CHINA DEVELOPMENT BANK INTERNATIONAL INVESTMENT LIMITED
國開國際投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board of directors (the "**Board**" or "**Directors**") of China Development Bank International Investment Limited (the "**Company**") announces the unaudited interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2023 (the "**Period**"). The interim results for the Period have been reviewed by the audit committee of the Company and BDO Limited, the auditor of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Six months ended 30 June	
	Notes	**2023**	2022
		HK$	*HK$*
		(Unaudited)	(Unaudited)
Net valuation losses in fair value of financial assets at fair value through profit or loss		**(53,558,026)**	(499,903,110)
General and administrative expenses	*5*	**(4,817,932)**	(5,156,486)
Other gains, net		**–**	2,419,088
Dividend income from financial assets at fair value through profit or loss		**9,478,107**	153,575,885
Finance income		**265,124**	97,107
Finance costs		**–**	(1,774,256)
Share of profit in an associate		**487,182**	3,110,170
Loss before income tax		**(48,145,545)**	(347,631,602)
Income tax expense	*4*	**–**	(5,494,850)
Loss and total comprehensive expense for the period attributable to owners of the Company		**(48,145,545)**	(353,126,452)
Loss per share			
– Basic (HK cents)	*6*	**(1.66)**	(12.17)
– Diluted (HK cents)	*6*	**(1.66)**	(12.17)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 June 2023 HK$ (Unaudited)	31 December 2022 HK$ (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**–**	–
Interest in an associate		**–**	2,068,105
Financial assets at fair value through profit or loss		**1,069,692,443**	1,116,130,844
		1,069,692,443	1,118,198,949
Current assets			
Financial assets at fair value through profit or loss		**208,705,306**	215,824,931
Cash and cash equivalents		**36,496,164**	31,534,999
		245,201,470	247,359,930
Total assets		**1,314,893,913**	1,365,558,879
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		**29,022,154**	29,022,154
Reserves		**1,283,067,515**	1,331,213,060
Total equity		**1,312,089,669**	1,360,235,214
Liabilities			
Current liabilities			
Other payables and accruals		**2,804,244**	5,323,665
		2,804,244	5,323,665
Total liabilities		**2,804,244**	5,323,665
Total equity and liabilities		**1,314,893,913**	1,365,558,879
Net asset value per share	*7*	**0.45**	0.47

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "**Interim Financial Reporting**" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The preparation of condensed consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated financial statements.

2. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022 as described in those annual financial statements except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

In the current interim period, the Group has applied, for the first time, the following new and amended HKFRSs issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17	Insurance Contracts and the related Amendments
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKAS 12 (Amendments)	International Tax Reform – Pillar Two Model Rules

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

(b) Impact of standards issued but not yet applied by the Group

Standards	Subject of amendment	Effective for accounting periods beginning or after
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2024
HKAS 1 (Amendments)	Non-current Liabilities with Covenants	1 January 2024
HKFRS 10 and HKAS 28 (2011) (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 January 2024
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements	1 January 2024

The Group has already commenced an assessment of the impact of these new HKFRSs and none of those are expected to have material impact on the Group's accounting policies.

3. SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") has been identified as the Company's executive directors. The Group's principal activity is investment in equity instruments and other financial instruments. For the purpose of resources allocation and assessment of performance, the CODM regularly reviews the Group's investment portfolio, including financial assets at fair value through profit or loss. Information provided to the CODM includes fair value of the respective investees. The Group's financial assets at fair value through profit or loss portfolio are managed and evaluated on a total return basis. No other discrete financial information was provided to the CODM. Therefore, the Group has identified only one operating segment-investment holding, and no separate segment information is disclosed.

Management determines the Group is domiciled in Hong Kong, which is the location of the Group's principal office.

The Group's non-current assets (other than interest in an associate and financial assets at fair value through profit or loss) are located in Hong Kong. The Group's revenue was all derived from the Group's operation which is located in Hong Kong.

Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Current tax		
– Withholding tax	**–**	5,494,850

Hong Kong profits tax is calculated at 16.5% (2022: 16.5%) of the estimated assessable profit. No provision for Hong Kong profits tax has been made in the condensed consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong for both periods.

Under the Enterprise Income Tax Law of PRC, withholding tax of 10% is imposed on gain in respect of disposal of domestic investments in the PRC.

5. EXPENSES BY NATURE

	Six months ended 30 June	
	2023	2022
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Employee benefits expenses		
– Directors' fee	**–**	150,000
– Other staff costs *(Note)*		
Basic salaries and other benefits	**2,729,967**	2,856,960
Retirement benefits contribution	**237,351**	292,340
Auditor's remuneration	**210,000**	205,000
Investment management fees	**175,000**	175,000
Legal and professional fee	**640,861**	401,980
Others	**824,753**	1,075,206
Total general and administrative expenses	**4,817,932**	5,156,486

Note: During the six months ended 30 June 2023, the Group did not pay any services fee (six months ended 30 June 2022: HK$302,196) to a personnel services company which provides staff to the Group. Such amounts are excluded from the total employee benefits expenses as mentioned above.

6. LOSS PER SHARE

The calculation of the basic loss per share amounts is based on the loss for the period attributable to owners of the Company and the number of ordinary shares in issue during the period.

The calculation of the basic and diluted loss per share are based on:

	Six months ended 30 June	
	2023	2022
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation	**(48,145,545)**	(353,126,452)

	2023	2022
	No. of shares	No. of shares
Number of shares in issue during the period used in the basic and diluted loss per share calculation	**2,902,215,360**	2,902,215,360

No adjustment has been made to the basic loss per share amounts presented for the period ended 30 June 2023 and 2022 in respect of a dilution as the Group had no dilutive potentially ordinary shares in issue during those years.

7. NET ASSET VALUE PER SHARE

	30 June 2023	31 December 2022
	HK$	*HK$*
	(Unaudited)	(Audited)
Net asset value per share	**0.45**	0.47

Net asset value per share is computed based on the condensed consolidated net assets of HK$1,312,089,669 as at 30 June 2023 (31 December 2022: HK$1,360,235,214) and 2,902,215,360 ordinary shares in issue as at 30 June 2023 (31 December 2022: 2,902,215,360 ordinary shares).

8. EVENT AFTER THE REPORTING DATE

The Directors are not aware of any significant event requiring disclosure that had taken place subsequent to 30 June 2023 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

For the Period, the Group recorded a loss of approximately HK$48.15 million (six months ended 30 June 2022: loss of approximately HK$353.13 million) which is primarily attributable to the net valuation losses in fair value of financial assets at fair value through profit or loss of approximately HK$53.56 million (six months ended 30 June 2022: losses of approximately HK$499.90 million) netted off by the general and administrative expenses of approximately HK$4.82 million (six months ended 30 June 2022: approximately HK$5.16 million) incurred during the Period. For the Period, the interest income of the Group was approximately HK$0.27 million (six months ended 30 June 2022: approximately HK$0.10 million). The Group's net valuation losses in fair value of financial assets at fair value through profit or loss for the Period amounted to approximately HK$53.56 million (six months ended 30 June 2022: net loss of approximately HK$499.90 million). The general and administrative expenses of the Group for the Period were approximately HK$4.82 million (six months ended 30 June 2022: approximately HK$5.16 million). The Group's net asset value decreased to approximately HK$1,312.09 million as at 30 June 2023 (31 December 2022: approximately HK$1,360.24 million), with loss per share of approximately HK$1.66 cents (six months ended 30 June 2022: loss per share of approximately HK$12.17 cents).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

It is the Group's policy to adopt a prudent financial management strategy. The Group's treasury policies are designed to maintain a suitable level of liquidity facilities and minimise financial risks in order to meet operation requirements and pursue investment opportunities.

