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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 2023

The Board of Directors (the “**Board**”) of China Investment Development Limited (the “**Company**”) announces that the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2023 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	5	–	–
Other income	5	10,331	10,100
Net gain/(loss) on financial assets at fair value through profit or loss		2,518	(15,268)
Impairment losses under the expected credit loss model, net of reversal	6	(6,687)	24,422
Administrative and other expenses		(26,132)	(36,992)
Finance costs	7	(2,832)	(2,272)
Share of result of an associate		–	–
Loss before income tax expense	8	(22,802)	(20,010)
Income tax expense	9	–	–
Loss for the year attributable to owners of the Company		<u>(22,802)</u>	<u>(20,010)</u>

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
Other comprehensive (expense)/income			
Item that will not be reclassified to profit or loss:			
— Change in fair value of financial assets at fair value through other comprehensive income		(9,166)	(5,069)
Item that may be reclassified subsequently to profit or loss:			
— Exchange differences on translation of financial statements of PRC subsidiaries		(2,189)	(1,213)
— Release of reserves upon disposal of subsidiaries		<u>90</u>	<u>—</u>
Other comprehensive expense for the year, net of tax		<u>(11,265)</u>	<u>(6,282)</u>
Total comprehensive expense for the year		<u>(34,067)</u>	<u>(26,292)</u>
			(Restated)
Loss per share	<i>11</i>		
— Basic (HK cent per share)		<u>(8.13)</u>	<u>(10.74)</u>
— Diluted (HK cent per share)		<u>(8.13)</u>	<u>(10.74)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		26	–
Right-of-use assets		–	–
Other financial assets at amortised cost	<i>12</i>	–	64,200
Interest in an associate		–	–
Financial assets at fair value through other comprehensive income	<i>13</i>	48,304	4,297
		48,330	68,497
Current assets			
Financial assets at fair value through profit or loss	<i>14</i>	49,922	34,038
Other receivables, deposits paid and prepayments		121,640	39,355
Other financial assets at amortised cost	<i>12</i>	100,809	41,249
Amount due from a shareholder		949	949
Cash and cash equivalents		3,997	51,574
		277,317	167,165
Current liabilities			
Other payables and accrued charges	<i>15</i>	50,474	8,082
Lease liabilities		1,497	2,037
		51,971	10,119
Net current assets		225,346	157,046
Total assets less current liabilities		273,676	225,543
Non-current liability			
Lease liabilities		–	1,527

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Net assets		<u>273,676</u>	<u>224,016</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>16</i>	36,039	22,856
Reserves		<u>237,637</u>	<u>201,160</u>
Total equity		<u>273,676</u>	<u>224,016</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 Suites 6303, 63/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

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

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

Amendments to HKFRSs that are initially applied in the current year

In the current year, the Group has applied the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 3 *Reference to the Conceptual Framework*
- 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 the standards listed above in the current year has had no material effect on the Group’s financial performance and positions for the current and prior year and on the disclosures set out in these consolidated financial statements.

The Group has not applied the following new and amendments to HKFRSs that have been issued but are not yet effective for the current accounting period. The Group has already commenced an assessment of the impact of these new and amendments to HKFRSs but is not yet in a position to state whether these new and amendments to HKFRSs would have a material impact on its results of operations and financial position:

	Effective for accounting periods beginning on or after
• HKFRS 17, <i>Insurance Contracts (including the October 2020 and February 2022 Amendments to HKFRS17)</i>	1 January, 2023
• Amendments to HKFRS 10 and HKAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
• Amendments to HKFRS 16, <i>Lease Liability in a Sale and Leaseback</i>	1 January, 2024
• Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020)</i>	1 January, 2024
• Amendments to HKAS 1, <i>Non-current Liabilities with Covenants</i>	1 January, 2024
• Amendments to HKAS 1 and HKFRS Practice Statement 2, <i>Disclosure of Accounting Policies</i>	1 January, 2023
• Amendments to HKAS 8, <i>Definition of Accounting Estimates</i>	1 January, 2023
• Amendments to HKAS 12, <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January, 2023

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 2023 and 2022, 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 results of the Group as a whole reported under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business operating and 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 information is presented.

