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CHINA INVESTMENT DEVELOPMENT LIMITED

中國投資開發有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 204)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE THE POSSIBLE VOLUNTARY CONDITIONAL CASH OFFER AND RESUMPTION OF TRADING

This announcement is made by China Investment Development Limited (the “**Company**”, together with its subsidiaries the “**Group**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

POSSIBLE VOLUNTARY CONDITIONAL CASH OFFER

On 12 January 2023 (after trading hours), the board (the “**Board**”) of directors of the Company (the “**Directors**”) received a letter (the “**Letter**”) from Kingsway Capital Limited on behalf of Mr. Yang Weixu and Ms. Tse Yun Lam Aries (the “**Potential Joint Offerors**”) stating that the Potential Joint Offerors have retained Kingsway Financial Services Limited, to make a voluntary conditional cash offer (the “**Possible Offer**”) to acquire all the issued shares of the Company (the “**Shares**”) (other than those already owned or agreed to be acquired by the Potential Joint Offerors and parties acting in concert with any of them) (the “**Offer Shares**”)(the “**Possible Share Offer**”) and to cancel all the outstanding share options of the Company (the “**Share Option(s)**”)(the “**Possible Option Offer**”) pursuant to the Takeovers Code.

Based on the publicly available information, Mr. Yang Weixu holds 266,110,000 Shares, representing approximately 7.38% of the total issued Shares of the Company as at the date of this announcement, and Ms. Tse Yun Lam Aries holds 253,522,000 Shares, representing approximately 7.03% of the total issued Shares of the Company as at the date of this announcement.

The Letter states that the Possible Share Offer will be subject to the following conditions (the “**Conditions**”):

- (i) the Potential Joint Offerors having received valid acceptances (and, where permitted, such acceptances not having been withdrawn) at or before 4:00 p.m. on the closing date (or such other time as the Potential Joint Offerors may, subject to the Takeovers Code, decide) in respect of the Possible Offer which will result the Potential Joint Offerors and parties acting in concert with them holding more than 50% of the Shares;
- (ii) the Shares remaining listed and traded on the Main Board of the Stock Exchange up to the closing date (or, if earlier, the unconditional date) save for any temporary suspension of trading pending the issuance of any announcement(s) in relation to any inside information of the Company (if any) and no indication having been received on or before the closing date (or, if earlier, the unconditional date) from the Securities and Futures Commission of Hong Kong (“**SFC**”) and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either of the Possible Offer or anything done or caused by or on behalf of the Potential Joint Offerors;
- (iii) no event having occurred which would make the Possible Offer or the acquisition of any of the Offer Shares and/or the cancellation of the Share Option under the Possible Offer void, unenforceable or illegal or prohibit the implementation of the Possible Offer;
- (iv) no relevant authority(ies) in any jurisdiction having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Possible Offer or the acquisition of any of the Offer Shares under the Possible Offer void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to the Possible Offer (other than such items or events as would not have a material adverse effect on the legal ability of the Potential Joint Offerors to proceed with or consummate the Possible Offer; and

- (v) subject to Note 2 to Rule 30.1 of the Takeovers Code, save as publicly disclosed by the Company in any of its announcement and circular since the date of the last audited consolidated financial statements of the Company, there having been no change, effect, fact, event or circumstances which has or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of the Group as a whole, whether or not arising in the ordinary course of business.

The Potential Joint Offerors will reserve the right to waive, in whole or in part, all or any of the above conditions (other than conditions (i), (iii) and (iv)).

The Possible Option Offer will only become unconditional if the Possible Share Offer becomes or is declared unconditional in all respects.

SECURITIES OF THE COMPANY

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities of the Company (as defined in the Takeovers Code) in issue comprised 3,603,948,593 Shares and 33,640,866 outstanding Share Options which entitle the holders to subscribe for an aggregate of 33,640,866 Shares upon exercise as at the date of this announcement. Save as disclosed above, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

MONTHLY UPDATES

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Offer will be made by the Company until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code (the “**Rule 3.5 Announcement**”) or of a decision not to proceed with an offer. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

Shareholders and/or potential investors of the Company should read the Rule 3.5 Announcement carefully, if/when it is made for the terms and conditional of the Possible Offer.

DISCLOSURE OF DEALINGS

For the purposes of the Takeovers Code, the offer period has commenced on the date of this announcement. The respective associates of the Company (including, among others, shareholders of the Company holding interests of 5% or more in the relevant securities of the Company) are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

RESUMPTION OF TRADING

Trading in the Shares has been halted with effect from 9:00 a.m. on 13 January 2023. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 26 January 2023.

WARNING

There is no assurance that the Possible Offer and any transaction mentioned in this announcement will materialise or eventually be consummated. Shareholders, holders of the Option and/or potential investors of the Company should note that the Possible Offer is subject to the satisfaction or waiver (where applicable) of certain conditions, and may or may not become unconditional. Shareholders, holders of the Option and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company (including the Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

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

Hong Kong, 20 January 2023

As at the date of this announcement, the Board comprises Mr. Chan Cheong Yee and Mr. Chan Yiu Pun Clement as executive Directors; Mr. Han Zhenghai (Chairman), Mr. Deng Dongping, Mr. Liu Lihan, Mr. Zhu Zhikun and Mr. Lyu Ping as non-executive Directors; and Ms. Mo Li, Mr. Shi Zhu, Ms. Chen Shunqing and Ms. Mo Xiuping as independent non-executive Directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.