings and long-term borrowings to the total shareholder's equity) was approximately 31% (31 December 2019: approximately 30%), putting the Group in an advantageous position to realise its investment strategies and pursue investment opportunities.

As at 30 June 2020, the cash and cash equivalents of the Group was approximately HK\$78.47 million (31 December 2019: approximately HK\$20.14 million). As almost all the retained cash was denominated in United States Dollars and Hong Kong Dollars ("**HK\$**") and placed in major banks in Hong Kong, the Group's exposure to exchange fluctuation risk is considered minimal. The Board believes that the Group still maintains a healthy financial position as at 30 June 2020.

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 2020, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities (31 December 2019: Nil). As at 30 June 2020, 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.

SUBSEQUENT EVENTS

From 1 July 2020 to 8 July 2020, the Company completed the disposal of an aggregate of 4,670,362 American Depository Shares ("**ADSs**") of NIO Inc. with the average price of approximately US\$9.84 (equivalent to approximately HK\$76.28) per ADS. For more details, please refer to the announcement published by the Company on 9 July 2020.

Management Discussion and Analysis

PORTFOLIO REVIEW

Particulars of the investments of the Group as at 30 June 2020 are set out as follows:

	Cost/carrying book cost as at 30 June 2020	Market value/ carrying amount as at 30 June 2020	Market value/ carrying amount as at 31 December 2019	Unrealised gains/(losses) recognised for the Period ended 30 June 2020	Accumulated unrealised gains/(losses) recognised as of 30 June 2020	Percentage to the Group's total assets as at 30 June 2020
	HK\$ (Unaudited)	HK\$ (Unaudited)	HK\$ (Audited)	HK\$ (Unaudited)	HK\$ (Unaudited)	% (Unaudited)
Jade Sino Ventures Limited ("Jade Sino") (Note 1)	194,987,520	567,453,877	477,360,000	90,093,877	372,466,357	21.7%
Jolly Investment Limited ("Jolly") (Note 2)	195,000,000	273,000,000	273,000,000	–	78,000,000	10.4%
BEST Inc. ("Best Inc.") (Note 3)	234,000,000	110,735,062	143,852,093	(33,117,031)	(123,264,938)	4.2%
Spruce (Note 4)	200,460,000	569,400,000	538,200,000	31,200,000	368,940,000	21.8%
G7 Networks Limited ("G7") (Note 5)	195,000,000	294,060,000	287,040,000	7,020,000	99,060,000	11.2%
Wacai Holdings Limited ("Wacai") (Note 6)	195,000,000	210,600,000	202,800,000	7,800,000	15,600,000	8.1%
NIO INC. ("NIO") (Note 7)	195,000,000	281,230,518	146,443,869	134,786,649	86,230,518	10.8%
Yimidida Supply Chain Group Co., Ltd. ("Yimidida") (Note 8)	153,260,180	164,214,398	194,456,228	(30,241,830)	10,954,218	6.3%
Beijing Far East Instrument Company Limited ("Beijing Far East") (Note 9)	47,766,126	62,842,024	65,919,850	N/A	N/A	2.4%
China Property Development (Holdings) Limited ("CPDH") (Note 9)	78,000,000	2,888,511	2,953,497	N/A	N/A	0.1%

Notes:

- Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. As at 30 June 2020, the proportion of the issued share capital of Jade Sino owned by the Group was approximately 23.81%. As at 30 June 2020, Jade Sino directly held approximately 11.78% of the equity interests of Jinko Power Technology Co., Ltd. ("Jinko Power"), a company incorporated in the PRC with limited liabilities. Jinko Power was successfully listed on the Shanghai Stock Exchange in May 2020. 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.
- Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. As at 30 June 2020, the proportion of the issued share capital of Jolly owned by the Group was approximately 23.04%. As at 30 June 2020, 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.
- 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 2020, 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.