The following table provides an analysis of the Group’s revenue and non-current assets including property, plant and equipment, right-of-use assets 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, as follows:

	Revenue from external customers		Specified non-current assets	
	2023	2022	2023	2022
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Hong Kong (place of domicile)	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>26</u></u>	<u><u>–</u></u>

5. REVENUE AND OTHER INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	<u>–</u>	<u>–</u>
Other income:		
Bank interest income	–	3
Government subsidy (note)	111	–
Interest income from other financial assets at amortised cost	9,519	4,999
Exchange gain	–	4,696
Waiver of amount due to a former director	600	–
Others	<u>101</u>	<u>402</u>
	<u>10,331</u>	<u>10,100</u>
Total revenue and other income	<u>10,331</u>	<u>10,100</u>

No other source of income contributed to the Group's revenue for the years ended 31 March 2023 and 2022.

Note:

Employment support scheme were granted from HKSAR Government in relation to the employment during COVID-19 without unfulfilled conditions or other contingencies attaching to the subsidies.

6. IMPAIRMENT LOSSES UNDER THE EXPECTED CREDIT LOSS (“ECL”) MODEL, NET OF REVERSAL

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Impairment losses, (net of reversal) on:		
Interest receivable	–	(2,400)
Other financial assets at amortised cost	7,564	3,670
Deposits paid	<u>(877)</u>	<u>(25,692)</u>
	<u>6,687</u>	<u>(24,422)</u>

7. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest expenses on lease liabilities	263	97
Interest expenses on bonds	<u>2,569</u>	<u>2,175</u>
	<u><u>2,832</u></u>	<u><u>2,272</u></u>

8. LOSS BEFORE INCOME TAX EXPENSE

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Staff costs		
Salaries	4,220	4,139
Provident fund contributions	105	108
Share based payment expenses	<u>–</u>	<u>2,762</u>
Total staff costs excluding directors' remunerations	<u>4,325</u>	<u>7,009</u>
Auditor's remuneration	470	420
Depreciation		
Property, plant and equipment	89	15
Right-of-use assets	–	707
Directors' remuneration (<i>note 14</i>)		
— fees	1,723	1,685
— Share based payment expenses	–	8,364
Investment manager's fee	480	160
Short-term leases	1,154	5,473
Share based payment expenses excluding those included in staff costs and directors' remunerations	–	1,686
Net exchange losses	11,364	–
Impairment of property, plant and equipment*	60	314
Impairment of right-of-use assets*	<u>–</u>	<u>3,537</u>

* These items are included in “administrative and other expenses” in the consolidated statement of profit or loss and other comprehensive income.

9. INCOME TAX EXPENSE

Pursuant to the Inland Revenue (Amendment) Bill 2017, 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 (2022: 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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loss before income tax expense	<u>(22,802)</u>	<u>(20,010)</u>
Tax calculated at the applicable statutory tax rates	(3,762)	(3,302)
Tax effect of income not taxable	1,582	825
Tax effect of tax losses not recognised	<u>2,180</u>	<u>2,477</u>
Income tax expense	<u>–</u>	<u>–</u>

10. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2023 (2022: Nil).

11. 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:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Restated)
Loss		
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(22,802)</u>	<u>(20,010)</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>280,437,533</u>	<u>186,378,612</u>

Note:

Weighted average number of ordinary shares in issue and basic and diluted loss per share were stated after taking into account the effect of the share consolidation in February 2023, whereby every 10 ordinary shares of HK\$0.01 each in the share capital of the Company were being consolidated into 1 consolidated share of HK\$0.10 each. Comparative figures have been retrospectively adjusted on the assumption that the above share consolidation had been effective in prior year.

The weighted average number of ordinary shares for the year ended 31 March 2022 for the purposes of basic and diluted loss per share have also been retrospectively adjusted for the bonus element of the rights issue of shares during the year ended 31 March 2022 which was completed on 20 July 2021.

