



**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 **2021**

## CORPORATION INFORMATION

### BOARD OF DIRECTORS

#### Executive Director

CHAN Cheong Yee

#### Non-executive Directors

HAN Zhenghai (*Joint Chairman of the Board*)

GAO Yun (*Joint Chairman of the Board*)

LI Jiangtao (*Vice-Chairman of the Board*)

YANG Xiaoqiu

YAN Peng

DENG Dongping

LIU Lihan

ZHU Zhikun

ZENG Xiaohui

#### Independent Non-executive Directors

MO Li

KAN Yat Kit

LOK Chiu Chan

SHI Zhu

YUAN Wei

#### AUDIT COMMITTEE

KAN Yat Kit (*Chairman*)

MO Li

LOK Chiu Chan

SHI Zhu

YUAN Wei

#### REMUNERATION COMMITTEE

MO Li (*Chairman*)

HAN Zhenghai

KAN Yat Kit

LOK Chiu Chan

SHI Zhu

YUAN Wei

#### NOMINATION COMMITTEE

HAN Zhenghai (*Chairman*)

MO Li

KAN Yat Kit

LOK Chiu Chan

SHI Zhu

YUAN Wei

#### RISK MANAGEMENT COMMITTEE

CHAN Cheong Yee (*Chairman*)

MO Li

KAN Yat Kit

LOK Chiu Chan

SHI Zhu

YUAN Wei

#### INVESTMENT MANAGER

Evergrande Securities (HK) Ltd.

## COMPANY SECRETARIES

CHAN Kwan Pak

HO Wing Yan

## PRINCIPAL BANKERS

Dah Sing Bank, Limited

China Citic Bank International Limited

Bank of Communications

O Bank Co. Limited

## AUDITORS

BDO Limited

*Certified Public Accountants*

## PRINCIPAL SHARE REGISTRAR

MUFG Fund Service (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road, Pembroke HM08

Bermuda

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33/F.

Two Chinachem Exchange Square,

338 King's Road,

North Point, Hong Kong

## REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

## PRINCIPAL PLACE OF BUSINESS

Suites 6303-04, 63/F.

Central Plaza, 18 Harbour Road

Wan Chai

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 2021 (the “Period”) together with the comparative figures for the corresponding period in 2020. 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 2021

	Notes	Six months ended 30 September	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	5	2,400	–
Other income	5	3,392	984
Change in fair value of financial assets at fair value through profit or loss		(8,405)	2,174
Net realised gain/(loss) on disposal of financial assets at fair value through profit or loss		(3,221)	426
Reversal of impairment loss on deposit paid for business acquisition	17	29,000	–
Share-based payment expenses		(8,428)	–
Administrative expenses		(8,230)	(3,831)
<b>Operating profit/(loss)</b>		<b>6,508</b>	<b>(247)</b>
Finance costs		(719)	–
Profit/(loss) before income tax expense	6	5,789	(247)
Income tax expense	7	–	–
<b>Profit/(loss) for the period attributable to owners of the Company</b>		<b>5,789</b>	<b>(247)</b>

	Notes	Six months ended 30 September	
		2021 HK\$'000 (unaudited)	2020 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		(112)	2,369
Exchange difference on translation of financial statements of foreign operations		(61)	–
Other comprehensive income for the period, net of tax		(173)	2,369
Total comprehensive income for the period		5,616	2,122
<b>Earnings/(loss) per share</b>	9		
– Basic (HK cent per share)		0.30	(0.02)
– Diluted (HK cent per share)		0.30	(0.02)
Proceeds from disposal of financial assets at fair value through profit or loss		13,983	14,826

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Notes	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
<b>ASSETS AND LIABILITIES</b>			
Non-current assets			
Property, plant and equipment		39	13
Interest in an associate	10	–	–
Financial assets at fair value through other comprehensive income	11	9,246	9,416
Deposits paid for non-current assets		33,823	–
Total non-current assets		43,108	9,429
<b>Current assets</b>			
Financial assets at fair value through profit or loss	12	61,355	28,717
Other receivables, deposits and prepayments		66,685	146
Amount due from the shareholder	16	2,602	7,713
Bank and cash balances		68,509	8,504
Total current assets		199,151	45,080
<b>Current liabilities</b>			
Other payables and accrued charges		7,014	5,178
Other borrowings	15	45,000	–
Amount due to brokers		2,943	–
Total current liabilities		54,957	5,178
<b>Net current assets</b>		144,194	39,902
<b>Net assets</b>		187,302	49,331
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	13	19,047	12,698
Reserves		168,255	36,633
Total equity		187,302	49,331
Net asset value per share	14	HK\$0.098	HK\$0.039