* For identification purpose only

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 2020, 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 each aspect of fleet management including order processing, short/long haul visibility, asset tracking, dispatch, route planning, financial settlement, accounting, safety management, etc. As at 30 June 2020, 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 2020, 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 of smart and premium electric vehicles and provision of after-sale services. NIO was successfully listed on the New York Stock Exchange in September 2018. As at 30 June 2020, the proportion of its issued share capital owned by the Group was approximately 0.39%. The Board approved the potential disposal of all NIO ADS 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 2020, the proportion of its issued share capital owned by the Group was approximately 2.88%. 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 12 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 and supply chain services, advanced manufacturing and new energy. The investments below in Yimidida, G7, Spruce, PG Investment and Beijing Far East as set out below are expected to create investment returns for the shareholders of the Company (the “**Shareholders**”) and to further promote the Company’s overall market advantage in sectors such as logistics, information technology, advanced manufacturing, medical, new energy, energy saving and environment protection. The Company will proactively leverage the resources of China Development Bank Corporation (“**CDB**”) in the areas of agriculture modernisation, logistics infrastructure and credit and will fully utilise the Company’s extensive knowledge and experience in finance, management and relevant industries to assist Yimidida, G7, Spruce, PG Investment and Beijing Far East in enhancing their efficiency, exploring business opportunities, optimising the decision-making and incentive mechanisms and continuously improving corporate governance practices.

Management Discussion and Analysis

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.

As of 30 June 2020, PG Investment had nine projects in operation, the overall occupancy rate of which was 76%. The decline in occupancy rate is mainly affected by the novel coronavirus (“**COVID-19**”) pandemic. Some tenants have withdrawn their tenancies and the Company is actively seeking for new tenants. The Company expects that PG Investment’s operation in the second half of 2020 will be 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 good 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.

The focus of Spruce in 2020 is to continue to boost the business coverage in cities where the market was newly exploited by it and to increase its market share. As a result of the multiple impacts of the Lunar New Year Holidays and COVID-19, the revenue of Spruce for the first quarter of 2020 fell significantly compared to the same period in 2019. However, as businesses in China gradually resumes, Spruce’s business has gradually come back to normal in the second quarter. 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 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 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 1,550,000 cargo vehicles from more than 70,000 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 logistic 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.

Despite the adverse impact of COVID-19, G7's business maintained sustaining development during the Period, with its business scales in security products, settlements, supply chain finance, insurance, oil products, asset lease, etc. recording slight growth as compared with last year, and its income level also increased. 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 to improve operational efficiency, reduce costs and potential safety hazards, thereby to further increase its market share and customer's recognition.

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 online wealth management services to over 47.00 million registered users in the past eight years. Wacai is an independent third party of the Group.

During the Period, 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. Wacai had gradually exited its highly regulated person to person business. The Company expects that Wacai will continue to seek business diversification and identify new areas for growth in revenue and profit in the future.

Management Discussion and Analysis

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-D2 equity financings during the Period, and the amount of the funds raised exceeded RMB2 billion, and complete the mergers and acquisitions of UC Express Limited* (優速物流有限公司) to form an integrated operation model of large parcel express and freight delivery. During the Period, despite the adverse impact of COVID-19, Yimidida continued to strengthen the direct operation and management of its major franchise member companies at primary regions, the business integration with UC Express Limited has been promoted in an orderly manner to form complementary advantages, reduce costs and increase efficiency, and expand the network coverage, with its first ranking in terms of overall cargo volume in the PRC continued to reinforce and revenue increased rapidly. The Company expects that based on its country-wide franchise freight network, Yimidida will continuously strengthen and optimization its transport network, and increase 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.

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, and Beijing Far East has been 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 development of the Internet of Things products. Its carrying value is accounted by equity method. For details, please refer to Note 12 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 12 to the condensed consolidated financial statements.

* For identification purpose only

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. Each ADS represents one Class A ordinary share of NIO.

