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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021

The Board of Directors (the “**Board**”) of China Investment Development Limited (the “**Company**”) announces that the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2021 are as follows:

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	<i>5</i>	–	–
Other income	<i>5</i>	1,043	90
Net loss on financial assets at fair value through profit or loss		(8,723)	(35,402)
Administrative and other expenses		(7,770)	(11,851)
Finance costs		(–)	(21)
Share of result of the associate	<i>10</i>	–	(5,357)
Loss before income tax expense	<i>6</i>	(15,450)	(52,541)
Income tax expense	<i>7</i>	–	–
Loss for the year attributable to owners of the Company		(15,450)	(52,541)

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Change in fair value of financial assets at fair value through other comprehensive income		3,301	(23,194)
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising from the associate during the year		<u>—</u>	<u>—</u>
Other comprehensive income for the year, net of tax		<u>3,301</u>	<u>(23,194)</u>
Total comprehensive income for the year		<u>(12,149)</u>	<u>(75,735)</u>
Loss per share			
	<i>9</i>		
– Basic (HK cent per share)		<u>1.38</u>	<u>4.97</u>
– Diluted (HK cent per share)		<u>1.38</u>	<u>4.97</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Notes	2021 HK\$'000	2020 HK\$'000
ASSETS AND LIABILITIES			
Non current assets			
Property, plant and equipment		13	133
Interest in the associate	10	–	–
Financial assets at fair value through other comprehensive income	11	9,416	8,593
		<u>9,429</u>	<u>8,726</u>
Current assets			
Financial assets at fair value through profit or loss	12	28,717	34,096
Other receivables, deposit and prepayments		146	794
Amount due from the shareholder	13	7,713	–
Cash and cash equivalents		8,504	2,303
		<u>45,080</u>	<u>37,193</u>
Current liabilities			
Other payables and accrued charges		5,178	4,849
		<u>39,902</u>	<u>32,344</u>
Net current assets			
		<u>49,331</u>	<u>41,070</u>
Net assets			
		<u>49,331</u>	<u>41,070</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	12,698	10,582
Reserves		36,633	30,488
		<u>49,331</u>	<u>41,070</u>
Total equity		<u><u>49,331</u></u>	<u><u>41,070</u></u>

1. GENERAL INFORMATION

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

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

(a) Adoption of new/revised to HKFRSs – first effective on 1 April 2020

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform
Amendments to HKFRS 3	Definition of a Business

The application of the amendments to HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform-Phase 2 ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ³
Amendments to HKFRS 16	Covid-19-Related Rent Concessions ³
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41	Annual Improvements to HKFRS Standards 2018-2020 ³
Amendments to Accounting Guideline 5	Merger Accounting for Common Control Combinations ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (amendments) ⁵
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Disclosure of Accounting Estimates ⁵
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁵
Amendments to HKFRS 17	Insurance Contracts ⁵
Amendments to HKFRS 17	Amendments to HKFRS 17 ⁵
Amendments to Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements-Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁵

¹ *Effective for annual periods beginning on or after 1 January 2021*

² *Effective for annual periods beginning on or after 1 April 2022*

³ *Effective for annual periods beginning on or after 1 January 2022*

⁴ *The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.*

⁵ *Effective for annual periods beginning on or after 1 January 2023*

The directors of the Group anticipate that the application of all other new and revised HKFRSs and Interpretations will have no material impact on the consolidated financial statements of the Group in the future.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through other comprehensive income (“**FVTOCI**”) and financial assets at fair value through profit or loss (“**FVTPL**”), which are measured at fair values.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”). Each entity in the Group maintains its books and record in its own functional currency. The functional currency of the Company is HK\$.

4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group’s chief operating decision maker in order to allocate resources and assess performance of the segment. For the years ended 31 March 2021 and 2020, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each business line or geographical area and the executive directors reviewed the financial result of the Group as a whole reported under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in investment holding. The executive directors allocate resources and assess performance on an aggregated basis. Accordingly, no operating segment is presented.

