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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)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

The board of directors (the “**Board**”) of China Investment Development Limited (the “**Company**”) announces the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2022 (the “**Period**”) together with the comparative figures for the corresponding period in 2021. The unaudited interim results have been reviewed by the audit committee of the Company.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2022

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

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

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# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		30 September 2022 <i>HK\$'000</i> (unaudited)	31 March 2022 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		113	–
Interest in an associate		–	–
Financial assets at fair value through other comprehensive income		52	4,297
Other financial assets at amortised cost	11	–	64,200
		<u>165</u>	<u>68,497</u>
<b>Current assets</b>			
Financial assets at fair value through profit or loss	12	30,201	34,038
Other receivables, deposits and prepayments		132,026	39,355
Other financial assets at amortised cost	11	61,682	41,249
Amount due from the shareholder		949	949
Cash and cash equivalents		4,354	51,574
		<u>229,212</u>	<u>167,165</u>
<b>Current liabilities</b>			
Other payables and accrued charges	13	23,345	8,082
Lease liabilities		1,849	2,037
		<u>25,194</u>	<u>10,119</u>
Net current assets		<u>204,018</u>	<u>157,046</u>
Total assets less current liabilities		<u>204,183</u>	<u>225,543</u>
<b>Non-current liability</b>			
Lease liabilities		193	1,527
Net assets		<u>203,990</u>	<u>224,016</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	14	24,610	22,856
Reserves		179,380	201,160
Total equity		<u>203,990</u>	<u>224,016</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

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

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

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 September 2022 have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which has been measured at fair value. These condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest dollar except when otherwise indicated.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 March 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

### 3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSS

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

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

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

The Group has not applied any new and amendments to HKFRSs that have been issued but not yet effective for the current accounting period.

### 4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's chief operating decision maker in order to allocate resources and assess performance of the segment. For the six months ended 30 September 2022 and 2021, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each business line or geographical area and the executive directors reviewed the financial result of the Group as a whole reported under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business component/reportable segment as the Group is only engaged in investment holding. The executive directors allocate resources and assess performance on an aggregated basis. Accordingly, no operating segment is presented.

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

	Revenue from external customers		Specified non-current assets	
	Six months ended		assets	
	30 September		30 September	31 March
	2022	2021	2022	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Hong Kong (place of domicile)	—	2,400	113	—

## 5. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

	Six months ended 30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Interest income from financial assets at fair value through profit or loss	—	2,400
Revenue	—	2,400
Other income:		
Others	660	11
Dividend income from listed investments	—	—
Interest income from other financial assets at amortised cost	5,367	—
Government subsidies (note)	108	—
Exchange gain	—	3,381
	<u>6,135</u>	<u>3,392</u>
Total revenue and other income	<u><b>6,135</b></u>	<u><b>5,792</b></u>

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

## 6. FINANCE COSTS

	Six months ended 30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Interest expenses on lease liabilities	157	—
Interest expenses on bonds	<u>1,014</u>	<u>719</u>
	<u><b>1,171</b></u>	<u><b>719</b></u>

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

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

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

## 8. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% (2021: 16.5%) on the estimated assessable profits for the Period. Overseas tax is calculated at the rates applicable in the respective jurisdictions. No provision for income tax expense is required since the Group has no assessable profits either arising from Hong Kong or other jurisdictions during the Period (2021: Nil).

## 9. DIVIDEND

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

## 10. (LOSS)/EARNINGS PER SHARE

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

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



## 11. OTHER FINANCIAL ASSETS AT AMORTISED COST

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

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

### Ageing analysis

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

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

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

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

*Notes:*

- (a) Particulars of the major investments of listed equity securities held by the Group as at 30 September 2022 are as follows:

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

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

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

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

### 13. OTHER PAYABLES AND ACCRUED CHARGES

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

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

## 14. SHARE CAPITAL

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

## 15. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the net assets included in the condensed consolidated statement of financial position of approximately HK\$203,990,000 (31 March 2022: HK\$224,016,000) and the number of ordinary shares in issue as at 30 September 2022, being 2,461,028,593 (31 March 2022: 2,285,578,593). The net asset value per share was HK\$0.08 as at 30 September 2022 (31 March 2022: HK\$0.10).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

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

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

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

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

As mention above, during the Period, the external environment was uncertain, severe and complex under the impact of the epidemic of the century. Although it was not a principal business of investment, the Company has invested in other financial assets at amortised cost (please refer to note 11 above for details) which allow earning stable income of interest and bring favourable return to our Shareholders. The Group has adopted cautious, proactive attitude and strategy in seeking low-risk and reputable for interest earning investment as other financial assets at amortised cost.

