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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)

**POTENTIAL DISCLOSEABLE TRANSACTIONS
PROPOSED DISPOSAL OF EQUITY INTERESTS
IN AN ASSOCIATE THROUGH LISTING-FOR-SALES**

The Board announced that Pacific Equity Venture, a wholly-owned subsidiary of the Company, initiated a listing-for-sale process to propose to dispose of its 25% interest in Beijing Far East on China Beijing Equity Exchange (北京產權交易所有限公司) on 24 September 2020.

Pacific Equity Venture is a state-controlled company defined under PRC laws and, as required by applicable PRC laws and regulations, equity interest held by Pacific Equity Venture, a state-controlled company, shall be disposed of through a public process in an equity exchange established in accordance with the applicable PRC laws and regulations. According to the rules of CBEX, Pacific Equity Venture and the Transferee shall enter into an equity transaction agreement.

I. INFORMATION ON THE PROPOSED DISPOSAL

Date

The listing-for-sales notice containing (i) undertakings from the transferor; (ii) basic information of the target for transfer; (iii) basic information of the transferor; (iv) trading terms and the qualification terms for the transferee; (v) publication period; and (vi) the bidding procedures, in respect of the Proposed Disposal was published on the website of CBEX on 24 September 2020.

Procedures

The publication period of the Proposed Disposal will be 20 business days commencing on 25 September 2020 (inclusive). If no interested transferee registers within the publication period, such publication period will be extended with five business days each time until an interested transferee registers. During the publication period, any qualified entity may (i) indicate their intention to purchase the Target Equity Interests, and (ii) register itself as an interested transferee. The interested transferee shall pay RMB24 million as deposit for the Proposed Disposal within three business

days upon the confirmation of its qualification as a transferee by Pacific Equity Venture. If there are two or more interested transferees, the Transferee shall be determined in accordance with the bidding procedures of CBEX. Upon the completion of such bidding procedure, if any, CBEX shall notify Pacific Equity Venture of the identity/identities of Potential Transferee(s). BIIC Tech, the other existing shareholder of Beijing Far East, holds 75% equity interests in Beijing Far East as at the date of this announcement. The determination of the Transferee shall be also subject to whether BIIC Tech will exercise its preemptive right as the other existing shareholder of Beijing Far East according to the Detailed Operating Rules for the Exercise of Preemptive Rights by Shareholders in Transactions of Enterprises' State-owned Property Rights (企業國有產權轉讓股東行使優先購買權操作細則). If BIIC Tech waives such preemptive right, the Potential Transferee shall be the Transferee.

Within five business days upon the determination of the Transferee, Pacific Equity Venture and the Transferee shall enter into an equity transaction agreement in respect of the Proposed Disposal. The Company and Pacific Equity Venture will perform their relevant approval procedures and information disclosure obligations in accordance with applicable laws, regulations, the Listing Rules and their respective constitutional documents.

As at the date of this announcement, material terms of equity transaction agreement, including but not limited to the Transferee, the final consideration and delivery and transfer time, have not been determined, and **no definitive agreement has been entered into between Pacific Equity Venture and any other party in relation to the Proposed Disposal.**

II. BASIS OF CONSIDERATION

According to the relevant rules of CBEX, there should be a base price for each listing-for-sales. The base price for the Proposed Disposal is RMB81,321,225, which is (i) required by the CBEX rules, and (ii) determined based on the results of the Valuation Report issued by an independent valuer, Beijing Guorongxinghua Assets Appraisal Co., LTD. (北京國融興華資產評估有限責任公司), in respect of the shareholders' interests of Beijing Far East by using asset-based approach and income approach with 30 September 2019 as the reference date.

Shareholders should note that the final consideration shall be subject to the bidding process and in any event be no less than the base price.

According to the terms and conditions on listing-for-sales, the final consideration shall be paid in lump-sum in cash.

III. FINANCIAL INFORMATION OF BEIJING FAR EAST

Based on the audited consolidated financial statements of Beijing Far East for the financial year ended 31 December 2018 and the nine months ended 30 September 2019, which was prepared in accordance with the PRC GAAP, the net profits before and after taxation of Beijing Far East are set out below.

Beijing Far East *(in RMB)*

Profit before taxation for the year ended 31 December 2018	11,020,355.90
Profit before taxation for the nine months ended 30 September 2019	12,382,716.41
Profit after taxation for the year ended 31 December 2018	12,248,273.49
Profit after taxation for the nine months ended 30 September 2019	10,865,038.22

The unaudited net assets of Beijing Far East as at 31 July 2020 were RMB275.50 million.