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

	Revenue from external customers		Specified non current assets	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong (place of domicile)	-	-	13	133
Other regions of the People's Republic of China (the "PRC")	-	-	-	-
	<u>-</u>	<u>-</u>	<u>13</u>	<u>133</u>

5. REVENUE AND OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	<u>-</u>	<u>-</u>
Other income:		
Bank interest income	4	-
Dividend income	362	-
Subsidies by HKSAR Government	270	-
Gain on disposal of property, plant and equipment	348	90
Broker commission	55	-
Others	4	-
	<u>1,043</u>	<u>90</u>
Total revenue and other income	<u>1,043</u>	<u>90</u>

No other source of income contributed to the Group's revenue for both 2021 and 2020.

6. LOSS BEFORE INCOME TAX EXPENSE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Staff costs		
Salaries	1,770	1,684
Provident fund contributions	69	66
	<hr/>	<hr/>
Total staff costs excluding directors' remunerations	1,839	1,750
	<hr/>	<hr/>
Auditor's remuneration	480	537
Depreciation		
Property, plant and equipment	38	144
Right-of-use assets	–	1,917
Directors' remuneration	952	1,607
Impairment loss on other receivables and deposit paid	–	1,318
Impairment loss on interest in the associate	–	357
Interest expense on lease liabilities	–	21
Investment manager's fee	–	550
Short-term leases	949	365
	<hr/> <hr/>	<hr/> <hr/>

7. INCOME TAX EXPENSE

According to the Inland Revenue (Amendment) Bill 2017 which was substantively enacted after passing its Third Reading in the Legislative Council on 28 March 2018, the two-tiered profits tax regime is first effective for the year of assessment 2018/19. Profits tax rate for the first HK\$2 million of assessable profits of corporations is lowered to 8.25% with the excess assessable profits continue to be taxed at 16.5%. Overseas tax is calculated at the rates applicable in the respective jurisdictions. No provision for income tax expense is required since the Group has no assessable profits either arising from Hong Kong or other jurisdictions during the year (2020: Nil).

The income tax expense for the year can be reconciled to the loss before income tax expense per consolidated statement of profit or loss and other comprehensive income as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss before income tax expense	(15,450)	(52,541)
	<hr/>	<hr/>
Tax calculated at the applicable statutory tax rate	(2,384)	(8,504)
Tax effect of expenses not deductible for tax purpose	–	4,635
Tax effect of revenue not taxable for tax purpose	677	–
Tax effect on temporary differences not recognised	6	592
Tax effect of tax losses not recognised	1,701	3,277
	<hr/>	<hr/>
Income tax expense	–	–
	<hr/> <hr/>	<hr/> <hr/>

8. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2021 (2020: Nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss		
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(15,450)</u>	<u>(52,541)</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>1,115,578,606</u>	<u>1,058,185,729</u>

The weighted average number of ordinary shares for the year ended 31 March 2021 for the purpose of basic and diluted loss per share have been adjusted for the issue of shares during the year then ended and placement of new shares being completed on 23 December 2020, as detailed in note 14.

10. INTEREST IN THE ASSOCIATE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Share of net assets of the associate	<u>–</u>	<u>–</u>

(a) Details of the Group's associate at 31 March 2021 are as follows:

Name of associate	Place of incorporation/ operation	Issued and fully paid registered capital	Percentage of equity held by the Group	Proportion of voting power	Principal activities
Bonicast Construction Material (Beijing) Co., Ltd ("Bonicast")	People's Republic of China ("PRC")	Registered RMB10,000,000	49%	20% (Note)	Trading of construction materials

Note: The Group is able to exercise significant influence over Bonicast because it has the power to appoint one out of five directors of that company under the articles of association of that company.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Unlisted equity securities in PRC, at cost	16,946	92,185
Fair value adjustment	<u>(7,530)</u>	<u>(83,592)</u>
	<u>9,416</u>	<u>8,593</u>

Particulars of investments in unlisted equity securities held by the Group as at 31 March 2021 and 2020 disclosed pursuant to Chapter 21 of Listing Rules are as follows:

