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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The board of directors (the "**Directors**" or the "**Board**") of China Development Bank International Investment Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2021 (the "**Year**"), together with the comparative figures for the previous year as follows:–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	**2021** *HK$*	2020 *HK$*
Net valuation gains/(losses) on fair value of financial assets at fair value through profit or loss		**338,269**	(162,453,884)
Realised gain on disposal of financial assets at fair value through profit or loss		**6,093,771**	211,602,275
General and administrative expenses	*4*	**(18,037,705)**	(18,953,852)
Other gains, net		**3,796,685**	1,843,298
Dividend income from other investment		**952,400**	2,325,204
Gain on disposal of an associate		**–**	35,464,033
Share of losses in associates		**(475,414)**	(465,432)
Finance income		**272,978**	117,413
Finance costs		**(7,059,198)**	(13,879,700)
(Loss)/profit before income tax		**(14,118,214)**	55,599,355
Income tax expense	*5*	**–**	(2,441,749)
(Loss)/profit for the year attributable to owners of the Company		**(14,118,214)**	53,157,606
Other comprehensive loss			
Item that may be subsequently reclassified to profit or loss:			
Currency translation differences		**–**	3,647,042
Release of exchange reserve upon disposal of an associate		**–**	(9,327,522)
Other comprehensive loss for the year		**–**	(5,680,480)
Total comprehensive income for the year attributable to owners of the Company		**(14,118,214)**	47,477,126
(Loss)/earnings per share			
– Basic (HK cents)	*7*	**(0.49)**	1.83
– Diluted (HK cents)	*7*	**(0.49)**	1.83

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	2021	2020
	HK$	*HK$*
Assets		
Non-current assets		
Property, plant and equipment	**–**	–
Interest in an associate	**2,303,961**	2,779,375
Financial assets at fair value through profit or loss	**1,954,592,706**	1,954,254,437
	1,956,896,667	1,957,033,812
Current assets		
Prepayments and other receivables	**6,093,771**	94,154,039
Cash and cash equivalents	**265,243,204**	192,585,995
	271,336,975	286,740,034
Total assets	**2,228,233,642**	2,243,773,846
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	**29,022,154**	29,022,154
Reserves	**1,802,814,580**	1,816,932,794
Total equity	**1,831,836,734**	1,845,954,948
Liabilities		
Current liabilities		
Other payables and accruals	**6,396,908**	7,818,898
Borrowing	**390,000,000**	390,000,000
	396,396,908	397,818,898
Total liabilities	**396,396,908**	397,818,898
Total equity and liabilities	**2,228,233,642**	2,243,773,846

NOTES

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its immediate holding company is China Development Bank International Holdings Limited ("**CDBIH**"), a private limited company established in Hong Kong and its ultimate holding company is China Development Bank ("**CDB**"), a wholly state-owned policy bank established on 17 March 1994 in the People's Republic of China ("**PRC**"). CDB is a limited liability company owned by the Ministry of Finance ("**MOF**") and Central Huijin Investment Ltd. ("**Huijin**"). The MOF is one of the ministries under the State Council, primarily responsible for state fiscal revenue and expenditures, and taxation policies. Huijin was established to hold certain equity investments as authorised by the State Council and does not engage in other commercial activities. Huijin exercises legal rights and obligations on behalf of the PRC government. The address of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report. The principal activities of the Company and its subsidiaries (the "**Group**") are to achieve medium-term to long-term capital appreciation of its assets primarily through its investments in money market securities, equity and debt related securities in listed and unlisted entities on a global basis. The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. During the year ended 31 December 2021, the Group incurred a loss attributable to the owners of the Company of approximately HK$14,118,000 and had a negative operating cash flow of approximately HK$12,045,000. As at 31 December 2021, the Group had net current liabilities of approximately HK$125,060,000, which included bank borrowing of HK$390,000,000 with contractual repayment date in March 2023 that is classified as a current liability as the bank has the overriding right to demand for repayment. These events or conditions may cast significant doubt about the Group's ability to continue as a going concern. The Directors consider the Group will be able to meet its financial obligations as they fall due for the foreseeable future after taking into account the continued availability of the Group's existing banking facilities and the availability of the unutilised revolving credit facilities of US$100,000,000 obtained in 2016 from CDBIH, the immediate holding company of the Company. Moreover, CDBIH has confirmed its intention to provide financial support for the continuing operations of the Group and the Company so as to enable it to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations in the twelve months from 31 December 2021. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The preparation of 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.