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Share capital HK\$'000	Share premium HK\$'000	Shareholder's contribution HK\$'000	Investment revaluation reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2021 (audited)	12,698	391,054	10,934	(7,530)	–	(322)	(357,503)	49,331
Profit for the Period	–	–	–	–	–	–	5,789	5,789
Recognition of equity-settled share based payment	–	–	–	–	8,428	–	–	8,428
Lapse of vested share options	–	–	–	–	(247)	–	247	–
Other comprehensive income								
– Change in fair value of financial assets at fair value through other comprehensive income	–	–	–	(112)	–	–	–	(112)
– Exchange difference arising on translation reserve of financial statements of foreign operation	–	–	–	–	–	(61)	–	(61)
Total comprehensive income for the period	–	–	–	(112)	8,181	(61)	6,036	14,044
– Transfer of loss on disposal of financial asset at fair value through other comprehensive income to retired earnings	–	–	–	606	–	–	(606)	–
– Right issue	6,349	117,578	–	–	–	–	–	123,927
At 30 September 2021 (unaudited)	19,047	508,632	10,934	(7,036)	8,181	(383)	(352,073)	187,302
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

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021	2020
	HKS'000	HKS'000
	(unaudited)	(unaudited)
Net cash (used in)/generated from operating activities	(76,071)	(463)
Net cash generated from investing activities	(32,781)	430
Net cash used in financing activities	168,927	–
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>60,075</b>	<b>(33)</b>
<b>Cash and cash equivalents at 1 April</b>	<b>8,504</b>	<b>2,303</b>
<b>Effect of foreign exchange rates changes</b>	<b>(70)</b>	<b>–</b>
<b>Cash and cash equivalents at 30 September</b>	<b>68,509</b>	<b>2,270</b>
<b>Analysis of the balance of cash and cash equivalents</b>		
Bank balances	68,509	2,270



## 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 2021 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 2021, 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 9, HKAS 39,  
HKFRS 7, HKFRS 4, and HKFRS 16

Interest Rate Benchmark Reform  
– Phase 2

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 2021 and 2020, 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		31 March	
	30 September		30 September	2020
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Hong Kong (place of domicile)	2,400	–	39	13
Other regions of the People's Republic of China (the "PRC")	–	–	33,823	–
	2,400	–	33,862	13

## 5. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

	Six months ended	
	30 September	2020
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest income from financial assets at fair value through profit or loss	2,400	–
Revenue	2,400	–
Other income:		
Others	11	4
Dividend income from listed investments	–	362
Gain on disposal of non-current assets	–	348
Government subsidies	–	270
Exchange gain	3,381	–
	3,392	984
Total revenue and other income	5,792	984

The Group's revenue represents interest income from convertible bonds. No other source of income contributed to the Group's revenue for both 2021 and 2020.

## 6. PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE

Profit/(loss) before income tax expense is stated after charging the following:

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Employee benefit expenses (including directors' remuneration)	2,491	1,341
Depreciation		
Property, plant and equipment	6	30
Right-of-use assets	–	–
Share-based payment expenses	8,428	–
Rent & Rates	2,165	474

## 7. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% (2020: 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 (2020: Nil).

## 8. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2021 (2020: Nil).

## 9. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share amounts is based on the earnings/(loss) for the period attributable to owners of the Company and the weighted average number of ordinary shares of 1,904,678,593 (2020: 1,058,185,729) in issue during the Period.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the six months ended 30 September 2021 and 2020 in respect of a dilution as the impact of share options outstanding had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

## 10. INTEREST IN AN ASSOCIATE

	<b>30 September 2021 HK\$'000 (unaudited)</b>	31 March 2021 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 2021, 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 2021 HK\$'000 (unaudited)</b>	31 March 2021 HK\$'000 (audited)
Unlisted equity securities in PRC, at cost	<b>16,390</b>	16,946
Fair value adjustment	<b>(7,144)</b>	(7,530)
	<b>9,246</b>	9,416