Name of investee company	Notes	Place of incorporation	Percentage of effective interest held at 31.3.2021	Carrying value <i>HK\$'000</i>	
				31.3.2021	31.3.2020
Tianjin Bao Xin Ying Precious Metal Management Limited (“ Bao Xin ”)	(a)	PRC	12.00%	4,130	3,896
Guang Zhou Shi Da Jian corporate management consulting Limited (“ Da Jian ”)	(b)	PRC	11.59%	5,286	4,578
China Petroleum Bio energy Company Limited (“ Bio-Energy ”)	(c)	Hong Kong	–	–	–
Yenbo Gain Limited (“ Yenbo Gain ”)	(d)	BVI	–	–	–
Perfect Worth Investment Limited (“ Perfect Worth ”)	(e)	BVI	–	–	119
Golden Resources Asia Limited (“ Golden Resources ”)	(f)	BVI	–	–	–
Huge Leader Investment Development Limited (“ Huge Leader ”)	(f)	BVI	1.00%	–	–
				<u>9,416</u>	<u>8,593</u>

Notes:

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

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

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

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

- (b) Da Jian is principally engaged in providing corporate management consulting service in the PRC. The initial cost of investment is HK\$9,800,000.
- (c) On 29 September 2020, the Company entered into a sale and purchase agreement with an independent third party by which the Group agreed to sell, and the buyer agreed to buy the 5.69% equity interest in Bio-Energy for a combined consideration of HK\$200,000 in cash and the disposal was completed on 30 September 2020. A change in fair value of financial assets at FVTOCI amounting to HK\$200,000 was recognised in the other comprehensive income. A cumulative loss of approximately HK\$24,200,000 was transferred from revaluation reserve to accumulated losses upon the disposal.
- (d) On 25 September 2020, the Company entered into a sale and purchase agreement with an independent third party by which the Group agreed to sell, and the buyer agreed to buy the 18.18% equity interest in Yenbo Gain for a combined consideration of HK\$200,000 in cash and the disposal was completed on 26 September 2020. A change in fair value of financial assets at FVTOCI amounting to HK\$200,000 was recognised in the other comprehensive income. A cumulative loss of approximately HK\$12,892,000 was transferred from revaluation reserve to accumulated losses upon the disposal.
- (e) On 23 April 2020, the Company entered into a sale and purchase agreement with an independent third party by which the Group agreed to sell, and the buyer agreed to buy the 5% equity interest in Perfect Worth for a combined consideration of HK\$500,000 in cash and the disposal was completed on 24 April 2020. A change in fair value of financial assets at FVTOCI amounting to HK\$381,000 was recognised in the other comprehensive income. A cumulative loss of approximately HK\$17,803,000 was transferred from revaluation reserve to accumulated losses upon the disposal.
- (f) On 24 June 2020 and 26 June 2020, the Company entered into two sale and purchase agreements with an independent third party by which the Group agreed to sell, and the buyer agreed to buy the 14% equity interest in Golden Resources and 17% equity interests in Huge Leader for a consideration of HK\$816,000 and HK\$762,000 in cash respectively and the disposal was completed on 25 June 2020 and on 27 June 2020 respectively. A change in fair value of financial assets at FVTOCI amounting to HK\$816,000 and HK\$762,000 were recognised in the other comprehensive income for disposal of Golden Resources and Huge Leader respectively. A cumulative loss of approximately HK\$9,184,000 and HK\$8,683,000 were transferred from revaluation reserve to accumulated losses upon the disposal of Golden Resources and Huge Leader respectively.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong listed equity securities, at market value (<i>note a</i>)	18,715	7,290
Investments in convertible bonds, at fair value (<i>note b</i>)	9,749	15,872
Financial guarantee (<i>note c</i>)	253	10,934
	<u>28,717</u>	<u>34,096</u>

(a) As at 31 March 2021, the Group held the following Hong Kong listed securities:

Name	Number of shares held	Percentage of interest held	Cost <i>HK\$'000</i>	Market value <i>HK\$'000</i>
Asia Television Holdings Limited (stock code: 000707.HK)	235,510,000 ordinary share	2.37%	10,355	8,949
Golden Ponder Holdings Limited (stock code: 001783.HK)	37,560,000 ordinary share	4.70%	4,883	9,766

Proceeds from disposal of financial assets at fair value through profit or loss as at 31 March 2021 and 2020 are HK\$22,467,000 and HK\$15,115,000 respectively. The fair values of the Group's investment in listed equity securities are based on quoted market price.