On 11 November 2016, a loan agreement was entered into between China Development Bank International Holdings Limited ("**CDBIH**"), the immediate controlling company of the Company as the lender and the Company as the borrower, pursuant to which CDBIH will provide a term loan to the Company in an amount of up to United States Dollars ("**US$**") 100 million, at an interest rate of 1.65% per annum over US$ 3-month LIBOR ("**LIBOR**"). The relevant loan will be repayable on the date falling twelve months after the date of first drawdown, which may be automatically extended for another twelve months unless notified by either CDBIH or the Company not to extend repayment.

On 6 January 2020, a new facility agreement ("**New Facility Agreement**") was entered into among China Construction Bank (Asia) Corporation Limited ("**CCB Asia**") as the lender, the Company as the borrower, and CDBIH as the guarantor, pursuant to which CDBIH will be the guarantor of the Company for an uncommitted revolving loan facility in the amount of up to US$100,000,000 granted by CCB Asia. CCB Asia is a licensed financial institution under the laws of Hong Kong and a wholly-owned subsidiary of China Construction Bank Corporation ("**China Construction Bank**") (listed on the Shanghai Stock Exchange, stock code: 601939 and listed on the Stock Exchange of Hong Kong Limited, stock code: 939). CCB Asia is a third party independent of and not connected with the Company and its connected persons, despite that Central Huijin Investment Ltd., which owns directly and indirectly 57.31% interest in China Construction Bank, the controlling company of CCB Asia, also owns 34.68% interest in China Development Bank ("**CDB**"), the controlling shareholder of China Development Bank Capital Corporation Ltd. ("**CDBC**") at the date of the Facility Agreement was entered into.

As at 30 June 2023, the Group had no borrowings (31 December 2022: Nil) and the debt-to-equity ratio (calculated as the sum of borrowings to the total shareholder's equity) was 0% (31 December 2022: 0%), putting the Group in an advantageous position to realize its investment strategies and pursue investment opportunities.

As at 30 June 2023, the cash and cash equivalents of the Group were approximately HK$36.50 million (31 December 2022: approximately HK$31.53 million). As more than half of the retained cash was denominated in United States Dollars and placed in major banks in Hong Kong, the Group's exposure to exchange fluctuation risk is considered minimal. The Board believes that the Group still maintains a healthy financial position as at 30 June 2023.

Save as disclosed as above, there is no change to the Group's capital structure for the Period.

CHARGE ON ASSETS, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 30 June 2023, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities (31 December 2022: Nil). As at 30 June 2023, as far as the Directors are aware, the Group was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Period, the Company had not made any material acquisition and disposal of subsidiaries and associated companies.

SUBSEQUENT EVENTS

The Directors are not aware of any significant event requiring disclosure that had taken place subsequent to the Period and up to the date of this announcement.

PORTFOLIO REVIEW

Particulars of the investments of the Group as at 30 June 2023 are set out as follows:

	Cost/carrying book cost as at 30 June 2023 *HK$* (Unaudited)	Market value/ carrying amount as at 30 June 2023 *HK$* (Unaudited)	Market value/ carrying amount 31 December 2022 *HK$* (Audited)	Unrealised gains/(losses) recognised for the Period ended 30 June 2023 *HK$* (Unaudited)	Accumulated unrealised gains/(losses) recognised as of 30 June 2023 *HK$* (Unaudited)	Percentage to the Group's total assets as at 30 June 2023 *%* (Unaudited)
Jade Sino Ventures Limited ("**Jade Sino**") *(Note 1)*	194,987,520	231,984,070	271,039,317	(39,055,247)	36,996,550	17.6%
P.G. Logistics Property Investment Limited ("**P.G. Logistics**") *(Note 2)*	195,000,000	208,705,306	215,824,931	(7,119,625)	13,705,306	15.9%
BEST Inc. ("**Best Inc.**") *(Note 3)*	234,000,000	2,923,604	2,845,995	77,609	(231,076,396)	0.2%
Meicai *(Note 4)*	200,460,000	339,098,476	410,400,214	(71,301,738)	138,638,476	25.8%
G7 Connect Inc ("**G7**") *(Note 5)*	195,000,000	237,079,354	223,851,350	13,228,004	42,079,354	18.0%
Yimeter Holding Limited ("**Yimeter**") *(Note 6)*	153,260,180	258,606,939	207,993,968	50,612,971	105,346,759	19.7%
China Property Development (Holdings) Limited ("**CPDH**") *(Note 7)*	78,000,000	–	2,068,105	N/A	N/A	0%

