



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)

2022 | **INTERIM
REPORT**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

CHAN Cheong Yee

CHAN Yiu Pun Clement

Non-executive Directors

HAN Zhenghai (*Chairman of the Board*)

DENG Dongping

LIU Lihan

ZHU Zhikun

ZHANG Junze

(*Appointed on 27 July 2022 and resigned on 17 November 2022*)

LYU Ping

(*Appointed on 7 November 2022*)

GAO Yun

(*Retired on 7 September 2022*)

Independent Non-executive Directors

MO Li

SHI Zhu

CHEN Shunqing

(*Appointed on 27 July 2022*)

Mo Xiuping

(*Appointed on 23 September 2022*)

AUDIT COMMITTEE

CHEN Shunqing (*Chairman*)

(*Appointed on 27 July 2022*)

MO Li

SHI Zhu

REMUNERATION COMMITTEE

MO Li (*Chairman*)

HAN Zhenghai

CHEN Shunqing

(*Appointed on 27 July 2022*)

SHI Zhu

NOMINATION COMMITTEE

HAN Zhenghai (*Chairman*)

MO Li

CHEN Shunqing

(*Appointed on 27 July 2022*)

SHI Zhu

RISK MANAGEMENT COMMITTEE

CHAN Cheong Yee (*Chairman*)

MO Li

CHEN Shunqing

(*Appointed on 27 July 2022*)

SHI Zhu

INVESTMENT MANAGER

Evergrande Securities (HK) Ltd.

COMPANY SECRETARY

HO Wing Yan

LI Wancheng

(*Resigned on 15 October 2022*)

WONG Shiu Wah Williamson

(*Appointed on 17 November 2022*)

AUTHORISED REPRESENTATIVES

HAN Zhenghai

(*Appointed on 15 October 2022*)

CHEN Shunqing

(*Appointed on 27 July 2022*)

LI Wancheng

(*Resigned on 15 October 2022*)

PRINCIPAL BANKERS

Dah Sing Bank, Limited

China Citic Bank International Limited

Bank of Communications

O Bank Co. Limited

AUDITORS

Fan, Chan & Co., 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, 63/F.
Central Plaza, 18 Harbour Road
Wan Chai
Hong Kong

WEBSITE

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 2022 (the “Period”) together with the comparative figures for the corresponding period in 2021. 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 2022

	Notes	Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	5	–	2,400
Other income	5	6,135	3,392
Change in fair value of financial assets at fair value through profit or loss		140	(8,405)
Net realised loss on financial assets at fair value through profit or loss		(3,252)	(3,221)
Impairment loss under the ECL model, net of reversal		3,233	29,000
Share-based payment expenses		–	(8,428)
Administrative expenses		(23,663)	(8,230)
Operating (loss)/profit		(17,407)	6,508
Finance costs	6	(1,171)	(719)
(Loss)/profit before income tax expense	7	(18,578)	5,789
Income tax expense	8	–	–
(Loss)/profit for the period attributable to owners of the Company		(18,578)	5,789

	Notes	Six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Other comprehensive (expense)/income Item that will not be reclassified to profit or loss:			
– Change in fair value of financial assets at fair value through other comprehensive income		(4,245)	(112)
Item that may be reclassified subsequently to profit or loss:			
– Exchange difference on translation of financial statements of foreign operations		(1,203)	(61)
– Release of reserves upon disposal of subsidiaries		90	–
Other comprehensive expense for the period, net of tax		(5,358)	(173)
Total comprehensive (expense)/income for the period		(23,936)	5,616
(Loss)/earnings per share	10		
– Basic (<i>HK cent per share</i>)		(0.76)	0.30
– Diluted (<i>HK cent per share</i>)		(0.76)	0.30
Proceeds from disposal of financial assets at fair value through profit or loss		12,176	13,983