- (b) On 23 December 2020, the Company renewed the 3% unsecured convertible bonds issued by Guanwan Investments Limited (“Guanwan”) at a face value of HK\$20,000,000, bearing coupon interest rate of 3% per annum. Guanwan is an investment holding company which indirectly holds 100% shares of its subsidiary, 深圳金特嬌服裝有限公司 (“金特嬌”). 金特嬌 is principally engaging in designing, manufacturing and retail of women's dress in PRC. Each convertible bond due on 22 December 2023 is convertible into 24 fully paid ordinary shares of Guanwan with a par value of US\$1.00 each at a conversion price of HK\$833,333 per conversion share. The Company can exercise the conversion at any time until the maturity date.
- (c) On 2 December 2019, the Board of Directors made an announcement to inform the shareholders that the Company was unable to publish the 2019 Interim Results by 30 November 2019 as the Company has not been able to collect the information on some investee companies, namely Golden Resources and Huge Leader, for compiling the 2019 Interim Results. On 20 January 2020, Ms. Yang Xiaoqiu (“Ms. Yang”), the Chairman of the Group, executed the Deed of Indemnity in favour of the Company to guarantee that the value of the Company's respective investments in Golden Resources and Huge Leader will not fall below 70% of the fair value of such investments as reflected in the audited financial statements of the Company as at 31 March 2019. 70% of the fair value of such investments as at 31 March 2019 amounted to HK\$11,358,000. The Deed of Indemnity was recognised as financial assets at fair value through profit or loss and recognised at fair value and the amount of HK\$10,934,000 is the fair value of the Deed of Indemnity as at 31 March 2020 based on the valuation report of an independent valuer.

On 24 June 2020 and 26 June 2020, the Company disposed of the two investments with a total considerations of HK\$1,578,000. Ms. Yang is required to pay a total amount of shortfall of HK\$9,466,000 to the Company under the terms of the Deed of Indemnity.

On 11 March 2021, Ms. Yang resigned as board chairman and transferred all the remaining liability under the Deed of Indemnity to the new Chairman, Mr. Han Zheng Hai (“Mr. Han”) on 15 March 2021. Mr. Han executed a new Deed of Indemnity which promises to pay the remaining liability to the Company, which is HK\$8,266,000, and guarantees that the value of the Company’s investment in 1% equity interest in Huge Leader will not fall below 70% of the fair value of such investment as reflected in the audited financial statements of the Company as at 31 March 2019. Upon the change of the chairman, the financial guarantee provided by Ms. Yang has been derecognised. The fair value of the financial guarantee was approximately HK\$7,713,000 at the date of derecognition. The liability of the Mr. Han amounting to HK\$7,713,000 has been recognised as amount due from the shareholder. The balance of HK\$253,000 represents the fair value of the guarantee on Company investment in 1% interest of Huge Leader as at 31 March 2021 based on the valuation report of an independent valuer.

13. AMOUNT DUE FROM THE SHAREHOLDER

On 15 March 2021, due to the change of the Chairman, Mr. Han, who is also a shareholder of the Company, promised to pay the remaining liability to the Company under the Deed of Indemnity executed by Ms. Yang. For details, please refer to 12(c).

14. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each HK\$'000	Nominal value HK\$'000
Authorised:		
At 31 March 2020 and 31 March 2021	100,000,000	100,000
Issued and fully paid:		
At 31 March 2020 and 1 April 2020	1,058,185,729	10,582
Placement of new shares (<i>note</i>)	211,600,000	2,116
At 31 March 2021	1,269,785,729	12,698

Note:

On 23 December 2020, an aggregate number of 211,600,000 new ordinary shares of par value of HK\$0.001 each were issued at subscription price of HK\$0.101 each to the independent third parties of the Company at gross proceeds of approximately HK\$21,372,000, and related directly attributable expenses of approximately HK\$962,000.

15. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK\$49,331,000 (2020: net assets of HK\$41,070,000) and the number of ordinary shares in issue as at 31 March 2021, being 1,269,785,729 (2020: 1,058,185,729).

16. EFFECT OF COVID-19

Since January 2020, the outbreak of Novel Coronavirus (“COVID-19”) has dealt a big blow on the global business environment. In preparing the consolidated financial statements, the Group applies fair value to measure its financial assets at fair value through other income and fair value through profit or loss. In 2021, fair value of the Group’s financial assets at fair value through profit or loss suffer from fluctuations due to the COVID-19 outbreak. In view of the development and spread of COVID-19 subsequent to the date of this announcement, further changes in economic conditions arising thereof may have negative impact on the financial results of the Group, the extent of which could not be estimated as at the date of this announcement. The Group will keep monitoring to the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.