Notes:

1. Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. As at 30 June 2023, the proportion of the issued share capital of Jade Sino owned by the Group was approximately 23.81%. As at 30 June 2023, Jade Sino directly held approximately 5.28% of the equity interests of Jinko Power Technology Co., Ltd. ("**Jinko Technology**"), a company incorporated in the People's Republic of China ("**PRC**") with limited liabilities. Jinko Technology was successfully listed on the Shanghai Stock Exchange in May 2020. Jinko Technology and its subsidiaries are principally engaged in developing, building and operating photovoltaic power stations in the PRC. No gain or loss on disposal was recorded during the Period. Dividends of approximately HK$9.48 million were received by the Group during the period.

2. Guangzhou P.G. Investment Co., Ltd.* ("**PG Investmen**t"), a company incorporated in the PRC with limited liabilities, completed the restructuring of overseas red chips on 25 May 2021. As a result, the equity interests of Jolly Investment Limited ("**Jolly**") originally held by the Group has been converted into relevant equity interests of PG Logistics, an investment holding company incorporated in the Cayman Islands with limited liabilities, in accordance with relevant legal documents. As at 30 June 2023, the proportion of the issued share capital of P.G. Logistics owned by the Group was approximately 4.82%. As at 30 June 2023, P.G. Logistics held the entire equity interests of PG Investment, which is a logistics warehouse infrastructure operator in the PRC. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

* *for identification purpose only*

3. Best Inc. was incorporated in the Cayman Islands with limited liabilities which is principally engaged in freight delivery, supply chain service and cross-border logistics. Best Inc. was successfully listed on the New York Stock Exchange in September 2017. As at 30 June 2023, the proportion of its issued share capital owned by the Group was approximately 0.82%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

4. Meicai is an investment holding company incorporated in the Cayman Islands and provides supply chain related services (including ingredient procurement, warehousing and distribution to small-and-medium-sized restaurants in the PRC). As at 30 June 2023, the proportion of the issued share capital of Meicai owned by the Group was approximately 1.06%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

5. G7 is a technology leader in the logistics sector in the PRC. Its services span each aspect of fleet management including order processing, short/long haul visibility, asset tracking, dispatch and route planning, financial settlement, accounting, safety management, etc. As at 30 June 2023, the proportion of the issued share capital of G7 owned by the Group was approximately 2.92%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

6. Yimidida is a company incorporated in the PRC with limited liabilities which is principally engaged in the operation of the less-than-truckload freight network and was jointly established by several regional leading less-than-truckload logistics enterprises, Yimidida, with the mode of direct operation in core areas and regional franchise, unified the branding, systems, clearing, services and management standards of its partners along the whole ecological chain, and rapidly established the country-wide less-than-truckload freight franchise network. On 30 July 2021, the Board of Yimidida approved the overall merger and acquisition reorganisation of Yimidida by J&T Global Express Limited ("**J&T Express**"). In January 2022, the Company completed the relevant merger and acquisition reorganisation and directly holds 2,663,871 class B ordinary shares of Yimeter (a holding vehicle created by some former shareholders of Yimidida) as of 30 June 2023, representing approximately 11.74% of the issued share capital of Yimeter, and indirectly holds 2,663,871 preference shares in J&T Express. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

7. The investments in CPDH disclosed in the table above are accounted for in accordance with HKAS 28 Investment in Associates and Joint Ventures.