The computation of diluted loss per share for both years 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 both years.

12. OTHER FINANCIAL ASSETS AT AMORTISED COST

At 31 March 2023, the other financial assets at amortised cost included promissory notes held by the Group, amounted to approximately HK\$77,437,000 (2022: HK\$105,449,000) which are unsecured, interest bearing, non-transferrable, non trading related in nature and issued by private entities.

At 31 March 2023, the other financial assets at amortised cost also included a secured bond held by the Group, amounted to approximately HK\$23,372,000 (2022: HK\$Nil) which is secured, interest bearing, non transferrable, non trading related in nature and issued by a private entity.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At amortised cost	112,043	109,119
Less: ECL allowance	<u>(11,234)</u>	<u>(3,670)</u>
	<u>100,809</u>	<u>105,449</u>

Ageing analysis

As of the end of the reporting period, the ageing analysis of promissory notes and secured bond, net of allowance for credit losses, base on the maturity date is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Mature within 1 year	100,809	41,249
Mature 1 to 2 years	<u>–</u>	<u>64,200</u>
	<u>100,809</u>	<u>105,449</u>

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Unlisted equity securities in PRC, at cost	53,225	16,390
Fair value adjustment	<u>(4,921)</u>	<u>(12,093)</u>
	<u><u>48,304</u></u>	<u><u>4,297</u></u>

Particulars of investments in unlisted equity securities held by the Group as at 31 March 2023 and 2022 disclosed pursuant to Chapter 21 of Listing Rules are as follows:

Name of investee companies	Place of incorporation	Percentage of effective interest held at 2023	At cost				Accumulated fair value adjustment		Carrying value		Dividend receivable/ received 2023	Percentage of total assets of the Group 2023	Dividend receivable/ received 2022	Percentage of total asset of the Group 2022
			2023		2022		2023		2022					
			<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>				
Qingzhou jiajiafu Modern Agricultural Group Co., Ltd.* (“Jiajiafu”)		7%	29,825	-	(1,439)	-	28,386	-	-	-	8.72%	N/A	N/A	
Lanzhou Wole Home Furnishing Service Co., Ltd.* (“Lanzhou Wole”)	PRC	30%	23,400	-	(3,482)	-	19,918	-	-	-	6.12%	N/A	N/A	
GuangZhou Da Jian Company Management Consultation Limited*	PRC	11.59%	-	9,800	-	(9,789)	-	11	11	-	N/A	-	0.00%	
Tianjin Bao Xin Ying Precious Metals Management Limited*	PRC	12%	-	6,590	-	(2,304)	-	4,286	4,286	-	N/A	-	1.82%	
			<u>53,225</u>	<u>16,390</u>	<u>(4,921)</u>	<u>(12,093)</u>	<u>48,304</u>	<u>4,297</u>						

* For identification purpose only

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong listed equity securities, at market value (note (a))	24,662	17,758
Investments in convertible bonds, at fair value (note (b))	15,180	16,280
Equity interests in private equity funds (note (c))	<u>10,080</u>	<u>-</u>
	<u><u>49,922</u></u>	<u><u>34,038</u></u>

- (a) Particulars of the Group's major investments of listed equity securities held by the Group as at 31 March 2023 and 2022 are as follows:

2023

Name of investee companies	Number of shares held	Percentage of interest held	Cost	Market value	Accumulated	Change in fair value	Dividend received/receivable	Percentage of the total assets of the Group
					unrealised gain/(loss) arising on revaluation			
			2023	2023	2023	2023	2023	2023
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Worldgate Global Logistics Ltd	7,500,000 ordinary share	1.1800%	6,015	1,613	(4,402)	(4,402)	-	0.50%
International Genius Company (formerly known as "Amber Hill Financial Holdings Limited")	9,564,000 ordinary share	1.7802%	13,781	23,049	9,268	9,268	-	7.08%
Target Insurance (Holdings) Limited	4,228,000 ordinary share	0.8109%	4,298	-	4,298	-	-	-
				<u>24,662</u>				