17. EVENTS AFTER REPORTING PERIOD

- (i) On 4 May 2021, the Company proposes to raise gross proceeds of approximately HK\$127,000,000 before expenses by way of a rights issue of up to 634,892,864 Rights Shares at a price of HK\$0.2 per Rights Share on the basis of one Rights Share for every two existing Shares held by the shareholders.
- (ii) On 28 June 2021, the Company entered into a sale and purchase agreement with an independent third party by which the Group agreed to sell, and the buyer agreed to buy 1% (representing 1 owned share) of equity interest in Huge Leader for a cash consideration of HK\$50,000. As the consideration for disposal of equity interest in Huge Leader falls below 70% of their respective fair value as at 31 March 2019, the chairman of the Group is required to pay a total amount of shortfall of HK\$269,000 (after taking into account the considerations received) to the Company under the terms of the Deed of Indemnity which is mentioned in note 12(c) above.

EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 March 2021 which included a disclaimer of opinion: “We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the “Basis for Disclaimer of Opinion” section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

As at 31 March 2020, the Group held 18% equity interests in Huge Leader Investment Development Limited (“Huge Leader”) and 14% equity interests in Golden Resources Asia Limited (“Golden Resources”) which were determined as unquoted equity instruments and accounted for as financial assets at fair value through other comprehensive income. On 24 June 2020 and 26 June 2020 respectively, the Company entered into two sale and purchase agreements, pursuant to which the Company disposed of 17% (representing 17 out of 18 shares owned by the Group) and 14% (representing all 140 shares owned by the Group) of equity interests in Huge Leader and Golden Resources for a cash consideration of HK\$762,000 and HK\$816,000 respectively.

During the year ended 31 March 2020, the directors of the Company lost contact with the management of Huge Leader and Golden Resources and were unable to obtain any financial information of Huge Leader and Golden Resources. Previously, each of Huge Leader and Golden Resources had an indirectly held operating subsidiary. During the financial year ended 31 March 2020, the directors of the Company found out that these two operating subsidiaries were no longer held by the subsidiaries of Huge Leader and Golden Resources.

The directors of the Company measured the fair value of the Group’s interests in Huge Leader and Golden Resources as at 31 March 2020 based on the net assets values of Huge Leader and Golden Resources as at 31 March 2019, which was the latest available financial information of these two investee companies and adjusted for the factors they considered might affect their fair values, and assume that the two indirectly held operating subsidiaries no longer formed part of the sub-groups of Huge Leader and Golden Resources and no corresponding compensation or consideration was received by Huge Leader and Golden Resources sub-groups. Accordingly, the directors of the Company estimated the fair value of the Group’s interests in Huge Leader and Golden Resources approximated to HK\$nil as at 31 March 2020 and recorded a decrease in fair value of HK\$8,065,000 and HK\$8,160,000 of investments in Huge Leader and Golden Resources respectively for the year ended 31 March 2020 in the consolidated statement of profit or loss and other comprehensive income.

During the course of our audit for the year ended 31 March 2020, the directors of the Company did not provide us with the details of their estimation of the fair value of these two investments as at 31 March 2020, including reliable and supportable information about the adjustments made to the net assets values of Huge Leader and Golden Resources to arrive at the net assets values as at 31 March 2020. We were therefore unable to obtain sufficient appropriate audit evidence we considered necessary to assess the reasonableness of the directors' estimation of the fair values of the Group's interests in Huge Leader and Golden Resources as at 31 March 2020. Accordingly, we issued a disclaimer of opinion on the Company's consolidated financial statements for the year ended 31 March 2020 (the "2020 Consolidated Financial Statements").

During the year ended 31 March 2021, the Group recorded an increase in fair value of HK\$1,578,000 in respect of the Group's interests in Huge Leader and Golden Resources in other comprehensive income based on the sale consideration of these two investments. As the limitation on scope of our work as mentioned in the paragraph immediate above remained unresolved during our current year audit, any adjustments to the fair values of these two investments as at 31 March 2020 found necessary would: (i) reduce the increase in fair value of financial assets at fair value through other comprehensive income for the year ended 31 March 2021; (ii) affect the elements making up the consolidated statement of changes in equity; and (iii) affect the related disclosures thereof in the Company's consolidated financial statements for the year ended 31 March 2021 (the "2021 Consolidated Financial Statements"). Our audit opinion on the Company's 2021 Consolidated Financial Statements is also modified for the possible effects of our disclaimer of audit opinion on 2020 Consolidated Financial Statements on the comparability of the related current year's figures and the comparatives.