UNLISTED INVESTMENTS REVIEW

The Company has been committed to identifying and exploring high-quality investment opportunities and has established certain investment layout in areas including, but not limited to, logistics infrastructure and supply chain services, advanced manufacturing and new energy. The investments below in Yimeter, G7, Meicai and other investments as set out below are expected to create investment returns for the Shareholders and to further promote the Company's overall market advantage in sectors such as logistics, information technology, advanced manufacturing, medical, new energy, energy saving and environment protection. The Company will proactively leverage the resources of CDB in the areas of agriculture modernisation, logistics infrastructure and credit and will fully utilise the Company's extensive knowledge and experience in finance, management and relevant industries to assist Yimeter, G7, Meicai and other investments in enhancing their efficiency, exploring business opportunities, optimising the decision-making and incentive mechanisms and continuously improving corporate governance practices.

PG Investment

On 15 December 2015, the Company had entered into a share subscription agreement with Jolly and an independent third party of the Company, pursuant to which Jolly agreed to issue an aggregate of 31,449 ordinary shares of Jolly and the Company as one of the investors agreed to subscribe for 7,245 ordinary shares of Jolly at a cash consideration of US$25.00 million. Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. Jolly indirectly invested in PG Investment, a PRC company. PG Investment is a leading logistics warehouse infrastructure operator in the PRC, whose principal business includes investment, construction and operation of large scale logistics parks, business facilities and exhibition centers. Jolly and PG Investment are both independent third parties of the Group.

On 25 May 2021, following the completion of the restructuring of overseas red chips, PG Investment became the wholly owned subsidiary of P.G. Logistics, a newly established investment holding company incorporated in the Cayman Islands. As a result, the equity interests of Jolly originally held by the Group has been converted into relevant equity interests of P.G. Logistics in accordance with relevant legal documents. The restructuring of overseas red chips did not affect the actual shareholding ratio of the Group in PG Investment.

On 30 May 2022, the Company proposed to dispose its 4.82% interest in P.G. Logistics on the SUAEX by way of listing-for-sale. On 30 June 2022, at the end of the publication period through SUAEX, the Company was informed that there was one transferee that was qualified for the transfer, i.e., Shenzhen Aoyuheng Industrial Co., Ltd.*（深圳市奧裕恒實業有限公司）(“**Shenzhen Aoyuheng**”) (an independent third party of the Company). On 15 July 2022, the Company entered into the Equity Transfer Agreement with Shenzhen Aoyuheng in relation to the disposal of 4.82% interest in P.G. Logistics by the Company to Shenzhen Aoyuheng at a consideration of RMB192,800,000 (the “**Disposal**”). Upon completion of the Disposal, the Company will not hold any equity interest in P.G. Logistics.

The Company is currently in the course of dealing with matters towards completion of the Disposal.

Meicai

On 24 November 2016, the Company entered into an investment agreement with Meicai (previously named Spruce), pursuant to which the Company agreed to subscribe for the newly issued equity interests of Meicai at a cash consideration of US$25.70 million. Meicai is a holding company incorporated in the Cayman Islands. Its business model shortens the flow of agricultural products at all levels, reducing the cost of raw material procurement, manpower and prices for customers, while providing customers with a wide range of commodities, connecting one end of the supply chain to the fields and one end to urban consumers, satisfying users with a “one-stop shopping” experience. With small and medium-sized food and beverage merchants as the entry point, Meicai focuses on providing restaurants and fruit and vegetable shops with a one-stop, full range of raw material procurement services for food and beverage. Meicai is an independent third party of the Group. In the first half of 2023, with the impact of COVID-19 pandemic gradually waned, Meicai continued to grow steadily and with high quality in the food and beverage supply chain by continuing to optimize its business structure and improving synergies, resulting in a continued improvement in financial performance. The Company is confident that Meicai will continue its business expansion at a satisfactory growth rate and become a leader in this industry.