2022

Name of investee companies	Number of shares held	Percentage of interest held	Cost	Market value	Accumulated	Change in fair value	Dividend received/receivable	Percentage of the total assets of the Group
					unrealised gain/(loss) arising on revaluation			
			2022	2022	2022	2022	2022	2022
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Kidztech Holdings Limited	1,686,000 ordinary share	0.3237%	1,753	1,450	(303)	(303)	-	0.62%
Asia Television Holdings Limited	80,510,000 ordinary share	0.8111%	3,059	966	(2,093)	(2,093)	-	0.41%
Feiyang International Holdings Group Limited	492,000 ordinary share	0.0820%	499	443	(56)	(56)	-	0.19%
Future Bright Mining Holdings Limited	20,000 ordinary share	0.0005%	1	1	-	-	-	0.00%
Morris Home Holdings Limited	200,000 ordinary share	0.0200%	17	27	10	10	-	0.01%
RMH Holdings Limited	344,000 ordinary share	0.0398%	35	47	12	12	-	0.02%
International Genius Company (formerly known as "Amber Hill Financial Holdings Limited")	9,564,000 ordinary share	1.7802%	13,781	14,824	1,043	1,043	-	6.29%
Target Insurance (Holdings) Limited	4,228,000 ordinary share	0.8109%	4,298	-	(4,298)	(4,298)	-	-
				<u>17,758</u>				

- (b) Particulars of investments in convertible bonds held by the Group as at 31 March 2023 and 2022 are as follows:

Name of investee companies	Place of incorporation	Unlisted debt securities,						Percentage		Percentage	
		at cost		Fair value adjustment		Carrying value		Interest received/	of the total	Interest received/	of the total
		2023	2022	2023	2022	2023	2022	receivable	assets of the	receivable	assets of the
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	2023	2022	2022	2022
Guanwan Investments Limited	BVI	<u>20,000</u>	<u>20,000</u>	<u>(4,820)</u>	<u>(3,720)</u>	<u>15,180</u>	<u>16,280</u>	-	4.66%	<u>2,400</u>	<u>6.91%</u>

- (c) The Group has subscribed Mount Peak Fund SPC — Mount Peak Currency Fund SP (the “**Currency Fund**”) for approximately HK\$10,012,000 at cost, bearing coupon interest rate of 7.5% per annum. For the year ended 31 March 2023, the unrealised interest income for the Currency Fund was approximately HK\$68,000.

The Currency Fund is for investors with different needs and risks, match the corresponding fund products. It has asset management licenses in Hong Kong and Singapore, offshore investment manager qualifications in Cayman and the British Virgin Islands (BVI), and its core fund products are hedge funds.

The investments in the Currency Fund is classified as financial assets at fair value through profit or loss upon initial recognition and recognised at fair value, with changes in fair value recognized in consolidated profit or loss. The fair values of the investments in the Currency Fund as at 31 March 2023 was determined by reference to the redemption price.

15. OTHER PAYABLES AND ACCRUALS CHARGES

Included in other payables and accruals charges, mainly consists of bonds payable approximately HK\$42,270,000 as at 31 March 2023.

16. SHARE CAPITAL

	Number of ordinary shares each	
	'000	HK\$'000
Authorised:		
At 1 April 2021, 31 March 2022, 1 April 2022 at HK\$0.01	10,000,000	100,000
Share consolidation (<i>note (vi)</i>)	(9,000,000)	N/A
	<hr/>	<hr/>
At 31 March 2023 at HK\$0.1	1,000,000	100,000
	<hr/>	<hr/>
Issued and fully paid:		
At 1 April 2021	1,269,786	12,698
Rights issue (<i>note (i)</i>)	634,893	6,349
Placing of new shares (<i>note (ii)</i>)	380,900	3,809
	<hr/>	<hr/>
At 31 March 2022 and 1 April 2022	2,285,579	22,856
Exercise of share options (<i>note (iii)</i>)	175,450	1,754
Placing of new shares (<i>note (iv)</i>)	492,200	49,220
Issue of consideration shares (<i>note (v)</i>)	650,720	65,070
Share consolidation (<i>note (vi)</i>)	(3,243,555)	(102,861)
	<hr/>	<hr/>
At 31 March 2023	360,394	36,039
	<hr/>	<hr/>

All shares issued during the year rank pari passu with the then existing shares in all respects.