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	113	–
Interest in an associate		–	–
Financial assets at fair value through other comprehensive income	12	52	4,297
Other financial assets at amortised cost	13	–	64,200
		165	68,497
Current assets			
Financial assets at fair value through profit or loss	14	30,201	34,038
Other receivables, deposits and prepayments		132,026	39,355
Other financial assets at amortised cost	13	61,682	41,249
Amount due from the shareholder		949	949
Cash and cash equivalents		4,354	51,574
		229,212	167,165
Current liabilities			
Other payables and accrued charges	15	23,345	8,082
Lease liabilities		1,849	2,037
		25,194	10,119
Net current assets		204,018	157,046
Total assets less current liabilities		204,183	225,543
Non-current liability			
Lease liabilities		193	1,527
Net assets		203,990	224,016

		30 September 2022	31 March 2022
	Notes	HK\$'000 (unaudited)	HK\$'000 (audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	24,610	22,856
Reserves		179,380	201,160
Total equity		203,990	224,016

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	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 31 March 2022 (audited) & 1 April 2022	22,856	561,040	10,934	(12,093)	19,587	(1,535)	(376,773)	224,016
Loss for the year	-	-	-	-	-	-	(18,578)	(18,578)
Other comprehensive (expenses)/income								
- Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	(4,245)	-	-	-	(4,245)
- Exchange difference on translation of financial statements of PRC subsidiaries	-	-	-	-	-	(1,203)	-	(1,203)
- Release of reserves upon disposal of subsidiaries	-	-	-	-	-	90	-	90
Total comprehensive expenses for the period	-	-	-	(4,245)	-	(1,113)	(18,578)	(23,936)
Lapse of vested share options	-	-	-	-	(2,130)	-	2,130	-
Exercise of share options	1,754	10,177	-	-	(8,021)	-	-	3,910
At 30 September 2022 (unaudited)	24,610	571,217	10,934	(16,338)	9,436	(2,648)	(393,221)	203,990
At 31 March 2021 (audited) & 1 April 2021	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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash used in operating activities	(111,851)	(76,071)
Net cash generated from (used in) investing activities	46,499	(32,781)
Net cash generated from financing activities	19,245	168,927
Net (decrease)/increase in cash and cash equivalents	(46,107)	60,075
Cash and cash equivalents at 1 April	51,574	8,504
Effect of foreign exchange rates changes	(1,113)	(70)
Cash and cash equivalents at 30 September	4,354	68,509
Analysis of the balance of cash and cash equivalents		
Bank balances and cash	4,354	68,509

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

China Investment Development Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 25 March 1998 and was de-registered on 11 March 2011 and was registered by way of continuation as an exempted company in Bermuda on 2 March 2011. The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 12 December 2000. Its registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong is located at Suites 6303, 63/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 September 2022 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 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

In the Period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

The application of the amendments to HKFRSs has no material impact on the Group's financial position and financial performance for the current and/or prior periods and/or on the disclosure set out in the condensed consolidated financial statements.

The Group has not applied any new and amendments to HKFRSs that have been issued but 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 2022 and 2021, 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
	2022	2021	2022	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Hong Kong (place of domicile)	–	2,400	113	–

5. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

	Six months ended	
	30 September	2021
	2022	2021
	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	660	11
Dividend income from listed investments	–	–
Interest income from other financial assets at amortised cost	5,367	–
Government subsidies (<i>note</i>)	108	–
Exchange gain	–	3,381
	6,135	3,392
Total revenue and other income	6,135	5,792

Note: It was no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

6. FINANCE COSTS

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest expenses on lease liabilities	157	–
Interest expenses on bonds	1,014	719
	1,171	719

7. (LOSS)/PROFIT BEFORE INCOME TAX EXPENSE

(Loss)/profit before income tax expense was stated after charging the following:

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Employee benefit expenses (including directors' remuneration)	3,517	2,491
Depreciation		
Property, plant and equipment	37	6
Share-based payment expenses	–	8,428
Rent & Rates	258	2,165
Exchange loss	17,957	–

8. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% (2021: 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 (2021: Nil).

9. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2022 (2021: Nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share amounts is based on the (loss)/earnings for the Period attributable to owners of the Company and the weighted average number of ordinary shares of 2,445,245,940 (2021: 1,904,678,593) in issue during the Period.