As at the date of this report, investment in unlisted companies except for the Jiajiafu Agreement and the New Wole Agreement detailed on page 16 and 17, the Company has not entered into any formal investment agreements with any of the potential investees.

## **FINANCIAL REVIEW**

For the Period, the Group's revenue was HK\$nil (2021: HK\$2,400,000), which decreased significantly when compared with the corresponding period of last year. Loss for the Period attributable to owners of the Company was approximately HK\$18,578,000, as compared to a profit for the corresponding period ended 30 September 2021. It was mainly attributable to the exchange loss on translation of balances denominated in foreign currencies.

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

### **Other income**

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

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

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

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

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

### **Impairment loss under the ECL model, net of reversal**

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

### **Share-based payment expenses**

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

### **Administrative expenses**

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

### **Finance costs**

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

## **OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

As at 30 September 2022, the Group's other receivables and deposits paid were mainly refundable deposits paid for potential investments in an amount of approximately HK\$126,150,000. Those deposits were relating to several potential investees covering agriculture, technology promotion and application services, financial services and business services. The placing of deposits by the Company to the potential investees is just following the common practice in the industry, so as to hopefully lower the cost of acquisition and expedite the negotiation process.

As at the date of this report, the Company has not entered into any formal investment agreements with any of the potential investees except for the Jiajiafu Agreement and the New Wole Agreement detailed on page 16 and 17. In the event that the investments shall not be made, the Company shall have the right to demand for the refund of the deposits.

## **OTHER FINANCIAL ASSETS AT AMORTISED COST**

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

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

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

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

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

## **FOREIGN EXCHANGE EXPOSURE**

Most of the business transactions of the Group are denominated in Hong Kong dollars and Renminbi. The management of the Group will closely monitor the fluctuation in these currencies and take appropriate actions when needed. As at 30 September 2022, the Group did not engage in currency hedging nor did it adopt any formal hedging activities.

## **PLEDGE OF ASSETS AND CONTINGENT LIABILITIES**

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

## **COMMITMENTS**

The Group did not have material capital commitments as at 30 September 2022, except for the Jiajiafu Agreement and the New Wole Agreement detailed on page 16 and 17.

## **STAFF COST AND REMUNERATION POLICY**

As at 30 September 2022, the Group had a total of 17 employees (2021: 14 employees). The Group's total staff costs (including directors' remuneration) amounted to approximately HK\$3,517,000 (2021: HK\$2,491,000) for the Period. The Company adopted the model set out in Code Provision B.1.2(c)(ii) of Appendix 14 to the Listing Rules as its remuneration model for determining the emoluments of the directors. This model stipulates that the remuneration committee shall make recommendations to the Board on the remuneration packages of individual executive directors and senior management. The remuneration committee of the Company would take into consideration, among other things, the duties and responsibilities of the directors and senior management and prevailing market conditions when determining their remuneration.

The Company has adopted a share option scheme to provide incentives to eligible persons, including directors, employees, consultants, suppliers and customers of the Group.

## **PROSPECT**

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

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

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

## **ISSUE OF THE CONSIDERATION SHARES**

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

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



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

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

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

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

\* *For identification purpose only*

## **SIGNIFICANT EVENTS AFTER PERIOD END**

A placing of new shares under general mandate was proposed on 15 September 2022 and completed on 18 October 2022 and the net proceeds of the placing were approximately HK\$37.4 million. No net proceeds from the placing under general mandate were used during the reporting period.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

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

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry by the Company, all the directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2022. During the Period, the Company was not aware of any non-compliance with the required standards as set out in the Model Code.

## **AUDIT COMMITTEE**

The Audit Committee comprises three members, all being Independent Non-executive Directors and is responsible for review of the Group's financial information and oversight of the Group's financial reporting system and internal control procedures. The Committee is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval.

In performing its duties, it has unrestricted access to personnel, records and external auditors and senior management.

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

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.chinainvestment.com.hk](http://www.chinainvestment.com.hk). The interim report of the Company for the six months ended 30 September 2022 will be dispatched to the shareholders of the Company and published on the above websites in due course.

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

Hong Kong, 30 November 2022

*As at the date of this announcement, the Board comprises Mr. Chan Cheong Yee and Mr. Chan Yiu Pun Clement as executive Directors; Mr. Han Zhenghai (Chairman), Mr. Deng Dongping, Mr. Liu Lihan, Mr. Zhu Zhikun and Mr. Lyu Ping as non-executive Directors; and Ms. Mo Li, Mr. Shi Zhu, Ms. Chen Shunqing and Ms. Mo Xiuping as independent non-executive Directors.*