(a) New standards, amended standards and interpretations adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2
HKFRS 16 (Amendments)	Covid-19 – Related Rent Concessions

The adoption of the amendments listed above did not have material impact on the Group's accounting policies and consolidated financial statements.

(b) New standards, amendments to standards and interpretations not yet adopted

		Effective for accounting periods beginning on or after
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements-Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKAS 1 (Amendments)	Disclosure of Accounting Policies	1 January 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
HKAS 12 (Amendments)	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
HKAS 16 (Amendments)	Property, plant and equipment: Proceed before Intended Use	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 16 (Amendments)	Covid-19 – Related Rent Concessions beyond 30 June 2021	1 April 2021
HKFRS 17 (Amendments)	Insurance Contracts	1 January 2023
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations	1 January 2022
Annual Improvements to HKFRSs	Annual Improvements to HKFRSs 2018-2020 Cycle	1 January 2022

The Group has already commenced an assessment of the impact of these new standards, amendments and conceptual framework 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 director. 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 ("**FVPL**"). Information provided to the CODM includes fair value of the respective investees. The Group's financial assets at FVPL 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 financial assets at FVPL and property, plant and equipment) are located in the PRC, which is based on the operations of an associate. 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 EXPENSES BY NATURE

	2021	2020
	HK$	*HK$*
Employee benefits expenses *(Note)*		
– Directors' emoluments	**300,213**	300,000
– Basic salaries and other benefits	**9,579,791**	7,901,689
– Retirement benefits contribution	**425,818**	366,140
Auditor's remuneration		
– Audit services	**860,000**	1,091,170
– Non-audit services	**200,000**	371,960
Investment management fees	**350,000**	350,000
Legal and professional fees	**1,875,677**	3,897,444
Others	**4,446,206**	4,675,449
Total of general and administrative expenses	**18,037,705**	18,953,852

Note: During the year ended 31 December 2021, the Group paid HK$1,166,502 (2020: HK$873,422) services fee to a personnel services company which provided staffs to the Group. Such amounts are excluded from the total staff costs as stated in the above.

5 INCOME TAX EXPENSE

Hong Kong profits tax is calculated at 16.5% (2020: 16.5%) of the estimated assessable profit. No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong during the year ended 31 December 2021 (2020: Nil).

Pursuant to the Corporate Income Tax Law, 10% (2020: 10%) withholding tax is levied on the PRC sourced income on foreign entities without establishments or places of business in the PRC.

	2021	2020
	HK$	*HK$*
Current income tax	–	4,245,680
Withholding tax	–	92,488
Deferred income tax	–	(1,896,419)
	–	2,441,749

6 DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2021, nor has any dividend been proposed since the end of the reporting period (2020: Nil).

7 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing:

- the profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

	2021	2020
	HK$	*HK$*
(Loss)/profit for the year attributable to owners of the Company	**(14,118,214)**	53,157,606

	2021	2020
	No. of shares	No. of shares
Weighted average number of shares in issue	**2,902,215,360**	2,902,215,360
Basic (loss)/earnings per share (in HK cents)	**(0.49)**	1.83
Diluted (loss)/earnings per share (in HK cents)	**(0.49)**	1.83

(b) Diluted

Diluted (loss)/earnings per share was the same as the basic (loss)/earnings per share as there were no potential dilutive ordinary shares in existence during both years presented.

Basic (loss)/earnings per share is calculated by dividing the profit or loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year. The calculation of diluted (loss)/earnings per ordinary share is based on the profit or loss for the year attributable to owners of the Company and the weighted average number of ordinary shares used, which is the same for calculating basic (loss)/earnings per ordinary share above, as the Company did not have any dilutive potential ordinary shares arising from share options for the year ended 31 December 2021 and 2020.

