



**CHINA INVESTMENT DEVELOPMENT LIMITED**  
**中國投資開發有限公司**

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



Interim  
Report  
**2020**

## CORPORATION INFORMATION

### BOARD OF DIRECTORS

#### Executive Director

Mr. Chan Cheong Yee

#### Non-executive Directors

Ms. Yang Xiaoqi (*Chairman*)

Mr. Yan Peng

#### Independent Non-executive Directors

Mr. Lai Yuen Piu

Ms. Leung Mei Hing Carrie

Mr. Deng Dongping

### AUDIT COMMITTEE

Mr. Lai Yuen Piu (*Chairman*)

Ms. Leung Mei Hing Carrie

Mr. Deng Dongping

### REMUNERATION COMMITTEE

Mr. Lai Yuen Piu (*Chairman*)

Ms. Leung Mei Hing Carrie

Mr. Deng Dongping

Ms. Yang Xiaoqi

### NOMINATION COMMITTEE

Ms. Yang Xiaoqi (*Chairman*)

Mr. Lai Yuen Piu

Ms. Leung Mei Hing Carrie

Mr. Deng Dongping

### RISK MANAGEMENT COMMITTEE

Mr. Chan Cheong Yee (*Chairman*)

Mr. Lai Yuen Piu

Ms. Leung Mei Hing Carrie

Mr. Deng Dongping

### CHIEF EXECUTIVE OFFICER

Ms. Lin Yudan

### COMPANY SECRETARY

Mr. Chan Kwan Pak

### PRINCIPAL BANKERS

Dah Sing Bank, Limited

China Citic Bank International Limited

Bank of Communications

### AUDITORS

BDO Limited

*Certified Public Accountants*

### PRINCIPAL SHARE REGISTRAR

MUFG Fund Service (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road, Pembroke HM08

Bermuda

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33/F.

Two Chinachem Exchange Square,

338 King's Road,

North Point, Hong Kong

### REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

### PRINCIPAL PLACE OF BUSINESS

Room 3702, 37/F.,

118 Connaught Road West

Sheung Wan,

Hong Kong

### WEBSITE

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

### STOCK CODE

204

The board of directors (the “Board”) of China Investment Development Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2020 together with the comparative figures for the corresponding period in 2019. The unaudited interim results have been reviewed by the audit committee of the Company.

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

For the six months ended 30 September 2020

		<b>Six months ended 30 September</b>	
		<b>2020</b>	2019
	Notes	<b>HK\$'000</b>	HK\$'000
		<b>(unaudited)</b>	(unaudited)
Revenue	5	–	301
Other income	5	<b>984</b>	90
Change in fair value of financial assets at fair value through profit or loss		<b>2,174</b>	(19,677)
Net realised gain/(loss) on disposal of financial assets at fair value through profit or loss		<b>426</b>	(4,792)
Administrative expenses		<b>(3,831)</b>	(5,199)
Loss before income tax expense	6	<b>(247)</b>	(29,277)
Income tax expense	7	–	–
Loss for the period attributable to owners of the Company		<b>(247)</b>	(29,277)

	Notes	Six months ended 30 September	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
<b>Other comprehensive income</b>			
Item that will not be reclassified to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income		2,369	(9,018)
Exchange difference arising from an associate		–	(351)
Other comprehensive income for the period, net of tax		2,369	(9,369)
Total comprehensive income for the period		2,122	(38,646)
<b>Loss per share</b>	9		
– Basic (HK cent per share)		(0.02)	(2.77)
– Diluted (HK cent per share)		(0.02)	(2.77)
Proceeds from disposal of financial assets at fair value through profit or loss		14,826	10,027

