



# China Development Bank International Investment Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

## Annual Report 2023





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# Corporate Information

## DIRECTORS

### Non-executive Directors

Mr. LU Yanpo (*Chairman*)

### Independent Non-executive Directors

Mr. SIN Yui Man

Dr. FAN Ren Da, Anthony (*Note 3*)

Mr. CHEUNG Ngai Lam

Ms. FANG Xuan (*Note 4*)

## COMPANY SECRETARY

Ms. CHONG Po Chun (*Note 1*)

Ms. ZHU Yiyi (*Note 2*)

## AUDIT COMMITTEE

Mr. CHEUNG Ngai Lam (*Chairman*)

Mr. SIN Yui Man

Dr. FAN Ren Da, Anthony (*Note 3*)

Mr. LU Yanpo

Ms. FANG Xuan (*Note 4*)

## REMUNERATION COMMITTEE

Mr. SIN Yui Man (*Chairman*)

Dr. FAN Ren Da, Anthony (*Note 3*)

Mr. CHEUNG Ngai Lam

Mr. LU Yanpo

Ms. FANG Xuan (*Note 4*)

## NOMINATION COMMITTEE

Mr. LU Yanpo (*Chairman*)

Dr. FAN Ren Da, Anthony (*Note 3*)

Mr. CHEUNG Ngai Lam

Ms. FANG Xuan (*Note 4*)

## REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 4506-4509

Two International Finance Centre

No. 8 Finance Street

Central, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

### Suntera (Cayman) Limited (Formerly known as SMP Partners (Cayman) Limited)

Suite 3204, Unit 2A, Block 3

Building D, P.O. Box 1586

Gardenia Court, Camana Bay

Grand Cayman, KY1-1100

Cayman Islands

### Notes:

1. Resigned on 1 April 2023.
2. Appointed since 1 April 2023.
3. Retired on 20 March 2024.
4. Appointed since 20 March 2024.

## Corporate Information (Continued)

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

#### **Tricor Standard Limited**

17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### PRINCIPAL BANKERS

#### **China Construction Bank (Asia) Corporation Limited**

### AUDITOR

#### **BDO Limited**

25th Floor, Wing On Centre  
111 Connaught Road Central  
Hong Kong

### LEGAL ADVISERS TO THE COMPANY

*As to Hong Kong Law*

#### **Zhong Lun Law Firm LLP**

*As to Cayman Islands Law*

#### **Conyers Dill & Pearman**

### INVESTMENT MANAGER

#### **HuaAn Asset Management (Hong Kong) Limited**

Unit No. 4702, 47th Floor  
Central Plaza  
No. 18 Harbour Road  
Wanchai  
Hong Kong

### STOCK CODE

The Stock Exchange of Hong Kong Limited: 1062

### WEBSITE

[www.cdb-intl.com](http://www.cdb-intl.com)

# Chairman's Statement

To all shareholders,

In 2023, the worldwide political and economic environment was complex and volatile. The global industrial division of labor system and regional layout have undergone extensive and profound adjustments. In the face of the changing domestic and international environment, China's economy was challenged by multiple pressures including demand contraction, industrial restructuring and weakening expectations. The industrial production and logistics supply chain were disturbed, but China's economy also demonstrated its strengths of resilience, potential and room for manoeuvre, and maintained steady growth and gradually showed recovery. Under such economic environment, China Development International Investment Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") are committed to seeking opportunities while maintaining stability, strengthening risk management while enhancing operational capabilities. The Company makes every effort to seek the best returns for the shareholders of the Company (the "**Shareholders**").

In 2023, China has paid continuous attention to the stability and security of the supply-side economics. The government takes a series of measures to ensure the gradual recovery and development of industrial production, logistics and transportation sectors. The Company believes that investments in the logistics industry will be able to generate the best returns for Shareholders. As logistics is linked to both production and consumption, and highly integrated with transportation, warehousing, distribution, delivery, information services and other services and functions, it is an important support for the extension of the industrial chain, enhancement of the value chain and creation of the supply chain. Since the Reform and Opening Up, the development of modern logistics in China has achieved positive results with significant improvements in the service quality and efficiency. Its role in supporting and safeguarding the development of the national economy has been significantly enhanced. In the future, China will accelerate building a modern logistics system, led by digitisation, networking and intelligence, to deepen the integration and innovative development of modern logistics with manufacturing, trade and information, integrating the scattered transport, storage and distribution capacities with innovative organisational models to improve the efficiency of resource utilisation. The Company will continue to identify the best investment opportunities in the logistics industry and actively explore potential investment opportunities in the fields of information technology, advanced manufacturing, new energies, energy conservation and environmental protection by comprehensively considering the national strategies such as the construction of international logistics network covering logistic channels along the seacoast and borders and then international logistic corridors, the Belt and Road initiatives, and Guangdong-Hong Kong-Macao Greater Bay Area development, so as to create the best returns for the Shareholders.

In order to further improve the performance of the Group and deliver the best returns to the Shareholders, the Group will continue to look for investment opportunities to strengthen its profitability with acceptable portfolio risk. The management will continue to closely monitor the market situation and enhance the Group's operations in all areas to raise the levels of financial discipline and improve profitability.

## Chairman's Statement (Continued)

Finally, I would like to take this opportunity to extend my sincerest gratitude to the Shareholders for your support. I would also like to thank members of the Board, the management and the staff for your diligence. I am confident that we will be able to achieve long-term sustainable returns for the Shareholders by working together as a more mature and united team.

By the order of the Board

**CHINA DEVELOPMENT BANK INTERNATIONAL INVESTMENT LIMITED**

**LU Yanpo**

*Chairman*

Hong Kong, 25 March 2024

# Management Discussion and Analysis

The board of directors (the “**Board**” or “**Directors**”) of the Company announces the audited consolidated results of the Group for the year ended 31 December 2023 (the “**Year**”). The audited consolidated results for the Year have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and audited by the auditor of the Company, BDO Limited.

## OVERALL PERFORMANCE

For the Year, the Group recorded a loss for the Year attributable to owners of the Company of approximately HK\$217.90 million (2022: loss of approximately HK\$471.60 million) which is primarily attributable to the net valuation losses on fair value of financial asset at fair value through profit or loss amounted to approximately HK\$287.70 million (2022: Net valuation losses on fair value of financial asset at fair value through profit or loss of approximately HK\$622.64 million) netted off by the general and administrative expenses of approximately HK\$12.68 million (2022: approximately HK\$16.95 million). The finance income for the Year was approximately HK\$1.06 million (2022: approximately HK\$0.157 million). The Group’s net valuation losses on fair value of financial assets at fair value through profit or loss for the Year amounted to approximately HK\$287.70 million (2022: net loss of approximately HK\$622.64 million). The general and administrative expenses of the Group for the Year were approximately HK\$12.68 million (2022: approximately HK\$16.95 million). The decrease mainly resulted from the decrease in business and management fees during the Year. There were no finance expenses for the Year (2022: approximately HK\$1.77 million). The Group’s net asset value decreased to approximately HK\$1,142.33 million (2022: approximately HK\$1,360.24 million). Loss per share for the Year amounted to approximately HK\$7.51 cents (2022: loss per share approximately HK\$16.25 cents).

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

It is the Group’s policy to adopt a prudent financial management strategy. The Group’s treasury policies are designed to maintain a suitable level of liquidity facilities and minimise financial risks in order to meet operation requirements and pursue investment opportunities.

On 11 November 2016, a loan agreement was entered into between China Development Bank International Holdings Limited (“**CDBIH**”), the immediate controlling company of the Company as the lender and the Company as the borrower, pursuant to which CDBIH will provide a term loan to the Company in an amount of up to United States Dollars (“**US\$**”) 100 million, at an interest rate of 1.65% per annum over US\$3-month London Inter-Bank Offer Rate (“**LIBOR**”). The relevant loan will be repayable on the date falling twelve months after the date of first drawdown, which may be automatically extended for another twelve months unless notified by either CDBIH or the Company not to extend repayment.

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



## Management Discussion and Analysis (Continued)

Bank, the controlling company of CCB Asia, also owns 34.68% interest in China Development Bank (“**CDB**”), the controlling shareholder of China Development Bank Capital Corporation Ltd. (“**CDBC**”) at the date of the Facility Agreement was entered into.

As at 31 December 2023, the Group do not have any borrowing (31 December 2022: Nil) and the debt-to-equity ratio (calculated as the borrowing to the total shareholder’s equity) was approximately 0% (31 December 2022: 0%), putting the Group in an advantageous position to realise its investment strategies and pursue investment opportunities.

As at 31 December 2023, the cash and cash equivalents of the Group was approximately HK\$86.45 million (31 December 2022: approximately HK\$31.53 million). As more than half of the retained cash was denominated in US\$ and Hong Kong Dollars (“**HK\$**”) and placed in major banks in Hong Kong, the Group’s exposure to exchange fluctuation risk is considered minimal. The Board believes that the Group still maintains a healthy financial position as at 31 December 2023. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Save as disclosed as above, there is no change to the Group’s capital structure for the Year.

### CHARGE ON ASSETS, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2023 and 31 December 2022, there were no charges on the Group’s assets and the Group had no material capital commitment or any significant contingent liabilities.

As at 31 December 2023 and 31 December 2022, as far as the Directors are aware, the Group was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against the Group.

### MATERIAL ACQUISITION AND DISPOSAL

On 30 May 2022, the Company proposed to dispose its 4.82% interest in P.G. Logistics Property Investment Limited (“**P.G. Logistics**”) on the Shanghai United Assets and Equity Exchange (“**SUAEX**”) by way of listing-for-sale. On 30 June 2022, at the end of the publication period through SUAEX, the Company was informed that there was one transferee that was qualified for the proposed disposal, namely Shenzhen Aoyuheng Industrial Co., Ltd.\* (深圳市奧裕恒實業有限公司) (“**Shenzhen Aoyuheng**”) (an independent third party of the Company).

On 15 July 2022, the Company entered into the equity transfer agreement (“**Equity Transfer Agreement**”) with Shenzhen Aoyuheng in relation to the disposal of 4.82% equity interests in P.G. Logistics by the Company to Shenzhen Aoyuheng for a consideration of RMB192,800,000 (equivalent to approximately HK\$225,447,000) (“**Disposal**”). Upon completion of the Disposal, the Company will not hold any equity interest in P.G. Logistics.

On 4 September 2023, the Company and Shenzhen Aoyuheng completed matters towards completion of the Disposal.



# Management Discussion and Analysis (Continued)

## PORTFOLIO REVIEW

Particulars of the investments of the Group as at 31 December 2023 are set out as follows:

	Cost/carrying book cost as at 31 December 2023 HK\$	Market value/ carrying amount as at 31 December 2023 HK\$	Market value/ carrying amount as at 31 December 2022 HK\$	Unrealised gains/ (losses) recognised for the year ended 31 December 2023 HK\$	Accumulated unrealised gains/ (losses) recognised as of 31 December 2023 HK\$	Percentage to the Group's total assets as at 31 December 2023 %
Jade Sino Ventures Limited ("Jade Sino") (Note 1)	194,987,520	133,495,371	271,039,317	(137,543,946)	(61,492,149)	11.6%
P.G. Logistics Property Investment Limited ("P.G. Logistics") (Note 2)	-	-	215,824,931	(7,119,624)	-	-
BEST Inc. ("Best Inc.") (Note 3)	234,000,000	3,301,344	2,845,995	455,349	(230,698,656)	0.3%
Meicai (Note 4)	200,460,000	336,347,244	410,400,214	(74,052,970)	135,887,244	29.3%
G7 Connect Inc ("G7") (Note 5)	195,000,000	209,808,171	223,851,350	(14,043,179)	14,808,171	18.3%
Yimeter Holding Limited ("Yimeter") (Note 6)	153,260,180	152,598,500	207,993,968	(55,395,468)	(661,680)	13.3%
China Property Development (Holdings) Limited ("CPDH") (Note 7)	-	-	2,068,105	N/A	N/A	-

### Notes:

- Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. As at 31 December 2023, the proportion of the issued share capital of Jade Sino owned by the Group was approximately 23.81%. As at 31 December 2023, Jade Sino directly held approximately 5.00% of the equity interests of Jinko Power Technology Co., Ltd. ("Jinko Technology"), a company incorporated in the People's Republic of China ("PRC") with limited liabilities. Jinko Technology was successfully listed on the Shanghai Stock Exchange in May 2020. Jinko Technology and its subsidiaries are principally engaged in developing, building and operating photovoltaic power stations. In 2023, Jade Sino recorded a gain on disposal of approximately HK\$172 million through sale of shares in Jinko Technology and the Group received dividends of approximately HK\$65 million from Jade Sino.
- Guangzhou P.G. Investment Co., Ltd.\* ("PG Investment"), a company incorporated in the PRC with limited liabilities, completed the restructuring of overseas red chips on 25 May 2021. As a result, the equity interests of Jolly Investment Limited ("Jolly") originally held by the Group has been converted into relevant equity interests of P.G. Logistics, an investment holding company incorporated in the Cayman Islands with limited liabilities, in accordance with relevant legal documents. On 15 July 2022, the Company entered into an equity transfer agreement with Shenzhen Aoyuheng Industrial Co., Ltd.\* (深圳市奧裕恒實業有限公司) ("Shenzhen Aoyuheng") (an independent third party of the Company) in relation to the disposal of 4.82% interest in P.G. Logistics by the Company (the "Disposal"). On 4 September 2023, the Company and Shenzhen Aoyuheng completed the relevant matters relating to the transfer of the equity interest. Upon completion of the disposal, the Company ceased to hold any equity interest in P.G. Logistics. A gain of HK\$15.5 million was recorded relating to the disposal during the Year. No dividend was received during the Year.

\* For identification purpose only

## Management Discussion and Analysis (Continued)

3. Best Inc. was incorporated in the Cayman Islands with limited liabilities and is principally engaged in freight delivery, supply chain service and cross-border logistics. Best Inc. was successfully listed on the New York Stock Exchange in September 2017. As at 31 December 2023, the proportion of its issued share capital owned by the Group was approximately 0.82%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.
4. Meicai is an investment holding company incorporated in the Cayman Islands and provides supply chain related services including ingredient procurement, warehousing and distribution to small-and-medium-sized restaurants in the PRC. As at 31 December 2023, the proportion of the issued share capital of Meicai owned by the Group was approximately 1.06%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.
5. G7 is a technology leader in the logistics sector in the PRC. Its services span across each aspect of fleet management including order processing, short/long haul visibility, asset tracking, dispatch, route planning, financial settlement, accounting, safety management, etc. As at 31 December 2023, the proportion of the issued share capital of G7 owned by the Group was approximately 2.92%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.
6. Yimidida is a company incorporated in the PRC with limited liabilities which is principally engaged in the operation of the less-than-truckload freight network and was jointly established by several regional leading less-than-truckload logistics enterprises. Yimidida, with the mode of direct operation in core areas and regional franchise, unified the branding, systems, clearing, services and management standards of its partners along the whole ecological chain, and rapidly established the country-wide freight franchise network. On 30 July 2021, the Board of Yimidida approved the overall merger and acquisition reorganisation of Yimidida by J&T Global Express Limited (“**J&T Express**”). In January 2022, the Company completed the relevant merger and acquisition reorganization and directly held 2,663,871 class B ordinary shares of Yimeter (a holding company created by some former shareholders of Yimidida) as of 31 December 2023, representing approximately 11.74% of the issued share capital of Yimeter, and indirectly held 13,319,355 class B shares in J&T Express. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.
7. The investments in CPDH disclosed in the table above are accounted for in accordance with HKAS 28 Investment in Associates and Joint Ventures.

### UNLISTED INVESTMENTS REVIEW

The Company has been committed to identifying and exploring high-quality investment opportunities and has established certain investment layout in areas including, but not limited to, logistics infrastructure and supply chain services, advanced manufacturing and new energy. The investments in Yimeter, G7, Meicai and other investments as set out below are expected to create investment returns for the Shareholders and to further promote the Company’s overall market advantage in sectors such as logistics, information technology, advanced manufacturing, medical, new energy, energy saving and environment protection. The Company will proactively leverage the resources of CDB in the areas of agriculture modernisation, logistics infrastructure and credit and will fully utilise the Company’s extensive knowledge and experience in finance, management and relevant industries to assist Yimeter, G7, Meicai and other investments in enhancing their efficiency, exploring business opportunities, optimising the decision-making and incentive mechanisms and continuously improving corporate governance standards.

## Management Discussion and Analysis (Continued)

### PG Investment

On 15 December 2015, the Company had entered into a share subscription agreement with Jolly and an independent third party of the Company, pursuant to which Jolly agreed to issue an aggregate of 31,449 ordinary shares of Jolly and the Company as one of the investors agreed to subscribe for 7,245 ordinary shares of Jolly at a cash consideration of US\$25.00 million. Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. Jolly indirectly invested in PG Investment, a PRC company. PG Investment is a leading logistics warehouse infrastructure operator in the PRC, whose principal business includes investment, construction and operation of large scale logistics parks, business facilities and exhibition centers. Jolly and PG Investment are both independent third parties of the Group.

On 25 May 2021, following the completion of the restructuring of overseas red chips, PG Investment became the wholly owned subsidiary of P.G. Logistics, a newly established investment holding company incorporated in the Cayman Islands. As a result, the equity interests of Jolly originally held by the Group has been converted into relevant equity interests of P.G. Logistics in accordance with relevant legal documents. The restructuring of overseas red chips did not affect the actual shareholding ratio of the Group in PG Investment.

On 30 May 2022, the Company disposed its 4.82% equity interests in P.G. Logistics on the SUAEX by way of listing-for-sale. On 30 June 2022, at the end of the publication period through SUAEX, the Company was informed that there was one transferee that was qualified for the disposal, i.e., Shenzhen Aoyuheng (an independent third party of the Company). On 15 July 2022, the Company entered into an equity transfer agreement with Shenzhen Aoyuheng in relation to the disposal of 4.82% interest in P.G. Logistics by the Company to Shenzhen Aoyuheng at a consideration of RMB192,800,000.

On 4 September 2023, the Company and Shenzhen Aoyuheng completed the relevant matters relating to the transfer of the equity interest. Upon completion of the Disposal, the Company ceased to hold any equity interest in P.G. Logistics.

### Meicai

On 24 November 2016, the Company had entered into an investment agreement with Meicai (previously named Spruce) pursuant to which the Company agreed to subscribe for the newly issued equity interests of Meicai at a cash consideration of US\$25.70 million. Meicai is a holding company incorporated in the Cayman Islands. Its business model shortens the flow of agricultural products at all levels, reducing the cost of raw material procurement, manpower and prices for customers, while providing customers with a wide range of commodities, connecting one end of the supply chain to the fields and one end to urban consumers, satisfying users with a “one-stop shopping” experience. With small and medium-sized food and beverage merchants as the entry point, Meicai focuses on providing restaurants and fruit and vegetable shops with a one-stop, full range of raw material procurement services for food and beverage. Meicai is an independent third party of the Group.

In 2023, the impact of COVID-19 was gradually weakening, and Meicai remained growing steadily and with high quality in the food and beverage supply chain by continuously optimising its business structure, improving its organisational network and improving synergies, resulting in continuous improvement in financial performance. The Company is confident that Meicai will continue its business expansion at a satisfactory growth rate, and become a leader in this industry.

## Management Discussion and Analysis (Continued)

### G7

On 29 December 2016, a wholly-owned subsidiary of the Company entered into a convertible preferred share subscription agreement with G7, pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares of G7 at a cash consideration of US\$25.00 million. G7 is a leading Internet of Things (IoT) technology company in PRC, operating the largest IoT integrated logistics platform in PRC. Since its inception, G7 has been focusing on serving freight operators in the logistics ecosystem, providing all types of freight operators with integrated software and hardware services, and a full chain of SaaS services. Based on its ability to acquire, integrate and analyze IoT data, G7 provides open platform services to customers through its Big Data Cloud Platform and powerful AI algorithms to meet their needs in all aspects of business and finance in the course of their operations. By providing digital services for the entire logistics landscape, including vehicle management, driver safety, asset services, vehicle insurance and transaction settlement, G7 makes it easy for freight operators to complete their digital transformation so as to improve operational efficiency, reduce operating costs and improve transport safety. G7 is an independent third party of the Group.

Affected by the COVID-19 pandemic, China's logistics industry is still in the process of slow recovery as a whole, and cargo owners and enterprises are more cautious about new investment in digitalisation and technology, which adversely affects G7's revenue growth. In order to consolidate its business competitive advantage and enhance its integrated service capabilities, G7 is actively expanding its product portfolio, enriching product functions, and helping customers improve their digital capability with technological advantages.

### Yimeter (J&T Express)

On 30 November 2017, a wholly-owned subsidiary of the Company entered into a capital increment agreement with Yimidida, pursuant to which the Group, as one of the investors, agreed to subscribe for the shares newly issued by Yimidida at a cash consideration of RMB130.00 million. Yimidida is principally engaged in the operation of the less-than-truckload freight network and was jointly established by several regional leading less-than-truckload logistics enterprises. Yimidida, with the mode of direct operation in core areas and regional franchise, unified the branding, systems, clearing, services and management standards of its partners along the whole ecological chain, and rapidly established the country-wide less-than-truckload freight franchise network. Yimidida is an independent third party of the Group.

On 30 July 2021, the board of directors of Yimidida approved the overall merger and acquisition reorganization of Yimidida by J&T Express. In January 2022, the Company completed the relevant merger and acquisition reorganization and indirectly held 1,735,266 preferred shares in J&T Express.

During the Year, J&T Express successfully completed the round D of equity financing. The Company indirectly acquired 928,605 new preferred shares of J&T Express, with the number of shares indirectly held amounted to 2,663,871 in total. J&T Express conducted a share subdivision before its listing, and was officially listed on the Stock Exchange of Hong Kong on 27 October 2023. As of 31 December 2023, the Company indirectly held 13,319,355 Class B shares of J&T Express. The Company expects that with its strengths in overseas business deployment, J&T Express will further strengthen and optimize its network coverage, improve its service quality and enhance its brand image, as well as improve its financial performance rapidly through economies of scale.



## Management Discussion and Analysis (Continued)

### CPDH

CPDH is a company incorporated in the Cayman Islands with limited liability and principally engaged in investment of residential development projects. CPDH did not carry out any business during the period and its litigation process has been officially concluded, and the liquidation and cancellation were officially completed on 30 August 2023.

