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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)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

References are made to the prospectus (the “**Prospectus**”) of China Investment Development Limited (the “**Company**”) dated 14 July 2023 and the announcement of the Company dated 2 August 2023 (the “**Announcement**”), in relation to, among other things, the Rights Issue and the Placing. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE AND THE PLACING

As disclosed in the Announcement, as at 4:00 p.m. on Friday, 28 July 2023, being the Latest Time for Acceptance, a total of 18 valid applications and acceptances under the PAL in respect of a total of 229,830,914 Rights Shares had been received, representing approximately 63.77% of the total number of Rights Shares offered under the Rights Issue. As at the Record Date, there was no Excluded Shareholders and the number of the ES Unsold Rights Shares is nil. Based on the above results of valid applications and acceptances under the PAL, the total number of Unsubscribed Rights Shares subject to the Compensatory Arrangements shall be 130,563,945 Rights Shares. The Company has, pursuant to Rule 7.21(1)(b) of the Listing Rules, made the Compensatory Arrangements by entering into the Placing Agreement with the Placing Agents pursuant to which the Company conditionally appointed the Placing Agents and the Placing Agents conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, places to subscribe for the Unsubscribed Rights Shares in accordance with the terms of the Placing Agreement.

The Board wishes to announce that at 6:00 p.m. on Wednesday, 9 August 2023, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agents, all the 130,563,945 Unsubscribed Rights Shares were successfully placed at the price of HK\$0.150 per Share, which is equal to the Subscription Price, under the Placing. Therefore, there is no Net Gain available for distribution to the No Action Shareholders under the Placing.

As all the conditions with respect to the Rights Issue and the Placing as set out in the Prospectus have been fulfilled, the Rights Issue and the Placing became unconditional at 4:00 p.m. on Thursday, 10 August 2023.

As there are no exercise of any Share Options and no change in the share capital of the Company on or before the Record Date, there are 360,394,859 Shares in issue immediately before completion of the Rights Issue and the Placing. Based on the results of valid applications and acceptance under the PAL and the results of the Placing, the Rights Shares to be allotted and issued amounted to 360,394,859 Rights Shares, representing 100% of the total number of Rights Shares offered for subscription under the Rights Issue.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees and where appropriate, their respective ultimate beneficial owner(s), is an Independent Third Party; and (ii) none of the placees has become a substantial Shareholder immediately upon completion of the Placing.

Accordingly, the gross proceeds raised from the Rights Issue were approximately HK\$54.1 million and the net proceeds (after deducting all relevant expenses) from the Rights Issue were approximately HK\$52.7 million. The Company intends to apply the net proceeds from the Rights Issue as to (i) approximately HK\$44.2 million for the repayment of the Group's bonds principal amount and accrued interests; (ii) approximately HK\$8.5 million for the general working capital of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, set out below is the shareholding structure of the Company immediately before and after the completion of the Rights Issue and the Placing:

Shareholder	Immediately before completion of the Rights Issue and the Placing		Immediately after completion of the Rights Issue and the Placing	
	<i>Number of shares</i>	<i>Approximate</i>	<i>Number of shares</i>	<i>Approximate</i>
Substantial Shareholders				
Lanzhou Wile Home Furnishing Service Co. Limited	36,000,000	9.99%	36,000,000	4.99%
Shuo Kang International Limited	29,072,000	8.07%	58,144,000	8.07%
Yang Weixu	26,611,000	7.38%	53,222,000	7.38%
Tse Yun Lam Aries	25,352,200	7.03%	25,352,200	3.52%
Sub-total	<u>117,035,200</u>	<u>32.47%</u>	<u>172,718,200</u>	<u>23.96%</u>
Directors				
Han Zhenghai	10,068,000	2.79%	10,068,000	1.40%
Zhu Zhikun	4,890,000	1.36%	4,890,000	0.68%
Sub-total	<u>14,958,000</u>	<u>4.15%</u>	<u>14,958,000</u>	<u>2.08%</u>
Public Shareholders				
Places	—	—	130,563,945	18.11%
Other public Shareholders	<u>228,401,659</u>	<u>63.38%</u>	<u>402,549,573</u>	<u>55.85%</u>
Sub-total	<u>228,401,659</u>	<u>63.38%</u>	<u>533,113,518</u>	<u>73.96%</u>
Total	<u><u>360,394,859</u></u>	<u><u>100.00%</u></u>	<u><u>720,789,718</u></u>	<u><u>100.00%</u></u>

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates in respect of the valid acceptance of Rights Shares under the PAL and Shares successfully placed to the placees under the Placing are expected to be posted on Monday, 14 August 2023 to those entitled thereto at their registered addresses by ordinary post at their own risk.

ODD LOT MATCHING ARRANGEMENT

Upon completion of the Rights Issue, the board lots of the Company will remain as 20,000 Shares. In order to facilitate the trading of odd lots of Shares which will arise upon the Rights Issue, the Company has appointed Cheong Lee Securities Limited to stand in the market and provide matching services on a best effort basis for the holders of odd lots of Shares during the period from 9:00 a.m. on Tuesday, 15 August 2023 to 4:00 p.m. on Friday, 1 September 2023 (both days inclusive). Holders of odd lots Shares who wish to take advantage of this facility either to dispose of their odd lots of Shares or to top up to board lots of 20,000 Shares should contact Ms. Linda Yu of Cheong Lee Securities Limited at Unit B, 15/F., Bank of East Asia Harbour View Center, 56 Gloucester Road, Wanchai, Hong Kong or at telephone number (852) 3426 6338 during office hours of such period.

Holders of Shares in odd lots should note that the matching services mentioned above are on a best effort basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being adequate amount of odd lots of Shares available for matching. Shareholders are advised to consult their financial advisers if they are in doubt about the above arrangements.

ADJUSTMENTS RELATING TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

Prior to the completion of the Rights Issue, the Company had 3,187,647 outstanding share options (the “**Outstanding Options**”) under the Share Option Scheme. As a result of the Rights Issue, the Company has calculated the necessary adjustments (the “**Share Options Adjustments**”) to the exercise price and the number of Shares falling to be issued upon exercise of the outstanding share options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules, and the Supplementary Guidance on Main Board Listing Rule 17.03(13) and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072-2020 issued by the Stock Exchange on 6 November 2020 (the “**Stock Exchange Supplementary Guidance**”).

The Share Options Adjustments as a result of the Rights Issue with effect from 14 August 2023, being the date on which the fully-paid Rights Shares are allotted and issued, are set out below:

Date of grant	Immediately prior to the Share Options Adjustments taking effect		Immediately after the Share Option Adjustments taking effect	
	Number of Shares to be issued upon exercise of the Outstanding Options	Exercise price per Share (HK\$)	Adjusted number of Shares to be issued upon exercise of the Outstanding Options	Adjusted exercise price per Share (HK\$)
2 August 2021	3,087,647	5.00	3,888,148	3.971
7 January 2022	100,000	0.68	125,926	0.540

Save for the above adjustments, all other terms and conditions of the Outstanding Options remain unchanged.

The auditor and reporting accountant of the Company, Fan, Chan & Co. Limited, has confirmed to the Directors in writing that the adjustments made to the exercise price and the number of Shares falling to be issued upon the exercise of the Outstanding Options are in compliance with the requirements set out in the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules, and the Stock Exchange Supplementary Guidance.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 15 August 2023.

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

Hong Kong, 11 August 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.