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 30 September 2020*

	Notes	30 September 2020 HK\$'000 (unaudited)	31 March 2020 HK\$'000 (audited)
<b>ASSETS AND LIABILITIES</b>			
Non-current assets			
Property, plant and equipment		22	133
Interest in an associate	10	–	–
Financial assets at fair value through other comprehensive income	11	8,484	8,593
Total non-current assets		8,506	8,726
<b>Current assets</b>			
Financial assets at fair value through profit or loss	12	34,695	34,096
Other receivables, deposits and prepayments		84	794
Bank and cash balances		2,270	2,303
Total current assets		37,049	37,193
<b>Current liabilities</b>			
Other payables and accrued charges		3,881	4,849
Total current liabilities		3,881	4,849
<b>Net current assets</b>		<b>33,168</b>	32,344
<b>Net assets</b>		<b>41,674</b>	41,070
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	13	10,582	10,582
Reserves		31,092	30,488
Total equity		41,674	41,070
Net asset value per share	14	HK\$0.039	HK\$0.040



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the six months ended 30 September 2020*

	Share capital	Share premium	Shareholder's contribution	Investment revaluation reserve	Share option reserve	Exchange reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2020 (audited)	10,582	372,760	10,934	(83,592)	-	(322)	(269,292)	41,070
Loss for the Period	-	-	-	-	-	-	(247)	(247)
Other comprehensive income								
– Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	2,369	-	-	-	2,369
Total comprehensive income for the period	-	-	-	2,369	-	-	(247)	2,122
Transfer of investment revaluation reserve upon disposal of financial assets at fair value through other comprehensive income	-	-	-	72,761	-	-	(72,761)	-
Change in fair value of financial guarantee	-	-	(1,518)	-	-	-	-	(1,518)
At 30 September 2020 (unaudited)	10,582	372,760	9,416	(8,462)	-	(322)	(342,300)	41,674
At 1 April 2019 (audited)	10,582	372,760	-	(60,398)	65,781	(322)	(282,532)	105,871
Loss for the Period	-	-	-	-	-	-	(29,277)	(29,277)
Lapse of share options	-	-	-	-	(65,781)	-	65,781	-
Other comprehensive income								
– Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	(9,017)	-	-	-	(9,017)
– Exchange difference arising from an associate during the Period	-	-	-	-	-	(351)	-	(351)
At 30 September 2019 (unaudited)	10,582	372,760	-	(69,415)	-	(673)	(246,028)	67,226

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 30 September 2020*

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>HKS'000</b>	HKS'000
	<b>(unaudited)</b>	(unaudited)
Net cash (used in)/generated from operating activities	<b>(463)</b>	833
Net cash generated from investing activities	<b>430</b>	90
Net cash used in financing activities	<b>–</b>	–
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(33)</b>	923
<b>Cash and cash equivalents at 1 April</b>	<b>2,303</b>	1137
<b>Cash and cash equivalents at 30 September</b>	<b>2,270</b>	2,060
<b>Analysis of the balance of cash and cash equivalents</b>		
Bank balances	<b>2,270</b>	2,060

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 25 March 1998 and was de-registered on 11 March 2011 and was registered by way of continuation as an exempted company in Bermuda on 2 March 2011. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 12 December 2000. Its registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong is located at Room 3702, 37/F, 118 Connaught Road West, Sheung Wan, Hong Kong.

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

### 2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 September 2020 have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which has been measured at fair value. These condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest dollar except when otherwise indicated.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 March 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").



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

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

Amendments to HKFRS 3	Definition of a business
Amendments to HKAS 1 and HKAS 8	Definition of material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKFRS 16	COVID-19-related Rent Concession

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group’s chief operating decision maker in order to allocate resources and assess performance of the segment. For the six months ended 30 September 2020 and 2019, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each business line or geographical area and the executive directors reviewed the financial result of the Group as a whole reported under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in investment holding. The executive directors allocate resources and assess performance on an aggregated basis. Accordingly, no operating segment is presented.