THE BOARD'S VIEW ON THE AUDITOR'S OPINION

The auditors issued a disclaimer of opinion in respect the fair values of Huge Leader and Golden Resources. As all the investments in Huge Leader and Golden Resources have been disposed of (17% of equity interests in Huge Leader and all equity interests in Golden Resources were disposed of in June 2020 and the remaining 1% equity interest in Huge Leader was disposed of on 28 June 2021), the Group does not have any investment in Huge Leader and Golden Resources on the date of this announcement. The directors (including the independent non-executive directors) of the Company are of the view the issue giving rise to the disclaimer of opinion has been addressed and resolved.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group's revenue for the year ended 31 March 2021 was Nil (2020: Nil), which decreased when compared with that of last year. The Group incurred a loss for the year attributable to owners of the Company amounting to approximately HK\$15,450,000, which decreased by approximately HK\$37,091,000 or 70.6% when compared with the loss of approximately HK\$52,541,000 incurred in last year. The decrease in the loss for the year was mainly attributable to the decrease in administrative expenses and the increase in change in fair value of financial assets at fair value through profit or loss during the year under review. The net asset value per share of the Group as at 31 March 2021 amounted to HK\$0.04 (2020: HK\$0.04). The Board has decided not to declare a final dividend for the year.

Investment Portfolio

As at 31 March 2021, the details of all investments of the Group were summarised as below:

Interests in an associate – unlisted equity securities

Name of investee company	Place of incorporation/ operation	Percentage of effective interest held	Proportion of voting power	Cost HK\$'000	Carrying value HK\$'000
Bonicast Construction Material (Beijing) Co., Ltd	People's Republic of China ("PRC")	49%	20%	5,958	–

Financial assets at fair value through profit or loss

(i) Investment in convertible bonds

Name of investee companies	Place of incorporation	Cost HK\$'000	Carrying Value HK\$'000
Guanwan Investments Limited	British Virgin Islands	20,000	9,749

(ii) *Investment in Hong Kong listed equity securities*

Name	Number of shares held	Percentage of interest held	Cost HK\$'000	Market value HK\$'000
Asia Television Holdings Limited	235,510,000	2.37%	10,355	8,949
Golden Ponder Holdings Limited	37,560,000	4.70%	4,883	9,766

(iii) *Financial guarantee*

Guarantor	Cost HK\$'000	Carrying Value HK\$'000
Han Zhenghai	253	253

(iv) *Financial assets at fair value through other comprehensive income*

Name of investee company	Place of incorporation	Percentage of effective interest held	Cost HK\$'000	Carrying Value HK\$'000
Tianjin Bao Xin Ying Precious Metals Management Limited	PRC	12.00%	6,590	4,130
GuangZhou Shi Da Jian Corporate Management Consulting Limited	PRC	11.59%	9,800	5,286
Huge Leader Investment Development Limited	BVI	1.00%	556	–

Further details of all investments of the Group are included in note 10 to note 12 to the consolidated financial statements.

Financial Resources and Liquidity

As at 31 March 2021, the Group had cash and cash equivalents of approximately HK\$8,504,000 (2020: approximately HK\$2,303,000). The Group had the net current assets and the net assets of approximately HK\$39,902,000 (2020: HK\$32,344,000) and approximately HK\$49,331,000 (2020: HK\$41,070,000) respectively as at 31 March 2021. Save as disclosed above, the Group had no bank and other borrowing as at 31 March 2021.

The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 8.71 (2020: 7.67) as at 31 March 2021.

Capital Structure

Details in the changes of the capital structure of the Company during the year ended 31 March 2021 are set out in note 14 to the consolidated financial statements. The capital of the Company comprises only ordinary shares as at 31 March 2021.