The computation of diluted loss per share for the Period did not assume the exercise of the Company's outstanding share options since it would result in a decrease in loss per share. Therefore, the diluted loss per share is the same as the basic loss per share for the Period.

11. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of approximately HK\$150,000.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Unlisted equity securities in PRC, at cost	16,390	16,390
Fair value adjustment	(16,338)	(12,093)
	52	4,297

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	
			30.9.2022	31.03.2022	30.9.2022	31.03.2022	30.9.2022	31.03.2022
			(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)
Tianjin Bao Xin Ying Precious Metal Management Limited ("Bao Xin")	(a)	PRC	12%	12%	17	4,286	0.01	1.8
Guang Zhou Da Jian Company Management Consultation Limited ("Da Jian")	(b)	PRC	11.59%	11.59%	35	11	0.02	0.01
					52	4,297		

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. As at 30 September 2022, the investment in Bao Xin was measured at fair value of approximately HK\$17,000.
- (b) Da Jian is principally engaged in providing credit guarantee service in the PRC. The initial cost of investment is HK\$9,800,000. As at 30 September 2022, the investment in Da Jian was measured at fair value of approximately HK\$35,000.

13. OTHER FINANCIAL ASSETS AT AMORTISED COST

As at 30 September 2022, the other financial assets at amortised cost comprised of promissory notes held by the Group, amounted to approximately HK\$61,682,000 are unsecured, interest bearing, transferrable, non trading related in nature and issued by private entities.

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
At amortised cost	61,751	109,119
Less: ECL allowance	(69)	(3,670)
	61,682	105,449

Ageing analysis

As of the end of the Period, the ageing analysis of promissory notes, net of allowance for credit losses, based on the maturity date is as follows:

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Within 1 year	61,682	41,249
1 to 2 years	–	64,200
	61,682	105,449

Particulars of promissory notes classified as at other financial assets at amortised cost held by the Group as at 30 September 2022 disclosed pursuant to chapter 21 of listing rules are as follows:

Name of issuer	Place of incorporation/ operation	Net carrying amount HK\$'000	Interest rate	% of total assets of the Group
1. Guangdong Juhong Technology Industrial Park Co., Ltd.* <i>(note i)</i> 廣東聚鴻科技產業園有限公司	PRC	39,618	12%	17.27
2. Guangdong Yijushang Information Technology Co., Ltd.* <i>(note ii)</i> 廣東易聚上信息科技有限公司	PRC	11,032	12%	4.81
3. Jiarun China Investment (Guangzhou) Industrial Investment Co., Ltd* <i>(note iii)</i> 嘉潤中投(廣州)實業投資有限公司	PRC	11,032	12%–15%	4.81

* for identification purpose only

Notes:

Business of issuers and terms of promissory notes:

- (i) Commodity information consulting services, advertising industry, hotel management, catering management, large-scale event organization planning services, corporate image planning services, conference and exhibition services.

The promissory note is unsecured, interest bearing at 12% per annum, and repayable with maturity term of within 1 year.

- (ii) Data processing services, data processing and storage support services, big data services, network technology services, network and information security software development.

The promissory note is unsecured, interest bearing at 12% per annum, and repayable with maturity term of within 1 year.

- (iii) Sales of synthetic materials, supply chain management services, sales of building waterproofing membrane products, sales of gold and silver products, procurement agency services, sales of construction machinery, information technology consulting services, graphic design and production, sales of metal materials, sales of lamps and lanterns, technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion, sales of rare earth functional materials, sales of household appliances, wholesale of clothing and apparel, wholesale of kitchen utensils and daily necessities, landscaping engineering construction.

The promissory notes are unsecured, interest bearing at 12%-15% per annum, and repayable with maturity term of within 1 year.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Hong Kong listed equity securities, at market value (<i>Note a</i>)	17,598	17,758
Investments in convertible bonds, at fair value (<i>Note b</i>)	12,603	16,280
	30,201	34,038

Notes:

- (a) Particulars of the major investment of listed equity security held by the Group as at 30 September 2022 is as follows:

Name	Number of shares held	Percentage of interest held	Cost HK\$'000	Market value HK\$'000	Dividend received/ receivable during the Period HK\$'000	% of total assets of the Group
International Genius Company (stock code: 033.HK)	9,564,000 ordinary shares	1.78%	13,781	17,598	-	7.67

International Genius Company and its subsidiaries are principally engaged in trading of party products, provision of securities brokerage and assets management services, provision of advisory services, provision of advancing services, and trading of commodities. As at 30 June 2022, its net asset value attributable to equity holders was approximately HK\$188.3 million.