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

	Revenue from external customers		Specified non-current assets	
	Six months ended		30 September	
	30 September		31 March	
	2020	2019	2020	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Hong Kong (place of domicile)	–	301	22	133
Other regions of the People's Republic of China (the "PRC")	–	–	–	–
	–	301	22	133

## 5. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

	Six months ended	
	30 September	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest income from financial assets at fair value through profit or loss	–	301
Revenue	–	301
Other income:		
Others	4	–
Dividend income from listed investments	362	–
Gain on disposal of non-current assets	348	90
Government subsidies	270	–
	984	90
Total revenue and other income	984	391

The Group's revenue represents interest income from convertible bonds. No other source of income contributed to the Group's revenue for both 2020 and 2019.

## 6. LOSS BEFORE INCOME TAX EXPENSE

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Employee benefit expenses (including directors' remuneration)	<b>1,341</b>	1,652
Depreciation		
Property, plant and equipment	<b>30</b>	72
Right-of-use assets	–	952
Investment managers' fee	–	360
Rent & Rates	<b>474</b>	110

## 7. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% (2019: 16.5%) on the estimated assessable profits for the period. Overseas tax is calculated at the rates applicable in the respective jurisdictions. No provision for income tax expense is required since the Group has no assessable profits either arising from Hong Kong or other jurisdictions during the period (2019: Nil).

## 8. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2020 (2019: Nil).

## 9. LOSS PER SHARE

The calculation of basic loss per share amounts is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares of 1,058,185,729 (2019: 1,058,185,729) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 September 2020 and 2019 in respect of a dilution as the impact of share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

## 10. INTEREST IN AN ASSOCIATE

	<b>30 September 2020 HK\$'000 (unaudited)</b>	31 March 2020 HK\$'000 (audited)
Share of net assets	—	—

Particulars of the associate are as follows:

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

*Notes:*

- (i) The Group is able to exercise significant influence over Bonicast because it has the power to appoint one out of five directors of that company under the articles of association of that company.
- (ii) As at 31 March 2020, the management reviewed the carrying amount of the associate. The management considers that the value-in-use based on discounted future cash flows of the associate is lower than the carrying amount as the associate has been inactive over the past 2 years.

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

	<b>30 September 2020 HK\$'000 (unaudited)</b>	31 March 2020 HK\$'000 (audited)
Unlisted equity securities in PRC, at cost	<b>16,946</b>	92,185
Fair value adjustment	<b>(8,462)</b>	(83,592)
	<b>8,484</b>	8,593

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

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

Name of investee company	Notes	Place of incorporation	Percentage of effective interest held		Fair value HK\$'000	
			30.9.2020 (unaudited)	31.03.2020 (audited)	30.9.2020 (unaudited)	31.03.2020 (audited)
Tianjin Bao Xin Ying Precious Metal Management Limited ("Bao Xin")	(a)	PRC	12.00%	12.00%	3,972	3,896
Guang Zhou Shi Da Jian Credit Guarantee Limited ("Da Jian")	(b)	PRC	11.59%	11.59%	4,512	4,578
China Petroleum Bio-energy Company Limited ("Bio-energy")	(c)	Hong Kong	–	5.69%	–	–
Yenbo Gain Limited ("Yenbo Gain")	(d)	BVI	–	18.18%	–	–
Perfect Worth Investment Limited ("Perfect Worth")	(e)	BVI	–	5.00%	–	119
Golden Resources Asia Limited ("Golden Resources")	(f)	BVI	–	14.00%	–	–
Huge Leader Investment Development Limited ("Huge Leader")	(g)	BVI	1.00%	18.00%	–	–
					<b>8,484</b>	8,593

*Notes:*

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

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

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

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

- (b) Da Jian is principally engaged in providing credit guarantee service in the PRC. The initial cost of investment is HK\$9,800,000.
- (c) Bio-energy is principally engaged in research, development and promotion of biomass energy and other agricultural related products. One of its subsidiaries has obtained the development and operation right of a piece of land in Xinjiang Province, which is under construction and plantation of bio-oil crops and shelter belt plants. The initial cost of investment is HK\$24,400,000.