### LISTED INVESTMENTS REVIEW

#### Securities Investments

##### BEST INC.

On 18 January 2016, the Company entered into a convertible preferred shares purchase agreement with Best Logistics as well as the members of Best Logistics Group, the existing holders of the securities of Best Logistics and investors of the new preferred shares of Best Logistics, pursuant to which the Company, as one of the investors of the new preferred shares, agreed to subscribe for certain new preferred shares at a cash consideration of US\$30.00 million, representing approximately 0.96% of the enlarged issued share capital of Best Logistics. In June 2017, the name of Best Logistics was changed to Best Inc.. In September 2017, Best Inc. completed its initial public offering of 45,000,000 ADSs, each representing one share of its Class A ordinary shares, at US\$10.00 per ADS for a total offering size of US\$450.00 million. Its ADSs commenced trading on the New York Stock Exchange on 20 September 2017. Its listing symbol is “**BEST**”.

Combining the Internet, information technology and traditional logistics services, Best Inc. is committed to creating a one-stop logistics and supply chain service platform to provide customers with efficient services and experience. As one of the largest integrated logistics service providers in China with logistics network across the nation, Best Inc. is also operating in seven countries, including United States, Thailand, Vietnam and Malaysia.

In November 2020, Best Inc. announced its strategic restructuring and organisational changes. On 29 October 2021, Best Inc. announced the sale of its domestic express delivery business to J&T Express for a consideration of approximately RMB6.8 billion and such transaction was completed on 17 December 2021. Upon completion of the transaction, Best Inc. focused more on its core business of less-than-truckload delivery and supply chain management, and its principal business recovered to growth in 2023. Its profitability and financial performance have improved.

##### JINKO TECHNOLOGY

On 29 September 2014, the Company entered into a share subscription agreement (the “**Jade Sino Subscription Agreement**”) with CDBIH and Jade Sino, pursuant to which the Company and CDBIH agreed to subscribe for 11,904 and 38,096 ordinary shares of Jade Sino, representing approximately 23.81% and 76.19% of the enlarged issued share capital of Jade Sino respectively.

## Management Discussion and Analysis (Continued)

In 2014, Jade Sino contributed an aggregate of US\$105 million to subscribe for preferred shares issued by JinkoSolar Power Engineering Group Limited (“**JinkoSolar Power**”). As a result of the subsequent reorganisation of JinkoSolar Power’s assets and the introduction of new investors, Jade Sino held 15.01% of the ordinary shares of Jinko Power Technology Co., Ltd (“**Jinko Technology**”). In May 2020, Jinko Technology completed the initial public offering of 594,592,922 A shares (“**A Shares**”) on the Shanghai Stock Exchange with the issue price of RMB4.37 per A Share for a total offering size of approximately RMB2.60 billion under stock code 601778. As at 31 December 2023, Jade Sino directly held approximately 5.00% equity interest in Jinko Technology.

During the Year, the business income performance of Jinko Technology was similar as compared with that at the beginning of 2023, with the major sources of its income including sales of electricity and design, procurement and construction. The Company expects that the performance of Jinko Technology in 2024 will be generally in line with our expectations and it is expected that Jinko Technology can make a significant contribution to the Company’s performance afterward.

### EMPLOYEES

As at 31 December 2023, the Company had 6 employees (2022: 6 employees). The total staff costs of the Group (excluding Directors’ fee) for the Year was approximately HK\$7.65 million (2022: HK\$9.99 million). The Company determines its staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages of the Company’s employees including basic salary, performance bonuses and mandatory provident fund are reviewed on a regular basis. The Company had no share option scheme during the Year. However, the Company provided training suitable to employees’ needs and in accordance with the Company’s development strategy.

### GEARING RATIO

As at 31 December 2023, the Group did not have any bank borrowing (2022: Nil). As at 31 December 2023, the Group’s current ratio (current assets to current liabilities) was approximately 6,501% (2022: approximately 4,646%). The ratio of total liabilities to total assets of the Group was approximately 0% (2022: 0%).

### EXCHANGE EXPOSURE

The Group had no significant exchange risk exposure under review during the Year since more than half of the cash was denominated in US\$ and HK\$ and placed in several major banks in Hong Kong. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

## Management Discussion and Analysis (Continued)

### FUTURE PROSPECTS

The Company has been committed to identifying and exploring high-quality investment opportunities and has established certain investment layout in areas including, but not limited to, logistics infrastructure and supply chain services, advanced manufacturing and new energy. The Company expects that the logistics industry will maintain good growth, as it is a fundamental and strategic industry which supports the national economic development, synergises with e-commerce transactions with increasing importance and is also a key industry supported by CDB, the ultimate controlling shareholder of the Company. The Company will proactively leverage the resources of CDB in the areas of logistics infrastructure and credit based on its existing logistics network, and its extensive industry knowledge and experience in finance and management to assist the Company in continuously enhancing its efficiency, exploring business opportunities, optimising the decision-making process and incentive mechanism and improving corporate governance practices, continue to be committed to identifying and exploring suitable investment opportunities in the logistics industry and continue to generate value to the Shareholders of the Company.

Looking forward, the management believes that the business and operating environment for the Group is full of challenges and volatility. In order to improve the performance of the Group and deliver the best returns to the Shareholders, the Group will continue to look for investment opportunities which could strengthen profitability with acceptable risk of the portfolio of the Group by continuing to diversify its investments in different segments such as logistics, information technology, advanced manufacturing, medical, new energy, energy saving and environment protection.

Under the changing international economic conditions and continued uncertainty over the performance of investment projects, the management will continue to enhance communication and pay close attention to the impact of changing international economic conditions on the industry, and actively assist the invested companies to resume normal operations by various means. The management will also continue to closely monitor the market situation and enhance its operation in all areas, to raise levels of financial discipline and improve profitability of the Group.

# Report of the Directors

The Board presents this report to the Shareholders together with the audited consolidated financial statements of the Group for the Year.

## PRINCIPAL ACTIVITIES

The Company is an investment company incorporated in the Cayman Islands. Its investment objective is to achieve medium-term to long-term capital appreciation of its assets primarily through investments in money market securities, equity and debt related securities in listed and/or unlisted companies or entities on a global basis. The activities of the subsidiaries are set out in Note 22 to the consolidated financial statements of this report.

## SUBSIDIARIES AND ASSOCIATES

Particulars of the Group's principal subsidiaries and associate as at 31 December 2023 are set out in Notes 22 and 13, respectively, to the consolidated financial statements of this report.

## RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income as set out on page 82 of this report.

## BUSINESS REVIEW

The business review of the Group for the Year is set out in the section headed "Management Discussion and Analysis" on page 6 of this report under the heading "Overall Performance" and the paragraphs below.

For the Year, the Group recorded a loss for the Year attributable to owners of the Company of approximately HK\$217.90 million (2022: loss of approximately HK\$471.60 million) which is primarily attributable to the net valuation losses on fair value of financial asset at fair value through profit or loss amounted to approximately HK\$287.70 million (2022: Net valuation losses on fair value of financial asset at fair value through profit or loss of approximately HK\$622.64 million) netted off by the general and administrative expenses of the Year of approximately HK\$12.68 million (2022: approximately HK\$16.95 million). The finance income for the Year was approximately HK\$1.06 million (2022: approximately HK\$0.157 million). The Group's net valuation losses in fair value of financial assets at fair value through profit or loss for the Year amounted to approximately HK\$287.70 million (2022: net loss of approximately HK\$622.64 million). The general and administrative expenses of the Group for the Year were approximately HK\$12.68 million (2022: approximately HK\$16.95 million). The decrease mainly resulted from the decrease in business and management fees during the Year. There were no finance expenses for the Year (2022: approximately HK\$1.77 million). The Group's net asset value decreased to approximately HK\$1,142.33 million (2022: approximately HK\$1,360.24 million). Loss per share for the Year amounted to approximately HK\$7.51 cents (2022: loss per share approximately HK\$16.25 cents).



# Report of the Directors (Continued)

## FINANCIAL KEY PERFORMANCE INDICATORS (NOTES)

	2023 HK\$	2022 HK\$
Net valuation (losses)/gains on fair value of financial assets at fair value through profit or loss	(287,699,838)	(622,636,931)
Realised gain on disposal of financial asset at fair value through profit or loss	15,498,989	–
General and administrative expenses	(12,680,283)	(16,950,929)
Finance costs, net	–	(1,774,256)
Loss before income tax	(213,899,481)	(466,106,670)
Loss per share	(0.075)	(0.163)
Cash and cash equivalents	86,451,484	31,534,999
Net asset value per share	0.39	0.47
Current ratio	65.01	46.46

### Note 1: Reason for choosing the financial key performance indicators and relationship with the Group's objective

The Company is an investment company incorporated in the Cayman Islands. Its investment objective is to achieve medium-term to long-term capital appreciation of its assets primarily through investments in money market securities and equity and debt related securities in listed and/or unlisted companies or entities on a global basis. Management of the Company closely monitors the financial key performance indicators on a regular basis.

### Note 2: Trend represented by each financial key performance indicators

Please refer to the "Management Discussion and Analysis" for the trend analysis.

### Note 3: Difference between the financial key performance indicators and financial statements

No difference is noted between the financial key performance indicators and the financial statements.

## Key risks factors

The key risks factors of the Group are set out in the heading "Management Discussion and Analysis" on page 13 under a section headed "Exchange Exposure" and Note 3.1(i) to the consolidated financial statements in this report respectively. Besides, the following sections list out the key risks and uncertainties which the Group faces. It is a non-exhaustive list and there may be other risks and uncertainties in addition to the key risks factors outlined below. Besides, this report does not constitute a recommendation or advice for anyone to invest in the securities of the Company and investors are advised to make their own judgment or consult their own investment advisors before making any investment in the securities of the Company.

## Report of the Directors (Continued)

### Currency risk

The Group is exposed to a variety of financial risks through its use of financial instruments in its ordinary course of operation and its investment activities. The Group will continue to closely monitor the financial risks by alleviating the currency risk through denominating its investments mainly in US\$. Since US\$ is pegged to the HK\$, the currency risk of the Group is not significant. Besides, the cash and bank deposit of the Group are deposited with authorised banks located in Hong Kong with high credit rating, therefore the related credit risk is minimal and no related significant impact is noted on the business operation of the Group.

### Financing risk

The unfavorable global market conditions may adversely affect the ability of the Group to acquire financing, and any decline in the liquidity of the global capital markets may adversely affect the markets in Hong Kong and limit our ability to obtain funds. However, the Group strived to enhance its liquidity risk management through carefully monitoring the cash flows and financing strategies and no related significant impact is noted on the business operation of the Group.

### Future development and important events after the end of the financial year

Looking ahead, the business environment remains very challenging as the downward pressure on economy of the PRC and the global financial and economic conditions are expected to remain unstable. Nevertheless, the Group will cautiously review and adjust the business strategies from time to time, and seek the best returns to maximise value of the Shareholders. The Group believes that the logistic industry will continue to grow and create a higher return.

### Environmental policies and performance

The Group is committed to the long term sustainability of the environment and communities in which it operates. As an investment company, we pride ourselves as an environmental-friendly corporation. We are aware that, minimising the consumption of resources and adoption of best environmental practices in the business process of the Group to the extent practicable is our underlying commitment to preserving and improving the environment. Acting in an environmentally responsible manner, the Group endeavours to comply with laws and regulations regarding environmental protection and adopts effective measures to achieve the efficient use of resources, energy saving and waste reduction. Our green initiatives include recycling of used papers, energy saving and water saving. The Board is pleased to present you the environmental, social and governance report (the “**ESG Report**”) set out on pages 49 to 76 of this report which depicts the performance on the sustainability of the Group.

### Relationship with suppliers, customers, employees and other stakeholders

The Group understands the importance of maintaining a good relationship with its suppliers, customers, employees and other stakeholders to meet the Group’s immediate and long-term goals. Although there are no major customers and suppliers during the Year, as disclosed in the section headed “Major Customers and Suppliers” on page 27 of this report, the Company creates a framework for motivating staff and a formal communication channel in order to maintain healthy relationships with its employees and other stakeholders.

## Report of the Directors (Continued)

### Compliance with the relevant laws and regulations

In relation to human resources, the Group is committed to complying with the requirements of the ordinances relating to disability, gender, family status and racial discrimination, as well as the Employment Ordinance, the Minimum Wage Ordinance and ordinances relating to occupational safety of employees of the Group, so as to safeguard the interests and well-being of its employees. On the corporate level, the Group complies with the requirements under the Companies Law (Revised) under the laws of Cayman Islands, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Companies Ordinance (Chapter 622) and the Securities and Futures Ordinance (the “**SFO**”) under the laws of Hong Kong for, among other things, the disclosure of information and corporate governance, and the Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in the Appendix C3 to the Listing Rules. The Company uses the restricted word “Bank” as its company name under the approvals granted by Cayman Islands Monetary Authority (“**CIMA**”) and Hong Kong Monetary Authority (“**HKMA**”) in 2012. The Company complies with certain requirements and conditions under the approvals granted by CIMA and HKMA pursuant to the Banks and Trust Companies Law (2009 Revision) under the laws of Cayman Islands and Banking Ordinance under the laws of Hong Kong respectively.

### FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is given on page 124 of this report.

### DIVIDEND

The Directors do not recommend the payment of any dividend for the Year (2022: Nil).

### ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the “**AGM**”) will be held on Friday, 21 June 2024. For further details of the AGM, please refer to page 45 of this report or the notice of AGM to be despatched in due course.

### CLOSURE OF REGISTER OF MEMBERS

In order to determine the identity of the Shareholders who are entitled to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 14 June 2024. The register of members of the Company will be closed from Saturday, 15 June 2024 to Friday, 21 June 2024 (both dates inclusive), during which period no share transfers will be registered. Shareholders whose names appear on the register of members of the Company on Friday, 21 June 2024 are entitled to attend and vote at the AGM.

## Report of the Directors (Continued)

### PROPERTY, PLANT AND EQUIPMENT

The Company has no movement in property, plant and equipment during the Year.

### SHARE CAPITAL

Details of the Company's issued share capital during the Year are set out in Note 19 to the financial statements. Please also refer to the section headed "Management Discussion and Analysis" on page 6 of this report under the heading "Liquidity, Financial Resources and Capital Structure".

### SHARES ISSUED

The Company has not issued any share during the Year.

### DEBENTURES ISSUED

The Company has not issued any debenture during the Year.

### EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into the Group or existed during the Year.

### RESERVES

Movements in the reserves of the Group and of the Company during the Year are set out in the consolidated statement of changes in equity in page 85 to the financial statements of this report.

### DISTRIBUTABLE RESERVE

As at 31 December 2023, the aggregate amount of reserve available for distribution to equity shareholders of the Company was HK\$1,101,070,886 (2022: HK\$1,157,244,819).



# Report of the Directors (Continued)

## DIRECTORS

The Directors of the Company during the Year and up to the date of this report were:

*Non-executive Director*

Mr. LU Yanpo (*Chairman*)

*Independent Non-executive Directors*

Mr. SIN Yui Man

Dr. FAN Ren Da, Anthony<sup>(Note 1)</sup>

Mr. CHEUNG Ngai Lam

Ms. FANG Xuan<sup>(Note 2)</sup>

According to Article 88 of the articles of association of the Company (the “**Articles**”), at each annual general meeting of the Company, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation. Mr. CHEUNG Ngai Lam (“**Mr. CHEUNG**”) and Mr. LU Yanpo (“**Mr. LU**”) will retire from the Board by rotation at the AGM and, being eligible, offer themselves for re-election. In addition, Ms. FANG Xuan (“**Ms. FANG**”), a Director newly appointed by the Board on 20 March 2024, will also retire at the AGM in accordance with Article 87(3) of the Articles and will be eligible for re-election as a Director of the Company. Mr. CHEUNG and Ms. FANG have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules.

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Company are set out on pages 29 to 32 of this report.

*Notes:*

1. Retired on 20 March 2024.
2. Appointed since 20 March 2024.

## Report of the Directors (Continued)

### **DIRECTORS' SERVICE CONTRACT**

There is no service contract, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation), in respect of any Director proposed for re-election at the AGM.

### **EMOLUMENTS OF DIRECTORS**

Please refer to Note 8 of the consolidated financial statements of this report for details of the emoluments of the Directors. The emoluments payable to the Directors are determined with reference to responsibilities, years of service and performance of each individual, the results of the Group and the prevailing market rate.

### **PERMITTED INDEMNITY PROVISION**

The Articles provide that every Director is entitled to be indemnified out of the assets and profits of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company and its subsidiaries have taken out and maintained directors' liability insurance throughout the Year, which provides appropriate cover for the Directors and directors of the subsidiaries of the Company. Such provisions were in force during the course of the Year and remained in force as of the date of this report.

### **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

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

As at 31 December 2023, none of the Directors or the chief executive of the Company or their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein, or which were required, pursuant to Model Code, to be notified to the Company and the Stock Exchange.

## Report of the Directors (Continued)

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to any Directors or chief executive of the Company, as at 31 December 2023, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept the Company under section 336 of the SFO:

#### Long positions in the shares and underlying shares of the Company

Name of Shareholder	Nature of Interests	Number of issued shares of the Company held	Approximate percentage of the existing issued share capital of the Company
CDB <sup>(Note 1)</sup>	Corporate Interest	1,920,000,000	66.16%
China Development Bank Capital Corporation Ltd. (國開金融有限責任公司) ("CDBC") <sup>(Note 1)</sup>	Corporate Interest	1,920,000,000	66.16%
CDBIH <sup>(Note 1)</sup>	Corporate Interest	1,920,000,000	66.16%
Mr. LIU Tong <sup>(Note 2)</sup>	Corporate Interest	163,702,560	5.64%
Yoobright Investments Limited ("Yoobright") <sup>(Note 2)</sup>	Corporate Interest	163,702,560	5.64%

#### Notes:

1. CDBIH is wholly-owned subsidiary of CDBC. CDBC is a wholly-owned subsidiary of CDB. Thus, CDB and CDBC are deemed to be interested in the same percentage of shares held by CDBIH.
2. Yoobright is beneficially and wholly owned by Mr. LIU Tong. Mr. LIU Tong is therefore deemed to be interested in the same percentage of shares held by Yoobright.

Save as disclosed above, as at 31 December 2023, the Company had not been notified by any person, other than Directors and chief executive of the Company, who had interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### PRE-EMPTIVE RIGHTS

There are no pre-emptive rights provisions in the Articles nor are there any pre-emptive rights provisions generally applicable under the law of the Cayman Islands.

## Report of the Directors (Continued)

### TAXATION OF HOLDERS OF SHARES

#### (a) Hong Kong

Dealings in shares registered on the Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. The duty is charged at the rate of 0.26% (for the transactions executed on or before 16 November 2023) or 0.2% (for the transactions executed on or after 17 November 2023) of the consideration or, if higher, the fair value of the shares being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of shares. Profits from dealings in the shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

#### (b) Cayman Islands

Under present Cayman Islands law, transfer or other dispositions of shares are exempted from Cayman Islands stamp duty.

#### (c) Professional tax advice recommended

Shareholders and intending holders of shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in shares.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year, Mr. LU Yanpo served as Chief Operating Officer in CDBC, which engaged in the same businesses of investment in Hong Kong and overseas as the Company. The potential conflicts of interest may arise in the allocation of investment opportunities to the Company and the other entities under CDB group.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

None of the Directors or their connected entities is materially interested either directly or indirectly in any transaction, arrangement or contract entered into with any member of the Group which contract or arrangement is subsisting at any time during the Year or as at 31 December 2023 which is significant to the business of the Group taken as a whole.

## Report of the Directors (Continued)

### CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The Company had conducted review of their related party transactions as set out in Note 20 to the consolidated financial statements in this report and are satisfied that related party transactions which constitute connected transactions or continuing connected transactions were properly disclosed in accordance with the Listing Rules.

#### Investment Management Agreement

With the previous investment management agreement expired on 31 August 2023, on 26 October 2023, the Company renewed the investment management agreement (the “**Investment Management Agreement**”) with HuaAn Asset Management (Hong Kong) Limited (“**HuaAn**”), pursuant to which HuaAn has agreed to act as the investment manager of the Company and to provide investment management services to the Company for a period of three years commencing from 26 October 2023 and expiring on 25 October 2026, for a management fee payable of HK\$300,000 per annum. During the Year, the Company incurred a fee of HK\$288,133 to HuaAn. HuaAn is a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules and the transactions contemplated under the Investment Management Agreement (together with the annual caps) constitute continuing connected transactions. Management fee payable by the Company is HK\$300,000 per annum, and the highest applicable percentage ratio on an annual basis exceeded 0.1% but was less than 5% on 26 October 2023. The transaction contemplated under the Investment Management Agreement thus constitutes a continuing connected transaction pursuant to Chapter 14A of the Listing Rules and are therefore exempted from the announcement, circular and independent Shareholders’ approval requirements pursuant to Rule 14A.76(1) of the Listing Rules. HuaAn was a company incorporated on 10 June 2010 in Hong Kong with limited liability and is a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

In accordance with Rule 14A.56 of the Listing Rules, the auditor of the Company has performed certain agreed upon procedures in respect of the continuing connected transactions and reported that the transactions entered into:

- (a) were approved by the Board of the Company;
- (b) were, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- (c) were entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (d) have not exceeded the relevant annual caps.



## Report of the Directors (Continued)

In accordance with Rule 14A.55 of the Listing Rules, the independent non-executive Directors of the Company have reviewed and approved the continuing connected transactions and confirmed that the continuing connected transactions were carried out in accordance with the following principles:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's Shareholders as a whole.

### LOAN AGREEMENT

On 11 November 2016, the Loan Agreement was entered into between CDBIH as lender and the Company as borrower, pursuant to which CDBIH will provide a term loan to the Company in an amount of up to US\$100,000,000, at an interest rate of 1.65% per annum over US\$3-month LIBOR. The loan will be repayable on the date falling twelve months after the date of first drawdown, which may be automatically extended for another twelve months unless notified by either CDBIH or the Company not to extend repayment. The Company has not utilised the loan during the Year. On 11 November 2016, CDBIH held approximately 66.16% of the issued share capital of the Company and is the controlling shareholder of the Company. Accordingly, CDBIH is a connected person of the Company, and entering into the Loan Agreement between the Company and CDBIH constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Since the Board considers that as (i) the Loan Agreement has been entered into after arm's length negotiations between the Company and CDBIH and determined on normal commercial terms or better, and (ii) the loan is not secured by any asset of the Group, the loan is fully exempted from the Shareholders' approval, annual review and all disclosure requirements under Rule 14A.90 of the Listing Rules.