* *For identification purpose only*

G7

On 29 December 2016, a wholly-owned subsidiary of the Company entered into a convertible preferred share subscription agreement with G7, pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares of G7 at a cash consideration of US$25.00 million. G7 is a leading Internet of Things (IoT) technology company in PRC, operating the largest IoT integrated logistics platform in PRC. Since its inception, G7 has been focusing on serving freight operators in the logistics ecosystem, providing all types of freight operators with integrated software and hardware services, and a full chain of SaaS services. Based on its ability to acquire, integrate and analyze IoT data, G7 provides open platform services to customers through its Big Data Cloud Platform and powerful AI algorithms to meet their needs in all aspects of business and finance in the course of their operations. By providing digital services for the entire logistics landscape, including vehicle management, driver safety, asset services, vehicle insurance and transaction settlement, G7 makes it easy for freight operators to complete their digital transformation so as to improve operational efficiency, reduce operating costs and improve transport safety. G7 is an independent third party of the Group.

Affected by the COVID-19 pandemic, China's logistics industry is still in the process of slow recovery as a whole, and cargo owners and enterprises are more cautious about new investment, which adversely affects the G7's revenue growth. In order to consolidate its business competitive advantage and enhance its integrated service capabilities, G7 is actively expanding its product portfolio, enriching product functions, and helping customers improve their digital capability with technological advantages.

Yimeter (J&T Express)

On 30 November 2017, a wholly-owned subsidiary of the Company entered into a capital increment agreement with Yimidida, pursuant to which the Group, as one of the investors, agreed to subscribe for the shares newly issued by Yimidida at a consideration of RMB130.00 million in USD equivalent. Yimidida is principally engaged in the operation of the less-than-truckload freight network and was jointly established by several regional leading less-than-truckload logistics enterprises. Yimidida, with the mode of direct operation in core areas and regional franchise, unified the branding, systems, clearing, services and management standards of its partners along the whole ecological chain, and rapidly established the country-wide less-than-truckload freight franchise network. Yimidida is an independent third party of the Group.

On 30 July 2021, the Board of Yimidida approved the overall merger and acquisition reorganization of Yimidida by J&T Express. In January 2022, the Company completed the relevant merger and acquisition reorganization and indirectly holds 1,735,266 preferred shares in J&T Express.

During the Period, J&T Express successfully completed the round D of equity financing and formally submitted the listing application to the Hong Kong Stock Exchange. The Company indirectly acquired 928,605 new preferred shares of J&T Express, with the number of shares indirectly held amounted to 2,663,871 shares in total. The Company expects that with its strengths, J&T Express will further strengthen and optimize its network coverage, improve its service quality and enhance its brand image, as well as improve its financial performance rapidly through economies of scale.

CPDH

CPDH is a company incorporated in the Cayman Islands with limited liability and principally engaged in investment of residential development projects. CPDH did not carry out any business during the Period and its litigation process has been officially concluded, and the liquidation and cancellation process is being carried out. Its carrying value is accounted for using equity method.

LISTED INVESTMENTS REVIEW

Securities Investments

BEST INC.

On 18 January 2016, the Company entered into a convertible preferred shares purchase agreement with Best Logistics as well as the members of Best Logistics group, the existing holders of the securities of Best Logistics and investors of the new preferred shares of Best Logistics, pursuant to which the Company, as one of the investors of the new preferred shares, agreed to subscribe for certain new preferred shares at a cash consideration of US$30.00 million, representing approximately 0.96% of the enlarged issued share capital of Best Logistics. In June 2017, the name of Best Logistics was changed to Best Inc.. In September 2017, Best Inc. completed its initial public offering of 45,000,000 ADSs, each representing one share of its Class A ordinary shares, at US$10.00 per ADS for a total offering size of US$450.00 million. Its ADSs commenced trading on the New York Stock Exchange on 20 September 2017. Its current symbol is “BEST”.