NIO's second 5-seat high-end pure electric SUV model ES6 was delivered to consumers in June 2019. In February 2020, NIO announced that it completed the issuance of US\$435 million convertible bonds with various independent third parties. In April 2020, NIO completed the entering into the agreement in relation to the investment to NIO China, a domestic subsidiary of NIO, with strategic investors, including Hefei City Construction and Investment Holding (Group) Co., Ltd., CMG-SDIC Capital Co., Ltd. and Anhui Provincial Emerging Industry Investment Co., Ltd., and reached an agreement with Hefei Economic & Technological Development Area in respect of the settlement of NIO's China headquarter. As at June 2020, NIO and the aforesaid investors have injected capital of RMB7.356 billion in NIO China as scheduled. In June 2020, NIO completed a placing of 72 million U.S. Depository Shares at a price of US\$5.95 per U.S. Depository Share and raised approximately US\$428 million.

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 2020, no disposal related to NIO has been made. From 1 July 2020 to 8 July 2020, the Company completed the disposal of an aggregate of 4,670,362 ADSs of NIO Inc. with the average price of approximately US\$9.84 (equivalent to approximately HK\$76.28) per ADS. For more details, please refer to the announcement published by the Company on 9 July 2020.

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 approximately 0.96% of the enlarged issued share capital of Best Logistics. In June 2017, the name of Best Logistics was changed to Best Inc. In September 2017, Best Inc. 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. Now the symbol is "BEST".

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.

Management Discussion and Analysis

As a result of the multiple impacts of the Lunar New Year Holidays and the COVID-19, the revenue of Best Inc. for the first quarter of 2020 decreased 20.5% from the same period in 2019, recorded a gross profit margin of negative 3.2% and loss of RMB751 million. However, as businesses in China gradually resumes, Best Inc.'s business has gradually come back to normal in the second quarter. Despite the adverse impact of the overall price war in the express delivery industry, the Company estimates that BEST Inc. will maintain a relatively fast growth, and its profitability will be further improved in the second half of 2020.

JINKO POWER

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

The principal asset of Jade Sino was the 13,404 preferred shares of JinkoSolar Power Engineering Group Limited (“**JinkoSolar Power**”) out of the total 26,809 preferred shares subscribed on 11 August 2014 by CDBIH. Upon completion of Jade Sino Subscription Agreement, Jade Sino applied the amount of US\$52.50 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. In May 2020, Jinko Power completed its initial public offering of 594,592,922 A shares (“**A Shares**”) on the Shanghai Stock Exchange with the issue price of RMB\$4.37 per A share for a total offering size of approximately RMB2.60 billion. The A Shares listed and commenced trading on the Shanghai Stock Exchange on 19 May 2020, under stock code 601778.

During the Period, the performance of Jinko Power was similar as compared with that at the end of 2019, with the major sources of its income including sales of electricity and engineering, procurement and construction. The Company expects that the performance of Jinko Power in the second half of 2020 will be generally in line with our expectations and expects Jinko Power can made a significant contribution to the Company's performance after its listing.

EMPLOYEES

As at 30 June 2020, the Company had 7 employees (30 June 2019: 7 employees). The total staff costs of the Group (excluding Directors' fee) for the Period was approximately HK\$3.49 million (six months ended 30 June 2019: HK\$2.65 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 2020. 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 2020, the Group had outstanding bank borrowings of HK\$624 million (31 December 2019: HK\$546 million). As at 30 June 2020, the Group's current ratio (current assets to current liabilities) was approximately 152% (31 December 2019: approximately 30%). The ratio of total liabilities to total assets of the Group was approximately 24% (31 December 2019: approximately 24%).

As at 30 June 2020, the Group had drawn down US\$80 million (equivalent to approximately HK\$624 million) under the New Facility Agreement with CCB Asia, including US\$50 million of three-year term loan and US\$30 million of revolving loan.