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		% of total assets of the Group	
			30.9.2021	31.03.2021	30.9.2021	31.03.2021	30.9.2021	31.03.2021
			(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)
Tianjin Bao Xin Ying Precious Metal Management Limited ("Bao Xin")	(a)	PRC	12.00%	12.00%	4,206	4,130	1.74	7.58
Guang Zhou Da Jian Company Management Consultation Limited ("Da Jian")	(b)	PRC	11.59%	11.59%	5,040	5,286	2.08	9.70
Huge Leader Investment Development Limited ("Huge Leader")	(c)	BVI	-	1.00%	-	-	-	-
					9,246	9,416		

*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 in Bao Xin is held through a nominated shareholder since 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 above 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 arrangements. 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. Confirmations have been obtained from all the registered shareholders of Bao Xin to confirm the shareholding of the Group in Bao Xin.

The aforesaid arrangements have been in operation for years and the nominated shareholder has complied with the relevant contractual and legal obligations and is the major shareholder 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) 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 28 June 2021, the Company entered into a sale and purchase agreement with an independent third party by which the Company agreed to sell, and the buyer agreed to buy 1% (representing/owned share) of equity interest in Huge Leader for a cash consideration of HK\$50,000.

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

	<b>30 September 2021 HK\$'000 (unaudited)</b>	31 March 2021 HK\$'000 (audited)
Hong Kong listed equity securities, at market value ( <i>Note a</i> )	<b>46,467</b>	18,715
Suspended listed equity securities – Hong Kong	<b>4,101</b>	–
Investments in convertible bonds, at fair value ( <i>Note b</i> )	<b>10,787</b>	9,749
Financial guarantee ( <i>Note c</i> )	–	253
	<b>61,355</b>	28,717

Notes:

- (a) Particulars of the major investments of listed equity securities held by the Group as at 30 September 2021 are as follows:

Name	Number of shares held	Percentage of interest held	Cost HK\$'000	Market value HK\$'000	Dividend received/ receivable during the year HK\$'000	% of total assets of the Group
Asia Television Holdings Limited (stock code: 000707.HK)	199,510,000 ordinary shares	2.01%	7,581	4,988	–	2.06
Golden Ponder Holdings Limited (stock code: 001783.HK)	37,560,000 ordinary shares	4.695%	9,766	10,892	–	4.50
Golden Faith Group Holdings Limited (stock code: 2863 HK)	1,365,000 ordinary shares	0.21%	1,663	979	–	0.40
Amber Hill Financial Holdings Limited (stock code: 0033 HK)	13,380,000 ordinary shares	2.49%	19,151	16,725	–	6.90
Target Insurance (Holdings) Limited (stock code: 6161 HK)*	4,228,000 ordinary shares	0.68%	4,298	4,101	–	1.69
Kidztech Holdings Limited (stock code: 6918 HK)	1,084,000 ordinary shares	0.21%	938	1,420	–	0.59
Linekong Interactive Group Co Ltd (stock code: 8627)	10,592,000 ordinary shares	1.32%	1,596	1,610	–	0.66
Yee Hop Holdings Limited (stock code: 1662 HK)	1,600,000 ordinary shares	0.32%	2,944	2,944	–	1.22
Ling Yui Holdings Limited (stock code: 0784 HK)	6,680,000 ordinary shares	0.84%	938	1,009	–	0.42
RMH Holdings Limited (stock code: 8437 HK)	28,704,000 ordinary shares	3.99%	9,830	4,420	–	1.82
Ocean Star Technology Group Limited (stock code: 8297 HK)	1,130,000 ordinary shares	0.14%	1,193	1,480	–	0.61

\* Due to trading suspension, the fair value of this company is based on its last quoted market price.