IV. REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The principal activities of the Group are to achieve medium-term to long-term capital appreciation of its assets primarily through its investments in money market securities and equity and debt related securities in listed and unlisted entities on a global basis.

The Board is of the view that the Proposed Disposal is in line with the Company's medium-term to long-term capital appreciation of its assets. Should the Proposed Disposal be materialized, a capital appreciation could be realized from the Proposed Disposal which would have a positive impact on the financial position of the Company. The Proposed Disposal will be carried out on normal and commercial terms which is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. USE OF PROCEEDS AND FINANCIAL EFFECTS OF PROPOSED DISPOSAL

The Company intends to use the proceeds from the Proposed Disposal, if materialized, for general working capital and/or future investments.

As at the date of this announcement, the final consideration has not been determined and no Equity Transaction Agreement has been entered into. The Company will make further disclosure regarding the financial effects of the Proposed Disposal in compliance with the Listing Rules as and when the relevant information is available to the Company to enable it to make an assessment of such financial impact.

VI. LISTING RULES IMPLICATION

Based on the base price, as the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the Proposed Disposal (including the alternative size test) exceeds 5% but all of the ratios are below 25%, the Proposed Disposal is expected to be a potential discloseable transaction of the Company and shall be subject to the notification and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules. The Company will perform the relevant procedures and make further disclosure as appropriate based on the final price to comply the Listing Rules.

VII. GENERAL INFORMATION

The Company

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.

Pacific Equity Venture

Pacific Equity Venture is a wholly-owned subsidiary of the Company and primarily engages in investment holding.

Beijing Far East

Beijing Far East is a leading industrial precision instrument manufacturer in the PRC, whose principal business is to manufacture meters and precise measuring instruments. Our investments in Beijing Far East are accounted for in accordance with HKAS 28 (Amendments) Investment in Associate and Joint Ventures.

As at the date of this announcement, the Proposed Disposal has not yet been materialised, the Transferee is still uncertain, no Equity Transaction Agreement has been entered into, and no performance arrangement has been made. The Proposed Disposal may, or may not, proceed. Therefore, the Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

VIII. DEFINITION

“Beijing Far East”	Beijing Far East Instrument Company Limited (北京遠東儀表有限公司), a company established under the laws of the PRC with limited liability and an associate of the Company, in which the Company indirectly holds 25% equity interests through Pacific Equity Venture
“BIIC Tech”	Beijing Instrument Industry Technology Co., Ltd. (北京京儀科技股份有限公司), a company established under the laws of the PRC with limited liability, and the existing shareholder of Beijing Far East as to 75% equity interests as at the date of this announcement
“Board”	the board of Directors
“CBEX”	China Beijing Equity Exchange (北京產權交易所有限公司), a comprehensive property right exchange approved to be established by the Municipal People’s Government of Beijing
“Company”	China Development Bank International Investment Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“Director(s)”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Pacific Equity Venture”	PACIFIC EQUITY VENTURE INC. (亞太投資有限公司), a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region and Taiwan

“Proposed Disposal”	the proposed disposal of Target Equity Interests proposed by the Pacific Equity Venture through listing-for-sales on CBEX
“Potential Transferee”	a potential transferee of the Proposed Disposal, i.e. (i) the interested transferee registered on CBEX whose qualification has been confirmed by the Pacific Equity Venture, if there is only one interested transferee; or (ii) the interested transferee registered on CBEX whose qualification has been confirmed by the Company and subsequently won the bidding procedure for the Proposed Disposal through listing-for-sale, if there are two or more interested transferees
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“subsidiary”	has the meanings ascribed to it under the Listing Rules
“Target Equity Interests”	the 25% equity interests in Beijing Far East held by the Pacific Equity Venture
“Transferee”	the actual transferee of the Proposed Disposal
“Valuation Report”	the valuation report on the shareholders’ interests in Beijing Far East, issued by Beijing Guorongxinghua Assets Appraisal Co., LTD. (北京國融興華資產評估有限責任公司), with the reference date being 30 September 2019
“%”	percent

By order of the Board
China Development Bank International Investment Limited
BAI Zhe
Chairman

Hong Kong, 24 September 2020

As at the date of this announcement, the Board is comprised of Mr BAI Zhe as Executive Director; and Mr WANG Xiangfei, Mr SIN Yui Man and Mr FAN Ren Da, Anthony as Independent Non-executive Directors.