Save as disclosed above, during the Year, the Group did not enter into any connected transactions or continuing connected transactions which require the compliance with the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. A summary of significant related party transactions that did not constitute connected transactions made during the Year was disclosed in Note 20 to the financial statements of this report.

### SHARE OPTION SCHEME

The share option scheme adopted by the Company on 7 February 2005 (the "**Share Option Scheme**") has been expired. No option had been granted by the Company since the adoption of the Share Option Scheme. There are no options outstanding as at 31 December 2023. None of the Directors or chief executive of the Company, or their respective associates had any right to subscribe for the securities of the Company or its associated corporations, or had exercised any such right during the Year.

# Report of the Directors (Continued)

## ARRANGEMENTS TO PURCHASE SHARES BY DIRECTORS

At no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of the Company or any other body corporate.

## CORPORATE GOVERNANCE

The Company's corporate governance practices are set out in the Corporate Governance Report on pages 33 to 45 in this report.

## PURCHASE, SALE OR REDEMPTION OF SHARES

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

## INVESTMENTS

Details of the Group's investments as at 31 December 2023 are set out on pages 8 to 13 in this report.

## BANK LOAN, OVERDRAFTS AND OTHER BORROWINGS

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

## Report of the Directors (Continued)

### INTEREST CAPITALISED

There is no interest capitalised by the Group during the Year.

### DONATIONS

There is no charitable and other donations made by the Group during the Year (2022: Nil).

### MAJOR CUSTOMERS AND SUPPLIERS

As the Group is engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities, there are no major customers and suppliers during the Year.

### REVIEW OF THE ANNUAL RESULTS BY THE AUDIT COMMITTEE

As at 31 December 2023, all members of the Audit Committee are non-executive Directors. The Audit Committee acts in an advisory capacity and makes recommendations to the Board. The Group's 2023 annual results were reviewed and recommended to the Board for approval by the Audit Committee.

### INDEPENDENT NON-EXECUTIVE DIRECTORS' INDEPENDENCE

The Company has received, from each of the independent non-executive Directors, an annual confirmation or a confirmation letter of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at the Latest Practicable Date prior to the issue of this report, the Company has maintained sufficient public float as required under the Listing Rule during the Year.

# Report of the Directors (Continued)

## SUBSEQUENT EVENT

The Directors are not aware of any significant event requiring disclosure that had taken place subsequent to 31 December 2023 and up to the date of this report.

## AUDITOR

The Company has appointed BDO Limited as the auditor of the Company with effect from 28 June 2021. BDO Limited will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting. A resolution to reappoint BDO Limited and to authorise the Directors to fix its remuneration will be proposed at the forthcoming annual general meeting.

By Order of the Board

**China Development Bank International Investment Limited**

**LU Yanpo**

*Chairman*

Hong Kong, 25 March 2024

# Biographical Details of Directors and Senior Management

## NON-EXECUTIVE DIRECTOR

### Mr. LU Yanpo

**Mr. LU Yanpo** (盧硯坡, formerly known as LU Yanpo\* (盧艷坡)), aged 51, has been appointed as a non-executive Director, a member of the nomination committee, the audit committee and the remuneration committee of the Company since 11 February 2022. He has been subsequently appointed as chairman of the Board and the chairman of nomination committee with effect from 30 June 2022. Mr. LU graduated from Tsinghua University with a Master's degree in Public Administration and has over 15 years of experience in loan management, administration management, risk management and investment management. Mr. LU has successively served as a Risk Management Manager of Credit Review Department (at the Deputy-director level) of China Development Bank, Deputy Division Director of Credit Review Department of China Development Bank, Deputy General Manager and General Manager of Human Resources Department of CDB Capital Co., Ltd., President of China Development Bank International Holdings Limited and Operations Director of CDB Capital Co., Ltd.. Mr. LU has extensive management experience in the banking and financial services industry.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### Mr. SIN Yui Man

**Mr. SIN Yui Man**, aged 66, has been appointed as an independent non-executive Director of the Company since 1 September 2014. He is also the chairman of the remuneration committee and a member of the audit committee of the Company. Mr. SIN has over 30 years of experience in treasury and corporate banking. Prior to joining the Company, Mr. SIN served in Ping An Bank Co., Ltd., (listed on the Shenzhen Stock Exchange, stock code: 000001), Hong Kong Representative Office as the Chief Representative; Agricultural Bank of China Limited (listed on the Stock Exchange, stock code: 1288) as Alternate Chief Executive in its Hong Kong Branch; as well as in senior management positions at Standard Chartered Bank and Société Générale S.A. (SocGen) in Hong Kong. In 2011, Mr. SIN was elected as a member of the Chief Executive Election Committee in Hong Kong. Mr. SIN is a graduate of the Social Sciences Faculty of the University of Hong Kong, and possesses a post-graduate degree in Master of Business Administration from INSEAD.

\* For identification purpose only



## Biographical Details of Directors and Senior Management (Continued)

### Ms. FANG Xuan

**Ms. FANG Xuan (方璇)**, aged 53, was appointed as an independent non-executive Director and a member of each of the audit committee, the remuneration committee and the nomination committee of the Board on 20 March 2024. Ms. FANG has extensive experience in finance and treasury industry. She worked at Beijing Enterprises Holdings Ltd (北京控股有限公司), a company listed on the Stock Exchange (stock code: 0392.HK), from June 2000 to July 2019, with her last position as a financial accounting manager of Hong Kong capital finance department. She has been serving as a financial director at CR Construction Group Holdings Ltd (華營建築集團控股有限公司), a company listed on the Stock Exchange (stock code:1582.HK) since August 2019. Ms. FANG served as a finance director at Mingxi Charity Foundation (明曦公益基金會) from August 2016 to July 2019. Ms. FANG has been serving as a member of the consultative committee of the Liaison Office of the Association of Certified Public Accountants of China in Hong Kong (中國註冊會計師協會駐香港聯絡處) and a member of the Standing Committee of the Shaanxi Provincial Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議陝西省委員會) since June 2022 and January 2023, respectively. She currently also serves at The Hong Kong Chinese Enterprises Association Financial & Accounting Affairs Steering Committee (香港中國企業協會財會專業委員會) as the Executive Vice Secretary General. Ms. FANG has been a member of the Association of International Accountant (國際會計師公會) since June 2015 and a fellow member of Association of International Accountant since September 2020. She has also been a member of China Association of Chief Financial Officers (中國總會計師協會) (CACFO) since December 2016 and a member of Hong Kong Professionals and Senior Executives Association (香港專業及資深行政人員協會) since January 2021. Ms. FANG obtained her bachelor's degree in accounting in October 2006 from University of Bolton (博爾頓大學) in England. She also completed a senior program on public administration in Tsinghua University (清華大學) in Beijing, the PRC, in August 2022 and obtained an EMBA degree from the City University of Hong Kong in October 2021.

Ms. FANG has confirmed (i) her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (ii) that she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected persons (as defined in the Listing Rules) of the Company; and (iii) there are no other factors that may affect her independence at the time of her appointment. In combination with the relevant disclosure details in the announcement of the Company dated 20 March 2024, the Company considers that Ms. FANG is independent.

Ms. FANG Xuan has obtained a legal opinion from Zhong Lun Law Firm LLP, the Company's legal adviser, pursuant to Rule 3.09D of the Listing Rules on 14 March 2024 and has confirmed that she understands her responsibilities as a director of a listed company and the possible consequences of making a false statement or providing false information to the Stock Exchange.

## Biographical Details of Directors and Senior Management (Continued)

### **Dr. FAN Ren Da, Anthony**

**Dr. FAN Ren Da, Anthony**, aged 63, joined in 2012 as an independent non-executive Director of the Company. He is also a member of the audit committee, a member of the remuneration committee and a member of the nomination committee of the Company. Dr. FAN holds a Master's degree in Business Administration from the United States of America and holds a PhD in Economics. He is the chairman and managing director of AsiaLink Capital Limited. Dr. FAN is also the independent non-executive director of Uni-President China Holdings Ltd. (listed on the Stock Exchange, stock code: 220), Shanghai Industrial Urban Development Group Limited (listed on the Stock Exchange, stock code: 563), Semiconductor Manufacturing International Corporation (listed on the Stock Exchange, stock code: 981), CITIC Resources Holdings Limited (listed on the Stock Exchange, stock code: 1205), Technovator International Limited (listed on the Stock Exchange, stock code: 1206), China Dili Group (listed on the Stock Exchange, stock code: 1387), Neo-Neon Holdings Limited (listed on the Stock Exchange, stock code: 1868), and Hong Kong Resources Holdings Company Limited (listed on the Stock Exchange, stock code: 2882).

Dr. FAN has been reassigned from an independent non-executive Director to an executive Director and resigned as the Chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of Tenfu (Cayman) Holdings Company Limited (listed on the Stock Exchange, stock code: 6868), with effect from 18 May 2021. Dr. FAN ceased to act as an independent non-executive Director of Raymond Industrial Limited (listed on the Stock Exchange, stock code: 229) in May 2021. He is also the Founding President of The Hong Kong Independent Non-Executive Director Association.

Reference is made to the announcement of the Company dated 5 December 2023, in relation to that during the term of his office as an independent non-executive director of Hong Kong Resources Holdings Limited (stock code: 2882) ("**HKR**"), Dr. FAN was publicly censured by the Stock Exchange in relation to his breach of Rule 3.08 of the Listing Rules and his declaration and undertaking given to the Stock Exchange in the form set out in Appendix 5B to the Listing Rules in connection with the failure to maintain together with other directors of HKR adequate and effective internal controls for HKR's money lending business. Dr. FAN has been directed to attend 20 hours of training on regulatory and legal topics including compliance with the Listing Rules. For further details, please refer to the announcement of the Company dated 5 December 2023.

Reference is made to the announcement of the Company dated 20 March 2024, according to which, the term of Dr. FAN's office as an independent non-executive director, member of the audit committee, remuneration committee and nomination committee of the Board of the Company has expired on 20 March 2024. Dr. FAN has confirmed that he does not wish to renew the appointment after the end of his current term in order to devote more time to other work arrangements.

## Biographical Details of Directors and Senior Management (Continued)

### Mr. CHEUNG Ngai Lam

**Mr. CHEUNG Ngai Lam**, aged 54, is a member of the American Institute of Certified Public Accountants and is a Certified Practising Accountant of Australia. Mr. CHEUNG currently serves as an executive director of Silk Road Logistics Holdings Limited (listed on the Stock Exchange, stock code: 988), and an independent non-executive director of New Provenance Everlasting Holdings Limited (listed on the Stock Exchange, stock code: 2326) and Boyaa Interactive International Limited (listed on the Stock Exchange, stock code: 434).

Mr. CHEUNG served as an independent non-executive director of Guoan International Limited (listed on the Stock Exchange, stock code: 143) from 2020 to 2021, an independent non-executive director of Asia Television Holding Limited (listed on the Stock Exchange, stock code: 707) from 2016 to 2019, and an independent non-executive director of China Huishan Dairy Holdings Company Limited (listed on the Stock Exchange and delisted in 2019, stock code prior to the delisting: 6863) in 2017.

Mr. CHEUNG obtained a Bachelor's degree in social science from the University of Hong Kong in 1991, a Master's degree in accounting from the Curtin University of Technology (currently known as Curtin University) in 1997 and a Master's degree in science (Investment Management) from the Hong Kong University of Science and Technology in 2002. Mr. CHEUNG has been appointed as an independent non-executive Director of the Company, the chairman of audit committee and a member of remuneration committee and nomination committee of the Board, with effect from 28 January 2021.

# Corporate Governance Report

## CORPORATE GOVERNANCE CODE

The Directors believe that the Company has complied with all the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules for the Year, and has explained the implementation of paragraph B.1 of Part II of the CG Code.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

## BOARD OF DIRECTORS

As of the date of this report, the Board comprised four Directors, including one non-executive Director, namely Mr. LU Yanpo and three independent non-executive Directors, namely Mr. SIN Yui Man, Ms. FANG Xuan and Mr. CHEUNG Ngai Lam. Each Director possesses expertise and experience and provides checks and balances for safeguarding the interests of the Group and the Shareholders as a whole. Mr. CHEUNG Ngai Lam, one of the three independent non-executive Directors, possesses appropriate professional accounting qualifications and financial management expertise. The independent non-executive Directors, as equal Board members, gave the Board and the Board committees on which they serve the benefit of their skills, expertise and various backgrounds and qualifications through regular attendance and active participation in meetings. The independent non-executive Directors had attended the general meetings of the Company and developed a fair understanding of the views of Shareholders. The biographical details of the current Directors are set out on pages 29 to 32 of this report. There are no financial, business, family or other material or relevant relationships among the members of the Board of the Company, other than working relationships.

## Corporate Governance Report (Continued)

### Diversity policy

The Company has adopted a Board diversity policy (the “**Diversity Policy**”) which became effective in August 2013. This Diversity Policy aims to set out the approach to achieve diversity on the Board of Directors. All Board appointments are based on merits, and have paid due regard for the benefits of diversity on the Board in selecting candidates. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates may bring to the Board. The Board’s composition (including gender, ethnicity, age and length of service) will be disclosed in the Corporate Governance Report annually.

As at the date of this annual report, the Board comprises four Directors, including one female and three males. Three of them are independent non-executive Directors, thereby promoting critical review and control of the management process. In terms of the factors mentioned above, especially, professional experience, skills and knowledge, the Board is characterised by significant diversity.

As at the date of this annual report, the Company has reviewed the structure and composition of the Board of the Company and implemented gender diversity plans and arrangements for the Board. The Company believes that a gender diverse Board will provide diversity and further contribution to the business of the Company. The details of the gender diversity of our employees (exclusive of members of the Board) are set out in the section 4.1 headed “Talent Recruitment and Management” of the Environmental, Social and Governance Report on page 60 of this report.

### Corporate Governance Functions

The Board is responsible for performing the functions set out in the Code Provision A.2.1 of the CG Code.

The Board reviewed the Company’s corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company’s policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and written employee guidelines, and the Company’s compliance with the CG Code and disclosure in this corporate governance report.



# Corporate Governance Report (Continued)

## Responsibilities of Directors

The Board is responsible for formulating the overall strategic development, reviewing and monitoring the business performance of the Group, approving investment proposals as well as approving the financial statements of the Group. The independent non-executive Directors, with a wide range of expertise and a balance of skills, bring independent judgment on issues of strategic direction, development, performance and risk management through their contribution at Board meetings. The independent non-executive Directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Company has received annual confirmation from each independent non-executive Director that they have met all the independence requirements set out in Rule 3.13 of the Listing Rules, and the Board considers these independent non-executive Directors to be independent. Every newly appointed director of the Company should receive a comprehensive, formal and tailored induction covering the summary of the responsibilities and liabilities of a director of a Hong Kong listed Company on appointment. Subsequently, all Directors should have access to the professional development opportunities necessary to ensure that they have a proper understanding of the Company's operations and business and is fully aware of his responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. Besides, pursuant to provision C.1.4 of Part 2 of the CG Code, the Company had arranged a professional training to the Directors to develop and refresh their knowledge and skills relevant to the directors' duties during the Year. Mr. LU Yanpo, Mr. SIN Yui Man, Dr. FAN Ren Da, Anthony and Mr. CHEUNG Ngai Lam participated in a training provided by the legal adviser to the Company, Zhong Lun Law Firm LLP. During the Year, the Company had arranged the directors and officers liability insurance cover in respect of legal action against the Directors.

## Board composition

During the Year, the names of the Directors had been disclosed in all corporate communications of the Company with the independent non-executive Directors identified. Besides, the Company had maintained on the websites of the Company and the Stock Exchange an updated list of the Directors identifying their roles and functions and whether they are independent non-executive Directors. The Board had determined regularly the disclosure in relation to each Director for any change, the number and nature of offices held in public companies or organisations and other significant commitments.

## The Board

The Board meets regularly throughout the Year to review the overall strategy and to monitor the operation of the Group. Notice of at least 14 days for each of the regular meetings is given to the Directors. The Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying Board papers in respect of regular Board meetings are sent out in full to all Directors at least 3 days before the meetings. Draft and final versions of minutes of all Board meetings are circulated to Directors for comment and records respectively within a reasonable time after the Board meeting is held. Minutes of Board meetings and meetings of Board committees are kept by duly appointed secretaries of the respective meetings and all Directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it.

## Corporate Governance Report (Continued)

Under Code Provision C.5.1 of Part 2 of the CG Code, the Board should meet regularly and board meetings should be held at least four times a year. During the Year, the Board convened four meetings. The Directors had been continuously updated by the management with respect to the latest business development of the Company and they kept effective communications about the same with each other through written means. For the fact that there had not been any significant change in the business operations of the Company, the Board considers that they had been actively participating in the business and management of the Company through resolving matters by way of written resolutions and handling the company's business by the foregoing means is appropriate in view of the prevailing epidemic situation.

Details of the attendance of each Director at Board meetings during the year during their term of office are as follows:

<b>Name of Director</b>	<b>Number of entitled board meetings attended</b>	<b>Attendance rate</b>
<b>Non-executive Director</b>		
Mr. LU Yanpo	4	100%
<b>Independent Non-executive Directors</b>		
Mr. SIN Yui Man	4	100%
Dr. FAN Ren Da, Anthony	4	100%
Mr. CHEUNG Ngai Lam	4	100%

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with paragraph B.1 of Part 2 of the CG Code, there should be a balanced mix of executive and non-executive directors (including independent non-executive directors) on the Board so that there is a strong independent element on the Board that is capable of exercising independent judgment effectively. Following the resignation of Mr. BAI Zhe, an executive Director of the Company, on 30 June 2022, the Board did not have any executive Directors and deviated from paragraph B.1 of Part 2 of the CG Code.

The Board has been actively seeking suitable candidates to fill the vacancies and further announcement(s) will be made in due course. Until a new executive Director is appointed to the Board, the Company will continue and maintain the same investment policies and strategies that the Company has always adopted and implemented, and will seek professional advice from the investment manager as necessary.

### RE-ELECTION OF DIRECTORS

The executive Directors of the Company (if any) are appointed for a specific term but are subject to their re-appointment by the Company at the Shareholders' general meeting upon retirement by rotation pursuant to the Articles. In accordance with the relevant provisions in the Articles, the appointment of Directors is considered by the Board and they must stand for election by Shareholders at the relevant annual general meeting.

## Corporate Governance Report (Continued)

### NON-EXECUTIVE DIRECTORS

As at 31 December 2023, the non-executive Director and independent non-executive Directors of the Company were appointed for a specific term and each of them had entered into a service contract with the Company for a term of three years, among which, the terms of Mr. LU Yanpo, Mr. SIN Yui Man, Dr. FAN Ren Da, Anthony and Mr. CHEUNG Ngai Lam will expire on 10 February 2025, 31 August 2026, 20 March 2024 and 27 January 2027, respectively. However, such terms are subject to retirement by rotation and re-election at the annual general meeting in accordance with the provisions of the Articles.

### AUDIT COMMITTEE

As at 31 December 2023, the audit committee of the Company (the “**Audit Committee**”) comprises four members, namely, Mr. LU Yanpo, Mr. CHEUNG Ngai Lam, Mr. SIN Yui Man and Dr. FAN Ren Da, Anthony. All members of the Audit Committee are non-executive Directors. The chairman of the Audit Committee is Mr. CHEUNG Ngai Lam, an independent non-executive Director of the Company. The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in business, accounting and financial management on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. The members of the Audit Committee meet regularly to review the financial report and other information submitted and reported to the Shareholders, the system of internal control, and the effectiveness and objectivity of risk management and audit process. The Audit Committee acts in an advisory capacity and makes recommendations to the Board. The terms of reference of the Audit Committee which explained the role and the authority delegated to the Audit Committee by the Board were revised in 2018 and is available on the websites of the Company and the Stock Exchange. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the financial statements for the Year. The Audit Committee has considered the matters relating to the re-appointment of the independent auditors and agreed to the conclusions reached in relation to the re-appointment of the independent auditors.

## Corporate Governance Report (Continued)

During the Year, two Audit Committee meetings were held and the individual attendance of each member during his tenure is set out below:

Name of Director	Number of Audit Committee meetings attended	Attendance rate
Mr. LU Yanpo	2	100%
Mr. SIN Yui Man	2	100%
Dr. FAN Ren Da, Anthony	2	100%
Mr. CHEUNG Ngai Lam	2	100%

### REMUNERATION COMMITTEE

As at 31 December 2023, the remuneration committee of the Company (the “**Remuneration Committee**”) comprises four members, namely Mr. LU Yanpo, Mr. SIN Yui Man, Dr. FAN Ren Da, Anthony and Mr. CHEUNG Ngai Lam. During the Year, the majority members of the Remuneration Committee are independent non-executive Directors. The chairman of the Remuneration Committee is Mr. SIN Yui Man, an independent non-executive Director of the Company. The Remuneration Committee advises the Board on the Group’s overall policy and structure for the remuneration of Directors and senior management. The terms of reference of the Remuneration Committee which explained the role and the authority delegated to the Remuneration Committee by the Board were revised in 2018 and is available on the websites of the Company and the Stock Exchange. In determining the emolument payable to Directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and employment conditions of the Group. During the Year, the Remuneration Committee had made recommendations to the Board on the Group’s overall remuneration policy, the remuneration policies and packages of individual executive Directors and senior management.

During the Year, the Remuneration Committee advised the Board on the Group’s overall remuneration policy, and the remuneration policy and benefits for individual executive Directors and senior management. During the Year, three Remuneration Committee meetings were held and the individual attendance of each member during his tenure is set out below:

Name of Director	Number of Remuneration Committee meetings attended	Attendance rate
Mr. LU Yanpo	3	100%
Mr. SIN Yui Man	3	100%
Dr. FAN Ren Da, Anthony	3	100%
Mr. CHEUNG Ngai Lam	3	100%

# Corporate Governance Report (Continued)

## NOMINATION COMMITTEE

As at 31 December 2023, the nomination committee of the Company (the “**Nomination Committee**”) comprised three members, namely Mr. LU Yanpo, Dr. FAN Ren Da, Anthony and Mr. CHEUNG Ngai Lam. During the Year, the majority members of the Nomination Committee were independent non-executive Directors. The chairman of the Board, Mr. LU Yanpo is also the chairman of the Nomination Committee. The Nomination Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy. The Nomination Committee also performs the duties to (a) identify individuals suitably qualified to become Board members and to select or to make recommendations to the Board on the selection of individuals nominated for directorship; (b) to assess the independence of independent non-executive directors; (c) to make recommendations to the Board concerning the appointment or reappointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive officer; and (d) to perform any other duties prescribed by law, regulation and rules, as amended from time to time, which set forth obligations for the Company to comply with.