EXCHANGE EXPOSURE

The Group had an insignificant exchange risk exposure under review during the Period since almost all the retained cash was denominated in United States Dollars and Hong Kong Dollars and placed in several major banks in Hong Kong. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

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 and supply chain services, advanced manufacturing and new energy. The Company expects that the logistics industry will maintain good growth, as it is a fundamental and strategic industry which supports the national economic development, synergises with e-commerce transactions with increasing importance and is also a key industry supported by CDB, the ultimate controlling shareholder of the Company. The Company will proactively leverage the resources of CDB in the areas of logistics infrastructure and credit based on its existing logistics network, and its extensive industry knowledge and experience in finance and management 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, and continue to be committed to 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 its business growth.

Looking forward, the management believes that the business and operating environment for the Group 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 could strengthen profitability with acceptable risk of the portfolio of the Group by continuing to diversify its investments in different segments such as logistics, information technology, advanced manufacturing, medical, new energy, energy saving and environment protection.

Facing the outbreak of the COVID-19 in early 2020, the management will continue to increase communication and pay close attention to the impact of COVID-19 on the industry, and actively assist the invested companies to resume normal operations by various means. The management will also 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 2020

	Notes	Six months ended 30 June	
		2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
Net valuation gains in fair value of financial assets at fair value through profit or loss		207,541,665	24,250,608
General and administrative expenses	8	(6,647,278)	(7,726,521)
Operating profit		200,894,387	16,524,087
Finance income		99,790	59,137
Finance costs		(9,064,263)	(11,584,712)
Share of (loss)/profit in associates		(1,884,324)	1,302,506
Profit before income tax		190,045,590	6,301,018
Income tax credit/(expense)	7	180,336	(95,108)
Profit for the period attributable to owners of the Company		190,225,926	6,205,910
Other comprehensive loss			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		(1,258,490)	(289,486)
Other comprehensive loss for the period		(1,258,490)	(289,486)
Total comprehensive income for the period attributable to owners of the Company		188,967,436	5,916,424
Earnings per share			
– Basic (HK cents)	10	6.55	0.21
– Diluted (HK cents)	10	6.55	0.21

Condensed Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	30 June 2020 HK\$ (Unaudited)	31 December 2019 HK\$ (Audited)
Assets			
Non-current assets			
Property, plant and equipment	11	–	–
Interests in associates	12	65,730,533	68,873,347
Financial assets at fair value through profit or loss	13	2,189,463,337	2,116,708,321
		2,255,193,870	2,185,581,668
Current assets			
Other receivables		1,012,858	555,987
Financial assets at fair value through profit or loss	13	281,230,518	146,443,869
Cash and cash equivalents	14	78,472,048	20,136,301
		360,715,424	167,136,157
Total assets		2,615,909,294	2,352,717,825
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	16	29,022,154	29,022,154
Reserves		1,958,423,104	1,769,455,668
Total equity		1,987,445,258	1,798,477,822
Liabilities			
Non-current liability			
Long-term borrowings		390,000,000	–
Deferred tax liabilities		1,716,083	1,896,419
		391,716,083	1,896,419
Current liabilities			
Other payables and accruals	15	2,747,953	6,343,584
Short-term borrowings		234,000,000	546,000,000
		236,747,953	552,343,584
Total liabilities		628,464,036	554,240,003
Total equity and liabilities		2,615,909,294	2,352,717,825
Net asset value per share	20	0.68	0.62

The condensed consolidated financial statements on pages 14 to 37 were approved and authorised for issue by the Board of Directors on 11 August 2020 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 2020

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 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
At 1 January 2020 (Audited)	29,022,154	1,043,800,995	382,880,958	5,680,480	270,200	336,823,035	1,798,477,822
Profit for the period	-	-	-	-	-	190,225,926	190,225,926
Other comprehensive loss							
Exchange differences arising on translation	-	-	-	(1,258,490)	-	-	(1,258,490)
Total comprehensive (loss)/income for the period	-	-	-	(1,258,490)	-	190,225,926	188,967,436
Balance at 30 June 2020 (Unaudited)	29,022,154	1,043,800,995	382,880,958	4,421,990	270,200	527,048,961	1,987,445,258