Notes:

- (i) The Company has raised gross proceeds of approximately HK\$127.0 million 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 (1) rights share for every two (2) existing shares held by the qualifying shareholders on the record date.

The gross proceeds from the rights issue were approximately HK\$127.0 million and the net proceeds from the rights issue, after deducting the underwriting commission and all other relevant expenses for the rights issue, were approximately HK\$124.0 million. Details are set out in the Company's announcements dated 4 May 2021, 14 May 2021, 28 May 2021, 25 June 2021 and 19 July 2021.

- (ii) On 18 October 2021, the placing agents and the Company entered into the placing agreements pursuant to which the placing agents agreed to place, on a best effort basis, up to 380,900,000 placing shares to currently expected not less than six placees who are independent third parties.

A total of 380,900,000 placing shares have been successfully placed to not less than six placees (who are individual, corporate and/or institutional investors), who and whose ultimate beneficial owner(s) are independent third parties. The net proceeds from the placing, after deducting all related costs, commission and expenses, amount to approximately HK\$56.6 million, which is intended to be utilised for the general working capital of the Group and future investment opportunities as may be identified from time to time. Details are set out in the Company's announcements dated 18 October 2021 and 8 November 2021.

- (iii) A total of 175,450,000 share option with exercise price per share of HK\$0.068 were exercised under the Company's share option scheme during the year ended 31 March 2023. The subscriptions monies from share option holders amounted to approximately HK\$11,931,000. The share allotment for the subscription of 161,950,000 ordinary shares and 13,500,000 ordinary shares were completed on 14 April 2022 and 17 April 2022 respectively.

- (iv) On 15 September 2022, the placing agents and the Company entered into the placing agreement pursuant to which the placing agents agreed to place, on a best effort basis, up to 492,200,000 new shares at a price of HK\$0.077 per placing share, for and on behalf of the Company.

A total of 492,200,000 placing shares have been successfully placed to not less than six placees (who are individual, corporate and/or institutional investors), who and whose ultimate beneficial owner(s) are independent third parties. The net proceeds from the placing, after deducting all related costs, commission and expenses, amounted to approximately HK\$37.5 million, which is intended to be utilised for the general working capital of the Group and future investment opportunities as may be identified from time to time. Details are set out in the Company's announcements dated 15 September 2022 and 18 October 2022.

- (v) In April 2022, the Company entered into the following agreements:

1. The agreement with an independent third party in respect of the acquisition of 7% of the Jiajiafu at the consideration (a) HK\$10,928,000 by cash and (b) by the allotment and issue of the equity shares 290,072,000 ordinary shares on 6 April 2022.
2. The agreement with an independent third party in respect of the acquisition of 30% of the Lanzhou Wole at the consideration by the allotment and issue of the equity shares of 360,000,000 ordinary share on 8 April 2022.

All conditions precedent of the agreements have been fulfilled and completion of the Agreements took place on 17 January 2023 whereupon a total of 650,720,000 new Shares were issued to the independent third parties pursuant to the agreements. The closing price of the Company was HK\$0.065 at completion day.

Details are set out in the Company's announcements dated 6 April, 2022, 7 April 2022 and 8 April 2022 and circular dated 10 May 2022 relating to the issue of consideration shares underspecific mandate.

- (vi) Share consolidation of every 10 issued and unissued existing shares into 1 consolidated share became effective from 15 February 2023. Details are set out in the Company's announcements on 20 December 2022 and 4 January 2023, 31 January 2023, 10 February 2023 and circular dated 10 January 2023.