8 NET ASSET VALUE PER SHARE

	2021	2020
	HK$	*HK$*
Net asset value per share	**0.63**	0.64

Net asset value per share is computed based on the consolidated net assets of HK$1,831,836,734 (2020: HK$1,845,954,948) and 2,902,215,360 ordinary shares in issue as at 31 December 2021 and 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

For the Year, the Group recorded a loss for the year attributable to owners of the Company of approximately HK$14.12 million (2020: profit of approximately HK$53.16 million) which is primarily attributable to the net valuation gains on fair value of financial asset at fair value through profit or loss amounted to approximately HK$0.34 million (2020: Net valuation losses on fair value of financial asset at fair value through profit or loss of approximately HK$162.45 million) and the realised gain on disposal of financial asset at fair value through profit or loss amounted to approximately HK$6.09 million (2020: approximately HK$211.60 million) netted off by the general and administrative expenses of approximately HK$18.04 million (2020: approximately HK$18.95 million). The finance income for the Year was approximately HK$0.27 million (2020: approximately HK$0.12 million). The Group's net valuation gains in fair value of financial assets at fair value through profit or loss for the Year amounted to approximately HK$0.34 million (2020: net loss of approximately HK$162.45 million). The general and administrative expenses of the Group for the Year were approximately HK$18.04 million (2020: approximately HK$18.95 million). The decrease was mainly resulted from the increase in employee benefits expenses netted off by the decrease in legal and professional fees during the Year. The finance expenses for the Year were approximately HK$7.06 million (2020: approximately HK$13.88 million). The Group's net asset value decreased to approximately HK$1,831.84 million (2020: approximately HK$1,845.95 million). Loss per share for the Year was amounted to approximately HK$0.49 cents (2020: earnings per share approximately HK$1.83 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 London Inter-Bank Offer Rate ("**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 3 April 2017, an uncommitted revolving loan facility agreement was entered into between the Company as borrower and China Minsheng Banking Corp., Ltd., Hong Kong Branch ("**CMBC HK**") as lender, pursuant to which CMBC HK will provide an uncommitted revolving loan facility to the Company in the amount of up to US$100,000,000.

On 6 January 2020, a new facility agreement was entered into between 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 term loan facility in the amount of up to US$50,000,000 and an uncommitted revolving loan facility in the amount of up to US$100,000,000 both 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.

Moreover, CDBIH has confirmed its intention to provide financial support for the continuing operations of the Group so as to enable it to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations in the twelve months from 31 December 2021. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

As at 31 December 2021, the Group had total borrowing of HK$390 million (31 December 2020: HK$390 million) and the debt-to-equity ratio (calculated as the borrowing to the total shareholder's equity) was approximately 21% (31 December 2020: approximately 21%), putting the Group in an advantageous position to realise its investment strategies and pursue investment opportunities.

As at 31 December 2021, the cash and cash equivalents of the Group was approximately HK$265.24 million (31 December 2020: approximately HK$192.59 million). As more than half of the retained cash was denominated in US$ and Hong Kong Dollars ("**HK$**") 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 31 December 2021.

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

CHARGE ON ASSETS, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2021 and 31 December 2020, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities.

As at 31 December 2021 and 31 December 2020, 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.

DISPOSAL OF AN INVESTMENT INTEREST

On 26 September 2021, the Company entered into an equity transaction agreement ("**Equity Transaction Agreement**") with VALUE AIMED LIMITED to dispose 100% shareholding interests of Excellent Fortune Limited ("**Excellent Fortune**") which is a wholly-owned subsidiary of the Group holding 3.08% preference shares of Wacai Holdings Limited ("**Wacai**"); through disposal of Excellent Fortune at a transaction price of Renminbi ("**RMB**") 5 million, the Company disposed all 3.08% preference shares of Wacai and upon completion, the Group no longer holds any share in Excellent Fortune (and also the investment interests in Waicai).

Save as disclosed in this announcement, during the Year, there were no other material acquisitions or disposals of subsidiaries, associates and joint ventures and there were no significant investments authorized by the Board as at the date of this announcement.