- (b) On 22 December 2014, the Company invested in the 3% unsecured convertible bonds issued by Guanwan Investments Limited (“Guanwan”) with principal amount of HK\$20,000,000, bearing coupon interest rate of 3% per annum. Guanwan is an investment holding company which indirectly holds 100% of the issued shares of its subsidiary, 深圳金特嬌服裝有限公司 (“金特嬌”). 金特嬌 is established in the PRC and principally engaged in designing, manufacturing and retail of women’s dress in PRC. The convertible bonds held by the Group were originally due on 22 December 2017 and convertible into 24 fully paid ordinary shares of Guanwan with a par value of USD1.00 each, which represented 19.35% of the enlarged issued shares of Guanwan as at 22 December 2014, at a conversion price of HK\$833,333 per conversion share. The Company could exercise the conversion option at any time until the maturity date. On 23 December 2017, the maturity date of the convertible bonds were renewed and extended to 22 December 2020.

On 22 December 2020, the maturity date of the convertible bonds was further renewed and extended to 22 December 2023. All of the other terms of the convertible bonds remained unchanged for the above renewals.

As at 30 September 2022, the investments in convertible bonds was measured at fair value of approximately HK\$12,603,000.

15. OTHER PAYABLES AND ACCRUED CHARGES

	30 September 2022	31 March 2022
	HK\$’000	HK\$’000
	(unaudited)	(audited)
Bonds payables (<i>note</i>)	18,362	2,094
Amount due to former director	–	600
Accruals and other payables	4,983	5,388
	23,345	8,082

Note: The Company has entered into short-term unsecured bond agreements with independent parties, bearing interest rate at 12% per annum, and maturity dates of the bonds outstanding at 30 September 2022 is up to 25 February 2023.

16. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each '000	HK\$'000
Authorised:		
At 31 March 2022 (audited), 1 April 2022 and 30 September 2022 (unaudited)	10,000,000	100,000
Issued and fully paid:		
At 31 March 2022 (audited) and 1 April 2022	2,285,579	22,856
Exercise of share options	175,450	1,754
As at 30 September 2022 (unaudited)	2,461,029	24,610

17. 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\$203,990,000 (31 March 2022: HK\$224,016,000) and the number of ordinary shares in issue as at 30 September 2022, being 2,461,028,593 (31 March 2022: 2,285,578,593). The net asset value per share was HK\$0.08 as at 30 September 2022 (31 March 2022: HK\$0.10).

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 14(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 agriculture, technology promotion and application services, financial services and business services etc.

Some potential investment projects only commenced during the Period and the Company is still in the course of negotiating with such potential investees regarding the investment plans. Meanwhile, the Company has engaged professional advisory service firms in the PRC to conduct due diligence on those projects.

The Company has started to review the financial positions and studied the relevant information of those relevant potential investees.

As mention above, during the Period, the external environment was uncertain, severe and complex under the impact of the epidemic of the century. Although it was not a principal business of investment, the Company has invested in other financial assets at amortised cost (please refer to note 13 above for details) which allow earning stable income of interest and bring favourable return to our Shareholders. The Group has adopted cautious, proactive attitude and strategy in seeking low-risk and reputable for interest earning investment as other financial assets at amortised cost.

As at the date of this report, investment in unlisted companies except for the Jijiaifu Agreement and the New Wole Agreement detailed on page 29 and 30, 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\$nil (2021: HK\$2,400,000), which decreased significantly when compared with the corresponding period of last year. Loss for the Period attributable to owners of the Company was approximately HK\$18,578,000, as compared to a profit for the corresponding period ended 30 September 2021. It was mainly attributable to the exchange loss on translation of balances denominated in foreign currencies.