17. NET ASSET VALUE PER SHARE

Net asset value per share is HK\$0.76 (2022: restated as HK\$0.98) which is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK\$273,676,000 (2022: HK\$224,016,000) and the number of ordinary shares in issue as at 31 March 2023, being 360,394,859 (2022: 228,557,900), as adjusted for share consolidation completed on 15 February 2023.

18. EVENTS AFTER REPORTING PERIOD

(i) Rights issue

The Company proposes to implement the rights issue on the basis of one (1) rights share for every one (1) existing share held on the record date at the subscription price of HK\$0.15 per rights share, to raise gross proceeds of approximately HK\$54.5 million before deducting the costs and expenses (assuming no change in the number of Shares in issue other than the full exercise of outstanding share options on or before the record date), by way of the rights issue of up to 363,582,506 rights shares to the qualifying shareholders. The rights issue is not underwritten and will not be extended to the excluded shareholder(s) (if any).

The estimated net proceeds of the rights issue, if fully subscribed, will be up to approximately HK\$53.2 million (assuming no change in the number of shares in issue other than the full exercise of outstanding share options on or before the record date). The Company intends to apply (i) 83.1% of the net proceeds from the rights issue of approximately HK\$44.2 million for repayment of the Group's bonds principal amount and accrued interests; and (ii) 16.9% of the net proceeds of approximately HK\$9.0 million for general working capitals of the Group.

Details are set out in the Company's announcement date 25 May 2023.

(ii) Acquisition of equity shares of 中合惠農（北京）科技發展有限公司 (“Zhonghe Huinong”)

On 13 April 2023, the Company entered into the sales and purchases agreement with an independent third party Tang Shengxia (湯聖霞) in respect of acquisition of 27.54% equity interest of Zhonghe Huinong at the consideration of HK\$44,803,000. Included in the deposits paid for potential investments of the Group as at 31 March 2023 is an amount of deposit paid to Zhonghe Huinong of HK\$43,057,800 and the remaining balance of the purchase consideration of HK\$1,745,200 to be settled by cash on the date of completion. Zhonghe Huinong was established in PRC with limited liability and principally engaged in technology development, technology transfer, technology consulting, technical services, technology promotion; data processing (except for bank card centers in data processing and cloud computing data centers

with a PUE value above 1.5); software development; corporate planning; economic and trade consulting; conferences Services; organizing cultural and artistic exchange activities (excluding commercial performances); undertaking exhibitions and display activities; enterprise management consulting; design, production, agency, release of advertisements and computer animation design. The transaction was completed in April 2023.

(iii) Acquisition of equity shares of 皇灝國際融資租賃（深圳）有限公司 (“Huanghao Guoji”)

On 21 April 2023, the Company entered into the sales and purchases agreement with an independent third party Fu Xingqiang (付新強) in respect of acquisition of 22.85% equity interest of Huanghao Guoji at the consideration of HK\$44,803,000. Included in the deposits paid for potential investments of the Group as at 31 March 2023 is an amount of deposit paid to Huanghao Guoji of HK\$42,086,800 and the remaining balance of the purchase consideration of HK\$2,716,200 to be settled by cash on the date of completion. Huanghao Guoji was established in PRC with limited liability and principally engaged in financial leasing business; leasing business; purchase of leased property at home and abroad; residual value treatment and maintenance of leased property; lease transaction consultation and guarantee (excluding financing guarantee) and concurrently operating factoring business related to financial lease (non-bank financing kind). The transaction was completed in April 2023.