Particulars of the Company's principal equity securities listed in Hong Kong as at 30 September 2021 disclosed pursuant to the Chapter 21 of the Listing Rules are as follows:

- Asia Television Holdings Limited (stock code: 707) and its subsidiaries are principally engaged in four business streams including (i) processing, printing and sales of finished fabrics and subcontracting service as well as fabrics and trading business; (ii) money lending business; (iii) securities investment and brokerage services business; and (iv) media, cultural and entertainment business. As at 31 December 2020, its net asset value attributable to equity holders was approximately RMB21.84 million
- Golden Ponder Holdings Limited (stock code: 1783) and its subsidiaries are principally engaged in the provision of superstructure building and repair, maintenance, alteration and addition ("RMAA") works services as a main contractor in Hong Kong. As at 31 March 2021, its net asset value attributable to equity holders was approximately HK\$167.96 million
- Golden Faith Group Holdings Limited (stock code: 2863) is principally engaged in electric and maintenance (E&M) engineering service business and trading business. As at 30 September 2020, its net asset value attributable to equity holders was approximately HK\$265.2 million
- Amber Hill Financial Holdings Limited (stock code: 33) is principally engaged in securities brokerage and assets management, trading of party products, advancing business, credit guarantee and investment business, trading of metals and minerals, trading of security products and provision of security services. As at 30 June 2021, its net asset value attributable to equity holders was approximately HK\$150.9 million
- Target Insurance (Holdings) Limited (stock code: 6161) is principally engaged in general insurance business. As at 31 December 2020, its net asset value attributable to equity holders was approximately HK\$2.1 billion
- Kidztech Holdings Limited (stock code: 6918) is principally engaged in manufacturing and sales of toys. As at 31 December 2020, its net asset value attributable to equity holders was approximately RMB423.5 million
- Orange Tour Cultural Holding Limited (stock code: 8627) is principally engaged in the provision of event management services and design and production services. As at 31 December 2020, its net asset value attributable to equity holders was approximately RMB90.6 million
- Yee Hop Holdings Limited (stock code: 1662) is principally engaged in the provision of foundation and other civil works and tunneling works in Hong Kong and Philippines, sub-leasing of premises and research and development and breeding, sales and trading of aquatic products and related services in the PRC. As at 31 March 2021, its net asset value attributable to equity holders was approximately HK\$443.8 million

- Ling Yui Holdings Limited (stock code: 784) is principally engaged in the provision of foundation engineering services in Hong Kong. As at 31 March 2021, its net asset value attributable to equity holders was approximately HK\$104.6 million
- RMH Holdings Limited (stock code: 8437) is a leading specialist dermatological and surgical practice accredited by the MOH based in Singapore that offers accessible, comprehensive, quality and specialty care services for a variety of dermatological conditions affecting skin, hair and nails by utilising a wide range of advanced and sophisticated medical, surgical, laser and aesthetic treatments. As at 31 December 2020, its net asset value attributable to equity holders was approximately S\$5.53 million
- Ocean Star Technology Group Limited (formerly known as My Heart Bodibra Group Limited) (stock code: 8297), is an investment holding company. The principal activities of its subsidiaries are designing, manufacturing and selling of lingerie products, trading of garments and provision of beauty services. As at 31 March 2021, its capital deficiency was approximately HK\$28.6 million

### **Investment strategy for these significant investments**

As a whole, the investment portfolio was carefully managed and being fully diversified to minimise commercial risk resulting from over concentration of the investment of the Group in any single industry. The management will closely monitor the Group's investment portfolio.

- (b) On 22 December 2018, the Company renewed the 3% unsecured convertible bonds issued by Guanwan Investments Limited ("Guanwan") at a face value of HK\$20,000,000, bearing coupon interest rate of 3% per annum. Guanwan is an investment holding company which indirectly holds 100% shares of its subsidiary, 深圳金特嬌服装有限公司 ("金特嬌"). 金特嬌 is principally engaged in designing, manufacturing and retail of women's dress in the PRC. Each convertible bond due on 22 December 2020 is 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.

On 23 December 2020, the due date of the convertible bonds was further renewed to 22 December 2023, All the other terms remain unchanged despite the above renewal.

- (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, Ms. Yang Xiaoqiu, ("Ms. Yang"), the then 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 would not fell 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 two sale and purchase agreements with two independent third parties by which the Group agreed to sell, and the buyers 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 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 fell below 70% of their respective fair value as at 31 March 2019, Ms. Yang was 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, Ms. Yang still had 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, Ms. Yang has repaid HK\$1,000,000 to the Group under the terms of the Deed of Indemnity.