During the process of selection, the Nomination Committee typically takes factors including but not limited to cultural and educational background, professional experience, knowledge, especially the capacity of individuals into consideration, pursuant to the Diversity Policy of the Company. The terms of reference of the Nomination Committee which explained the role and the authority delegated to the Nomination Committee by the Board were revised in 2018 and is available on the websites of the Company and the Stock Exchange. During the Year, the Nomination Committee had reviewed the progress of implementation of Diversity Policy and the structure, size and composition of the Board including the Directors’ skills, knowledge and experience and had made recommendations to the Board on the appointment of the individuals as the Director and chief executive officer of the Company.

During the Year, three Nomination Committee meetings were held and the individual attendance of each member during his tenure is set out below:

<b>Name of Director</b>	<b>Number of Nomination Committee meeting attended</b>	<b>Attendance rate</b>
Mr. LU Yanpo	3	100%
Dr. FAN Ren Da, Anthony	3	100%
Mr. CHEUNG Ngai Lam	3	100%



# Corporate Governance Report (Continued)

## AMENDMENTS TO THE ARTICLES

Reference is made to the announcement of the Company dated 24 March 2023 in relation to the proposed amendments to the Memorandum and Articles of Association.

At the last annual general meeting of the Company dated 20 June 2023, the shareholders passed a shareholders' resolution, agreeing to make certain amendments to the Memorandum and Articles of Association, so as to (i) conform to the core shareholder protection standards as set out in Appendix A1 of the Listing Rules; (ii) allow a general meeting to be held as an electronic meeting or a hybrid meeting; (iii) bring the Memorandum and Articles of Association in line with amendments made to the Listing Rules and the applicable law and procedures in the Cayman Islands; and (iv) incorporate certain housekeeping changes. The full text of the New Memorandum and Articles of Association, which became effective on 20 June 2023, is available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cdb-intl.com](http://www.cdb-intl.com)).

## AUDITOR'S REMUNERATION

PwC was appointed as the Group's auditor for the period ended 28 June 2021. PwC has resigned as the auditor of the Group with effect from 28 June 2021, and BDO Limited was appointed by the shareholders of the Company (the "Shareholders") as the Company's auditor at the annual general meeting held on 28 June 2021 (the "2020 AGM"). The audit services engagement for 2023 had been reviewed and approved by the Audit Committee.

During the Year, the remuneration paid to BDO Limited for the audit and non-audit services rendered to the Group were as follows:

	HK\$
Annual audit services	903,000
Other non-audit services <sup>(Note 1)</sup>	210,000

Note:

1. BDO Limited had provided other services in relation to the review on the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2023 and review on results announcement and continuing connected transaction for the Year.

## COMPANY SECRETARY

Ms. CHONG Po Chun has tendered her resignation as the company secretary of the Company with effect from 1 April 2023 due to internal management arrangement. Ms. ZHU Yiyi ("Ms. Zhu") has been appointed as the company secretary with effect from 1 April 2023.

Under the provision C.6.3 of the CG Code, the company secretary should report to the board chairman and/or the chief executive. Ms. ZHU directly reported to Mr. LU Yanpo, the chairman of the Board. Pursuant to Rule 3.29 of the Listing Rules, in each financial year the company secretary of the Company must take no less than 15 hours of relevant professional training. Ms. ZHU confirmed that she had taken no less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules during the Year.

# Corporate Governance Report (Continued)

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors acknowledge their responsibility to prepare financial statements for each half and full financial year which give a true and fair view of the financial state of the Group. The Directors also ensure the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

## DIVIDEND POLICY

The Board has approved and adopted a dividend policy (the "**Dividend Policy**") on 20 December 2019. Under the Dividend Policy, provided that the Group is profitable and without affecting the normal operations of the Group, the Company may consider to declare and pay dividends to the Shareholders. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia: (i) the actual and expected financial performance of the Group; (ii) the general financial and business condition of the Group; (iii) the capital and debt level of the Group; (iv) the Group's liquidity position and future cash requirements and the cash availability for business operations, business strategies, future investment and development needs; (v) any restrictions on payment of dividends that may be imposed by the Group's lenders; (vi) the general market conditions; and (vii) any other factors that the Board deems appropriate.

There can be no assurance by the Company that a dividend will be proposed or declared in any specific periods. The payment of the dividend by the Company under the Dividend Policy shall remain to be determined at the sole discretion of the Board, subject to any other circumstances that Shareholders' approval is required, and any restrictions under all applicable laws, rules and regulations including but not limited to the Companies Law of the Cayman Islands, the Listing Rules, and the Articles of the Company.

Depending on the financial conditions of the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as interim dividend, final dividend, special dividend and any distribution of net profits that appear to the Board to be justified by the profits of the Company available for distribution. The Company may declare and pay dividends by way of cash or in kind or by other means that the Board considers appropriate, subject to and in accordance with the procedures set out in the Articles.

The Board will continue to review the Dividend Policy from time to time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and in no way obligate the Company to declare a dividend at any time or from time to time.

# Corporate Governance Report (Continued)

## INVESTOR RELATIONSHIP AND COMMUNICATION

The Company endeavors to maintain a high level of transparency in communicating with Shareholders and the investment community at large. The Company is committed to maintaining an open and effective communication policy to update its Shareholders and investors on relevant information on its business through the annual general meetings, the annual and interim reports, notices, announcements, circulars as well as Company's website. The annual general meeting provides a useful forum for Shareholders to exchange views with the Board. Separate resolutions are proposed at the general meetings on each separate major issue, including the election of individual Directors. The Company has also reviewed the implementation of its shareholder communication policy during the Year and believes that the said communication policy and methods of communication are effective and sufficient to ensure adequate contact between shareholders and the Company.

### Calling an extraordinary general meeting

Pursuant to the Article 58 of the Articles, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company at the principal place of business in Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company. The requisition must (i) state the objects of the meeting; (ii) state the name(s) of the requisitioner(s); (iii) state the contact details of the requisitioner(s); (iv) state the number of ordinary shares of the Company held by the requisitioner(s); (v) be signed by the requisitioner(s) and (vi) be deposited at the Company's head office and principal place of business in Hong Kong at Suites 4506–4509, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong.

### Putting enquiries to the Board

Shareholders may send their enquiries requiring the Board's attention to the company secretary of the Company at the Company's head office and principle office in Hong Kong. Questions about the procedures for convening or putting forward proposals at the annual general meeting or extraordinary general meeting may also be put to the company secretary by the same means.

## Corporate Governance Report (Continued)

### Putting forward proposals at general meetings

Article 89 of the Articles provides that no person, other than a retiring Director of the Company at the meeting, shall be eligible for election to the office of Director of the Company at any general meeting unless:

- (i) such person is recommended by the Directors of the Company; or
- (ii) a notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office (as defined in the Articles), otherwise no person may be eligible to stand for election as a director at any general meeting, provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director of the Company at any general meeting, the following documents must be validly served on the company secretary of the Company within the abovementioned period at the head office or at the registered office of the Company, namely:

- (i) the Shareholder's signed notice of intention to propose a person for election as a Director of the Company at the general meeting;
- (ii) a notice signed by the nominated candidate indicated his/her willingness to be appointed;
- (iii) the candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and
- (iv) the candidate's written consent to the publication of his/her personal information.

## Corporate Governance Report (Continued)

### General meetings

On 20 June 2023, the Company had convened the 2022 AGM at 14/F, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong. At the 2022 AGM, the Shareholders had passed the ordinary resolutions in relation to the following (i) to (viii) and special resolution in relation to (ix):

- (i) receive and consider the audited consolidated financial statements together with the reports of Directors and auditor of the Company for the year ended 31 December 2022;
- (ii) re-elect Dr. FAN Ren Da, Anthony (serving for more than nine years) as an independent non-executive Director;
- (iii) re-elect Mr. SIN Yui Man as an independent non-executive Director;
- (iv) authorize the Board of the Company to fix the remuneration of the Directors;
- (v) re-appoint Messrs. BDO Limited, Certified Public Accountants, as the auditor of the Company to hold office until the next annual general meeting of the Company and to authorise the Board to fix their remuneration;
- (vi) approve the granting of a general mandate to the Directors to issue shares not exceeding 20% of the issued share capital of the Company;
- (vii) approve the granting of a general mandate to the Directors to repurchase securities not exceeding 10% of the issued share capital of the Company;
- (viii) approve the extension of the general mandate for the issue of shares by addition of the shares repurchased; and
- (ix) approve the proposed amendments to the existing amended and restated memorandum and articles of association of the Company.

## Corporate Governance Report (Continued)

The individual attendance of each Director at the general meeting of the Company during his tenure is set out below:

<b>Name of Director</b>	<b>Number of entitled general meeting attended</b>	<b>Attendance rate</b>
<b>Non-executive Director</b>		
Mr. LU Yanpo	1/1	100%
<b>Independent Non-executive Directors</b>		
Mr. SIN Yui Man	1/1	100%
Dr. FAN Ren Da, Anthony	1/1	100%
Mr. CHEUNG Ngai Lam	1/1	100%

The forthcoming annual general meeting of the Company will be held on 21 June 2024 at 11:00 am at Suites 4506–4509, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong. As at the date of this report, the Company issued 2,902,215,360 ordinary shares of HK\$0.01 each in the share capital of the Company.

### RISK MANAGEMENT AND INTERNAL CONTROL

The review on the risk management and internal control systems of the Company is set out in the section headed “Risk Management and Internal Controls” on pages 46 to 48 of this report.



# Risk Management and Internal Controls

## RESPONSIBILITY

The Board has the overall responsibility to ensure that sound and effective internal controls and risk management are maintained, while management is responsible to design and implement an internal controls system to manage risks. A sound and effective system of internal controls is designed to identify and manage the risk of failure to achieve business objectives. The Board acknowledges that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

## OUR RISK MANAGEMENT FRAMEWORK

The Board is responsible for the Group's internal controls and risk management system and for reviewing its effectiveness on an annual basis. The Audit Committee supports the Board in monitoring our risk exposures, the design and operating effectiveness of the underlying risk management and internal controls systems. The Audit Committee, acting on behalf of the Board, oversees the following process:

- (i) regular reviews of the principal business risks, and control measures to mitigate, reduce or transfer such risks; the strengths and weaknesses of the overall internal controls systems and action plans to address the weaknesses or to improve the assessment process;
- (ii) regular reviews of the business process and operations reported by the Internal Audit Report, including action plans to address the identified control weaknesses and status update and monitor in implementing its recommendations; and
- (iii) regular reports by the external auditors of any monitoring issues identified in the course of their work and the discussion with the external auditors about their respective review scope and findings.

The Audit Committee will then report to the Board after due review of the effectiveness of the Group's system of internal controls. The Board considers the works and findings of the Audit Committee in forming its own view on the effectiveness of the system. For the Year, the Board through the Audit Committee has conducted a review of the effectiveness of the risk management system of the Company by conducting a formal risk assessment process to identify and prioritise the key risks (classified by strategic risks/operational risks/financial reporting risks, environmental, social and governance risk and compliance risks). Action plan for each key risk has also been confirmed. No significant areas of concern that may affect the risk management functions of the Company have been identified. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against not having material misstatement or loss. The Board considers that such system is effective and sufficient.

## Risk Management and Internal Controls (Continued)

### OUR INTERNAL CONTROL MODEL

Our internal controls model made reference to the Committee of Sponsoring Organisations of the U.S. Treadway Commission (“**COSO**”) for internal controls and it has five key components, namely Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. The key elements of our internal controls model are as follows:

- **Control Environment** – The control environment is the set of standards, processes, and structures that provides the basis for carrying our internal control across the Company. The Board and senior management establish the tone at the top regarding the importance of internal control including expected standards of conduct. The management reinforces expectations at the various levels of the Company.
- **Risk Assessment** – Risk assessment involves a dynamic and iterative process for identifying and assessing risks to the achievement of objectives. Risks to the achievement of these objectives from across the Company are considered relative to established risk tolerances. Thus, risk assessment forms the basis for determining how risks will be managed.
- **Control Activities** – Control activities are the actions established through policies and procedures that help ensure that management’s directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the Company, at various stages within business processes, and over the technology environment. The control activities may be preventive or detective in nature and may encompass a range of manual and automated activities such as authorizations and approvals, verifications, reconciliations, and business performance reviews. Segregation of duties is typically built into the selection and development of control activities. Where segregation of duties is not practical, management selects and develops alternative control activities.

Investment monitoring is also significant given the capital-intensive nature of our business. Depending on strategic importance, cost/benefit and the size of the projects, detailed analysis of expected risks and returns is submitted to management for consideration and approval. The criteria for assessment of financial feasibility are generally based on net present value, payback period and internal rate of return from projected cash flow.

- **Information and Communication** – Information is necessary for the entity to carry out internal control responsibilities to support the achievement of its objectives. The management obtains or generates and uses relevant and quality information from both internal and external sources to support the functioning of other components of internal control. Communication is the continual, iterative process of providing, sharing, and obtaining necessary information. Internal communication is the means by which information is disseminated throughout the Company, flowing up, down and across the entity. It enables personnel to receive a clear message from senior management that control responsibilities must be taken seriously. External communication is twofold: it enables inbound communication of relevant external information, and it provides information to external parties in response to requirements and expectations.
- **Monitoring** – the Board and Audit Committee oversee the process, assisted by our Internal Control Department. The management has enhanced its update reports to the Audit Committee on changes to major risks and appropriate mitigating measures. There are at least two Audit Committee meetings annually, with one meeting mainly about internal controls and risk management systems.

## Risk Management and Internal Controls (Continued)

For the Year, the management of the Group has engaged an external internal controls consultant to conduct an internal audit review over the Company's key business process. The internal audit report, with no material weakness found, was submitted to the Audit Committee for review. No significant areas of concern that may affect the internal control system of the Company have been identified. During the review, the Board also considered the resources, qualification/experience of staff of the Group's accounting, internal audit, financial reporting function, and performance and reporting related to environmental, social and governance, and their training and budget were adequate.

### INTERNAL AUDIT FUNCTION

Under the provision D.2.5 of the CG Code, the Company should have an internal audit function. The Audit Committee is aware that the Company should have an internal audit function to process the effectiveness of the risk management and internal control system. During the Year, the Audit Committee had reviewed annually the need to establish internal audit function to improve the effectiveness of risk management, control and governance process and considers that such risk management and internal control system are adequate and effective. The Company will consider sharing the CDB groups resources to carry out the internal audit function of the Company.

### INSIDE INFORMATION

The procedures and internal controls of the Company for handling and dissemination of inside information include conducting the affairs of the Company in strict compliance with the Guidelines on Disclosure of Inside Information published by Securities and Futures Commission and the Listing Rules, as well as reminding the Directors and employees of the Group regularly of the due compliance with all policies regarding the inside information.

The Board ensures the inside information is kept strictly confidential until the relevant announcement is made. The Directors are not aware of any significant areas which need to be brought to the attention of the Shareholders.

### COMPLIANCE WITH LEGAL AND REGULATORY REQUIREMENTS

As part of the process of reviewing the financial statements, the Committee reviews the Group's compliance with applicable legal and regulatory requirements including the Listing Rules, the Companies Ordinance and the Securities and Futures Ordinance; the only notable exception is that the Group does not publish quarterly financial results.

### COMPLIANCE MANUAL

The compliance manual of the Company applicable to the employees and the Directors was adopted in 2012. The Compliance Manual stated the policy of the Company in relation to the compliance responsibility, ethical conduct, confidentiality, insider dealing, Chinese Walls, conflicts of interest, inducements, personal investment policy, anti-money laundering policy, complaints, criticisms and legal actions policy, whistleblowing policy and corporate governance policy. The Board determinates and reviews the policy for the corporate governance as well as policy and system for anti-corruption of the Company and is responsible for the compliance for such policy.

# Environmental, Social and Governance Report

## 1. ABOUT THIS REPORT

China Development Bank International Investment Limited (Stock Code: 1062) is delighted to issue its eighth “Environmental, Social and Governance Report” (“**this report**”). This report aims to showcase the environmental, social and governance (“**ESG**”) aspects of the Company’s sustainability performance during 2023. Through comprehensive disclosures of our visions, strategies and implementation of sustainable development in this report, we aim to endow stakeholders with more understanding and confidence in the Company and motivate us to continuously improve our ESG performance.

In addition to maintaining high ethical standards in strict compliance with Corporate Governance Code outlined in the HKEX Listing Rules, the Company is committed to operating as a responsible enterprise through its emphasis on responsible investment, legal and compliance operation, employee-orientated policies, environmental protection and care for the community. We believe these sustainable development approaches will support our business strategies and create the best return for our stakeholders. To gain a comprehensive understanding of the Company’s ESG performance, this report shall be read together with the “Corporate Governance Report” section of the Annual Report.

### 1.1 Title Description

For the convenience of presentation and reading, “**CDB INT’L INV**”, “**Company**” or “**Us**” in this report refer to China Development Bank International Investment Limited.

### 1.2 Reporting Scope and Boundary

This report covers the reporting period from 1 January 2023 to 31 December 2023 (the “**reporting period**”). For details of the Company’s business, please refer to the Company’s “2023 Annual Report” (“**Annual Report**”). Unless otherwise defined, the terms used in this report would contain the same meaning as defined in the Annual Report released by the Company.

### 1.3 Reporting Basis

This report is prepared and disclosed by the Company in strict accordance with the “Environmental, Social and Governance Reporting Guide” (“**ESG Reporting Guide**”) under Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange issued by the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Adhering to the principles of materiality, quantitative, balance and consistency, we strictly comply with mandatory disclosure requirements and the “comply or explain” provisions in the “ESG Reporting Guide” and strive to fully reflect the Company’s environmental and social management policies, strategies and performance.

During the preparation of this report, the Company applied the reporting principles as follows:

- Materiality: adopting a materiality assessment to identify the Company’s material ESG issues during the reporting period, and compiling this report based on these material ESG issues;

## Environmental, Social and Governance Report (Continued)

- Quantitative: disclosing the standards and methods used in this report to calculate relevant data, and disclosing applicable assumptions;
- Balance: the ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader;
- Consistency: the method adopted for the preparation of this report is basically the same as last year; and the data involving changes in the scope of disclosure and calculation methods are explained.

### 1.4 Data Source

The contents of this report are compiled from internal documents, statistical reports and publicly available materials.

### 1.5 Report Approval

The Board of Directors has an overview of the Company's ESG issues and has reviewed and approved this report, and assures this report contains no false representations, misleading statements or material omission, and bears individual and collateral responsibilities regarding the truthfulness, accuracy and completeness of this report.

### 1.6 Responding to This Report

We value the opinions of stakeholders as important drivers for our continuous improvement. If you would like to share your opinions or any matters in connection with this report, please contact us at:

Address: Suites 4506–4509, Two International Finance Centre, 8 Finance Street, Central, Hong Kong  
Tel: (852) 3979 1500  
Fax: (852) 3979 1599  
Website: [www.cdb-intl.com](http://www.cdb-intl.com)  
Email: [info@cdb-intl.com](mailto:info@cdb-intl.com)

# Environmental, Social and Governance Report (Continued)

## 2. SUSTAINABILITY GOVERNANCE

The Company endeavours to create shared values during business operations and lower the Company's underlying environmental and social impact. Serving as a vital role in promoting corporate sustainability, the Board of CDB INT'L INV has overall responsibility for the Company's ESG strategy and reporting, as well as the monitoring of the Company's sustainability-related policies, measures and performances. The Board of CDB INT'L INV will actively monitor ESG governance and also hold responsible for evaluating, prioritising and determining ESG issues (including ESG-related risks) and ensuring that appropriate and effective ESG risk management and internal control systems are in place. Meanwhile, the Board of CDB INT'L INV requires the management of the Company to report regularly and make decisions on important ESG matters in a timely manner, including reviewing and approving the ESG report to understand the ESG performance of the Company's business. The Board of CDB INT'L INV will actively pay attention to the changes in ESG policy, and continuously manage and follow the tracks of the ESG targets, so as to promote the Company's ESG governance.

### 2.1 Stakeholder Engagement

For the Company, proactively responding to the opinions of stakeholders is the key to promoting its corporate sustainable development. Therefore, CDB INT'L INV has established a variety of communication channels in order to maintain a high level of transparency. We hold annual general meetings every year in which the Company's representatives attend and meet in person with shareholders, investors and other stakeholders to understand their concerns and issues. For daily communication, our website's media centre informs investors, shareholders and the public of the Company's latest activities, financial positions and investor documents. Additionally, the Company effectively communicates with stakeholders via annual reports, interim reports, notices, announcements, circulars, emails and telephones to continuously optimise its sustainable development strategy.

### 2.2 Materiality Assessment



As there were no significant changes in the Company's business during the reporting period, the materiality assessment for this year was conducted in the form of reviewing the results of the previous year's assessment. In order to ensure that the Company's material ESG issues are in line with the expectations of various stakeholders, market trends as well as the latest laws and regulations, the Company has identified potential issues that are relevant to the Company by making reference to the "ESG Reporting Guide" of the Stock Exchange, MSCI ESG Industry Materiality Map, Sustainability Accounting Standards Board materiality map as well as issues of concern to its peers.



## Environmental, Social and Governance Report (Continued)

The review involves four main steps, as follows.

### **1. Confirm the form of participation of the Board**

The Company communicated with the Board which confirmed its participation in the materiality assessment for the year 2023 by reviewing the assessment results together with the approval of the ESG report.

### **2. Review Assessment Results from 2022**

The Company compiled the materiality ranking of 15 ESG issues by key stakeholders for the year 2022, and took it as one of the basis for the assessment of material ESG issues for the year 2023.

### **3. Identify Potential ESG Issues**

Based on various references, including regulatory requirements, current ESG development and industry development and international trends, the Company supplemented potential ESG issues for the year 2023 and refined its materiality map.