PORTFOLIO REVIEW

Particulars of the investments of the Group as at 31 December 2021 are set out as follows:

	Cost/carrying book cost as at 31 December 2021	Market value/ carrying amount as at 31 December 2021	Market value/ carrying amount as at 31 December 2020	Unrealised gains/(losses) recognised for the year ended 31 December 2021	Accumulated unrealised gains/(losses) recognised as at 31 December 2021	Percentage to the Group's total assets as at 31 December 2021
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*%*
Jade Sino Ventures Limited ("**Jade Sino**") *(Note 1)*	194,987,520	605,003,588	568,850,705	36,152,883	410,016,068	27.2%
P.G. Logistics Property Investment Limited ("**P.G. Logistics**") *(Note 2)*	195,000,000	250,271,905	288,600,000	(38,328,095)	55,271,905	11.2%
BEST Inc. ("**Best Inc.**") *(Note 3)*	234,000,000	21,722,700	52,780,263	(31,057,563)	(212,277,300)	1.0%
Meicai *(Note 4)*	200,460,000	565,462,846	569,400,000	(3,937,154)	365,002,846	25.4%
G7 Networks Limited ("**G7**") *(Note 5)*	195,000,000	323,894,954	296,400,000	27,494,954	128,894,954	14.5%
Yimidida Supply Chain Group Co., Ltd. ("**Yimidida**") *(Note 6)*	153,260,180	188,236,713	178,223,469	10,013,244	34,976,533	8.4%
China Property Development (Holdings) Limited ("**CPDH**") *(Note 7)*	78,000,000	2,303,961	2,779,375	N/A	N/A	0.1%

Notes:

1. Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. As at 31 December 2021, the proportion of the issued share capital of Jade Sino owned by the Group was approximately 23.81%. As at 31 December 2021, Jade Sino directly held approximately 9.35% of the equity interests of Jinko Power Technology Co., Ltd. ("**Jinko Power**"), a company incorporated in the People's Republic of China ("**PRC**") with limited liabilities. Jinko Power was successfully listed on the Shanghai Stock Exchange in May 2020. Jinko Power and its subsidiaries are principally engaged in developing, building and operating photovoltaic power stations in the PRC. In 2021, Jade Sino recorded a gain on disposal approximately RMB298 million and received cash dividends approximately RMB5.13 million from Jinko Power.

2. Guangzhou P.G. Investment Co., Ltd.* ("**PG Investment**"), 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 P.G. Logistics, an investment holding company incorporated in the Cayman Islands with limited liabilities, in accordance with relevant legal documents. As at 31 December 2021, the proportion of the issued share capital of P.G. Logistics owned by the Group was approximately 4.82%. As at 31 December 2021, 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 Year. No dividend was received during the Year.

3. Best Inc. was incorporated in the Cayman Islands with limited liabilities which is principally engaged in express delivery, freight delivery and supply chain service. Best Inc. was successfully listed on the New York Stock Exchange in September 2017. As at 31 December 2021, the proportion of its issued share capital owned by the Group was approximately 0.85%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.

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 31 December 2021, 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 Year. No dividend was received during the Year.

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, route planning, financial settlement, accounting, safety management, etc. As at 31 December 2021, the proportion of the issued share capital of G7 owned by the Group was approximately 3.46%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.

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 freight franchise network. As at 31 December 2021, the proportion of its issued share capital owned by the Group was approximately 2.59%. No gain or loss on disposal was recorded during the Year. No dividend was received during the Year.

7. The interest in CPDH disclosed in the table above is accounted for in accordance with HKAS 28 (Amendments) Investment in Associates and Joint Ventures.

* *For identification purpose only.*

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 Yimidida, G7, Meicai, PG Investment 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 Yimidida, G7, Meicai, PG Investment and other investments in enhancing their efficiency, exploring business opportunities, optimising the decision-making and incentive mechanisms and continuously improving corporate governance standards.

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, representing approximately 23.04% of the enlarged issued share capital of Jolly. 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 will not affect the actual shareholding ratio of the Group in PG Investment.

As of 31 December 2021, PG Investment had nine projects in operation, the overall occupancy rate of which was 82%. The Company expects that PG Investment's operation in 2022 will be relatively stable.