On 28 June 2021, 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 1% (representing owned share) of equity interest in Huge Leader for a cash consideration of HK\$50,000. As the consideration for disposal of equity interest in Huge Leader fall below 70% of its respective fair value as at 31 March 2019, Ms. Yang was required to pay total amount of shortfall of HK\$264,000 to the Company under the terms of Deed of indemnity. During the Period, Ms. Yang repaid HK\$5,111,000 to the Group under the terms of Deed of Indemnity.

### 13. SHARE CAPITAL

	Number of ordinary shares of HK\$0.001 each	Nominal value HK\$'000
Authorised: At 31 March 2021 and 30 September 2021	100,000,000,000	100,000
Issued and fully paid: At 31 March 2021 and 1 April 2021	1,269,785,729	12,698
Rights issue	634,892,864	6,349
As at 30 September 2021	1,904,678,593	19,047

### 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\$187,302,000 (31 March 2021: HK\$49,331,000) and the number of ordinary shares in issue as at 30 September 2021, being 1,904,678,593 (31 March 2021: 1,269,785,729).

## 15. OTHER BORROWINGS

30 September  
2021  
HK\$'000  
(unaudited)

Unlisted and unguaranteed corporate bonds issued  
by the Company (i)

45,000

*Note (i)* Bonds are issued by the Company and are fixed rate borrowings.

Bonds issued with principal amount of HK\$45,000,000 are unsecured and carry coupon interest rates of 12% per annum.

## 16. AMOUNT DUE FROM A SHAREHOLDER

On 15 March 2021, due to the change of chairmanship, Mr. Han Zhenghai, the new chairman of the Group and also a shareholder of the Company, promised to assume Ms. Yang's remaining liability to the Company under the Deed of Indemnity. For details, please refer to note 12(c).

## 17. REVERSAL OF IMPAIRMENT LOSS ON DEPOSIT PAID FOR BUSINESS ACQUISITION

As disclosed in the consolidated financial statements of the Company in the final results for the year ended 31 March 2019, refundable deposits (the "Deposits") of approximately HK\$59,000,000 were placed. Those Deposits were relating to 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.

As the repayment of the Deposits involved uncertainty as at 31 March 2019, provision for impairment of HK\$59,000,000 was therefore made by the directors in the financial statements for the year ended 31 March 2019.

During the Period, part of the Deposits amounting to HK\$29,000,000 were refunded by some potential investees. It was recognised as a write back of impairment provision on deposits paid for the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the Period, the principal business of the Company remained investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities.

Due to the uncertain investment environment, the Group adopted a prudent approach and had only some dealing in shares of companies listed in Hong Kong during the Period (please refer to note 12(a) above for details). In respect of investment in unlisted companies, the Group started to explore opportunities of investing in companies in mainland China in various sectors with development potential during the Period. So far we have signed quite a number of strategic cooperation letters of intent/memorandums of understanding with companies engaged in different areas of business such as incubation, cultivation and investment of start-up technology companies, supply chain management, coal chemical industry etc.

Those potential investment projects only commenced in the second half of 2021 and the Company is still in the course of negotiating with such potential investees regarding the investment plans, in particular looking for any industry leaders to co-invest in such potential investees. Meanwhile, the Company has engaged professional advisory service firms in the PRC to conduct due diligence on those projects, such arrangement will reduce the need for the Company's management to travel frequently to the PRC to meet potential investees in light of the COVID-19 pandemic and the current travel restriction imposed in the PRC.

The Company has started to review the financial positions and studied the relevant information of those relevant potential investees. Subsequent to the Period end, the Group has completed its due diligence in respect of the potential investee engaged in agricultural technology innovation in relation to fruit and vegetable farming, harvesting, and its products have passed EU organic food certification and believes that there are prospects in the business segment. Deposit will be recognised as financial assets at fair value through profit or loss when the Company will enter into formal investment agreement with those investees, the deposits paid will be utilized towards the investment sums upon the signing of formal investment agreement.

As at the date of this report, save for the completion of due diligence works on agricultural technology, other relevant due diligence in respect of the potential investee are still in progress and the Company has not entered into any formal investment agreements with any of the potential investees.