### **4. Confirm the Results of 2023 Materiality Review**

The Board confirmed the results of the materiality review for the year 2023 based on established principles for selecting material ESG issues.

## Environmental, Social and Governance Report (Continued)

The Board reviewed the results of the materiality assessment for the year 2022 and confirmed the materiality issues for the reporting period in the context of the Company's actual business conditions. The corresponding list of materiality issues is as follows:

### Material Issues

- |  |  |
|--|--|
| 1. Investment Strategy                 | 5. Staff Development and Training      |
| 2. Risk Management                     | 6. Information Security and Protection |
| 3. Anti-Corruption and Business Ethics | 7. Intellectual Property Protection    |
| 4. Supply Chain Management             |  |

This report would highlight the Company's ESG management strategy and performance in each chapter to address key stakeholder concerns by addressing the above material issues.

# Environmental, Social and Governance Report (Continued)

## 3. MANAGEMENT EXCELLENCE

CDB INT’L INV operates as one of the investment platforms designated by the China Development Bank to identify and implement overseas investment opportunities and integrate and manage China Development Bank’s existing overseas asset investments. It serves the global strategies of China and the China Development Bank by supporting the international development of Chinese enterprises and promoting overseas investment businesses such as the “Belt and Road” initiative. CDB INT’L INV uses the client resources of the China Development Bank – its trillions of RMB assets and its status as China’s largest foreign exchange lending bank – to explore high-quality investment opportunities and work closely with world-class investment institutions to provide equity capital support for related enterprises and facilitate obtaining loan support from the China Development Bank.

### 3.1 Responsible Investment

The Company believes that emphasis on ESG could create value for the society and the Company. Therefore, CDB INT’L INV focuses on fulfilling corporate social responsibility and taking social and environmental responsibility into account in investment strategies. The Company’s investment committee consists of experienced professionals and strictly screens investment opportunities. The investment committee also performs multi-dimensional assessments and monitoring of all investments to fully identify, assess and reduce relevant investment risks and achieve the target return. Through cautious investment procedures, we ensure investment decisions are responsible to various stakeholders.

Investment Strategies		
Committed to identifying and exploring high-quality investment opportunities and has established certain investment layouts in areas including, but not limited to, logistics infrastructure, new energy and supply chain services.	Proactively leverage the resources of the China Development Bank in logistics infrastructure based on its existing logistics network with its extensive industry knowledge and experience in finance and management in order to assist the company in continuously enhancing its efficiency in exploring business opportunities.	Optimizing the decision-making process and incentive mechanism and improving corporate governance practices, continue to focus on identifying and exploring suitable investment opportunities in the logistics industry.

## Environmental, Social and Governance Report (Continued)

In order to achieve its responsible investment aims in all aspects of the business while minimizing investment risk, the Company has developed the following risk response strategies:

- Establishing and regularly reviewing the Company's risk management policies and frameworks to consistently guide its risk management practices;
- Establishing a formal risk appetite statement enabling employees to understand the level of risk acceptable to the Company, avoid unnecessary risks and reduce unnecessary losses;
- Embedding risk management into the Company's core operations and decision-making;
- Regularly evaluating whether the risks of current and emerging portfolios would jeopardise the Company's strategy and realization of annual plans and budgets, and establishing appropriate responses to the risks the Company may face; and
- Allocating appropriate resources to establish, maintain and continually improve risk management strategies and policies.

In accordance with our investment and risk management strategies, during the reporting period, we conducted key investment research, seized investment opportunities and promoted socially responsible investments in the following industries:



## Environmental, Social and Governance Report (Continued)

The Company will continue to search and pursue high-quality investment opportunities and actively explore potential investment opportunities in the fields of logistics, information technology, advanced manufacturing, medical, new energy, energy saving and environment protection, in combination with national strategies such as China's industrial upgrading, the "Belt and Road" and the Guangdong-Hong Kong-Macao Greater Bay Area, delivering the best sustainable returns for investors.

Based on the internal control framework of the United States Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**"), we have established a sophisticated internal control model, including environmental control, risk assessment, activities control, information and communication, and monitoring, and continued to regularly review the effectiveness of the risk management and internal control system.

### 3.2 Compliance Operation

A good reputation is the most important asset and foundation of a financial company. We highly emphasise maintaining integrity and upholding the principle of legal and compliance operation. Based on honesty, trustworthiness, legal compliance and integrity, the Company strictly complies the Hong Kong "Companies Ordinance" and with relevant laws and regulations as well as the code provisions in the "Corporate Governance Code" contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. For more details about our corporate governance, please refer to the "Corporate Governance Report" section of the Annual Report.

The Company highly values the protection of intellectual property rights and ensures the use of copyright software and resources, preventing plagiarism, theft, tampering, illegal possession, counterfeiting or other forms of intellectual property rights infringement.

In terms of business operations and information security, we maintain strict compliance with the information separation measures in the "Compliance Manual" and the "Personal Data (Privacy) Ordinance" of Hong Kong and other relevant laws and regulations. Non-public material information is kept strictly confidential throughout our operations and activities, formulating relevant regulations and detailing the scope and level of confidential matters, regulations and requirements, handling accountability for breach and leak of confidential information to ensure confidentiality and accountability. All employees and major suppliers are required to sign confidentiality agreements with the Company. We have also established a strict customer information management system and implemented policies to further prevent the disclosure and loss of confidential information.

During the reporting period, the Company did not receive any complaints or legal actions related to violations of intellectual property rights, advertising, labels and privacy matters.

## Environmental, Social and Governance Report (Continued)

### 3.3 Professional Integrity

For financial companies, cultivating the professional ethics of employees is an important cornerstone for achieving long-term sustainable development. While striving to deliver exceptional investment returns to investors, we uphold the highest standards of integrity and enhance the industry's credibility by adopting a zero-tolerance attitude towards breaches of integrity. In addition to strictly complying with the "Anti-Money Laundering Law of the People's Republic of China" and the "Anti-Unfair Competition Law of the People's Republic of China", we have also formulated management systems such as the "Compliance Manual". It outlines the Company's policies toward confidentiality, insider trading, conflict of interest, personal investment, bribery, extortion, money laundering, fraud, and other professional ethics standards, stipulates employees' code of conduct and ethical standards and states that the Company regards any violations as a serious incident which would trigger disciplinary actions, including immediate dismissals and suspensions to raise employee vigilance against corruption.

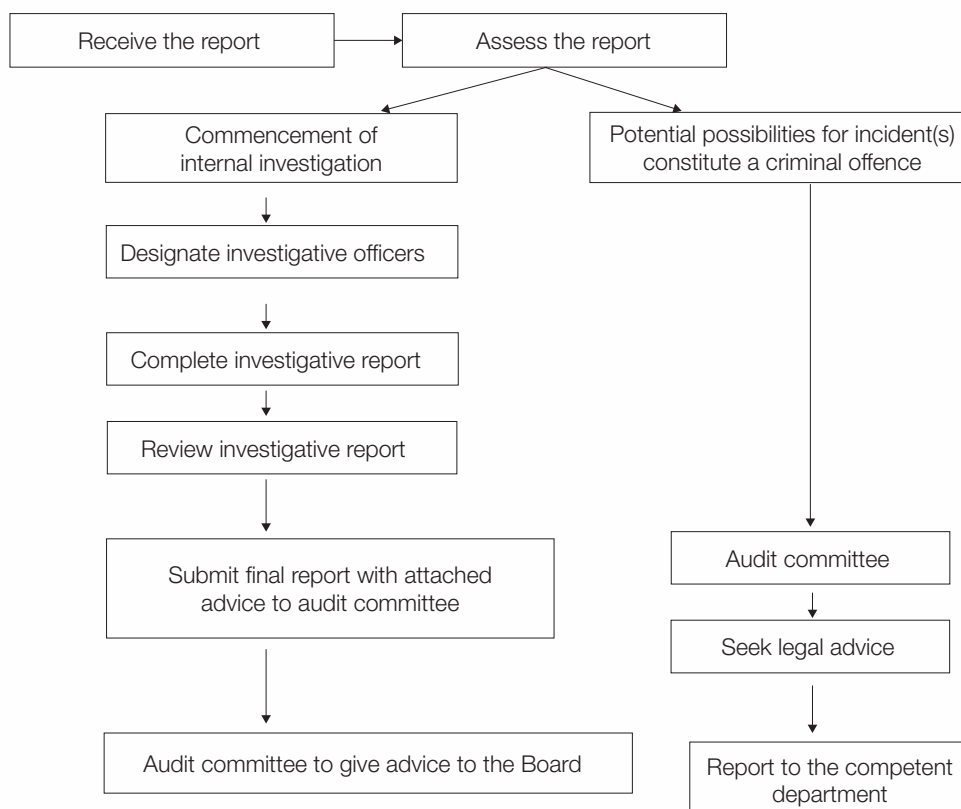
CDB INT'L INV has established a systematic reviewing and reporting system to further enhance employees' professional ethics. With its standardised reimbursement procedures, the Company regularly reviews reimbursement receipts from various departments to avoid any corruption behaviour. In addition, the Company has formulated corresponding reporting procedures and its implementation and monitoring methods for violations in the "Compliance Manual". We encourage employees to report any suspicious violations and initiate investigations within five working days of receiving the report while protecting the identity and interests of the whistle-blower. The detailed investigation procedure is shown in the flowchart below. The Company regularly reviews the operation of the whistle-blowing procedures and analyzes its implementation effect. Based on the results of the review, specific regulations in the "Compliance Manual" are updated to ensure the effectiveness of CDB INT'L INV's professional ethics management system.



## Environmental, Social and Governance Report (Continued)

### Investigative procedure

For ease of reference, please refer to the following flowchart:



Upon employment, all new employees are required to sign a statement to signify their full understanding and agreement of the “Compliance Manual”. Current employees are also required to conduct self-assessment to declare themselves on the code of conduct with regard to avoiding misconduct, anti-corruption and conflict of interest every year. During the reporting period, the Company provided relevant training and seminars for its directors and employees around topics of “Financial Security”, “Financial Alert Education” and “Risk Management” to strengthen the work on anti-corruption management. On December 7, 2023, the Company commissioned a law firm to conduct training for 4 directors and 3 employees titled “Introduction to the New Regulations of the Listing Rules of the Hong Kong Stock Exchange” through a live lecture, in which the requirements of disclosure of the basis of consideration and business valuation and relevant laws and risk tips in the “Corporate Governance Code” has been explained.

During the reporting period, neither the Company nor any of its employees receive any judicial proceedings or lawsuits with regard to corruption, bribery, extortion, fraud or money laundering.

# Environmental, Social and Governance Report (Continued)

## 3.4 Supply Chain Management

Maintaining close collaborations with suppliers is an indispensable part of our business. To protect the Company's vital interests, we have formulated and strictly implemented the "Regulations on Centralised Procurement Management Measures of China Development Bank International Holdings Limited", to reduce procurement risks, control procurement costs and improve procurement performance and selected suppliers with legal operation and good services based on the principles of transparency, openness, and fairness. The Company also attaches great value to communication with suppliers to enhance suppliers' understanding and recognition of the Company's value, consolidate cooperative relationships of mutual trust and assistance, and work together to promote the sustainable and stable development of the industry.

We also attach great importance to the extent to which suppliers fulfil their environmental and social responsibilities and advocate selecting eco-friendly products and services. In the process of selecting suppliers, we take into account the environmental and social risk assessment, sustainable development management, business ethics and environmental protection performance of suppliers as part of the comprehensive consideration factors, which are included in the policy formulation of the "Regulations on Centralised Procurement Management Measures of China Development Bank International Holdings Limited". The verification of suppliers' compliance capacity is conducted to incorporate considerations into the supplier selection process. The current suppliers are regularly evaluated and if significant problems are identified, we will consider terminating the relationship with them.

During the reporting period, the Company worked with 12 suppliers<sup>1</sup>, the distribution of which is as follows.

	<b>2023</b>
Total number of suppliers	12
Hong Kong	12

*Note:*

<sup>1</sup> The type of the 12 suppliers disclosed in this report are brokerage (4), consultancy (4), compliance (3), and network service (1), all of which are not major suppliers.

# Environmental, Social and Governance Report (Continued)

## 4. TALENT SOLIDARITY

### 4.1 Talent Recruitment and Management

Talented employees are considered the critical foundation and powerhouse of the Company's sustainable development. For employee management, we strictly follow relevant laws and regulations of Hong Kong such as the "Employment Ordinance", the "Employee's Compensation Ordinance", the "Mandatory Provident Fund Schemes Ordinance", the "Sex Discrimination Ordinance" and the "Race Discrimination Ordinance" to establish a robust employee management system. As an equal opportunity employer, we adopt a fair, just and open approach to attract outstanding talents and strive to create a non-discriminatory work environment. Our employment management system includes policies in employment, transfer, recruitment, training, promotion, discipline, remuneration and benefits, etc., to ensure equal opportunities and fair treatment for employees and candidates. If an employee proposes to resign, the human resources department of the Company will carry out resignation procedures according to internal policy. Employees are required to handle job handovers to ensure that other employees follow up on the work they are responsible for.

The Company strictly follows the requirements of the "Employment Ordinance" of Hong Kong on the prevention of child labour and forced labour and adopts a zero-tolerance policy towards illegal labour. We strictly check the age of candidates when recruiting to avoid child labour and enter into labour contracts with our employees to operate legally without involving forced labour. In the face of child labour or forced labour, the Company will adopt corresponding measures strictly in accordance with the "Employment Ordinance" and other relevant regulations, ensuring the most comprehensive protection of the rights and interests of related parties.

We are committed to providing employees with a fair, diversified and non-discriminatory working environment where employees respect, cooperate and support each other, and work together. In order to improve employees' communication and understand their views and suggestions, we have set up various channels, such as employee activities, etc. to solicit employees' opinions. At the same time, we continuously improve the employees' management system of CDB INT'L INV to provide them with a comfortable, fair and promising working environment.

During the reporting period, the Company had 6 full-time employees in total stationed in Hong Kong, including 1 male employee, and 5 female employees, with the male-to-female ratio being 16.7%: 83.3%. As the main daily operations conducted by all employees of the Company concern clerical and administrative work, both males and females can perform these tasks, and there are no gender-specific requirements for employees. Therefore, the nature of the Company's business and geographical location does not cause the Company to be inclined to recruit employees of a particular gender. Nevertheless, the Company will continue to promote diversity in all aspects of the Company (including gender diversity). The Company has 2 employees under the age of 31 and 4 employees in the 31–50 age range.

## Environmental, Social and Governance Report (Continued)

The Company had no staff turnover during the reporting period.

The Company's relevant system operates well and has not received any complaints or lawsuits with regard to violations of recruitment, compensation, dismissal, promotion, performance evaluation, working hours, holidays, equal opportunities, diversity, anti-discrimination and other related matters.

### 4.2 Professional Training and Development

CDB INT'L INV is committed to providing employees with an exceptional professional training and development platform, encouraging employees to enhance their personal and professional capabilities, maintaining professional competitiveness and promoting steady development of the Company. The Company continuously improves its training system, integrates internal and external resources to provide diversified training programs and participates in lectures organised by relevant institutions to establish a decent learning exchange platform.

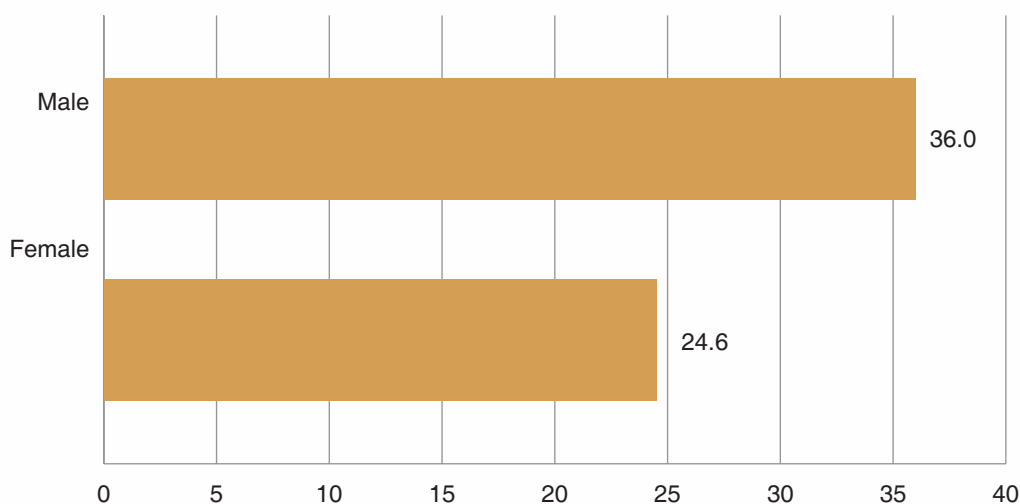
The Company organises a series of internal and external training courses based on its development strategies and employees' characteristics. The topics of training generally cover financial market analysis, consumer behaviour analysis, global market investment, and taxation to support CDB INT'L INV in more effectively carrying out its domestic and international investment projects, achieving sustainable business development.

For the year 2023, the Company has continuously devoted resources to employee training. During the reporting period, the Company conducted 38 internal and external training sessions with a total of 162 hours to improve the business standards of employees and their personal development. The training includes the latest legal and regulatory trends, industry research and knowledge exchange, risk mitigation and theme-based theory learning. The training is conducted in a cross-departmental manner to promote internal communication. The Company also encourages employees to enrol in external education opportunities and courses to further improve themselves by acquiring more advanced professional skills and qualifications.

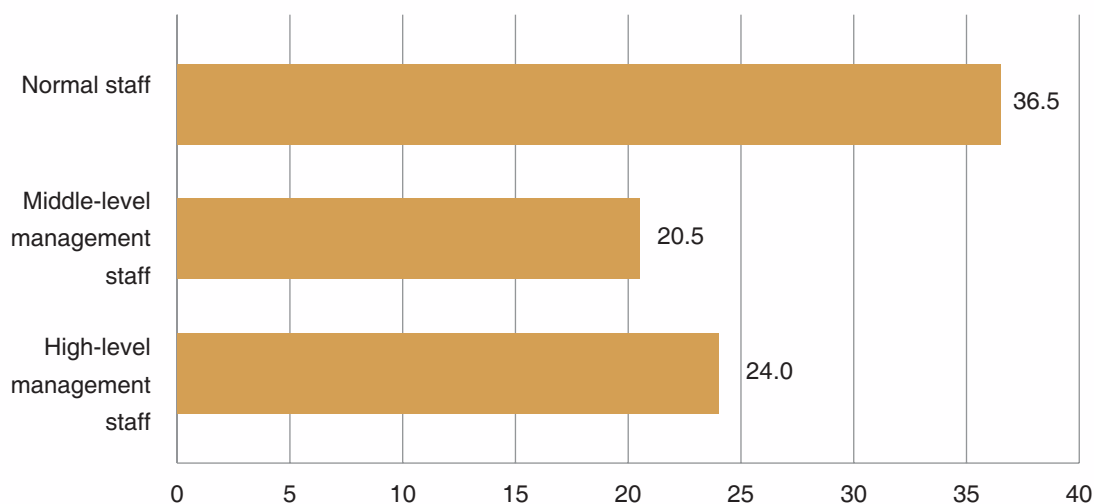
## Environmental, Social and Governance Report (Continued)

During the reporting period, 6 employees of the Company participated in the training program. Therefore, the training employee percentage is 100%, in terms of gender (male and female) and employee category (normal staff, middle-level management staff and high-level management staff).

Average training hours per employees by gender (Hour)



Average training hours per employees by category (Hour)



On the basis of strict compliance with the relevant employment laws, the Company has also formulated the “Employee Manual” according to its own circumstances and referred to the “Promotion System” of China Development International Holdings Limited (“**CBDIH**”) to determine the specific rank of employees based on their personal performance appraisal, work experience, personal ability and position.

## Environmental, Social and Governance Report (Continued)

### 4.3 Employee Health and Safety

Ensuring the health and safety of employees in the workplace is our responsibility. The Company strictly complies with relevant laws and regulations such as the “Occupational Safety and Health Ordinance” and the “Fire Safety (Commercial Premises) Ordinance” of Hong Kong, and continuously improves the establishment and management of health and safety systems. The Company encourages employees to exercise after work by providing them with reimbursement for sports and fitness expenses. At the same time, the Company also emphasises the quality of life of our employees and regularly provides festive gifts at Chinese and Western festivals to send warmth and blessings to our employees. To take care of the physical and mental health of our employees, we coordinate resources to provide online psychological counselling for our employees.

The Company attaches great value to creating a safe and comfortable office environment for employees and adopts a number of measures to maintain the environmental hygiene of our office. We employ professional companies to disinfect phones, keyboards, computers and other office equipment; clean glass windows, walls, carpets and deworm periodically. We regularly conduct inspections of items in the office and promptly clean or replace items that fail to meet the hygiene standards. We regularly repair and update our water purification equipment to ensure the safety of drinking water for our employees.

To enhance employees’ awareness of safety precautions, we also encourage employees to cooperate in fire drills organised by the building property management company and learn how to deal with emergencies through drills.

During the past three years (including the reporting period), the Company did not have any cases of work-related death or injuries, nor was it monitored or complained for violating occupational health and safety related laws.

### 4.4 Employee Compensation and Welfare

In order to retain the best talents, CDB INT’L INV has established a compensation and welfare system in accordance with the law, and provided competitive compensation and benefits based on the employee’s performance, experiences and industry average. In addition to the basic salary and mandatory provident fund, performance bonuses are also provided to employees to motivate hard work. We regularly adjust salaries with reference to industry salary levels and price changes to ensure that employees are provided with competitive compensation to strengthen the talent force.

We deeply understand the importance of work-life balance for employees, and strictly implement the “Holiday Management System” to standardise the management of employees’ working hours, holidays and rest periods. In addition to statutory holidays, the Company also provides employees with paid holidays including annual leave, sick leave, maternity leave, wedding leave, funeral leave, and exam leave. Each employee is acknowledged through the New Employee Training for detailed welfare policies and specific implementation methods, protecting the employees’ legitimate rights, interests and work-life balance, and improving work efficiency.



## Environmental, Social and Governance Report (Continued)

While complying with the “Employment Ordinance”, we also offer a wide variety of employee benefits, including labour insurance, mandatory and voluntary mandatory provident fund, medical insurance, communication fees, overtime subsidies, meal and overtime transportation allowances, heatstroke prevention and labour protection subsidies.