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 2020

	Six months ended 30 June	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
Net cash used in operating activities	(10,699,780)	(8,926,478)
Cash flows from investing activities		
Interest received from bank deposits	99,790	59,137
Net cash generated from investing activities	99,790	59,137
Cash flows from financing activities		
Proceeds from bank borrowings	624,000,000	–
Repayment of bank borrowings	(546,000,000)	–
Interest paid	(9,064,263)	(11,584,712)
Net cash generated from/(used in) financing activities	68,935,737	(11,584,712)
Net increase/(decrease) in cash and cash equivalents	58,335,747	(20,452,053)
Cash and cash equivalents at the beginning of the period	20,136,301	59,154,395
Cash and cash equivalents at the end of the period	78,472,048	38,702,342

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.

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 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

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 5.

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2019, 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:

Amendments to HKFRS 3 Conceptual Framework for Financial Reporting 2018	Definition of business Revised conceptual framework for financial reporting
---	--

The new and amended 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
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 FINANCIAL RISK MANAGEMENT

4.1 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 2019.

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

4.2 Liquidity risk

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

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2020 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 2020 (unaudited) HK\$	31 December 2019 (audited) HK\$					
(i) Unlisted ordinary shares of Jade Sino Ventures Limited	Nil	477,360,000	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 5.73% during the year ended 31 December 2019. 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 48.42% during the year ended 31 December 2019.	The higher the credit spread rate, the lower the fair value. The higher the volatility, the higher the fair value.	If the credit spread rate is 2.5% higher/lower, while all other variables were held constant, the fair value would decrease by HK\$1,117 and increase by HK\$1,151 during the year ended 31 December 2019 respectively. If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK\$19,612 and decrease by HK\$12,029 during the year ended 31 December 2019 respectively.
(ii) Unlisted ordinary shares of Jade Sino Ventures Limited	567,453,877	Nil	Level 2	Quoted bid prices in an active market	N/A	N/A	N/A

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation (Continued)

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 2020 (unaudited) HK\$	31 December 2019 (audited) HK\$					
(iii) Unlisted ordinary shares of Jolly Investment Limited	273,000,000	273,000,000	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 11.62% (2019: 8.29%). 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 37.36% (2019: 34.95%).	The higher the credit spread rate, the lower the fair value (2019: same). The higher the volatility, the higher the fair value (2019: 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\$518,926 (2019: HK\$855,024) and increase by HK\$539,167 (2019: HK\$898,679) respectively. If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK\$23,631 (2019: HK\$282,187) and decrease by HK\$2,786 (2019: HK\$86,960) respectively.
(iv) Listed equity securities of BEST Inc.	110,735,062	143,852,093	Level 1	Quoted bid prices in an active market	N/A	N/A	N/A

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation (Continued)

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 2020 (unaudited) HK\$	31 December 2019 (audited) HK\$					
(v) Unlisted convertible preferred shares with put option of Spruce	569,400,000	538,200,000	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 10.58% (2019: 8.44%). 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 44.61% (2019: 44.76%).	The higher the credit spread rate, the lower the fair value (2019: same). The higher the volatility, the higher the fair value (2019: 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\$316,050 (2019: HK\$430,003) and increase by HK\$358,534 (2019: HK\$486,169) respectively. If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK\$532,714 (2019: HK\$834,691) and decrease by HK\$224,685 (2019: HK\$511,734) respectively.