## FINANCIAL REVIEW

For the Period, the Group's revenue was HK\$2,400,000 (2020: HK\$Nil), which increased significantly when compared with the corresponding period of last year. Profit for the Period attributable to owners of the Company was approximately HK\$5,789,000, as compared to a loss for the corresponding period ended 30 September 2020. It was mainly attributable to the (i) the reversal of impairment loss of refundable deposits totalling HK\$29,000,000 paid by Group, (ii) the increase in receipt of interest income from financial assets at fair value through profit or loss; and (iii) exchange gain due to the translation of balances denominated in foreign currencies.

Profit per share for the Period was HK0.30 cents (2020: loss per share HK0.02 cents). As at 30 September 2021, the net asset value per share of the Group was HK\$0.098 (31 March 2021: HK\$0.039).

## OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

As at 30 September 2021, the Group's other receivables and deposits paid were mainly refundable deposits paid for potential investments in the amount of approximately HK\$66,185,000. Those deposits were relating to several potential investees covering digital coal trading platform, property development and management services, supply chain and logistics services industry in the PRC and fruit and vegetable farming. The placing of earnest monies/deposits by the Company to the potential investees is just following the common practice in the industry, so as to hopefully lower the cost of acquisition and expedite the negotiation process.

As at the date of this report, save for the completion of due diligence work on agricultural technology, the relevant due diligence in respect of the potential investees are still in progress and 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 for the refund of the deposits.

## FUND RAISING ACTIVITIES – RIGHTS ISSUE

On 4 May 2021, the Company proposed to raise gross proceeds of approximately HK\$127,000,000 before expense by way of a rights issue of up to 634,892,864 rights shares at a price of HK0.2 per rights share on the basis of one rights share for every two existing shares held by the shareholders. The Completion of the rights issue took place on 20 July 2021. The net proceeds from the rights issue after deduction of all relevant expenses, was approximately HK\$122 million, which were used as below:

- (i) Approximately HK\$100 million was utilized for potential investments pursuant to the investment objectives of the Company; and
- (ii) Approximately HK\$17 million was used for general working capital of the Company.

The remaining balance of net proceeds in the amount of approximately HK\$5 million has not been utilized and is maintained in an account with a reputable licensed financial institution.

## **CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY**

As at 30 September 2021, the total number of ordinary shares of HK\$0.01 each in the Company in issue was 1,904,678,593 (2020: 1,269,785,729).

As at 30 September 2021, the Group had cash and cash equivalents of approximately HK\$68,509,000 (31 March 2021: approximately HK\$8,504,000). The Group had net current assets and net assets of approximately HK\$144,194,000 (31 March 2021: HK\$39,902,000) and approximately HK\$187,302,000 (31 March 2021: HK\$49,331,000) respectively as at 30 September 2021. The Group had other borrowing of approximately HK\$45,000,000 as at 30 September 2021.

The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 3.62 as at 30 September 2021 (31 March 2021: 8.71).

## **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 2021, 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 2021, 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 2021, the Group had a total of 14 employees (2020: 7 employees). The Group's total staff costs (including directors' remuneration) amounted to approximately HK\$2,491,000 (2020: HK\$1,341,000) 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 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 seriously affected the global market and have posed high uncertainty to the future. Nevertheless, with the widespread use of vaccine and controlling measures adopted by the Chinese government, the economy of China is performing well during the outbreak, and 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 2021, 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:

(A) Long positions in shares of the Company

Name of Director/chief executive	Capacity in which interests are held	Number of shares held	Approximate percentage of shareholding (Note)
Han Zhenghai	Beneficial owner	96,541,857	5.07%
Zhu Zhikun	Beneficial owner	45,760,000	2.40%
Li Jiangtao	Beneficial owner	10,280,000	0.54%
Gao Yun	Beneficial owner	5,960,000	0.31%

*Note:* The percentage of shareholding is calculated on the basis of the Company's issued share capital of 1,904,678,593 shares as at 30 September 2021.