During the reporting period, the Company organized outdoor recreational activities such as hiking, visiting the PLA Hong Kong Garrison Exhibition Centre, holding staff birthday parties and celebrations for Women’s Day as well as sending festive gifts to the employees.

### 5. ENVIRONMENTAL PROTECTION

CDB INT’L INV has always considered its green development from strategy to implementation. It strictly complies with relevant laws and regulations such as the “Air Pollution Control Ordinance”. Our environmental protection concepts are integrated into business development and daily operation management, striving to reduce the negative impact of operations on the environment.

#### 5.1 Energy Saving and Emission Reduction

Energy saving and reducing emissions are important parts of fulfilling our environmental responsibility. To this end, we have developed environmental goals and action plans to promote energy conservation and emissions reduction. The Board will keep under review the progress and effectiveness of the environmental objectives.

<b>Target Areas</b>	<b>Environmental Objectives</b>	<b>Targets</b>	<b>Action Plans</b>
<b>Greenhouse Gas Emissions</b>	Reduce greenhouse gas emissions	Promote the use of public transportation	Reduce the use of company cars and promote the use of public transportation
<b>Energy Use</b>	Reduce energy use	Promoting Electricity Conservation	Promote turning off lights, turning off air conditioners after 8 p.m., and turning on half of the lights on holidays
		Promote water conservation	Promote the concept of water conservation and turn off the switch after using water
<b>Solid Waste Emissions</b>	Reduction of non-hazardous waste	Implementation of paperless office	Promote paperless office, implement paperless approval of internal approval process, realise electronic record of daily meetings and paperless post-investment management

## Environmental, Social and Governance Report (Continued)

As the Company's main business is investment, the direct impact on the environment and the use of natural resources are relatively insignificant. The impact mainly comes from electricity, water, paper and fuel consumption for business travel.

Although the Company is not a highly water-consuming industry with water supply mainly from the government water supply system and there is no difficulty in sourcing water, we nonetheless remind employees to save water by placing water saving signs.

In response to the use of vehicles for business travel, we have established a management system for the use of vehicles, adhering to the principles of economical and efficient use. It encourages reasonable use of vehicles and regular maintenance to reduce fuel consumption, and thus reduce air pollution and greenhouse gas emissions. The Company is not involved in any production activities, and therefore it does not emit any pollutants on land or water sources, nor does it generate hazardous waste or use packaging materials.

During the reporting period, our operating activities were in compliance with environmental laws and regulations, and we have not received any punishment for violations of environmental laws and regulations.

### 5.2 Environmental Performance

Resources type	2022		2023	
	Consumption	Consumption per person	Consumption	Consumption per person
Water Consumption <sup>1</sup>	1,476 L	246 L/person	1,458 L	243 L/person
Energy Consumption	31.4 MWh	5.2 MWh/person	29.4 MWh	4.8 MWh/person
Indirect energy	Electricity	30.5 MWh	29.1 MWh	4.8 MWh/person
	Consumption <sup>2</sup>			
Direct energy	Gasoline	0.9 MWh	0.3 MWh	0.0 <sup>3</sup> MWh/person

<sup>1</sup> The Company's sole place of business is located in Hong Kong, and in the office area rented by CDBIH in the Hong Kong International Finance Centre (IFC). Given that no individual water and electricity meters are set up in the office area, the total water and electricity consumption are estimated. The Company's water consumption is approximately one litre per person per day.

<sup>2</sup> The Company's electricity consumption is specifically estimated as follows.

$$\text{The Company's Electricity Consumption} = \frac{\text{CDBIH's Electricity Consumption Calculated by IFC Property}}{\text{Total Numbers of Employees for the Company and CDBIH}} \times \text{Numbers of Employees}$$

<sup>3</sup> Data are rounded to one decimal place and the actual value is 0.046.

## Environmental, Social and Governance Report (Continued)

	Waste Generation <sup>1</sup>			
	2022 Generation	2022 Generation per person	2023 Generation	2023 Generation per person
<b>Non-hazardous waste</b>				
Paper	63 kg	10.5 kg/person	117 kg	19.5 kg/person
	Pollutant Emissions			
Air Pollutants <sup>2</sup> and Wastewater <sup>3</sup>	2022 Emission	2022 Emission per person	2023 Emission	2023 Emission per person
NO <sub>x</sub>	115.0 g	19.2 g/person	12.1 g	2.0 g/person
SO <sub>2</sub>	1.4 g	0.2 g/person	0.4 g	0.1 g/person
CO	1,032.4 g	172.1 g/person	108.7 g	18.1 g/person
PM2.5	2.7 g	0.5 g/person	0.3 g	0.0 <sup>4</sup> g/person
Wastewater	1,476 L	246 L/person	1,458 L	243 L/person

<sup>1</sup> During the reporting period, the Company did not produce any hazardous waste or packing materials.

<sup>2</sup> Air pollution of the Company is mainly generated from exhaust emissions of its one business vehicle.

<sup>3</sup> Domestic sewage generated by the Company office is piped from the IFC building sewage system to treatment plants for centralised disposal.

<sup>4</sup> Data are rounded to one decimal place and the actual value is 0.048.

## Environmental, Social and Governance Report (Continued)

Greenhouse Gas indicators	Greenhouse gas emission			
	2022 Emission	2022 Emission per person	2023 Emission	2023 Emission per person
CO <sub>2</sub> e (scope 1) <sup>1</sup>	252.7 kg	42.1 kg/person	80.7 kg	13.5 kg/person
CO <sub>2</sub> e (scope 2) <sup>2</sup>	21,662.8 kg	3,610.5 kg/person	19,726.8 kg	3,287.8 kg/person
CO <sub>2</sub> e (scope 3) <sup>3</sup>	302.4 kg	50.4 kg/person	561.6 kg	93.6 kg/person
Total CO <sub>2</sub> e	22,217.9 kg	3,703.0 kg/person	20,369.1 kg	3,394.9 kg/person

### 6. GIVING BACK TO SOCIETY

While the Company and its employees jointly pursuing sustainable development, CDB INT'L INV has always attached great importance to collaborating with the community and proactively undertaking corporate social responsibility with gratitude. As an active promoter of community public welfare activities, we actively leverage our own resource advantages to encourage employees to participate in activities that have a positive impact on society in addition to daily operating activities by serving and contributing to the community, promoting and fulfilling social responsibility, and committing to promote harmony, prosperity and sustainable development of businesses and society.

During the reporting period, the Company has encouraged employees to participate in charity affairs actively. We have conducted a total of 28 hours of community volunteering activities and made donations of RMB3,550 to the "Building Happiness – Help out Mothers in Distress" campaign.

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- 1 Greenhouse gases (Scope 1) are generated from the exhaust emissions of the Company's one business vehicle. Greenhouse gases included in the calculation were CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. Please refer to "Appendix 2: Reporting Guidance on Environmental KPIs" of the HKEX for the specific calculation.
  - 2 Greenhouse gases (Scope 2) are generated from the electricity consumed by the Company through the production processes of suppliers. Please refer to "The Hongkong Electric Company, Limited Sustainability Report 2022" for the specific calculation and emission factor.
  - 3 Greenhouse gases (Scope 3) mainly include CO<sub>2</sub> and CH<sub>4</sub> generated from the disposal of Company office's waste paper in landfill sites of Hong Kong. Other gas emissions included in Scope 3 are not included in the calculation. Please refer to "Appendix 2: Reporting Guidance on Environmental KPIs" of the HKEX for the specific calculation.

# Environmental, Social and Governance Report (Continued)

## INDEX OF CONTENTS OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Mandatory Disclosure Requirements	Descriptions	Relevant section or other explanation of this report
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board’s oversight of ESG issues;</li> <li>(ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and</li> <li>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</li> </ul>	2 Sustainability Governance
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	1 About this Report
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	1 About this Report

# Environmental, Social and Governance Report (Continued)

General disclosures and KPIs	Descriptions	Relevant section or other explanation of this report
<b>Environment</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	5 Environmental Protection  5.1 Energy Saving and Emission Reduction
KPI A1.1	The types of emissions and respective emissions data	5.2 Environmental Performance
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.2 Environmental Performance
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	Due to the Company's business nature, this indicator is not applicable.
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	5.2 Environmental Performance
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	5.1 Energy Saving and Emission Reduction
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.1 Energy Saving and Emission Reduction

## Aspect A2: Use of resources

General Disclosure	Policies on the efficient use of resources	5.1 Energy Saving and Emission Reduction
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## Environmental, Social and Governance Report (Continued)

General disclosures and KPIs	Descriptions	Relevant section or other explanation of this report
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	5.2 Environmental Performance
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	5.2 Environmental Performance
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.1 Energy Saving and Emission Reduction
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.1 Energy Saving and Emission Reduction
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	Due to the Company's business nature, this indicator is not applicable.

### Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	5.1 Energy Saving and Emission Reduction
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	5.1 Energy Saving and Emission Reduction

### Aspect A4: Climate Change

General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	As the Company is engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities, the Company mainly works in office premises, and is not significantly impacted by climate change.
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# Environmental, Social and Governance Report (Continued)

General disclosures and KPIs	Descriptions	Relevant section or other explanation of this report
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	As the Company is engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities, the Company mainly works in office premises, and is not significantly impacted by climate change. For the Company's environmental protection measures, please refer to the chapter 5.1 Energy Saving and Emission Reduction.

## Social

### Employment and Labor Practices

#### Aspect B1: Employment

General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	4 Talent Solidarity
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region	4.1 Talent Recruitment and Management
KPI B1.2	Employee turnover rate by gender, age group and geographical region	4.1 Talent Recruitment and Management

# Environmental, Social and Governance Report (Continued)

General disclosures and KPIs	Descriptions	Relevant section or other explanation of this report
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards	4.3 Employee Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	The Company had no work-related injuries or work-related fatalities in the past three years.
KPI B2.2	Lost days due to work injury.	The Company had no work injury during the reporting period and thus had no lost days due to work injury.
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.3 Employee Health and Safety
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	4.2 Professional Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	4.2 Professional Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category	4.2 Professional Training and Development

# Environmental, Social and Governance Report (Continued)

General disclosures and KPIs	Descriptions	Relevant section or other explanation of this report
<b>Aspect B4: Labor Standards</b>		
General Disclosure	Information on:	
	(a) the policies; and	4 Talent Solidarity
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	4.1 Talent Recruitment and Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4 Talent Solidarity 4.1 Talent Recruitment and Management
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4 Talent Solidarity 4.1 Talent Recruitment and Management
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain	3.4 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	3.4 Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.4 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.4 Supply Chain Management

## Environmental, Social and Governance Report (Continued)

General disclosures and KPIs	Descriptions	Relevant section or other explanation of this report
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.4 Supply Chain Management
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>3 Management Excellence</p> <p>3.2 Compliance Operation</p> <p>The Company's business nature has no direct contact with any customers and is not involved in any production. Therefore, the issue of health and safety, advertising and labelling is not application. In addition, the Company was not involved in any commercial advertisements during the reporting period.</p>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	As the Company is engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities, the Company has no direct contact with any customers and is not involved in any production, and thus this disclosure is not relevant to the Company's business.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	As the Company is engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities, the Company has no direct contact with any customers and is not involved in any production, and thus this disclosure is not relevant to the Company's business.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.2 Compliance Operation

# Environmental, Social and Governance Report (Continued)

General disclosures and KPIs	Descriptions	Relevant section or other explanation of this report
KPI B6.4	Description of quality assurance process and recall procedures.	As the Company is engaged in investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities, the Company has no direct contact with any customers and is not involved in any production, and thus this disclosure is not relevant to the Company's business.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.2 Compliance Operation

## Aspect B7: Anti-corruption

General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</li> </ul> relating to bribery, extortion, fraud and money laundering	3.3 Professional Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	3.3 Professional Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	3.3 Professional Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	3.3 Professional Integrity.

# Environmental, Social and Governance Report (Continued)

General disclosures and KPIs	Descriptions	Relevant section or other explanation of this report
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	6 Giving Back to Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6 Giving Back to Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6 Giving Back to Society

# Independent Auditor's Report



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## TO THE SHAREHOLDERS OF CHINA DEVELOPMENT BANK INTERNATIONAL INVESTMENT LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of China Development Bank International Investment Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 82 to 123, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, which include material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



# Independent Auditor's Report (Continued)

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Valuation of the Group's financial assets at fair value through profit or loss classified as level 3**

Refer to note 3.3 and 14 of the consolidated financial statements.

#### ***The Key Audit Matter***

The Group's financial assets at fair value through profit or loss ("**FVPL**") as at 31 December 2023 amounted to approximately HK\$832 million which were categorised as level 3 in the fair value hierarchy.

The audit focused on the valuation of the financial assets at FVPL classified as level 3 in the fair value hierarchy due to the significance of the balance and the high degree of subjectivity and management judgement. Due to the fact that availability of market information is limited for these financial assets at FVPL, management judgement is involved in determining the assumptions to the unobservable inputs that were considered to be appropriate in their circumstances, and application of the appropriate valuation technique. These factors are all subject to a certain level of estimation uncertainty and inherent risk of subjectivity.

#### ***How the matter was addressed in our audit***

With the involvement of our internal valuation team, our audit procedures to assess the fair value of financial assets included the following:

- understood, evaluated and validated the key controls and inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, in particular those over the valuation of financial assets at FVPL classified as level 3;
- evaluated the competence, independence, capabilities and objectivity of the Group's external valuer;
- assessed the appropriateness for the valuation technique used by management based on the market practice and our knowledge on the nature of the financial assets;
- evaluated the judgement made by management in determining the key assumptions, by comparing the supporting documentation to external market analysis, the market practice and our industry knowledge. We also performed an independent sensitivity analysis to evaluate those assumptions applied to the valuation model for calculating the fair value of the financial assets; and
- checked the mathematical accuracy of the valuation prepared by management via re-performance.

# Independent Auditor's Report (Continued)

## OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises all of the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Independent Auditor's Report (Continued)

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent Auditor's Report (Continued)

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**BDO Limited**

*Certified Public Accountants*

**Choi Kit Ying**

Practising Certificate no. P07387

Hong Kong, 25 March 2024

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	2023 HK\$	2022 HK\$
Net valuation losses on fair value of financial assets at fair value through profit or loss		(287,699,838)	(622,636,931)
Realised gain on disposal of financial asset at fair value through profit or loss		15,498,989	–
General and administrative expenses	7	(12,680,283)	(16,950,929)
Other gains, net		4,802,896	2,355,186
Dividend income from financial asset at fair value through profit or loss		64,631,720	161,282,534
Share of profit in an associate	13	487,182	11,461,144
Finance income	6	1,059,853	156,582
Finance costs	6	–	(1,774,256)
<b>Loss before income tax</b>		<b>(213,899,481)</b>	<b>(466,106,670)</b>
Income tax expense	10	(4,001,612)	(5,494,850)
<b>Loss and total comprehensive income for the year attributable to owners of the Company</b>		<b>(217,901,093)</b>	<b>(471,601,520)</b>
<b>Loss per share</b>			
– Basic (HK cents)	12	(7.51)	(16.25)
– Diluted (HK cents)	12	(7.51)	(16.25)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023 HK\$	2022 HK\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		–	–
Interest in an associate	13	–	2,068,105
Financial assets at fair value through profit or loss	14	<b>835,550,630</b>	1,116,130,844
		<b>835,550,630</b>	1,118,198,949
<b>Current assets</b>			
Financial assets at fair value through profit or loss	14	–	215,824,931
Amount due from immediate controlling company		<b>920,472</b>	–
Other receivables	16	<b>224,204,296</b>	–
Cash and cash equivalents	17	<b>86,451,484</b>	31,534,999
		<b>311,576,252</b>	247,359,930
<b>Total assets</b>		<b>1,147,126,882</b>	1,365,558,879
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	19	<b>29,022,154</b>	29,022,154
Reserves		<b>1,113,311,967</b>	1,331,213,060
<b>Total equity</b>		<b>1,142,334,121</b>	1,360,235,214

# Consolidated Statement of Financial Position (Continued)

As at 31 December 2023

	<i>Notes</i>	<b>2023</b> <b>HK\$</b>	2022 <i>HK\$</i>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables and accruals	18	<u>4,792,761</u>	<u>5,323,665</u>
<b>Total liabilities</b>		<u>4,792,761</u>	<u>5,323,665</u>
<b>Total equity and liabilities</b>		<u><b>1,147,126,882</b></u>	<u><b>1,365,558,879</b></u>

The consolidated financial statements on pages 82 to 123 were approved and authorised for issue by the Board of Directors on 25 March 2024 and were signed on its behalf:

**LU Yanpo**  
*Director*

**CHEUNG Ngai Lam**  
*Director*

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



# Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital <i>HK\$</i>	Share premium <i>HK\$</i>	Special reserve <i>HK\$</i> <i>(Note)</i>	Capital redemption reserve <i>HK\$</i>	Retained earnings/ (Accumulated losses) <i>HK\$</i>	Total <i>HK\$</i>
At 1 January 2022	29,022,154	1,043,800,995	382,880,958	270,200	375,862,427	1,831,836,734
Loss for the year	-	-	-	-	(471,601,520)	(471,601,520)
Total comprehensive income for the year	-	-	-	-	(471,601,520)	(471,601,520)
At 31 December 2022 and 1 January 2023	29,022,154	1,043,800,995	382,880,958	270,200	(95,739,093)	1,360,235,214
Loss for the year	-	-	-	-	(217,901,093)	(217,901,093)
Total comprehensive income for the year	-	-	-	-	(217,901,093)	(217,901,093)
At 31 December 2023	<u>29,022,154</u>	<u>1,043,800,995</u>	<u>382,880,958</u>	<u>270,200</u>	<u>(313,640,186)</u>	<u>1,142,334,121</u>

*Note:* Special reserve represents the difference between the amount recorded as share capital issued by the Company pursuant to a scheme of arrangement which became effective in April 2005 under section 166 of the Hong Kong Companies Ordinance in respect of ING Beijing Investment Company Limited (“**ING Beijing**”) and the amount recorded for the share capital of ING Beijing acquired. ING Beijing was liquidated in November 2005.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	2023 HK\$	2022 HK\$
<b>Cash flows from operating activities</b>		
Loss before income tax	(213,899,481)	(466,106,670)
Adjustments for:		
Finance income	(1,059,853)	(156,582)
Finance costs	–	1,774,256
Share of profit in an associate	(487,182)	(11,461,144)
Net exchange (gain)/loss	(15,847)	72,757
Realised gain on disposal of financial asset at fair value through profit or loss	(15,498,989)	–
Net valuation losses on fair value of financial assets at fair value through profit or loss	287,699,838	622,636,931
<b>Changes in working capital</b>		
Changes in amount due from immediate controlling company	(920,472)	–
Changes in other receivables	–	6,104,242
Changes in other payables and accruals	(530,904)	(1,073,243)
Cash generated from operations	55,287,110	151,790,547
Income tax paid	(4,001,612)	(5,494,850)
<b>Net cash generated from operating activities</b>	<u>51,285,498</u>	<u>146,295,697</u>
<b>Cash flows from investing activities</b>		
Interest received	1,059,853	156,582
Dividend received from an associate	2,571,134	11,613,772
<b>Net cash generated from investing activities</b>	<u>3,630,987</u>	<u>11,770,354</u>
<b>Cash flow from financing activities</b>		
Interest paid	–	(1,774,256)
Repayments to bank borrowing	–	(390,000,000)
<b>Net cash used in financing activities</b>	<u>–</u>	<u>(391,774,256)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>54,916,485</u>	<u>(233,708,205)</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>31,534,999</u>	<u>265,243,204</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>86,451,484</u></u>	<u><u>31,534,999</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Consolidated Financial Statements

## 1 GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its immediate holding company is China Development Bank International Holdings Limited (“**CDBIH**”), a private limited company established in Hong Kong and its ultimate holding company is China Development Bank (“**CDB**”), a wholly state-owned policy bank established on 17 March 1994 in the People’s Republic of China (“**PRC**”). CDB is a limited liability company owned by the Ministry of Finance (“**MOF**”) and Central Huijin Investment Ltd. (“**Huijin**”). The MOF is one of the ministries under the State Council, primarily responsible for state fiscal revenue and expenditures, and taxation policies. Huijin was established to hold certain equity investments as authorised by the State Council and does not engage in other commercial activities. Huijin exercises legal rights and obligations on behalf of the PRC government. The address of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report. The principal activities of the Company and its subsidiaries (the “**Group**”) are to achieve medium-term to long-term capital appreciation of its assets primarily through its investments in money market securities, equity and debt related securities in listed and unlisted entities on a global basis. Details of the principal activities of the Company’s subsidiaries are set out in Note 22. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 2 SUMMARY OF ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements also comply with the applicable disclosure provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The area involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

# Notes to the Consolidated Financial Statements (Continued)

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### (a) *New standards, amended standards and interpretations adopted by the Group*

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

HKFRS 17	Insurance Contracts and the related Amendments
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKAS 12 (Amendments)	International Tax Reform – Pillar Two Model Rules

The adoption of the standards and amendments listed above did not have material impact on the Group's accounting policies and consolidated financial statements.

#### (b) *New standards, amendments to standards and interpretations not yet adopted*

Standards	Subject of amendment	Effective for accounting periods beginning on or after
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2024
HKAS 1 (Amendments)	Non-current Liabilities with Covenants	1 January 2024
HKFRS 10 and HKAS 28 (2011) (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 January 2024
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements	1 January 2024
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HK Int 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024

The Group has already commenced an assessment of the impact of these amendments and none of those are expected to have material impact on the Group's accounting policies.

# Notes to the Consolidated Financial Statements (Continued)

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.2 Foreign currency translation

#### (a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency, as the Group's business is mainly carried out in Hong Kong and transacted in HK\$.

#### (b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of profit or loss and other comprehensive income.

All foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within 'other gains, net'.

### 2.3 Investments and other financial assets

#### (i) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“**FVOCI**”).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

# Notes to the Consolidated Financial Statements (Continued)

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.3 Investments and other financial assets (Continued)

#### (ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### (iii) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains or losses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

# Notes to the Consolidated Financial Statements (Continued)

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.3 Investments and other financial assets (Continued)

#### *(iv) Impairment*

For other receivables, ECLs are based on lifetime ECLs excepts when there has not been a significant increase in credit risk since initial recognition, in which case the allowance will be based on the 12 months ECLs.