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation (Continued)

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 2020 (unaudited) HK\$	31 December 2019 (audited) HK\$					
(vi) Unlisted convertible preferred shares with put option of G7 Networks Limited	294,060,000	287,040,000	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 11.62% (2019: 8.29%). 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 36.96% (2019: 31.31%).	The higher the credit spread rate, the lower the fair value (2019: same). The higher the volatility, the higher the fair value (2019: 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\$1,608,540 (2019: HK\$1,923,054) and increase by HK\$1,780,482 (2019: HK\$2,032,145) respectively. If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK\$1,553,140 (2019: HK\$1,527,977) and decrease by HK\$1,700,937 (2019: HK\$1,640,888) respectively.

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation (Continued)

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 2020 (unaudited) HK\$	31 December 2019 (audited) HK\$					
(vi) Unlisted convertible preferred shares with put option of Wacai Holdings Limited	210,600,000	202,800,000	Level 3	Option-Pricing model The key inputs are credit spread rate and volatility	Credit spread rate, determined by reference with credit analysis of the issuer and the market rate with similar credit ratio, of 17.72% (2019: 15.5%). 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 73.83% (2019: 59.57%).	The higher the credit spread rate, the lower the fair value (2019: same). The higher the volatility, the lower the fair value (2019: 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\$440,968 (2019: HK\$652,854) and increase by HK\$453,723 (2019: HK\$686,053) respectively. If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would decrease by HK\$16,032 (2019: HK\$79,449) and increase by HK\$19,249 (2019: HK\$146,312) respectively.
(vii) Listed equity securities of NIO INC. Limited	281,230,518	146,443,869	Level 1	Quoted bid prices in an active market	N/A	N/A	N/A

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation (Continued)

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 2020 (unaudited) HK\$	31 December 2019 (audited) HK\$					
(ix) Unlisted convertible preferred shares with put option of Shanghai Yimida Logistics Management Limited	164,214,398	194,456,228	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 13.65% (2019: 11.04%). Volatility, determined by reference to the average annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share of the comparable companies, of 39.09% (2019: 45.19%).	The higher the credit spread rate, the lower the fair value (2019: same). The higher the volatility, the higher the fair value (2019: 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\$6,595,458 (2019: HK\$7,141,134) and increase by HK\$7,247,118 (2019: HK\$7,929,518) respectively. If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK\$8,913,699 (2019: HK\$9,591,593) and decrease by HK\$9,134,059 (2019: HK\$9,536,247) respectively.

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Fair value estimation (Continued)

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 2020	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Financial assets				
Financial assets at fair value through profit or loss	391,965,580	567,453,877	1,511,274,398	2,470,693,855
31 December 2019	(audited)	(audited)	(audited)	(audited)
Financial assets				
Financial assets at fair value through profit or loss	290,295,962	–	1,972,856,228	2,263,152,190

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 2019 and 2020.

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 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
At 1 January 2020	1,972,856,228
Total gains recognised in profit or loss	
– transfer to level 2	(477,360,000)
– change in fair value of financial assets at fair value through profit or loss	15,778,170
At 30 June 2020 (unaudited)	1,511,274,398

Of the total gains for the period included in profit or loss, HK\$15,778,170 (six months ended 30 June 2019: HK\$127,186,965) 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’.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

The Group selects appropriate valuation techniques for financial instruments and interest in associates measured at FVTPL for financial reporting purposes. The 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 4.3 provides detailed information about the valuation techniques and inputs used in the determination of the fair value of various assets.

6 SEGMENT INFORMATION

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

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

The Group’s non-current assets (other than 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.

7 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	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
Current tax		
– Withholding tax	–	(31,361)
Deferred taxation on withholding tax on undistributed earnings of associates		
– Current period	180,336	(63,747)
	180,336	(95,108)

8 EXPENSES BY NATURE

	Six months ended 30 June	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
Employee benefits expenses		
– Directors' fee	150,000	150,000
– Other staff costs (Note)		
Basic salaries and other benefits	3,244,759	2,450,369
Retirement benefits contribution	245,029	203,018
Auditor's remuneration	371,960	361,120
Investment management fees	175,000	175,000
Legal and professional fee	276,042	2,687,582
Others	2,184,488	1,699,432
Total general and administrative expenses	6,647,278	7,726,521

Note: During the six month ended 30 June 2020, the Group paid services fee of HK\$262,752 (six months ended 30 June 2019: HK\$258,206) to a personnel services company which provides staff to the Group. Such amounts are excluded from the total staff costs as mentioned above.