Meicai

On 24 November 2016, the Company had entered into an investment agreement with Meicai (previously named Spruce) pursuant to which the Company agreed to subscribe for the newly issued convertible preferred shares of Meicai at a cash consideration of US$25.70 million (representing approximately 1.06% of the enlarged issued share capital of Meicai). Meicai is a 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. It is the largest e-commerce platform in terms of gross merchandise volume in the area of supply chain for agricultural products in the PRC. By shortening the distribution process of agricultural products, improving the efficiency of agricultural products supply chain, and establishing large- scale warehousing and distribution system and the good quality control for the whole process, Meicai is able to provide economic and efficient services for farmers and restaurant customers in the PRC's agricultural products supply chain. Meicai is an independent third party of the Group.

The focus of Meicai in 2022 is to continue to boost the business coverage in cities where the market was newly exploited by it and to increase its market share. Starting in 2021, the Company's prepackaged vegetable business is expected to receive better feedback from merchants and attention from investors, which is expected to further improve overall profitability. In the future, Meicai will continue to increase its market share by shortening the distribution process of agricultural products, improving the efficiency of agricultural products supply chain, and providing economic and efficient services to farmers and restaurant customers in the agricultural supply chain industry in the PRC. The company is also focusing on optimising its people and business lines, reducing overheads, optimising staffing levels, and reducing costs and increasing efficiency. The Company is confident that Meicai will continue its business expansion at a satisfactory growth rate, and become one of the leaders in the agricultural supply chain industry in the PRC.

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 logistics artificial intelligence service and intelligent equipment supplier in China with its business coverage spanning across China and its neighboring countries in Asia. G7 is connected to cargo vehicles from various customers. By installing smart devices on vehicles in the fleet, G7 utilizes real-time sensing technology to provide data services that span the entire logistic process, to connect the data of every single vehicle, consignor, fleet owner and driver, and thus to improve the efficiency of logistic service. Based on big data of the connected vehicles, G7 cooperates with premium partners from oil distribution, toll roads and bridges, insurance, banking and financial leasing industries to establish a one-stop service platform that integrates primary consumption of fleets. The platform enables safer, more economical, more efficient and more environmentally-friendly logistic services. G7 is an independent third party of the Group.

Despite the adverse impact of COVID-19, G7 completed its series E financing during the Year. G7's business maintained sustaining development during the Year, with its business scales in security products, settlements, supply chain finance, insurance, oil products, asset lease, etc. recording certain growth as compared with last year, and its income level of core business segments also increased. The Company expects that in the future, G7 will continue to use its own Internet of Things and artificial intelligence technology to help logistics customers to improve operational efficiency, reduce costs and potential safety hazards, thereby to further increase its market share and customer's recognition.

Yimidida

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 freight franchise network. Yimidida is an independent third party of the Group.

During the Year, despite the adverse impact of COVID-19, Yimidida continued to strengthen the direct operation and management of its major franchise member companies at primary regions, the business integration with UC Express Limited has been promoted in an orderly manner to form complementary advantages, reduce costs and increase efficiency, and expand the network coverage. The Company expects that based on its country-wide franchise freight network, Yimidida will continuously strengthen and optimization its transport network, and increase the density of its last-mile service stations, and upgrade the existing products and services, which will further improve its brand image and value-added service capability.

CPDH

CPDH is a company incorporated in the Cayman Islands with limited liability and principally engaged in investment of residential development project. CPDH did not carry out any business during the Year and it is under litigation process. 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 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. Now the 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. It is one of the largest integrated logistics service providers in China. Its multisided platform combines technology, integrated logistics and supply chain services, last-mile services and value-added services. BEST Cloud, the proprietary technology platform of BEST Inc., which seamlessly connects its systems with those of its ecosystem participants, is the backbone that powers its integrated services and solutions. Its logistics, supply chain and last-mile services encompass B2B and B2C supply chain management, express and less-than-truckload delivery, cross-border supply chain management and a real-time bidding platform to source truckload capacity. In addition, it provides value-added services to support its ecosystem participants and help them grow.