Loss per share for the Period was HK0.76 cents (2021: earnings per share HK0.30 cents). As at 30 September 2022, the net asset value per share of the Group was HK\$0.08 (31 March 2022: HK\$0.10).

Other income

The Group's other income increased by approximately 80.9% from approximately HK\$3,392,000 for the six months ended 30 September 2021 to approximately HK\$6,135,000 for the six months ended 30 September 2022. Such increase was mainly due to the increase in interest income of approximately HK\$5,367,000.

Change in fair value of financial assets at fair value through profit or loss

The fair value of financial assets through profit or loss increased by approximately HK\$140,000 for the six months ended 30 September 2022, which represented a 101.7% jump from the net loss of approximately HK\$8,405,000 for the six months ended 30 September 2021. Such growth can be ascribed to the price appreciation of financial assets.

Net realised loss on financial assets at fair value through profit or loss

The Group's net realised loss on financial assets at fair value through profit or loss remained relatively stable from approximately HK\$3,221,000 for the six months ended 30 September 2021 to approximately HK\$3,252,000 for the six months ended 30 September 2022.

Impairment loss under the ECL model, net of reversal

The Group's impairment loss under the ECL model, net of reversal, decreased by approximately 88.9% from approximately HK\$29,000,000 for the six months ended 30 September 2021 to approximately HK\$3,233,000 for the six months ended 30 September 2022.

Share-based payment expenses

The Group's share-based payment expenses decreased by 100.0% from approximately HK\$8,428,000 for the six months ended 30 September 2021 to approximately HK\$ nil for the six months ended 30 September 2022. Such decrease was due to none of the share option was granted during the Period.

Administrative expenses

The Group's administrative expenses increased by approximately 187.5% from approximately HK\$8,230,000 for the six months ended 30 September 2021 to approximately HK\$23,663,000 for the six months ended 30 September 2022. Such increase was mainly due to the increase in exchange loss of approximately HK\$17,957,000.

Finance costs

The Group's finance costs increased by approximately 62.9% from approximately HK\$719,000 for the six months ended 30 September 2021 to approximately HK\$1,171,000 for the six months ended 30 September 2022. Such increase was mainly due to the increase in interest expenses on bonds.

OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

As at 30 September 2022, the Group's other receivables and deposits paid were mainly refundable deposits paid for potential investments total amount of approximately HK\$126,150,000. Those deposits were relating to several potential investees covering agriculture, technology promotion and application services, financial services and business services. The placing of 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, the Company has not entered into any formal investment agreements with any of the potential investees except for the Jijiaifu Agreement and the New Wole Agreement detailed on page 29 and 30. In the event that the investments shall not be made, the Company shall have the right to demand for the refund of the deposits.

OTHER FINANCIAL ASSETS AT AMORTISED COST

As at 30 September 2022, the Group's other financial assets at amortised cost was HK\$61,682,000 (31 March 2022: HK\$105,449,000).

CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY

As at 30 September 2022, the total number of ordinary shares of HK\$0.01 each in the Company in issue was 2,461,028,593.

As at 30 September 2022, the Group had cash and cash equivalents of approximately HK\$4,354,000 (31 March 2022: approximately HK\$51,574,000). The Group had net current assets and net assets of approximately HK\$204,018,000 (31 March 2022: HK\$157,046,000) and approximately HK\$203,990,000 (31 March 2022: HK\$224,016,000) respectively as at 30 September 2022. The Group had bonds payable of approximately HK\$18,362,000 as at 30 September 2022.

The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 9.10 as at 30 September 2022 (31 March 2022: 16.52).

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 2022, the Group did not engage in currency hedging nor did it adopt any formal hedging activities.

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2022, there were no charges on the Group's assets and the Group had no material contingent liabilities.

COMMITMENTS

The Group did not have material capital commitments as at 30 September 2022, except for the Jijiaifu Agreement and the New Wole Agreement detailed on page 29 and 30.