9 DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2020 (30 June 2019: Nil).

10 EARNINGS PER SHARE

	Six months ended 30 June	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
Profit for the period attributable to owners of the Company	190,225,926	6,205,910
Weighted average number of ordinary shares in issue	2,902,215,360	2,902,215,360
Basic earnings per share (in HK cents)	6.55	0.21
Diluted earnings per share (in HK cents)	6.55	0.21

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 2020 and 30 June 2019.

11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements HK\$	Furniture and fixtures HK\$	Total HK\$
At 1 January 2019, 31 December 2019, 1 January 2020 and 30 June 2020			
Cost	401,733	357,522	759,255
Accumulated depreciation	(401,733)	(357,522)	(759,255)
Net book amount	–	–	–

As at 30 June 2020, the Group has gross carrying amount of fully depreciated property, plant and equipment of HK\$759,255 (31 December 2019: HK\$759,255) that is still in use.

12 INTERESTS IN ASSOCIATES

	HK\$
At 1 January 2019	70,484,937
Share of profit	1,113,929
Dividend from an associate	(1,218,206)
Currency translation difference	(1,507,313)
At 31 December 2019 (audited) and 1 January 2020	68,873,347
Share of loss	(1,884,324)
Currency translation difference	(1,258,490)
At 30 June 2020 (unaudited)	65,730,533

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 2020	31 December 2019	30 June 2020	31 December 2019	
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

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2020 HK\$ (Unaudited)	31 December 2019 HK\$ (Audited)
Financial assets designated at fair value through profit or loss (i), (iii), (iv), (v), (vi), (vii), (viii)	2,197,693,855	1,990,152,190
Interests in an associate measured at FVTPL (ii)	273,000,000	273,000,000
	2,470,693,855	2,263,152,190
Analysed to reporting purpose as		
Non-current assets	2,189,463,337	2,116,708,321
Current assets	281,230,518	146,443,869
	2,470,693,855	2,263,152,190

13 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 4.3.

- (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 20% 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 Jinko 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.

Shares of Jinko Power were successfully listed for trading on Shanghai Stock Exchange in May 2020.

As at 30 June 2020, the fair value of the ordinary shares of Jade Sino held by the Group was approximately HK\$567,454,000 (31 December 2019: HK\$477,360,000). As at 30 June 2020, Jade Sino directly held approximately 11.78% of the equity interests of Jinko Power.

13 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 enlarged 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 2020, the fair value of the ordinary shares of Jolly held by the Group was HK\$273,000,000 (31 December 2019: HK\$273,000,000). As at 30 June 2020, 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 2019, 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 2020, the fair value of the shares of Best Inc. held by the Group was approximately HK\$110,735,000 (31 December 2019: HK\$143,852,000). As at 30 June 2020, 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.

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

(iv) (continued)

As at 30 June 2020, the fair value of the convertible preferred shares with the put option of Spruce held by the Group was HK\$569,400,000 (31 December 2019: HK\$538,200,000). As at 30 June 2020, 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 31 December 2023, 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 2020, the fair value of the convertible preferred shares with the put option of G7 Networks held by the Group was HK\$294,060,000 (31 December 2019: HK\$287,040,000). As at 30 June 2020, 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 3.09% 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 2020, the fair value of the convertible preferred shares with the put option of Wacai held by the Group was HK\$210,600,000 (31 December 2019: HK\$202,800,000). As at 30 June 2020, the proportion of the issued share capital of Wacai owned by the Group was approximately 3.08%.