On 29 September 2020, the Company entered into a sale and purchase agreement with another independent third party by which the Group agreed to sell, and the buyer agreed to buy 5.69% (representing all owned shares) equity interests of Bio-energy for a cash consideration of HK\$200,000.

- (d) Yenbo Gain is principally engaged in cultivation and research of the fine and new varieties forest products together with the research and promotion of product cultivation technology for producing clean energy purposes. The initial cost of investment is HK\$13,092,000.

On 25 September 2020, the Company entered into a sale and purchase agreement with another independent third party by which the Group agreed to sell, and the buyer agreed to buy 18.18% (representing all owned shares) equity interests of Yenbo Gain for a cash consideration of HK\$200,000.

- (e) Perfect Worth is an investment holding company and its subsidiaries are principally engaged in the business of online distribution of footwear. The initial cost of investment is HK\$18,303,000.

On 27 April 2020, the Company entered into a sale and purchase agreement with another independent third party by which the Group agreed to sell, and the buyer agreed to buy 5% (representing all owned shares) equity interests of Perfect Worth for a cash consideration of HK\$500,000.



- (f) Golden Resources is an investment holding company and its subsidiaries are principally engaged in the business of trading steel and its related products. The Company completed the investment on 11 August 2016 with the initial cost of investment of HK\$10,000,000.

On 24 June 2020, the Company entered into a sale and purchase agreement with another independent third party by which the Group agreed to sell, and the buyer agreed to buy 14% (representing all owned shares) equity interests of Golden Resource for a cash consideration of HK\$816,000.

- (g) Huge Leader is an investment holding company and its subsidiaries are principally engaged in the trading of engineering materials. The Company completed the investment on 26 October 2016 with the initial cost of investment of HK\$10,000,000.

On 26 June 2020, the Company entered into a sale and purchase agreement with another independent third party by which the Group agreed to sell, and the buyer agreed to buy 17% (representing 17 out of 18 owned shares) equity interests of Huge Leader for a cash consideration of HK\$762,000.

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

	<b>30 September 2020 HK\$'000 (unaudited)</b>	31 March 2020 HK\$'000 (audited)
Hong Kong listed equity securities, at market value ( <i>Note a</i> )	<b>8,289</b>	7,290
Investments in convertible bonds, at fair value ( <i>Note b</i> )	<b>17,990</b>	15,872
Financial guarantee ( <i>Note c</i> )	<b>8,416</b>	10,934
	<b>34,695</b>	34,096

*Notes:*

- (a) Particulars of the major investments of listed equity securities held by the Group as at 30 September 2020 are as follows:

Name	Number of shares held	Percentage of interest held	Cost	Market value
			HK\$'000	HK\$'000
Geely Automobile Holdings Limited (stock code: 000175.HK)	50,000 ordinary shares	0.0005%	943	770
Asia Television Holdings Limited (stock code: 000707.HK)	63,320,000 ordinary shares	0.6718%	17,148	2,786
Golden Ponder Holdings Limited (stock code: 001783.HK)	37,560,000 ordinary shares	4.695%	12,451	4,733

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

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

- (c) On 2 December 2019, the Board of Directors made an announcement to inform the shareholders that the Company was unable to publish the 2019 Interim Results by 30 November 2019 as the Company has not been able to collect the information on some investee companies, namely Golden Resources and Huge Leader, for compiling the 2019 Interim Results. On 20 January 2020, the Chairman of the Group executed the Deed of Indemnity in favour of the Company to guarantee that the value of the Company's respective investments in Golden Resources and Huge Leader will not fall below 70% of the fair value of such investments as reflected in the audited financial statements of the Company as at 31 March 2019. 70% of the fair value of such investments as at 31 March 2019 amounted to HK\$11,358,000. The Deed of Indemnity constitutes a derivative under HKFRS 9 (Financial Instruments) and the amount of HK\$10,934,000 is the fair value of the Deed of Indemnity as at 31 March 2020 based on the valuation report of an independent valuer.