STAFF COST AND REMUNERATION POLICY

As at 30 September 2022, the Group had a total of 17 employees (2021: 14 employees). The Group's total staff costs (including directors' remuneration) amounted to approximately HK\$3,517,000 (2021: HK\$2,491,000) 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

In December 2021, the Central Economic Working Conference convened and pointed out that Macroeconomic policies in 2022 should be stable and effective. We must continue to implement a proactive fiscal policy and a prudent monetary policy. Proactive fiscal policy should improve efficiency and pay more attention to precision and sustainability. It is necessary to ensure the intensity of fiscal expenditure and accelerate the progress of expenditure. Given that China's economic development in 2022 will face triple pressures of demand contraction, supply shocks and weakening expectations. Under the impact of the epidemic of the century, the evolution of the century-old situation has accelerated, and the external environment has become more complex, severe and uncertain. Therefore, it is required that in 2022 and 2023, "focus on stabilizing the macroeconomic market and keep the economy operating within a reasonable range", "all regions and departments should shoulder the responsibility of stabilizing the macro economy, and all parties should actively introduce policies that are conducive to economic stability". The Group has adopted more cautious and proactive attitude in seeking potential business opportunities in the market. In addition, the Group's investment strategy will explore more diversified investment opportunities with various industries. The Group is aiming at implementing an efficient and compliant internal control, pragmatically deploying its investment strategy, and strengthen its financial situation in order to bring favourable return to our Shareholders.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

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

As at 30 September 2022, 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	100,680,000	4.09%
Zhu Zhikun	Beneficial owner	48,900,000	1.99%
Liu Lihan	Beneficial owner	10,000,000	0.41%
Deng Dongping	Beneficial owner	10,000,000	0.41%

Note: The percentage of shareholding is calculated on the basis of the Company's issued share capital of 2,461,028,593 shares as at 30 September 2022.

(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
Han Zhenghai	Beneficial owner (Note)	8,821,857	0.358%
Deng Dongping	Beneficial owner (Note)	8,821,857	0.358%
Liu Lihan	Beneficial owner (Note)	8,821,857	0.358%
Mo Li	Beneficial owner (Note)	882,185	0.036%
Shi Zhu	Beneficial owner (Note)	1,000,000	0.041%
		28,347,756	1.152%

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 2022, 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 2022, 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 Yun Lam Aries	Beneficial owner	253,522,000	10.30%

Notes:

- The percentage of shareholding is calculated on the basis of the Company’s issued share capital of 2,461,028,593 shares as at 30 September 2022.

Save as disclosed above, as at 30 September 2022, 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. The scheme mandate limit was refreshed by an ordinary resolution passed at the annual general meeting held on 16 September 2021.

Details of share options outstanding as of 30 September 2022 under Share Option Scheme are as follow:

Name of the directors	Date of grant	Exercise period	Number of share options				Outstanding as at 30 September 2022	Exercise price per Share HK\$
			Outstanding as at 1 April 2022	Granted during the period	Exercised during the period	Lapsed during the period		
Directors								
Han Zhenghai	02-08-2021	03-08-2021–02-08-2024	8,821,857	–	–	–	8,821,857	0.500
Deng Dongping	02-08-2021	03-08-2021–02-08-2024	8,821,857	–	–	–	8,821,857	0.500
Liu Lihan	02-08-2021	03-08-2021–02-08-2024	8,821,857	–	–	–	8,821,857	0.500
Mo Li	02-08-2021	03-08-2021–02-08-2024	882,185	–	–	–	882,185	0.500
Zhu Zhikun	07-01-2022	08-01-2022–07-01-2025	22,000,000	–	(22,000,000)	–	–	0.068
Shi Zhu	07-01-2022	08-01-2022–07-01-2025	1,000,000	–	–	–	1,000,000	0.068
Yang Xiaoqiu (i)	02-08-2021	03-08-2021–02-08-2024	8,821,857	–	–	(8,821,857)	–	0.500
Yan Peng (ii)	02-08-2021	03-08-2021–02-08-2024	8,821,857	–	–	(8,821,857)	–	0.500
Li Jiangtao (iii)	02-08-2021	03-08-2021–02-08-2024	8,821,857	–	–	–	8,821,857	0.500
	07-01-2022	08-01-2022–07-01-2025	13,500,000	–	(13,500,000)	–	–	0.068
Kan Yat Kit (iii)	02-08-2021	03-08-2021–02-08-2024	882,185	–	–	(882,185)	–	0.500
	07-01-2022	08-01-2022–07-01-2025	1,000,000	–	–	(1,000,000)	–	0.068
Lok Chiu Chan (iii)	02-08-2021	03-08-2021–02-08-2024	882,185	–	–	–	882,185	0.500
	07-01-2022	08-01-2022–07-01-2025	1,000,000	–	–	–	1,000,000	0.068
Gao Yun (iv)	07-01-2022	08-01-2022–07-01-2025	22,000,000	–	(22,000,000)	–	–	0.068
Yuan Wei (v)	07-01-2022	08-01-2022–07-01-2025	1,000,000	–	–	–	1,000,000	0.068
Other participants								
Employees	02-08-2021	03-08-2021–02-08-2024	8,821,850	–	–	(1,764,370)	7,057,480	0.500
Consultants	02-08-2021	03-08-2021–02-08-2024	1,764,370	–	–	(1,764,370)	–	0.500
Total			127,663,917	–	(57,500,000)	(23,054,639)	47,109,278	
Weighted average exercise price (HK\$)			0.2919	–	0.0680 (Note 2)	0.4813	0.4725	

