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## **CHINA INVESTMENT DEVELOPMENT LIMITED**

**中國投資開發有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 204)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2018**

Reference is made to the annual report of China Investment Development Limited (the “**Company**”) for the year ended 31 March 2018 published on 20 December 2018 (the “**Annual Report**”). Unless otherwise stated, terms used herein shall have the same meanings as defined in the Annual Report.

The board of directors of the Company (the “**Board**”) wishes to provide the following supplemental information in relation to the performance and future prospects of the Company’s significant investments for the year ended 31 March 2018:

#### **1. CHINA PETROLEUM BIO-ENERGY COMPANY LIMITED PROJECT**

With rapid economic development, China has been facing high pressure on energy. In 2017, China’s total energy consumption reached 4.49 billion tonnes of standard coal. Despite the pressure on both energy demand and the environment, China’s pace of adjusting its energy structure has not changed, and the proportion of decarbonised energy consumption continues to rise. Although wind power and hydropower are receiving much attention, the International Energy Agency (IEA) believes that biomass energy will become the fastest growing renewable energy source in the world. Driven by its national policy, China is expected to surpass Europe and the United States and become the world’s biggest biomass energy producer and consumer.

With its resource-saving and eco-efficient characteristics, biomass energy is a promising industry suitable for the development of “agriculture, rural areas and farmers” in China. Through an all-round biomass energy industrialization, extensive biomass energy utilization will enjoy an excellent prospect.

We are prudently optimistic that riding on the trend of blooming biomass energy utilization, this project will make contribution to the shareholders in the medium and long term.

## 2. YENBO GAIN LIMITED PROJECT

With the continuous development of modern economy, the development of forestry economic industry is rapidly unresolved. China's accession to the World Trade Organization has a great impact on the country and has many challenges and opportunities. Therefore, rapid economic development is the primary problem, but it is precisely because Need to develop, so China's forest environment has been greatly threatened, and now the forestry industry is nearing the point where demand exceeds supply. What China needs for the development of forestry economy is also the protection of forestry.

The Chinese government has attached importance in forestry in implementing the sustainable development strategy. In the development of China's western region, forestry has occupied a significant position; while in the transformation of the old industrial bases in the northeast, forestry has also been given a major position. The strategic position of forestry in the entire economic and social development of China has secured leap-forward development of forestry in future.

We are prudently optimistic that our investment in this project will make contribution to the shareholders in the medium and long term.

## 3. GUANWAN INVESTMENTS LIMITED – CONVERTIBLE BONDS

According to the social consumption data, the growth rate of retail textiles dipped to only 7.0% in 2016, then bottomed out and saw a rebound to a growth rate of 7.8% in 2017. The recovery trend continued in 2018.

Being a traditional manufacturing industry in China, the garment industry has been developing along the traditional production mode. Labour intensiveness, high-intensity operations, and low production efficiency have always restricted the development of the garment industry. With the continuous advancement of clothing technology, more and more intelligent software and automatic clothing equipment applications will solve the existing problems of the industry, and gradually help enterprises achieve better production efficiency. The development of new software, new technology and new clothing equipment has warranted a robust development of the garment industry.

At present, the industry is in the initial stage of recovery, and will continue to be in the recovery cycle in the future. Following the new retail trends of online and offline (O2O) integration, the industry competition pattern will gradually become clear and the integration effect will be revealed. The high-quality leading companies are expected to excel in this round of healthy growth cycle and gradually reinforce their core competitiveness.

The Company holds 3% unsecured convertible bonds issued by Guanwan Investments Limited (“**Guanwan**”) at a face value of HK\$20,000,000, bearing coupon interest rate of 3% per annum (the “**Investment**”). Guanwan is an investment holding company which indirectly holds 100% shares of its subsidiary, 深圳金特嬌服裝有限公司 (“**金特嬌**”). 金特嬌 is principally engaging in designing, manufacturing and retail of women's dress in the PRC. Each convertible bond is convertible into 24 fully paid ordinary shares of Guanwan with a par value of USD1.00 each at a conversion price of HK\$833,333 per conversion share before 22 December 2020.

The investment has offered chance to the Company to enjoy interest income and the potential to convert into equity when higher return is expected.

The above information is published to supplement the information contained in the Annual Report and, save as disclosed in this announcement, the contents of the Annual Report remain unchanged.

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

Hong Kong, 9 July 2019

*As at the date of this announcement, the Board comprises Mr. Chan Cheong Yee as executive Director; Ms. Yang Xiaoqiu (Chairman) and Mr. Chen Yin as non-executive Directors; and Mr. Li Li, Mr. Lai Yuen Piu and Ms. Leung Mei Hing Carrie as independent non-executive Directors.*