### 2.4 Other receivables

Other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 16 for further information about the Group's accounting for other receivables and Note 2.3(iv) for a description of the Group's impairment policies.

### 2.5 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions.

### 2.6 Share capital

Ordinary shares are classified as equity.

### 2.7 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### *(a) Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.



# Notes to the Consolidated Financial Statements (Continued)

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.7 Current and deferred income tax (Continued)

#### **(b) Deferred income tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2.8 Employee benefits

#### **(a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

#### **(b) Pension obligations**

The Group operates a defined contribution plan in Hong Kong and pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **(c) Bonus plan**

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholder. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

# Notes to the Consolidated Financial Statements (Continued)

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

#### (a) *Interest income*

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

#### (b) *Dividend income*

Dividends are received from financial assets measured at FVPL. Dividends are recognised as other income in consolidated statement of profit or loss and other comprehensive income when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment.

## 3 FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, other price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not use derivative financial instruments to hedge its financial risks.

Risk management is carried out by the management under policies approved by the Board of Directors. The management identifies and evaluates financial risks in close co-operation within the Group. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, other price risk, cash flow and fair value interest rate risk, credit risk and liquidity risk.

# Notes to the Consolidated Financial Statements (Continued)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (i) Market risk

##### Foreign exchange risk

Foreign currency risk refers to the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates in Hong Kong with most of the operating costs denominated and settled in HK\$. The Group's exposure to foreign currency risk primarily arises from investments denominated in Renminbi ("RMB") and United States Dollars ("US\$") against HK\$ as functional currency. During the year, the Group did not have foreign currency hedging policy but management continuously monitors the foreign exchange exposure. As HK\$ is pegged to US\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates.

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 31 December 2023 and 2022. Included in the tables are the assets and liabilities at carrying amounts in HK\$ equivalent, categorised by the original currency:

	As at 31 December 2023		As at 31 December 2022	
	United States Dollars HK\$	Renminbi HK\$	United States Dollars HK\$	Renminbi HK\$
<b>Assets</b>				
Other receivables	–	224,204,296	–	–
Cash and cash equivalents	75,854,568	18,838	28,358,896	58,547
Financial assets at FVPL	549,456,759	152,598,500	852,922,490	207,993,968
<b>Liabilities</b>				
Other payables and accruals	56,666	253,502	56,665	–

The following table indicates the impact of management's reasonable expectation on the movement in foreign exchange rate on the Group's loss after taxation and on equity as at 31 December 2023 and 2022:

	Movement in foreign currency		Movement in foreign currency	
		2023 HK\$		2022 HK\$
Foreign currency risk				
RMB	+/- 5%	18,828,407	+/- 5%	10,402,626

# Notes to the Consolidated Financial Statements (Continued)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (i) **Market risk (Continued)**

##### *Other price risk*

The Group is exposed to price risk through its investments in financial assets at FVPL. In order to mitigate such risk, the Group would diversify its investment portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. At 31 December 2023, if the price of the Group's financial assets at FVPL had been 10% higher/lower with all other variables held constant, the profit for the year would have increased/decreased by approximately HK\$83.56 million (2022: approximately HK\$133.20 million).

##### *Cash flow and fair value interest rate risk*

The Group's main interest rate risk arises from borrowing and bank deposits with variable rates, which expose the Group to cash flow interest rate risk. During 2023 and 2022, the Group's borrowing and bank deposits at variable rate were mainly denominated in HK\$.

As at 31 December 2023, with all other variables held constant, if the interest rate had increased/decreased by 10 basis point, the Group's post-tax profit would have been HK\$72,187 (2022: HK\$26,332) higher/lower.

#### (ii) **Credit risk**

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at FVPL and other receivables. The carrying amount of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

##### (i) *Risk management*

Credit risk is managed on a Group basis. For other receivables, the Group has policies in place to monitor the credit expose of the relevant parties. The Group will assess the financial capabilities of the relevant parties including its financial position, repayment histories, and its abilities to obtain financial support when necessary. Management also regularly reviews the recoverability of these receivables and follow up the disputes of amounts overdue, if any.

# Notes to the Consolidated Financial Statements (Continued)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (ii) Credit risk (Continued)

##### (ii) Impairment of financial assets

Other financial assets at amortised cost

All of the entity's other financial assets at amortised cost are considered to have low credit risk where they have a low risk of default and the debtor has strong capacity to meet its contractual cash flow obligation in the near term, and the loss allowance recognised during the period was therefore limited to 12 months expected losses.

Financial assets at amortised cost include other receivables and amount due from immediate controlling company.

For other receivables and amount due from immediate controlling company, the Group applied expected loss rate based on the credit rating of the counterparty with reference to Chinese State-owned Property Exchanges Association or Moody's Analytics, taking into account its financial position, past experience and forward-looking information. The Group has identified the Gross Domestic Product to be the most relevant factor. The ECLs for these financial assets were minimal during the reporting period (2022: N/A).

Cash and cash equivalent

In respect of cash and cash equivalents, the Group mitigates its exposure to credit risk by placing deposits with banks with a minimum credit rating of "A" assigned by Moody's Analytics which the Group considers to represent low credit risk. Given the high credit ratings of the banks, management does not expect any counterparty to fail to meet its obligations. Therefore, ECL rate of the deposits is assessed to be minimal.

# Notes to the Consolidated Financial Statements (Continued)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (iii) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements in the short and long term.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period as at 31 December 2023 and 2022 to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year HK\$	Total contractual cash flows HK\$	Carrying amount HK\$
<b>As at 31 December 2023</b>			
Other payables and accruals	<u>4,792,761</u>	<u>4,792,761</u>	<u>4,792,761</u>
<b>As at 31 December 2022</b>			
Other payables and accruals	<u>5,323,665</u>	<u>5,323,665</u>	<u>5,323,665</u>

### 3.2 Capital management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

# Notes to the Consolidated Financial Statements (Continued)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.2 Capital management (Continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing less cash and bank balances. Total capital is calculated as "Equity" as shown in the consolidated statement of financial position plus net debt.

The gearing ratio as at 31 December 2023 and 2022 are as follows:

	2023 HK\$	2022 HK\$
Total borrowing	–	–
Less: cash and cash equivalents	<u>(86,451,484)</u>	<u>(31,534,999)</u>
Net debt	<b>(86,451,484)</b>	(31,534,999)
Total equity	<u><b>1,142,334,121</b></u>	<u>1,360,235,214</u>
Total capital	<u><b>1,055,882,637</b></u>	<u>1,328,700,215</u>
	<u><b>N/A</b></u>	<u>N/A</u>

### 3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2023 and 2022 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).



# Notes to the Consolidated Financial Statements (Continued)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
	31 December 2023	31 December 2022					
i) Unlisted ordinary shares of Jade Sino Ventures Limited ("Jade Sino")	HK\$133,495,371	HK\$271,039,317	Level 3	Net asset value with an adjustment of discount rate for lack of marketability	Discount rate for lack of marketability of 15%. (2022: 15%)	The higher the discount rate for lack of marketability, the lower the fair value. (2022: Same)	If the discount rate for lack of marketability is 2.5% higher/lower with all other variables were held constant, the fair value would decrease/increase by HK\$3,926,334 (2022: HK\$9,086,310).
ii) Unlisted ordinary shares of P.G. Logistics Property Investment Limited ("P. G. Logistics")	-	HK\$215,824,931	Level 3	Option-Pricing model  The key input are volatility and risk free rate.	N/A (2022: Volatility, determined by reference to the average annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share of the comparable companies, of 43.26%).  N/A (2022: Risk free rate, determined by reference to the yields of government bonds with timeframes between the valuation date and expected exit dates, of 4.76%).	N/A (2022: The higher the volatility, the lower the fair value).  N/A (2022: The higher the risk free rate, the lower the fair value).	N/A (2022: If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would decrease by HK\$4,937,599 and increase by HK\$4,276,210 respectively).  N/A (2022: If the risk free rate is 10% higher/lower, while all other variables were held constant, the fair value would decrease by HK\$609,688 and increase by HK\$610,132 respectively).
iii) Listed equity securities of BEST Inc.	HK\$3,301,344	HK\$2,845,995	Level 1	Quoted bid prices in an active market	N/A	N/A	N/A

# Notes to the Consolidated Financial Statements (Continued)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
	31 December 2023	31 December 2022					
iv) Unlisted convertible preferred shares with put option of Meicai	HK\$336,347,244	HK\$410,400,214	Level 3	Option-Pricing model  The key input are volatility and risk free rate.	Volatility, determined by reference to the average annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share of the comparable companies, of 52.16% (2022: 38.49%).  Risk free rate, determined by reference to the yields of government bonds with timeframes between the valuation date and expected exit dates, of 4.30% (2022: 4.76%).	The higher the volatility, the lower the fair value (2022: The higher the volatility, the higher the fair value).  The higher the risk free rate, the lower the fair value (2022: The higher the risk free rate, the higher the fair value).	If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would decrease by HK\$64,664 and increase by HK\$54,402 respectively. (2022: increase by HK\$3,850,042 and decrease by HK\$4,010,736 respectively.)  If the risk free rate is 10% higher/lower, while all other variables were held constant, the fair value would decrease by HK\$4,745 and increase by HK\$4,635 respectively. (2022: increase by HK\$64,050 and decrease by HK\$61,730 respectively.)

# Notes to the Consolidated Financial Statements (Continued)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
	31 December 2023	31 December 2022					
v) Unlisted convertible preferred shares with put option of G7 Connect Inc	HK\$209,808,171	HK\$223,851,350	Level 3	<p>Option-Pricing model and back-solve method</p> <p>The key input are volatility, risk free rate and recent transaction price.</p>	<p>Volatility, determined by reference to the average annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share of the comparable companies, of 31.61% (2022: 37.74%).</p> <p>Risk free rate, determined by reference to the yields of government bonds with timeframes between the valuation date and expected exit dates, of 4.83% (2022: 4.76%).</p> <p>Recent transaction price, determined by reference to the recent transaction price. (2022: Same)</p>	<p>The higher the volatility, the higher the fair value (2022: The higher the volatility, the lower the fair value).</p> <p>The higher the risk free rate, the higher the fair value (2022: Same).</p> <p>The higher the recent transaction price the higher the fair value. (2022: Same)</p>	<p>If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK\$529,403 and decrease by HK\$762,916 respectively (2022: decrease by HK\$3,091,719 and increase by HK\$5,683,455 respectively).</p> <p>If the risk free rate is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK\$943,612 and decrease by HK\$946,713 respectively (2022: increase by HK\$633,485 and decrease by HK\$639,025 respectively).</p> <p>If the recent transaction price is 5% higher/lower, while all other variables were held constant, the fair value would increase by HK\$20,294,934 and decrease by HK\$20,133,991 respectively (2022: increase by HK\$50,425,883 and decrease by HK\$55,477,953 respectively).</p>

# Notes to the Consolidated Financial Statements (Continued)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value	Sensitivity
	31 December 2023	31 December 2022					
vi) Unlisted ordinary shares of Yimeter Holding Limited ("Yimeter")	HK\$152,598,500	HK\$207,993,968	Level 3	<p>Option-Pricing model (Note) (2022: Market comparable model)</p> <p>The key input are volatility and risk free rate (2022: price-to-sales ratio).</p>	<p>Volatility, determined by reference to the average annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share of the comparable companies, of 60.3% (2022: N/A).</p> <p>Risk free rate, determined by reference to the yields of government bonds with timeframes between the valuation date and expected exit dates, of 4.27% (2022: N/A).</p> <p>N/A (2022: Price-to-sales ratio determined by an average by reference to a pool of comparable listed companies in the same industry with average multiple rate of 4.2).</p>	<p>The higher the volatility, the lower the fair value (2022: N/A).</p> <p>The higher the risk free rate, the higher the fair value (2022: N/A).</p> <p>N/A (2022: The higher the price-to-sales ratio, the higher the fair value).</p>	<p>If the volatility is 10% higher/lower, while all other variables were held constant, the fair value would decrease by HK\$2,594,000 and increase by HK\$2,602,900 respectively (2022: N/A).</p> <p>If the risk free rate is 10% higher/lower, while all other variables were held constant, the fair value would increase by HK\$7,100 and decrease by HK\$6,400 respectively (2022: N/A).</p> <p>N/A (2022: If the price-to-sales ratio is 5% higher/lower, while all other variables were held constant, the fair value would increase by HK\$10,399,698 and decrease by HK\$10,399,698 respectively).</p>

Note: As of 31 December 2023, the valuation technique of Yimeter changed from market comparable model to Option-Pricing model due to the successful IPO of J&T as mentioned in Note 14i(e).

\* For identification purpose only

# Notes to the Consolidated Financial Statements (Continued)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

#### *Fair value hierarchy*

	Level 1 <i>HK\$</i>	Level 2 <i>HK\$</i>	Level 3 <i>HK\$</i>	Total <i>HK\$</i>
<b>2023</b>				
<b>Financial assets</b>				
Financial assets at FVPL	<u>3,301,344</u>	–	<u>832,249,286</u>	<u>835,550,630</u>
<b>2022</b>				
<b>Financial assets</b>				
Financial assets at FVPL	<u>2,845,995</u>	–	<u>1,329,109,780</u>	<u>1,331,955,775</u>

The fair values of the financial assets included in the level 3 category above have been determined by reference to the valuation in accordance with generally accepted valuation methodologies, with the most significant inputs being the risk free rate and the volatility. The following table presents the changes in level 3 instruments for the year ended 31 December 2023 and 2022.

#### ***Reconciliation of level 3 fair value measurements***

	<b>Financial assets at FVPL <i>HK\$</i></b>
<b>At 1 January 2022</b>	1,932,870,006
Total gains recognised in profit or loss – change in fair value of financial assets at FVPL	<u>(603,760,226)</u>
<b>At 31 December 2022 and 1 January 2023</b>	<u>1,329,109,780</u>
Total gains recognised in profit or loss – change in fair value of financial assets at FVPL	<b>(481,361,505)</b>
Disposal of financial assets at FVPL	<u>(15,498,989)</u>
<b>At 31 December 2023</b>	<u><u>832,249,286</u></u>

# Notes to the Consolidated Financial Statements (Continued)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

#### *Reconciliation of level 3 fair value measurements (Continued)*

Of the total losses for the year included in profit or loss, HK\$288,155,187 (total losses of 2022: HK\$603,760,226) relates to financial assets at FVPL classified as level 3 held at the end of the reporting period. Fair value losses (2022: losses) on financial assets at FVPL are included in net valuation losses (2022: losses) on fair value of financial assets at FVPL. Realised gain on disposal of HK\$15,498,989 on financial assets at FVPL classified as level 3 was recognised during the year. There was no disposal of financial assets at FVPL classified as level 3 during the year ended 31 December 2022.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### **Fair value of financial instruments measured at FVPL**

The Group selects appropriate valuation techniques for financial instruments measured at FVPL for financial reporting purposes. The Director has delegated the valuation work to finance division of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of assets, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages a qualified valuer, an independent third party, to perform the valuation. The finance division works closely with the valuer to establish the appropriate valuation techniques and inputs to the model. The finance division of the Company reports the findings to the Directors of the Company regularly to explain the cause of fluctuations in the fair value of the assets and liabilities. The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 3.3 provides detailed information about the valuation techniques and inputs used in the determination of the fair value of various assets.

## Notes to the Consolidated Financial Statements (Continued)

### 5 SEGMENT INFORMATION

The chief operating decision-maker (“**CODM**”) has been identified as the Company’s executive director. The Group’s principal activity is investment in equity instruments and other financial instruments. For the purpose of resources allocation and assessment of performance, the CODM regularly reviews the Group’s investment portfolio, including financial assets at FVPL. Information provided to the CODM includes fair value of the respective investees. The Group’s financial assets at FVPL portfolio are managed and evaluated on a total return basis. No other discrete financial information was provided to the CODM. Therefore, the Group has identified only one operating segment-investment holding, and no separate segment information is disclosed. Management determines the Group is domiciled in Hong Kong, which is the location of the Group’s principal office. The Group’s non-current assets (other than financial assets at FVPL and property, plant and equipment) are located in the PRC, which is based on the operations of an associate. The Group’s revenue was all derived from the Group’s operation which is located in Hong Kong. Given that the nature of the Group’s operation is investment holding, there was no information regarding major customers as determined by the Group.

### 6 FINANCE INCOME AND FINANCE COSTS

	2023 HK\$	2022 HK\$
<b>Finance income</b>		
Bank interest income	<u>1,059,853</u>	<u>156,582</u>
<b>Finance costs</b>		
Interest expense of borrowing	<u>-</u>	<u>(1,774,256)</u>

### 7 EXPENSES BY NATURE

	<i>Notes</i>	2023 HK\$	2022 HK\$
Employee benefits expenses	9		
– Directors’ emoluments	8	300,000	300,000
– Basic salaries and other benefits		7,282,251	9,541,177
– Retirement benefits contribution	8	370,068	449,557
Auditor’s remuneration			
– Audit services		903,000	881,500
– Non-audit services		210,000	205,000
Investment management fees		288,133	350,000
Legal and professional fees		1,926,909	2,025,978
Others		<u>1,399,922</u>	<u>3,197,717</u>
Total of general and administrative expenses		<u>12,680,283</u>	<u>16,950,929</u>



## Notes to the Consolidated Financial Statements (Continued)

### 8 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

#### Directors' and deputy chief executive officer's emoluments

The remuneration of every Director and deputy chief executive officer for the year ended 31 December 2023 and 2022 is set out below:

	Directors' fee HK\$	Basic salaries and other benefits HK\$	Retirement benefits contributions HK\$	Total HK\$
<b>For the year ended 31 December 2023</b>				
<b>Non-Executive Director</b>				
Mr. LU Yanpo	-	-	-	-
<b>Independent Non-Executive Director</b>				
Dr. FAN Ren Da, Anthony	100,000	-	-	100,000
Mr. SIN Yui Man	100,000	-	-	100,000
Mr. CHEUNG Ngai Lam	100,000	-	-	100,000
	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
	Directors' fee HK\$	Basic salaries and other benefits HK\$	Retirement benefits contributions HK\$	Total HK\$
<b>For the year ended 31 December 2022</b>				
<b>Executive Director</b>				
Mr. BAI Zhe (resigned on 30 June 2022)	-	-	-	-
<b>Non-Executive Director</b>				
Mr. LU Yanpo (appointed on 11 February 2022)	-	-	-	-
<b>Independent Non-Executive Director</b>				
Dr. FAN Ren Da, Anthony	100,000	-	-	100,000
Mr. SIN Yui Man	100,000	-	-	100,000
Mr. CHEUNG Ngai Lam	100,000	-	-	100,000
	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>

No directors waived any emolument during the year ended 31 December 2023 (2022: Nil).

## Notes to the Consolidated Financial Statements (Continued)

### 8 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (CONTINUED)

#### Directors' and deputy chief executive officer's emoluments (Continued)

**(a) Directors' retirement and termination benefits**

None of the Directors received or will receive any retirement and termination benefits during the year (2022: Nil).

**(b) Consideration provided to third parties for making available Directors' services**

During the year ended 31 December 2023, the Company did not pay consideration to any third parties for making available Directors' services (2022: Nil).

**(c) Information about loans, quasi-loans and other dealings in favour of Directors, their controlled bodies corporate and connected entities**

As at 31 December 2023, there is no loan, quasi-loan and other dealing arrangement in favour of the Directors, controlled bodies corporate and connected entities of such Directors (2022: Nil).

**(d) Directors' material interests in transactions, arrangements or contracts**

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2023 (2022: Nil).

## Notes to the Consolidated Financial Statements (Continued)

### 9 EMPLOYEE BENEFITS EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

#### Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year do not include any Director whose emoluments is reflected in the analysis shown in Note 8 (2022: same). The emoluments payable to the five (2022: five) individuals during the year are as follows:

	<b>2023</b>	2022
	<b>HK\$</b>	HK\$
Basic salaries, bonus and other benefits	<b>7,051,379</b>	7,651,402
Retirement benefits contributions	<b>253,749</b>	382,084
	<b><u>7,305,128</u></b>	<u>8,033,486</u>

The five highest paid individuals fell within the following bands:

	<b>No. of individuals</b>	
	<b>2023</b>	2022
Emolument bands		
Nil to HK\$1,000,000	<b>1</b>	1
HK\$1,000,001 to HK\$1,500,000	<b>2</b>	1
HK\$1,500,001 to HK\$2,000,000	<b>2</b>	3
	<b><u>5</u></b>	<u>5</u>

No incentive was paid by the Group to the above individuals as inducements to join, or upon joining the Group, no compensation has been paid or payable to the above persons in respect of their loss of any managerial position in a member of the group of companies.

## Notes to the Consolidated Financial Statements (Continued)

### 9 EMPLOYEE BENEFITS EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS (CONTINUED)

#### Retirement benefits contribution

The Group's employees employed in Hong Kong pursuant to the Employment Ordinance (Cap. 57, Laws of Hong Kong) participate in the Group's Mandatory Provident Fund Scheme (the "**Group's MPF Scheme**") pursuant to the Hong Kong Mandatory Provident Fund Schemes Ordinance (Cap. 485, Laws of Hong Kong, the "**MPFO**"). The Group's MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the Group's MPF Scheme, the Group and the employees are each required to make monthly contributions to the Group's MPF Scheme at 5% of the employees' monthly relevant income (subject to a cap of monthly relevant income of HK\$30,000, the ("**Monthly Cap**"). Such contributions to the Group's MPF Scheme vest immediately.

Subject to the MPFO, with respect to employees' monthly salary payments (including year-end bonus payments, as the case may be), the Group further makes voluntary monthly contributions to the Group's MPF Scheme for the benefits of its Hong Kong employees, which voluntary contribution amount is equivalent to 5% for the portion of the monthly salary payments exceeding the Monthly Cap (the "**Employer's Voluntary Contributions**"). The Hong Kong employees are entitled to receive 100% of the accumulated Employer's Voluntary Contributions (the amounts received by employees depending on the investment results and performance of the relevant portfolio ("**Adjustments**") upon retirement (or early retirement or termination of employment, as the case may be) (collectively "**Retirement**") after completing 10 years of services. For Hong Kong employees after completing 3 to 9 years of services, they are entitled to receive the accumulated Employer's Voluntary Contributions at a scale ranging from 30% to 90% (subject to the Adjustments) upon Retirement.