(iv) Acquisition of equity shares of 深圳前海中投鼎晟投資諮詢有限公司 (“Zhongtou Dingsheng”)

On 23 April 2023, the Company entered into the sales and purchases agreement with an independent third party Jiang Yongjun (蔣勇均) in respect of acquisition of 30% equity interest of Zhongtou Dingsheng at the consideration of HK\$44,803,000. Included in the deposits paid for potential investments of the Group as at 31 March 2023 is an amount of deposit paid to Zhongtou Dingsheng of HK\$42,143,400 and the remaining balance of the purchase consideration of HK\$2,659,600 to be settled by cash on the date of completion. Zhongtou Dingsheng was established in PRC with limited liability and principally engaged in investment consulting, enterprise management consulting, economic information consulting; engage in system application management and maintenance, information technology support management, bank background service, software development, offshore call center and data processing and other information technology and business process outsourcing services by undertaking service outsourcing. The transaction was completed in April 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group's revenue for the year ended 31 March 2023 was nil (2022: nil), which remained unchanged 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\$22,802,000 which increased by approximately HK\$2,792,000 or 13.95% when compared with the loss of approximately HK\$20,010,000 incurred in last year. The increased in the loss for the year was mainly attributable to the decrease in net of reversal of impairment losses under the expected credit loss model during the year under review. The net asset value per share of the Group as at 31 March 2023 amounted to HK\$0.76 (2022: restated as HK\$0.980). The Board has decided not to declare a final dividend for the year.

Investment Portfolio

Details of all investments of the Group are included in notes 12, 13 and 14 to this Announcement.

Financial Resources and Liquidity

As at 31 March 2023, the Group had cash and cash equivalents of approximately HK\$3,997,000 (2022: approximately HK\$51,574,000). The Group had net current assets and the net assets of approximately HK\$225,346,000 (2022: HK\$157,046,000) and approximately HK\$273,676,000 (2022: HK\$224,016,000) respectively as at 31 March 2023. The Group had other borrowing of approximately HK\$44,185,000 at 31 March 2023 (2022: HK\$2,694,000). The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 5.34 (2022: 16.52) as at 31 March 2023.

As at 31 March 2023, the gearing ratio of the Group was approximately 16.15% (2022: 1.2%).

The gearing ratio is calculated as total debts HK\$44,185,000 (2022: HK\$2,694,000) divided by equity attributable to owners of the Company HK\$273,676,000 (2022: HK\$224,016,000) as at 31 March 2023.

Capital Structure

Details in the changes of the capital structure of the Company during the year ended 31 March 2023 are set out in note 16 to this Announcement. The capital of the Company comprises only ordinary shares as at 31 March 2023.

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 2023, the Group did not engage in currency hedging nor did it adopt any formal hedging activities.

Pledge of Assets and Contingent Liabilities

As at 31 March 2023, the Group pledged its financial assets at fair value through profit or loss of approximately HK\$23,049,000 to bond holder to secure a bond payable of approximately HK\$22,000,000.

As at 31 March 2023, the Group did not have any contingent liabilities.

Other Income

For the year ended 31 March 2023, the Group's other income was approximately HK\$10,331,000 which increased by approximately HK\$231,000 or 2.29% when compared of approximately HK\$10,100,000 for the year ended 31 March 2022. The increased is mainly attributable to interest income from other financial assets at amortised cost of HK\$9,519,000 for the year ended 31 March 2023.

Net Gain/Loss on Financial Assets at Fair Value Through Profit or Loss

For the year ended 31 March 2023, the net gain was approximately HK\$2,518,000 which increased by approximately HK\$17,786,000 or 116.49% when compared of approximately loss HK\$15,268,000 for the year ended 31 March 2022. The increased is mainly attributable to the net gain of listed equity investment for the year ended 31 March 2023.

Impairment Losses Under the Expected Credit Loss (“ECL”) Model, Net of Reversal

A net amount of approximately HK\$6,687,000 was recognised for impairment loss under the ECL model for the year ended 31 March 2023 that details are set out in the note 6 to this Announcement.

Staff Cost (Included in Administrative and Other Expenses)

As at 31 March 2023, the Group had 14 (2022: 10) full time employees (exclusive of directors). The Group's total staff costs (including directors' remuneration) amounted to approximately HK\$6,048,000 for the year ended 31 March 2023 (2022: HK\$17,058,000). The employees were remunerated based on their responsibilities and performance.