As a result of multiple impacts of the COVID-19 epidemic and fierce price competition in the express delivery industry, the cumulative operating revenue for third quarters of BEST Inc. in 2021 was RMB20.684 billion, representing a loss of RMB1,736 million. In November 2020, Best Inc. announced its strategic adjustments and organisational changes. On 29 October 2021, Best Inc. announced the disposal of its domestic courier business to J&T Express ("**J&T Express**") for approximately RMB6.8 billion and such transaction was completed on 17 December 2021. Upon the completion of the transaction, BEST Inc. will more focus on less-than-truckload and supply chain management. While its business is expected to resume growth in 2022, an improvement in its profitability and financial positions is also expected.

JINKO POWER

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 13,096 ordinary shares of Jade Sino, representing approximately 23.81% and 26.19% 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 Power**"). In May 2020, Jinko Power 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 31 December 2021, Jade Sino directly held approximately 9.35% equity interest in Jinko Power.

During the Year, the performance of Jinko Power was similar as compared with that at the end of 2020, with the major sources of its income including sales of electricity and design, procurement and construction. The Company expects that the performance of Jinko Power in 2022 will be generally in line with its expectations and expects that Jinko Power can make a significant contribution to the Company's performance afterward.

EMPLOYEES

As at 31 December 2021, the Company had 7 employees (2020: 7 employees). The total staff costs of the Group (excluding Directors' fee) for the Year was approximately HK$10.01 million (2020: HK$8.27 million). The Company determines its staff remuneration in accordance with prevailing market salary scales, 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 Year. However, the Company provided training suitable to employees' needs and in accordance with the Company's development strategy.

GEARING RATIO

As at 31 December 2021, the Group had outstanding bank borrowing of HK$390.00 million (2020: HK$390.00 million). As at 31 December 2021, the Group's current ratio (current assets to current liabilities) was approximately 68% (2020: approximately 72%). The ratio of total liabilities to total assets of the Group was approximately 18% (2020: approximately 18%).

As at 31 December 2021, the Group had drawn down US$50 million (equivalent to approximately HK$390 million) under the new facility agreement with CCB Asia.

EXCHANGE EXPOSURE

The Group had no significant exchange risk exposure under review during the Year since more than half of the cash was denominated in US$ and HK$ 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, continue to be committed to identifying and exploring suitable investment opportunities in the logistics industry and continue to generate value to the Shareholders of the Company.

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.

Under the continuous and uncertain impacts brought by the COVID-19 on the performance of economic development and investment projects, the management will continue to enhance communication and pay close attention to the impact of COVID-19 on the industry, and actively assist the invested companies to resume normal operations by various means. 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.

SUBSEQUENT EVENT

The Directors are not aware of any significant event requiring disclosure that had taken place subsequent to 31 December 2021 and up to the date of this announcement.

DIVIDEND

The Directors do not recommend the payment of any dividend for the Year (2020: Nil).

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the "**AGM**") will be held on Wednesday, 22 June 2022. For further details of the AGM, please refer to the notice of AGM, which will be despatched in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the identity of the Shareholders who are entitled to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 16 June 2022. The register of members of the Company will be closed from Friday, 17 June 2022 to Wednesday, 22 June 2022 (both dates inclusive), during which period no share transfers will be registered. Shareholders whose names appear on the register of members of the Company on Wednesday, 22 June 2022 are entitled to attend and vote at the AGM.

CORPORATE GOVERNANCE

Throughout the Year, the Directors believe that the Company has complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix 14 to the Listing Rules for the Year.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

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 set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries by the Company, the Directors have confirmed that they have complied with the required standards as set out in the Model Code during the Year.

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 Year.

AUDIT COMMITTEE

As at 31 December 2021, all members of the audit committee of the Company (the "**Audit Committee**") are independent non-executive Directors. The Audit Committee acts in an advisory capacity and makes recommendations to the Board. The Group's 2021 annual results were reviewed and recommended to the Board for approval by the Audit Committee.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited ("**BDO**"), to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by BDO 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO on the preliminary announcement.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

This announcement is published on the website of the Stock Exchange (http://www.hkexnews.com.hk) and the Company's website (http://www.cdb-intl.com). The annual report for the Year, containing all the information required by Appendix 16 to the Listing Rules, will be dispatched to the Shareholders and published on the Stock Exchange's and the Company's website in due course.

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

Hong Kong, 29 March 2022

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