(B) Interests in underlying shares in the Company

Name of Director	Capacity	Number of underlying shares held	Percentage of the issued share capital of the company
Chan Cheong Yee	Beneficial owner <i>(Note)</i>	8,821,857	0.463%
Han Zhenghai	Beneficial owner <i>(Note)</i>	8,821,857	0.463%
Yang Xiaqiu	Beneficial owner <i>(Note)</i>	8,821,857	0.463%
Yan Peng	Beneficial owner <i>(Note)</i>	8,821,857	0.463%
Li Jiangtao	Beneficial owner <i>(Note)</i>	8,821,857	0.463%
Deng Dongping	Beneficial owner <i>(Note)</i>	8,821,857	0.463%
Liu Lihan	Beneficial owner <i>(Note)</i>	8,821,857	0.463%
Mo Li	Beneficial owner <i>(Note)</i>	882,185	0.050%
Kan Yat Kit	Beneficial owner <i>(Note)</i>	882,185	0.050%
Lok Chiu Chan	Beneficial owner <i>(Note)</i>	882,185	0.050%
		64,399,554	3.380%

*Note:* These underlying shares represent the shares to be issued and allotted upon the exercise of the options granted by the Company to the directors pursuant to the share option scheme of the Company.

Save as disclosed above, as at 30 September 2021, 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 2021, 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)
Han Zhenghai	Beneficial owner	96,541,857	5.07%
Lu Darong	Beneficial owner	105,000,000	5.51%
Micah Holdings Ltd (Note 2)	Beneficial owner	109,188,000	5.73%
Ji Jie (Note 2)	Interest of controlled corporation	109,188,000	5.73%

### Notes:

1. The percentage of shareholding is calculated on the basis of the Company’s issued share capital of 1,904,678,593 shares as at 30 September 2021.
2. Micah Holdings Limited, a private limited company incorporated in the British Virgin Islands wholly and beneficially owned by Ji Jie.

Save as disclosed above, as at 30 September 2021, 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 Scheme was adopted on 28 December 2018 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

Details of share options outstanding as of 30 September 2021 under Share Option Scheme are as follow:

Name of category of participant	Date of grant of Share option	Exercise period	Exercise price per share	Numbers of underlying shares in respect of which share options were granted			
				As at 1 April 2021	Granted during the Period	Exercise/Cancelled/Lapsed	As at 30 September 2021
<b>Directors</b>							
Chan Cheong Yee	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	8,821,857	–	8,821,857
Han Zhenghai	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	8,821,857	–	8,821,857
Yang Xiaoci	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	8,821,857	–	8,821,857
Yan Peng	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	8,821,857	–	8,821,857
Li Jiangtao	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	8,821,857	–	8,821,857
Deng Dongping	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	8,821,857	–	8,821,857
Liu Lihan	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	8,821,857	–	8,821,857
Lai Yuen Piu	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	882,185	(882,185)	–
Mo Li	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	882,185	–	882,185
Kan Yat Kit	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	882,185	–	882,185
Lok Chiu Chan	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	882,185	–	882,185
<b>Other Eligible Participants</b>							
In aggregate	2/8/2021	3/8/2021 – 2/8/2024	0.50	–	22,936,817	(1,764,370)	21,172,447
Total				–	88,218,556	(2,646,555)	85,572,001
			Weighted average exercise price (HK\$)	–	0.5	0.5	0.5

## 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.

## SIGNIFICANT EVENTS AFTER PERIOD END

A placing of new shares under general mandate was proposed on 18 October 2021 and completed on 8 November 2021 and the net proceeds of the placing were approximately HK\$56.6 million. No net proceeds from the placing under general mandate were used during the reporting period.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

During the Period, the Company has complied with the code provisions in the Code of Corporate Governance Practice (the “CG Code”) contained in Appendix 14 to the Listing Rules, except the following deviation:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer (“CEO”) should be separated and should not be performed by the same person. The Company has no CEO since Ms. Lin Yudan has resigned as CEO of the Company with effect from 12 July 2021. Decisions of the Company are made collectively by the Directors. The Board believes that the present arrangement enables the Company to make and implement decisions effectively in response to the changing environment.

## **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 2021. During the Period, the Company was not aware of any non-compliance with the required standards as set out in the Model Code.

## **AUDIT COMMITTEE**

The Audit Committee comprises all Independent Non-executive Directors and is responsible for review of the Group’s financial information and oversight of the Group’s financial reporting system and internal control procedures. The Committee is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval. In performing its duties, it has unrestricted access to personnel, records and external auditors and senior management.

The unaudited interim results for the Period have been reviewed by the Audit Committee before recommendation to the Board for approval.

By Order of the Board  
**China Investment Development Limited**  
**Han Zhenghai**  
*Joint Chairman*

Hong Kong, 30 November 2021