Administrative and Other Expenses

Administrative and other expenses for the year ended 31 March 2023 amounted to approximately HK\$26,132,000 (2022: HK\$36,992,000), representing an decrease of approximately HK\$10,860,000 or 29.36%, which was mainly due to decrease in share-based payment expenses.

Finance Costs

Finance costs for the year ended 31 March 2023 amounted to approximately HK\$2,832,000 (2022: HK\$2,272,000), represented an increase of approximately HK\$560,000. Such increase was mainly due to the increase of interest on bonds during the year ended 31 March 2023.

Events After Reporting Period

Details are set out in note 18 to this Announcement.

Prospect

The sentiment of capital markets has rapidly changed after lifting of the pandemic restrictions in China. The Board has reassessed recent market condition and determined that the Company should adopt a more active approach in its investment strategies as the markets gained momentum on back of robust recovery in the Chinese economy. In fact, the listed securities held by the Company have made gains this year and the Company considered that it should continue to hold on to these listed securities for medium to long term appreciation.

However, in the new financial year, the Group will continue to adopt a 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 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, except disclosed in note 14 to this Announcement.

CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of corporate governance practice of a listed company and is committed to adopting the standards of corporate governance. The board is responsible for performing the corporate governance duties. It is in the interest of the shareholders and stakeholders for a listed company to operate in a transparent manner with the adoptions of various self-regulatory policies, procedures and monitoring mechanisms with a clear definition of accountability of directors and management. The Company and the Directors confirm, to the best of their knowledge, that the Company has complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules during the year ended 31 March 2023, except for the following deviations:

- (i) The code provision C.1.6 of the CG Code requires that the independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings and develop a balanced understanding of the views of shareholders. Some directors were unable to attend the annual general meeting of the Company held on 7 September 2022 due to other important engagement.
- (ii) The code provision C.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Since Ms. Lin Yudan resigned as the Chief Executive Officer of the Company on 12 July 2021, nobody has been appointed. The executive Board which includes all executive directors, investment manager and senior management have been delegated with the authority and responsibility by the Board for the day-to-day operations of the Group while reserving certain key matters for the approval by the Board. After evaluation of the current situation of the Company and considering of the board composition, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for such arrangement as it helps to maintain the continuity of the policies and the stability of the operations of the Company.

- (iii) The code provision F.2.2 of the CG Code requires that the chairman of the board should attend the annual general meeting. The chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, the chairman should invite another member of the committee or failing this their duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. Some of the committee chairmen were unable to attend the annual general meeting of the Company held on 7 September 2022 due to other important engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS

During the year ended 31 March 2023, 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 2023.

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 three independent non-executive Directors, namely, Ms. Mo Li, Ms. Chen Shunqing and Mr. Shi Zhu, and is chaired by Ms. Chen Shunqing. The audited financial statements of the Group for the year ended 31 March 2023 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 one non-executive Director and three independent non-executive Directors, namely, Mr. Han Zhenghai, Ms. Mo Li, Mr. Shi Zhu and Ms. Chen Shunqing, and is chaired by Ms. Mo Li.

NOMINATION COMMITTEE

The Company has a Nomination Committee with written terms of reference. The Nomination Committee consists of one non-executive Director and three independent non-executive Directors, namely, Mr. Han Zhenghai, Ms. Mo Li, Ms. Chen Shunqing and Mr. Shi Zhu, and is chaired by Mr. Han Zhenghai.

RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee with written terms of reference. The Risk Management Committee consists of one executive Director Mr. Chan Cheong Yee and three independent non-executive Directors, namely, Ms. Mo Li, Ms. Chen Shunqing, Mr. Shi Zhu, and is chaired by Mr. Chan Cheong Yee.

SCOPE OF WORK OF FAN, CHAN & CO. LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2023 as set out in the announcement have been agreed by the Group's auditor, Fan, Chan & Co. 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 announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

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

Hong Kong, 29 June 2023

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, Mr. Lyu Ping and Ms. Mo Xiuping as non-executive Directors; and Ms. Mo Li, Mr. Shi Zhu and Ms. Chen Shunqing as independent non-executive Directors.