Combining the Internet, information technology and traditional logistics services, Best Inc. is committed to creating a one-stop logistics and supply chain service platform to provide customers with efficient services and experience. As one of the largest integrated logistics service providers in China with logistics network across the nation, Best Inc. is also operating in seven countries, including United States, Thailand, Vietnam and Malaysia.

In November 2020, Best Inc. announced its strategic restructuring and organisational changes. On 29 October 2021, Best Inc. announced the sale of its domestic express delivery business to J&T Express for a consideration of approximately RMB6.8 billion, and such transaction was completed on 17 December 2021. Upon completion of the transaction, Best Inc. will be able to focus more on its core business of less-than-truckload delivery and supply chain management, and its principal business recovered to growth in the first half of 2023. Its profitability and financial performance improved significantly.

JINKO TECHNOLOGY

On 29 September 2014, the Company entered into a share subscription agreement (the "**Jade Sino Subscription Agreement**") with CDBIH and Jade Sino, pursuant to which the Company and CDBIH agreed to subscribe for 11,904 and 38,096 ordinary shares of Jade Sino, representing approximately 23.81% and 76.19% of the enlarged issued share capital of Jade Sino respectively.

In 2014, Jade Sino contributed an aggregate of US$105 million to subscribe for preferred shares issued by JinkoSolar Power Engineering Group Limited ("**JinkoSolar Power**"). As a result of the subsequent reorganization of JinkoSolar Power's assets and the introduction of new investors, Jade Sino held 15.01% of the ordinary shares of Jinko Power Technology Co., Ltd ("**Jinko Technology**"). In May 2020, Jinko Technology completed the initial public offering of 594,592,922 A shares ("**A Shares**") on the Shanghai Stock Exchange with the issue price of RMB4.37 per A Share for a total offering size of approximately RMB2.60 billion under stock code 601778. As at 30 June 2023, Jade Sino directly held approximately 5.28% equity interest in Jinko Technology.

During the Period, the business income performance of Jinko Technology was similar as compared with that at the beginning of 2022, with the major sources of its income including sales of electricity and engineering, procurement and construction. The Company expects that the performance of Jinko Technology in 2023 will be generally in line with our expectations and it is expected that Jinko Technology can make a significant contribution to the Company's performance afterward.

EMPLOYEES

As at 30 June 2023, the Company had 6 employees (30 June 2022: 6 employees). The total staff costs of the Group (excluding Directors' fee) for the Period were approximately HK$2.97 million (six months ended 30 June 2022: HK$3.15 million). The Company determines its staff remuneration in accordance with prevailing market salary level, individual qualifications and performance. Remuneration packages of the Company's employees including basic salary, performance bonuses and mandatory provident fund are reviewed on a regular basis. The Company had no share option scheme during the six months ended 30 June 2023. However, the Company provided training catered to employees' needs and in accordance with the Company's own development strategy.

GEARING RATIO

As at 30 June 2023, the Group had no outstanding bank borrowings (31 December 2022: Nil). As at 30 June 2023, the Group's current ratio (current assets to current liabilities) was approximately 8,744% (31 December 2022: approximately 4,646%). The ratio of total liabilities to total assets of the Group was approximately 0% (31 December 2022: approximately 0%).

EXCHANGE EXPOSURE

The Group had an insignificant exchange risk exposure under review during the Period since more than half of the retained cash was denominated in United States Dollars and placed in several major banks in Hong Kong. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

FUTURE PROSPECTS

The Company has been committed to identifying and exploring high-quality investment opportunities and has established certain investment layout in areas including, but not limited to, logistics infrastructure and supply chain services, advanced manufacturing and new energy. The Company expects that the logistics industry will maintain good growth, as it is a fundamental and strategic industry which supports the national economic development, synergises with e-commerce transactions with increasing importance and is also a key industry supported by CDB, the ultimate controlling shareholder of the Company. The Company will proactively leverage the resources of CDB in the areas of logistics infrastructure and credit based on its existing logistics network, and its extensive industry knowledge and experience in finance and management to assist the Company in continuously enhancing its efficiency, exploring business opportunities, optimising the decision-making process and incentive mechanism and improving corporate governance practices, and continue to be committed to identifying and exploring suitable investment opportunities in the logistics industry. The Company will continue to actively pursue opportunities to bring the best returns to the Shareholders and pave the way for its business growth.