13 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 2020, the fair value of the shares of NIO held by the Group was approximately HK\$281,231,000 (31 December 2019: HK\$146,444,000). As at 30 June 2020, the proportion of its issued share capital of NIO owned by the Group was approximately 0.39%.
- (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 2020, the proportion of its issued share capital owned by the Group was approximately 2.88%. As at 30 June 2020, the fair value of the convertible preferred shares held by the Group was approximately HK\$164,214,000 (31 December 2019: HK\$194,456,000).

14 CASH AND CASH EQUIVALENTS

	30 June 2020 HK\$ (Unaudited)	31 December 2019 HK\$ (Audited)
Cash at banks and on hand	78,472,048	20,136,301
Cash and cash equivalents	78,472,048	20,136,301

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

	30 June 2020 HK\$ (Unaudited)	31 December 2019 HK\$ (Audited)
United States Dollars (“US\$”)	73,935,757	7,161,126
HK\$	4,361,452	12,735,735
Renminbi (“RMB”)	174,839	239,440
	78,472,048	20,136,301

15 OTHER PAYABLES AND ACCRUALS

	30 June 2020 HK\$ (Unaudited)	31 December 2019 HK\$ (Audited)
Accrued operating expenses	2,747,953	6,343,584

16 SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares HK\$
Authorised		
As at 1 January 2019, 31 December 2019, 1 January 2020 and 30 June 2020	2,902,215,360	29,022,154
Issued and fully paid		
As at 1 January 2019, 31 December 2019, 1 January 2020 and 30 June 2020	2,902,215,360	29,022,154

17 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 2020, the Company has not utilised any of the credit facilities.

17 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	
	2020 HK\$ (Unaudited)	2019 HK\$ (Unaudited)
Short term benefits	2,559,407	1,816,117
Post-employment benefits	27,000	45,000
	2,586,407	1,861,117

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.

18 SHARE-BASED PAYMENT TRANSACTIONS

The Company does not operate any share option scheme.

There were no options granted during the period ended 30 June 2020 (30 June 2019: Nil). There are no outstanding options as at 30 June 2020 (31 December 2019: Nil).

19 EVENT AFTER THE BALANCE SHEET DATE

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

20 NET ASSET VALUE PER SHARE

Net asset value per share is computed based on the condensed consolidated net assets of HK\$1,987,445,258 as at 30 June 2020 (31 December 2019: HK\$1,798,477,822) and 2,902,215,360 ordinary shares in issue as at 30 June 2020 (31 December 2019: 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 37, 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 2020 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, 11 August 2020

OTHER INFORMATION

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

As at 30 June 2020, 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 2020, 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) 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%
Yobright 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. Yobright 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 Yobright.

Save as disclosed above, as at 30 June 2020, 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 register 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 2019: 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 which explained the role and the authority delegated to the Audit Committee by the Board were revised in 2018 is available on the websites of the Company and the Stock Exchange. The Audit Committee has reviewed the interim results announcement and the interim report, including the unaudited condensed consolidated interim financial information of the Group for the Period, which has also been reviewed by the Company’s auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

REMUNERATION COMMITTEE

As at 30 June 2020, 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 and is available on the websites of the Company and the Stock Exchange.

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 and is available on the websites of the Company and the Stock Exchange. The Board has adopted the board diversity policy in 2013.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the Period, the Directors believe that the Company has complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding the Directors' securities transactions. Having made specific enquiry by the Company, the Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the Period.

CHANGES IN DIRECTORS BIOGRAPHICAL DETAILS

There is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

ACKNOWLEDGMENT

On behalf of the Board, I would like to take this opportunity to express our appreciation to the external professionals to provide their professional services to the Group throughout the Period. I would like to thank my fellow Directors for their valuable contribution and the staff of the Company for their commitment and dedicated services throughout the Period. I would like to express our gratitude to our Shareholders for their support to the Group.

DIRECTORS

As at the date hereof, the Board comprises Mr BAI Zhe 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, 11 August 2020