Contributions made to the Group's MPF Scheme that are forfeited (by employer on behalf of those employees who leave the Group's MPF Scheme prior to the full vesting of their entitlement to the contributions in the case of Employer's Voluntary Contributions) may be applied by the Group to reduce the existing level of contributions. Notwithstanding the above, during the year ended 31 December 2023, there were neither contributions forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions (2022: Same). The accumulated forfeited contributions available as at 31 December 2023 for such use by the Group was HK\$1,047,618 (2022: HK\$1,047,618).

## Notes to the Consolidated Financial Statements (Continued)

### 10 INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profit. No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong during the year ended 31 December 2023 (2022: Nil).

Pursuant to the PRC Corporate Income Tax Law, 10% (2022: 10%) withholding tax is levied on the PRC sourced income on foreign entities without establishments or places of business in the PRC.

	2023 HK\$	2022 HK\$
Current income tax		
– Withholding tax	<u>4,001,612</u>	<u>5,494,850</u>

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits or losses of the consolidated entities as follows:

	2023 HK\$	2022 HK\$
Loss before income tax	<u>(213,899,481)</u>	<u>(466,106,670)</u>
Calculated at domestic tax rates applicable to profits or losses in the respective countries	(35,293,414)	(76,907,600)
Expenses not deductible for tax purposes	46,631,734	94,457,468
Income not subject to tax	(11,257,935)	(15,690,038)
Associates' results reported net of tax	(80,385)	(1,891,088)
Tax losses for which no deferred income tax asset was recognised	–	31,258
Withholding tax on disposal of financial asset	<u>4,001,612</u>	<u>5,494,850</u>
Income tax expense	<u>4,001,612</u>	<u>5,494,850</u>

At the end of the year, the Group had unused tax losses of HK\$62,860,355 (2022: HK\$62,860,355). Subject to the final assessment of the Hong Kong Inland Revenue Department, these tax losses are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams.

## Notes to the Consolidated Financial Statements (Continued)

### 11 DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

### 12 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year attributable to owners of the Company and the number of ordinary shares in issue during the year.

The calculation of the basic and diluted loss per share are based on:

	<b>2023</b> <b>HK\$</b>	2022 <b>HK\$</b>
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation	<u><b>(217,901,093)</b></u>	<u>(471,601,520)</u>
	<b>2023</b> <b>No. of shares</b>	2022 <b>No. of shares</b>
Number of shares in issue during the year used in the basic and diluted loss per share calculation	<u><b>2,902,215,360</b></u>	<u>2,902,215,360</u>

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2023 and 2022 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

## Notes to the Consolidated Financial Statements (Continued)

### 13 INTEREST IN AN ASSOCIATE

	2023 HK\$	2022 HK\$
At 1 January	2,068,105	2,303,961
Share of profit	487,182	11,461,144
Dividend from an associate	(2,571,134)	(11,613,772)
Exchange gain/(loss)	15,847	(83,228)
	<u>          </u>	<u>          </u>
At 31 December	<u>          </u> <u>          </u>	<u>          </u> <u>          </u>

Name of associate	Place of incorporation/ establishment	Place of operation	Equity interest attributable to the Group		Proportion of voting power held		Principal activities
			31 December 2023	31 December 2022	31 December 2023	31 December 2022	
			China Property Development (Holdings) Limited ("CPDH")	The Cayman Islands	PRC	N/A	



## Notes to the Consolidated Financial Statements (Continued)

### 13 INTEREST IN AN ASSOCIATE (CONTINUED)

#### Summarised financial information for associate

Set out below is the summarised financial information for CPDH which is accounted for using the equity method.

#### Summarised statement of financial position

	2023 HK\$	2022 HK\$
<b>Current</b>		
Total current assets	–	6,188,225
Total current liabilities	–	–
Net assets	–	6,188,225

#### Summarised statement of profit or loss and other comprehensive income

	2023 HK\$	2022 HK\$
Profit before income tax	1,511,775	34,294,266
Profit for the year	1,511,775	34,294,266
Total comprehensive income	1,511,775	34,294,266

The information above reflects the amounts presented in the financial statements of the associate adjusted for differences in accounting policies between the Group and the associate.

## Notes to the Consolidated Financial Statements (Continued)

### 13 INTEREST IN AN ASSOCIATE (CONTINUED)

#### Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in an associate:

	<b>2023</b>	2022
	<b>HK\$</b>	HK\$
Opening net assets as at 1 January	<b>6,188,225</b>	6,893,959
Profit for the year	<b>1,511,775</b>	34,294,266
Dividend declared	<b>(7,700,000)</b>	(35,000,000)
	<hr/>	<hr/>
Closing net assets as at 31 December	-	6,188,225
	<hr/>	<hr/>
Interest in an associate	<b>N/A</b>	33.42%
	<hr/>	<hr/>
Carrying value as at 31 December	-	2,068,105
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the Consolidated Financial Statements (Continued)

### 14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 HK\$	2022 HK\$
Financial assets at FVPL ( <i>Note i, ii</i> )	<u>835,550,630</u>	<u>1,331,955,775</u>
Analysed to reporting purpose as		
Non-current assets	835,550,630	1,116,130,844
Current assets	<u>–</u>	<u>215,824,931</u>
	<u><u>835,550,630</u></u>	<u><u>1,331,955,775</u></u>

Certain financial assets of the Group are designated at FVPL because the relevant financial assets constitute a group that is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management and investment strategy, and information about the Group is provided internally on that basis to the Group's key management personnel. Changes in fair values of financial assets at FVPL are recorded in the consolidated statement of profit or loss and other comprehensive income. The information of the fair values of financial assets at FVPL is disclosed in Note 3.3.

#### *Note i*

- (a) On 29 September 2014, the Group entered into a share subscription agreement with Jade Sino. Pursuant to the agreement, the Group subscribed 11,904 ordinary shares of Jade Sino for an aggregate amount of US\$24,998,400 (equivalent to HK\$194,987,520), representing approximately 23.81% of the issued share capital of Jade Sino.

Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. Jinko Technology and its subsidiaries are principally engaged in developing, building and operating photovoltaic power stations in the PRC.

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

During the year ended 31 December 2023, Jade Sino has completed reduction in the holding of the equity interests in Jinko Technology by 56,223,200 shares, representing 1.57% of Jinko Technology's total share capital, through centralised bidding transaction. As a result of the non-public offer of shares of Jinko Technology which the Group had not subscribed, the equity interests of Jinko Technology was further diluted by 1.54%.

As at 31 December 2023, the fair value of the ordinary shares of Jade Sino held by the Group was approximately HK\$133,495,000 (2022: approximately HK\$271,039,000). As at 31 December 2023, Jade Sino directly held approximately 5% (2022: 8.11%) of the equity interests of Jinko Technology.

## Notes to the Consolidated Financial Statements (Continued)

### 14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

#### Note i (Continued)

- (b) On 18 January 2016, the Group entered into a shares subscription agreement with Best Inc. (“**Best Inc.**”). Pursuant to the agreement, the Group subscribed 3,317,010 convertible preferred shares of Best Inc. for an aggregate amount of US\$30,000,000 (equivalent to HK\$234,000,000), representing 0.96% of the issued share capital of Best Inc.

Shares of BEST Inc. were successfully listed for trading on New York Stock Exchange in September 2017.

BEST Inc. (“**BEST**”) (NYSE: BEST) is principally engaged in express delivery, freight delivery and supply chain service. As at 31 December 2023, the fair value of the shares held by the Group was approximately HK\$3,301,000 (2022: approximately HK\$2,846,000). As at 31 December 2023, the proportion of its issued share capital of BEST Inc. owned by the Group was approximately 0.82% (2022: 0.83%).

- (c) On 24 November 2016, the Group entered into a shares subscription agreement with Meicai. Pursuant to the agreement, the Group subscribed 34,441,169 convertible preferred shares of Meicai for an aggregate amount of US\$25,700,000 (equivalent to HK\$200,460,000).

Meicai is an investment holding company incorporated in the Cayman Islands with limited liabilities. It provides supply chain related services including ingredient procurement, warehousing and distribution to small-and-medium-sized restaurants in the PRC.

As at 31 December 2023, the fair value of the preferred shares with the put option of Meicai held by the Group was approximately HK\$336,347,000 (2022: approximately HK\$410,400,000). As at 31 December 2023, the proportion of the issued share capital of Meicai owned by the Group was approximately 1.06% (2022: 1.06%).

- (d) On 29 December 2016, Excellent Fleet Limited, a wholly owned subsidiary of the Company, entered into a share subscription agreement with G7 Networks Limited (“**G7**”). Pursuant to the agreement, the Group subscribed 1,986,008 convertible preference shares of G7 for an aggregate amount of US\$25,000,000 (equivalent to HK\$195,000,000).

The convertible preferred shares may, at the option of the Group, be converted into fully paid ordinary shares of G7. In addition, the preferred shares are redeemable at the option of the Group if a qualified IPO has not occurred on or prior to 31 December 2023, with an annual return of 12% on the principal.

G7 was incorporated in the Cayman Islands with limited liabilities and engages in fleet logistic management services. G7 Networks Limited is renamed to G7 Connect Inc during the year ended 31 December 2022.

As at 31 December 2023, the fair value of the preferred shares with the put option of G7 held by the Group was approximately HK\$209,808,000 (2022: approximately HK\$223,851,000). As at 31 December 2023, the proportion of the issued share capital of G7 owned by the Group was approximately 2.92% (2022: 2.92%).

# Notes to the Consolidated Financial Statements (Continued)

## 14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

### Note i (Continued)

- (e) On 30 November 2017, Excellent Graticule Limited, a wholly-owned subsidiary of the Company entered into a capital increment agreement with Yimidida Logistics Management Limited (“**Yimidida**”) (“**Yimidida Capital Increment Agreement**”). Pursuant to the agreement, the Group subscribed for the shares of Yimidida for an aggregate amount of RMB130,000,000 (equivalent to HK\$153,260,180), representing 7.39% of the issued share capital of Yimidida.

Yimidida is principally engaged in the operation of the less-than-truckload freight network and was jointly established by several regional leading less-than-truckload logistics enterprises, Yimidida, with the mode of direct operation in core areas and regional franchise, unified the branding, systems, clearing, services and management standards of its partners along the whole ecological chain, and rapidly established the country-wide freight franchise network.

In January 2022, following the completion of the merger and restructuring of Yimidida by J&T Global Express Limited (“**J&T Express**”), an independent third party of the Group, as at 31 December 2023 the Group directly held 2,663,871 ordinary shares of Yimeter, a newly established investment holding company incorporated in the British Virgin Islands, and indirectly held 13,319,355 ordinary shares of J&T Express, a company incorporated in Cayman Islands. J&T Express is principally engaged in the global express delivery business.

As at 31 December 2023, the proportion of the issued share capital of Yimeter owned by the Group was approximately 11.74% (2022: 11.80%). As at 31 December 2023, the fair value of the issued share capital of Yimeter owned by the Group was approximately HK\$152,599,000 (2022: approximately HK\$207,994,000).

### Note ii

On 15 December 2015, the Group entered into a share subscription agreement with Jolly Investment Limited (“**Jolly**”). Pursuant to the agreement, the Group subscribed 7,245 ordinary shares of Jolly for an aggregate amount of US\$25,000,000 (equivalent to HK\$195,000,000).

Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. It indirectly holds 20.91% of the equity interests of Guangzhou P.G. Investment Co., Ltd. (廣州寶供投資有限公司) (“**PG Investment**”), a company incorporated in the PRC. PG Investment is a logistics warehouse infrastructure operator in the PRC. On 25 May 2021, following the completion of the restructuring of overseas red chips, PG Investment became a wholly-owned subsidiary of P.G. Logistics, a newly established investment holding company incorporated in the Cayman Islands (the “**Restructuring**”). As a result, the equity interests of Jolly held by the Group have been converted into relevant shares of P.G. Logistics. The Restructuring of PG Investment has not affected the effective shareholding ratio of the Group in PG Investment.

As at 31 December 2021, the Group directly held 4.82% of equity interests of P.G. Logistics and P.G. Logistics indirectly held entire equity interests of PG Investment after the Restructuring. The Group has reclassified the interest in an associate at FVPL to financial assets at FVPL.

On 30 May 2022, the Group initiated a listing-for-sale process to dispose 4.82% interest in P.G. Logistics on the Shanghai United Assets and Equity Exchange. On 15 July 2022, the Group entered into the Equity Transfer Agreement with Shenzhen Aoyuheng Industrial Co., Ltd.\* (深圳市奧裕恒實業有限公司) (“**Shenzhen Aoyuheng**”), an independent third party of the Group, in relation to the disposal of 4.82% interest in P.G. Logistics by the Group to Shenzhen Aoyuheng for a consideration of RMB192,800,000 (equivalent to approximately HK\$225,447,000) (the “**Disposal**”). Upon completion of the Disposal, the Group will not hold any equity interest in P.G. Logistics. As at 31 December 2022, the Group has classified the investment in P.G. Logistics as a current asset.

As at 31 December 2022, the fair value of the ordinary shares of P.G. Logistics held by the Group was approximately HK\$215,825,000. As at 31 December 2022, the Group held 4.82% of equity interests of P.G. Logistics.

On 4 September 2023, the transaction of disposal of P.G. Logistics was completed, the realised gain on disposal of P.G. Logistic was approximately HK\$15,499,000.

## Notes to the Consolidated Financial Statements (Continued)

### 15 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	2023 HK\$	2022 HK\$
<b>Financial assets</b>		
Financial assets at amortised cost		
Amount due from immediate controlling company	920,472	–
Other receivables	224,204,296	–
Cash and cash equivalents	<u>86,451,484</u>	<u>31,534,999</u>
Financial assets at FVPL	<u>835,550,630</u>	<u>1,331,955,775</u>
	<u><b>1,147,126,882</b></u>	<u><b>1,363,490,774</b></u>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost		
Other payables and accruals	<u>4,792,761</u>	<u>5,323,665</u>
	<u><b>4,792,761</b></u>	<u><b>5,323,665</b></u>

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their fair values.

### 16 OTHER RECEIVABLES

	2023 HK\$	2022 HK\$
Other receivables	<u>224,204,296</u>	<u>–</u>

The other receivables mainly represents proceeds from disposal of P.G. Logistics.

The carrying amounts of the other receivables are denominated in the following currencies:

	2023 HK\$	2022 HK\$
Renminbi ("RMB")	<u>224,204,296</u>	<u>–</u>

The Group does not hold any collaterals as security, information about the impairment of other receivables and the Group's exposure to credit risk can be found in Note 3.1 (ii).

## Notes to the Consolidated Financial Statements (Continued)

### 17 CASH AND CASH EQUIVALENTS

	2023 <i>HK\$</i>	2022 <i>HK\$</i>
Cash at banks and on hand	<u>86,451,484</u>	<u>31,534,999</u>

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

	2023 <i>HK\$</i>	2022 <i>HK\$</i>
US\$	75,854,568	28,358,896
HK\$	10,578,078	3,117,556
RMB	<u>18,838</u>	<u>58,547</u>
	<u>86,451,484</u>	<u>31,534,999</u>

### 18 OTHER PAYABLES AND ACCRUALS

	2023 <i>HK\$</i>	2022 <i>HK\$</i>
Accrued operating expenses	<u>4,792,761</u>	<u>5,323,665</u>

The carrying amounts of the other payables are denominated in the following currencies:

	2023 <i>HK\$</i>	2022 <i>HK\$</i>
US\$	56,666	56,665
HK\$	4,482,593	5,267,000
RMB	<u>253,502</u>	<u>—</u>
	<u>4,792,761</u>	<u>5,323,665</u>



# Notes to the Consolidated Financial Statements (Continued)

## 19 SHARE CAPITAL

	Number of shares	Nominal value of shares <i>HK\$</i>
<b>Ordinary shares, issued and fully paid:</b>		
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	2,902,215,360	29,022,154

## 20 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:

- (a) On 11 November 2016, the Company entered into a loan facility agreement with its immediate holding company which will provide term loans to the Company with amount up to US\$100,000,000. The term loans are unsecured, interest bearing at LIBOR + 1.65% per annum, and repayable at twelve months after the date of withdrawal. As at 31 December 2023, the Company has not utilised any of the loan facility (2022: same).

- (b) Key management personnel compensation

Key management includes Directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	2023 <i>HK\$</i>	2022 <i>HK\$</i>
Short term benefits	5,204,682	4,956,908
Post-employment benefits	186,549	277,166
	<u>5,391,231</u>	<u>5,234,074</u>

- (c) The Group shared the office premises with its immediate controlling company and the rental expense was borne by its immediate controlling company.

## Notes to the Consolidated Financial Statements (Continued)

### 21 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

#### (a) Statement of financial position of the Company

	<i>Note</i>	<b>2023</b> <b>HK\$</b>	2022 <i>HK\$</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		–	–
Investments in subsidiaries		<b>9</b>	10
Financial assets at fair value through profit or loss		<b>473,143,959</b>	684,285,526
Amounts due from subsidiaries		<b>352,176,184</b>	352,680,014
		<b>825,320,152</b>	1,036,965,550
<b>Current assets</b>			
Financial assets at fair value through profit or loss		–	215,824,931
Amount due from immediate controlling company		<b>920,472</b>	–
Other receivables		<b>224,204,296</b>	–
Cash and cash equivalents		<b>86,396,091</b>	31,479,461
		<b>311,520,859</b>	247,304,392
<b>Total assets</b>		<b>1,136,841,011</b>	1,284,269,942
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	19	<b>29,022,154</b>	29,022,154
Reserves	(b)	<b>1,101,341,086</b>	1,157,515,019
<b>Total equity</b>		<b>1,130,363,240</b>	1,186,537,173
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables and accruals		<b>4,599,755</b>	5,132,162
Amounts due to subsidiaries		<b>1,878,016</b>	92,600,607
<b>Total liabilities</b>		<b>6,477,771</b>	97,732,769
<b>Total equity and liabilities</b>		<b>1,136,841,011</b>	1,284,269,942

## Notes to the Consolidated Financial Statements (Continued)

### 21 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

#### (b) Reserve movement of the Company

	Share premium <i>HK\$</i>	Capital redemption reserve <i>HK\$</i>	Retained earnings <i>HK\$</i>	Total <i>HK\$</i>
1 January 2022	1,043,800,995	270,200	500,895,450	1,544,966,645
Loss for the year	—	—	(387,451,626)	(387,451,626)
At 31 December 2022	1,043,800,995	270,200	113,443,824	1,157,515,019
Loss for the year	—	—	(56,173,933)	(56,173,933)
At 31 December 2023	<b>1,043,800,995</b>	<b>270,200</b>	<b>57,269,891</b>	<b>1,101,341,086</b>

### 22 SUBSIDIARIES

The following is a list of the subsidiaries at 31 December 2023 and 2022:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Paid up issued ordinary share capital	Proportion of ownership interest held by the Company	
				2023	2022
Kencheers Investments Ltd. (Note a)	British Virgin Islands, limited liability company	Investment holding in Hong Kong	1 share of HK\$1	N/A	100%
Excellent Fleet Limited	British Virgin Islands, limited liability company	Investment holding in Hong Kong	1 share of US\$1	100%	100%
Excellent Graticule Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	1 share of HK\$1	100%	100%

None of the subsidiaries had issued any debt securities at the end of the year (2022: Nil).

Note a: The company has been deregistered on 17 October 2023.

## Notes to the Consolidated Financial Statements (Continued)

### 23 NET ASSET VALUE PER SHARE

	<b>2023</b>	2022
	<b>HK\$</b>	HK\$
Net asset value per share	<b>0.39</b>	0.47

Net asset value per share is computed based on the consolidated net assets of HK\$1,142,334,121 (2022: HK\$1,360,235,214) and 2,902,215,360 ordinary shares in issue as at 31 December 2023 and 2022.

### 24 EVENT AFTER THE BALANCE SHEET DATE

The Directors are not aware of any significant event requiring disclosure that had taken place subsequent to 31 December 2023 and up to the date of this report.

# Five Year Financial Summary

For the five year ended 31 December 2023

The consolidated results and assets and liabilities of the Group for the past five years:

## RESULTS

	2023 <i>HK\$</i>	2022 <i>HK\$</i>	2021 <i>HK\$</i>	2020 <i>HK\$</i>	2019 <i>HK\$</i>
(Loss)/profit before income tax	<b>(213,899,481)</b>	(466,106,670)	(14,118,214)	55,599,355	176,101,120
<b>Assets and liabilities</b>					
Non-current assets	-	-	-	-	-
Property, plant and equipment					
Interest in an associate	-	2,068,105	2,303,961	2,779,375	68,873,347
Financial assets at fair value through profit or loss	<b>835,550,630</b>	1,116,130,844	1,954,592,706	1,954,254,437	2,116,708,321
	<b>835,550,630</b>	1,118,198,949	1,956,896,667	1,957,033,812	2,185,581,668
Current assets					
Financial asset at fair value through profit or loss	-	215,824,931	-	-	146,443,869
Amount due from immediate controlling company	<b>920,472</b>	-	-	-	-
Other receivables, prepayments and deposits	<b>224,204,296</b>	-	6,093,771	94,154,039	555,987
Cash and cash equivalents	<b>86,451,484</b>	31,534,999	265,243,204	192,585,995	20,136,301
	<b>311,576,252</b>	247,359,930	271,336,975	286,740,034	167,136,157
Current liabilities					
Other payables and accruals	<b>(4,792,761)</b>	(5,323,665)	(6,396,908)	(7,818,898)	(6,343,584)
Borrowing	-	-	(390,000,000)	(390,000,000)	(546,000,000)
Net current assets/(liabilities)	<b>306,783,491</b>	242,036,265	(125,059,933)	(111,078,864)	(385,207,427)
Total assets less current liabilities	<b>1,142,334,121</b>	1,360,235,214	1,831,836,734	1,845,954,948	1,800,374,241
Non-current liability					
Deferred tax liabilities	-	-	-	-	(1,896,419)
Net assets	<b>1,142,334,121</b>	1,360,235,214	1,831,836,734	1,845,954,948	1,798,477,822
<b>Capital and reserves</b>					
Share capital	<b>29,022,154</b>	29,022,154	29,022,154	29,022,154	29,022,154
Reserves	<b>1,113,311,967</b>	1,331,213,060	1,802,814,580	1,816,932,794	1,769,455,668
Total equity	<b>1,142,334,121</b>	1,360,235,214	1,831,836,734	1,845,954,948	1,798,477,822