Foreign Exchange Exposure

Most of the business transactions of the Group are denominated in Hong Kong dollars and Renminbi. The management of the Group will closely monitor the fluctuation in these currencies and take appropriate actions when needed. As at 31 March 2021, the Group did not engage in currency hedging nor did it adopt any formal hedging activities. The Group had not entered into any financial derivatives in currencies other than Hong Kong dollars during the year.

Pledge of Assets and Contingent Liabilities

As at 31 March 2021, there were no charges on the Group's assets and the Group did not have any contingent liabilities.

Staff Cost

As at 31 March 2021, the Group had 6 (2020: 7) full time employees (exclusive of directors). The Group's total staff costs (including directors' remuneration) amounted to approximately HK\$2,791,000 for the year ended 31 March 2021 (2020: HK\$3,357,000). The employees were remunerated based on their responsibilities and performance.

Prospect

During 2020-2021, the Group successfully got through the challenges of the outbreak of Covid-19 pandemic. Along with the mitigation of the novel coronavirus pandemic, the business environment is expected to drive the financial markets to grow significantly. As regards the global economy, it is expected that an increase in economic activities in the rest of 2021 may be led by the pent-up demand from 2020.

In December 2020, the Central Economic Working Conference convened and pointed out that the macro-economic policy in 2021 would struggle to advance continuity, stability and sustainability; and proactive fiscal policies and steady monetary policies would provide necessary support for economic recovery. Given that China's economy presents its great potential, its economic prospect remains positive, and the potential of investment demand remains significant in the Global market. In the coming financial year, the Group will adopt a more enterprising attitude on seeking potential business opportunities in the market. In addition, the Group's investment strategy will explore more diversified investment opportunities with various industries. The Group is aiming at implementing an efficient and compliant internal control, pragmatically deploying its investment strategy, and strengthen its financial situation in order to bring favorable return to our Shareholders.

Purchase, Sale or Redemption of Listed Securities of the Company

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

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for ensuring that high standards of corporate governance are maintained and for accounting to shareholders. During the year ended 31 March 2021, the Company complied with the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 to the Listing Rules except for the following deviations:

The code provision A.6.7 of the CG Code states that independent non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Three of the independent non-executive directors were unable to attend the annual general meeting of the Company held on 29 September 2020 due to other important engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS

During the year ended 31 March 2021, the Company complied with the code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Model Code in Appendix 10 to the Listing Rules. Having made specific enquiry to all directors, all of them confirmed that they had complied with the required standard of dealings and its code of conduct regarding securities transactions by directors throughout the year ended 31 March 2021.

AUDIT COMMITTEE

The Company has an Audit Committee with written terms of reference in compliance with the Listing Rules. Amongst other duties, the principal duties of the Audit Committee are to review and supervise the financial reporting process and internal control of the Group.

The Audit Committee comprises four independent non-executive directors, namely, Mr. Lai Yuen Piu, Mr. Deng Dongping and Mr. Liu Lihan, Ms. Mo Li, and is chaired by Mr. Lai Yuen Piu. The audited financial statements of the Group for the year ended 31 March 2021 have been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The Company has a Remuneration Committee with written terms of reference. The Remuneration Committee consists of four independent non-executive directors Mr. Lai Yuen Piu, Mr. Deng Dongping and Mr. Liu Lihan, Ms. Mo Li, and Mr. Han Zhenghai, Chairman of the Board and a non-executive director, and is chaired by Mr. Lai Yuen Piu.

NOMINATION COMMITTEE

The Company has a Nomination Committee with written terms of reference. The Nomination Committee consists of four independent non-executive directors Mr. Lai Yuen Piu, Mr. Deng Dongping and Mr. Liu Lihan, Ms. Mo Li, and Mr. Han Zhenghai, Chairman of the Board and a non-executive director, and is chaired by Mr. Han Zhenghai.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2021 have been agreed by the Group's auditor, BDO Limited (the "**Auditor**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Auditor on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be published on the websites of the Stock Exchange and the Company as soon as practicable.

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

Hong Kong, 30 June 2021

As at the date of this announcement, the Board comprises Mr. Chan Cheong Yee as executive Director; Mr. Han Zhenghai (Chairman), Ms. Yang Xiaoqiu, Mr. Yan Peng and Ms. Li Jiangtao as non-executive Directors; and Mr. Lai Yuen Piu, Mr. Deng Dongping, Mr. Liu Lihan and Ms. Mo Li as independent non-executive Directors.