Looking forward, the management believes that the business and operating environment for the Group is full of challenges and volatility. In order to improve the performance of the Group and deliver the best returns to the Shareholders, the Group will continue to look for investment opportunities which could strengthen profitability with acceptable risk of the portfolio of the Group by continuing to diversify its investments in different segments such as logistics, information technology, advanced manufacturing, medical, new energy, energy saving and environment protection.

As a result of the uncertainty and continuing impacts brought by the changing global political and economic environment on the economic development and performance of investment projects, the management will continue to enhance communication and strengthening risk management and continuously enhancing operational capabilities. The management will also continue to closely monitor the market situation and enhance its operation in all areas, to raise levels of financial discipline and improve profitability of the Group.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (30 June 2022: Nil).

AUDIT COMMITTEE

As at 30 June 2023, the audit committee of the Company (the "**Audit Committee**") comprises four members, namely, Mr CHEUNG Ngai Lam, Mr LU Yanpo, Mr SIN Yui Man and Dr FAN Ren Da, Anthony. All members of the Audit Committee are non-executive Directors. The chairman of the Audit Committee is Mr CHEUNG Ngai Lam, an independent non-executive Director of the Company. The members of the Audit Committee meet regularly to review the financial report and other information submitted and reported to the Shareholders, the system of internal control, and the effectiveness and objectivity of risk management and audit process. The Audit Committee acts in an advisory capacity and makes recommendations to the Board. The terms of reference of the Audit Committee which explained the role and the authority delegated to the Audit Committee by the Board were revised in 2018, and is available on the websites of the Company and the Stock Exchange. The Audit Committee has reviewed the interim results announcement and the interim report, including the unaudited condensed consolidated interim financial information of the Group for the Period, which has also been reviewed by the Company's auditor, BDO Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the Period, the Directors believe that the Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), save and except for the following deviation:

In accordance with paragraph B.1 of Part 2 of the Corporate Governance Code, there should be a balanced composition of executive and non-executive directors (including independent non-executive directors) on the Board so that there is a strong independent element on the Board capable of exercising independent judgment effectively. On 30 June 2022, following the resignation of Mr BAI Zhe, an executive director of the Company, the Board did not have any executive director and deviated from paragraph B.1 of Part 2 of the Corporate Governance Code.

The Board has been actively identifying suitable candidates to fill the vacancy and further announcement(s) will be made as and when appropriate. Until a new executive director is appointed to the Board, the Company will continue and maintain the same investment policies and strategies all along adopted and implemented by the Company and will also seek the professional advice of the investment manager as and when necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 of the Listing Rules as its own code of conduct regarding the Directors' securities transactions. Having made specific enquiry by the Company, the Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the Period.

ACKNOWLEDGMENT

On behalf of the Board, I would like to take this opportunity to express our appreciation to the external professionals to provide their professional services to the Group throughout the Period. I would like to thank my fellow Directors for their valuable contribution and the staff of the Company for their commitment and dedicated services throughout the Period. I would like to express our gratitude to our Shareholders for their support to the Group.

PUBLICATION OF INTERIM REPORT

The 2023 interim report will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cdb-intl.com) and dispatched to the Shareholders in due course.

By Order of the Board
China Development Bank International Investment Limited
LU Yanpo
Chairman

Hong Kong, 18 August 2023

As at the date of this announcement, the Board is comprised of Mr LU Yanpo as Non-executive Director; and Mr SIN Yui Man, Dr FAN Ren Da, Anthony and Mr CHEUNG Ngai Lam as Independent Non-executive Directors.