- (i) resigned on 13 February 2022
- (ii) resigned on 30 December 2021
- (iii) resigned on 6 April 2022
- (iv) resigned on 7 September 2022
- (v) resigned on 22 July 2022

Notes:

- (1) Upon acceptance of the share options, the grantee shall pay HK\$1.00 to the Company as consideration for the grant. The Company has received such consideration from the respective grantees.
- (2) The weighted average closing price of the shares immediately before the date on which the options were exercised was HK\$0.0837.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed herein, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Period.

ISSUE OF THE CONSIDERATION SHARES

On 6 April 2022, the Company and Tider Holdings Limited (the "Jiajiafu Vendor") entered into an agreement (the "Jiajiafu Agreement") to acquire 7% of the issued ordinary shares in Jiajiafu Modern Agriculture (HK) Limited (the "Jiajiafu Target") at the consideration of HK\$40 million to be settled by (a) HK\$10,928,000 by cash which has been paid prior to the date of the Jiajiafu Agreement; and (b) HK\$29,072,000 by the allotment and issue of 290,720,000 new Shares at the issue price of HK\$0.10 each (the "Jiajiafu Consideration Shares"). The acquisition was made as the Group is principally engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities.

The Jiajiafu Agreement was approved by the Shareholders of the Company at the Special General Meeting of the Company held on 26 May 2022.

Details of the Jiajiafu Agreement are set out in the announcement of the Company dated 6 April 2022 and the circular of the Company dated 10 May 2022.

On 8 April 2022, the Company and Zheng Hongping (the "Wole Vendor") entered into an agreement (the "New Wole Agreement") to acquire 30% equity interest in Lanzhou Wole Home Furnishing Service Co., Ltd* (蘭州我樂家居服務有限責任公司), (the "Wole Target"). The acquisition was made as the Group is principally engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities. The purchase consideration aggregated to HK\$36 million to be settled by the allotment and issue of 360,000,000 new Shares at the issue price of HK\$0.10 each ("the Wole Consideration Shares", together with Jiajiafu Consideration Shares, the "Consideration Shares").

The New Wole Agreement was approved by the Shareholders of the Company at the Special General Meeting of the Company held on 26 May 2022.

Details of the New Wole Agreement are set out in the announcement of the Company dated 8 April 2022 and the circular of the Company dated 10 May 2022.

* *For identification purpose only*

SIGNIFICANT EVENTS AFTER PERIOD END

A placing of new shares under general mandate was proposed on 15 September 2022 and completed on 18 October 2022 and the net proceeds of the placing were approximately HK\$37.4 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 C.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 2022. 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 three members, all being 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
Chairman

Hong Kong, 30 November 2022