On 24 June 2020 and 26 June 2020 respectively, the Company entered into a sale and purchase agreement with another independent third party by which the Group agreed to sell, and the buyer agreed to buy 14% (representing all 140 owned shares) and 17% (representing 17 out of 18 owned shares) equity interests of Golden Resource and Huge Leader for a cash consideration of HK\$816,000 and HK\$762,000 respectively. As each of the considerations for disposals of interests in Golden Resources and Huge Leader falls below 70% of their respective fair value as at 31 March 2019, the Chairman of the Group is required to pay a total amount of shortfall of HK\$9,466,000 (after taking into account of the considerations received) to the Company under the terms of the Deed of Indemnity. After the disposal of 14% equity interest in Golden Resources and 17% equity interest in Huge Leader, the Chairman of the Group still has obligation under the Deed of Indemnity in respect of the remaining 1% equity interest in Huge Leader. The Deed of Indemnity constitutes a derivative under HKFRS 9 (Financial Instruments) and the amount of HK\$9,416,000 is the fair value of the Deed of Indemnity in June 2020. As at 30 September 2020, the Chairman has repaid HK\$1,000,000 to the Group under the terms of the Deed of Indemnity.

### 13. SHARE CAPITAL

	<b>Number of ordinary shares of HK\$0.001 each</b>	<b>Nominal value HK\$'000</b>
Authorised:		
At 31 March 2020 and 30 September 2020	100,000,000,000	100,000
Issued and fully paid:		
At 31 March 2020 and 30 September 2020	1,058,185,729	10,582

### 14. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the net assets included in the condensed consolidated statement of financial position of approximately HK\$41,674,000 (31 March 2020: HK\$41,070,000) and the number of ordinary shares in issue as at 30 September 2020, being 1,058,185,729 (31 March 2020: 1,058,185,729).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

For the six months ended 30 September 2020 (the “Period”), the Group’s revenue was Nil (2019: HK\$301,000), which decreased when compared with that of last year. Loss for the Period attributable to owners of the Company was approximately HK\$247,000, representing a decrease of 99.2% over the corresponding period last year.

Loss per share for the Period was HK0.02 cents (2019: HK2.77 cents). As at 30 September 2020, the net asset value per share of the Group was HK\$0.039 (31 March 2020: HK\$0.04).

### Portfolio allocation

	<b>30 September 2020</b>	31 March 2020
Unlisted equity securities	<b>19%</b>	19%
Listed equity securities	<b>18%</b>	16%
Investments in convertible bonds	<b>39%</b>	35%
Bank and cash balances	<b>5%</b>	5%
Other assets	<b>19%</b>	25%
<b>Total assets</b>	<b>100%</b>	100%

Details of unlisted and listed equity securities and investments in convertible bonds are set out in notes 11 and 12 to the condensed consolidated financial statements.

### Refundable deposits for potential investment projects

As disclosed in the consolidated financial statements of the Company in the annual results for the year ended 31 March 2020, refundable deposits (the “Deposits”) of approximately HK\$59 million were placed. Those Deposits were relating to seven potential investees covering banking and financial industry in the PRC, a company engaged in research, development and promotion of biomass energy and other agricultural related products and four high technology companies. The brief details of the Deposits in those potential investments as at 30 September 2020 are as follows:

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

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

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



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

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

As at the date of this interim report, the Company has not entered into any formal investment agreements with any of the potential investees. In the event that the investments shall not be made, the Company shall have the right to demand the refund of the Deposits. Since there was uncertainty on the recoverability of the Deposits as the date of this report, full provision for impairment loss on the Deposits was made for prudence sake. Legal proceedings have yet to be carried out to recover the same.

## **FINANCIAL RESOURCES AND LIQUIDITY**

As at 30 September 2020, the Group had cash and cash equivalents of approximately HK\$2,270,000 (31 March 2020: approximately HK\$2,303,000). The Group had net current assets and net assets of approximately HK\$33,168,000 (31 March 2020: HK\$32,344,000) and approximately HK\$41,674,000 (31 March 2020: HK\$41,070,000) respectively as at 30 September 2020. The Group had no bank and other borrowing as at 30 September 2020.

The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 9.55 (31 March 2020: 7.67) as at 30 September 2020.

## **CAPITAL STRUCTURE**

There were no changes in the capital structure of the Company for the Period. The capital of the Company comprises only ordinary shares as at 30 September 2020.

## **FOREIGN EXCHANGE EXPOSURE**

Most of the business transactions of the Group are denominated in Hong Kong dollars and Renminbi. The management of the Group will closely monitor the fluctuation in these currencies and take appropriate actions when needed. As at 30 September 2020, the Group did not engage in currency hedging nor did it adopt any formal hedging activities. The Group had not entered into any financial derivatives in currencies other than Hong Kong dollars during the Period.

## **PLEDGE OF ASSETS AND CONTINGENT LIABILITIES**

As at 30 September 2020, there were no charges on the Group's assets and the Group had no material contingent liabilities.

## **STAFF COST AND REMUNERATION POLICY**

As at 30 September 2020, the Group had a total of 7 employees (2019: 7 employees). The Group's total staff costs (including directors' remuneration) amounted to approximately HK\$1,341,000 (2019: HK\$1,652,000) for the Period. The Company adopted the model set out in Code Provision B.1.2(c)(ii) of Appendix 14 to the Listing Rules as its remuneration model for determining the emoluments of the directors. This model stipulates that the remuneration committee shall make recommendations to the Board on the remuneration packages of individual executive directors and senior management. The remuneration committee of the Company would take into consideration, among other things, the duties and responsibilities of the directors and senior management and prevailing market conditions when determining their remuneration.

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

## **PROSPECT**

During the six-month period, the Group successfully got through the challenges of global economic fluctuations by streamlining its structure. However, the financial market operation is expected to be uncertain. The Group will continuously look for financing opportunities and investment opportunities among potential enterprises.

The outbreak of COVID-19 pandemic has disrupted global economy and society order. These disruptions have badly affected the global market and cast uncertainty over the economic outlook. Nevertheless, as there is good progress in the development of vaccine, and China government is performing well in containing further outbreak, we predict that the economy may gradually recover.

The Group's investment strategy will remain diversified by aiming at identifying suitable investment opportunities with potential of asset appreciation. The Group will adopt a pragmatic and enterprising approach to deploy its investment strategy, with an objective to contribute favorable return for our shareholders.

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION

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

As at 30 September 2020, the interests and short positions held by the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, the "SFO") as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

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

*Note:* The percentage of shareholding is calculated on the basis of the Company's issued share capital of 1,058,185,729 shares as at 30 September 2020.

Save as disclosed above, as at 30 September 2020, none of the Directors or chief executive of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS

As at 30 September 2020, the following persons, other than the Director and chief executive of the Company as disclosed in the section titled “Directors’ and Chief Executive’s Interests in shares, underlying shares and debentures”, were interested or had short positions in more than 5% of the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholder	Capacity in which interests are held	Number of shares held	Approximate percentage of shareholding (Note 1)
Tse Tong Lam Antonio	Beneficial owner	154,000,000	14.55%
Micah Holdings Limited (Note 2)	Beneficial owner	109,188,000	10.32%
Ji Jie (Note 2)	Interest of controlled corporation	109,188,000	10.32%

Notes:

1. The percentage of shareholding is calculated on the basis of the Company’s issued share capital of 1,058,185,729 shares as at 30 September 2020.
2. Micah Holdings Limited, a private limited company incorporated in the British Virgin Islands, and wholly and beneficially owned by Ms. Ji Jie.

Save as disclosed above, as at 30 September 2020, the Company was not notified of any persons, other than the Directors and the chief executive of the Company, having any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## SHARE OPTIONS

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

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

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

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

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry by the Company, all the directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2020. During the Period, the Company was not aware of any non-compliance with the required standards as set out in the Model Code.

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

Hong Kong, 30 November 2020