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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

The Board of Directors (the “**Board**”) of China Investment Development Limited (the “**Company**”) announces that the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2022 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	5	–	–
Other income	5	10,100	1,043
Net loss on financial assets at fair value through profit or loss		(15,268)	(8,723)
Impairment losses under the expected credit loss (“ ECL ”) model, net of reversal	6	24,422	–
Administrative and other expenses		(36,992)	(7,770)
Finance costs	7	(2,272)	–
Share of result of an associate		–	–
Loss before income tax expense	8	(20,010)	(15,450)
Income tax expense	9	–	–
Loss for the year attributable to owners of the Company		<u>(20,010)</u>	<u>(15,450)</u>

	<i>Notes</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
— Change in fair value of financial assets at fair value through other comprehensive income		(5,069)	3,301
Item that may be reclassified subsequently to profit or loss:			
— Exchange differences on translation of financial statements of PRC subsidiaries		<u>(1,213)</u>	<u>—</u>
Other comprehensive (expense)/income for the year, net of tax		<u>(6,282)</u>	<u>3,301</u>
Total comprehensive expense for the year		<u>(26,292)</u>	<u>(12,149)</u>
Loss per share	<i>11</i>		
— Basic (HK cent per share)		<u>(1.07)</u>	<u>(1.38)</u>
— Diluted (HK cent per share)		<u>(1.07)</u>	<u>(1.38)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		–	13
Right-of-use assets		–	–
Other financial assets at amortised cost	<i>12</i>	64,200	–
Interest in an associate		–	–
Financial assets at fair value through other comprehensive income	<i>13</i>	4,297	9,416
		68,497	9,429
Current assets			
Financial assets at fair value through profit or loss	<i>14</i>	34,038	28,717
Other receivables, deposits paid and prepayments		39,355	146
Other financial assets at amortised cost	<i>12</i>	41,249	–
Amount due from shareholder	<i>15</i>	949	7,713
Cash and cash equivalents		51,574	8,504
		167,165	45,080
Current liabilities			
Other payables and accrued charges		8,082	5,178
Lease liabilities		2,037	–
		10,119	5,178
Net current assets		157,046	39,902
Total assets less current liabilities		225,543	49,331
Non-current liability			
Lease liabilities		1,527	–

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Net assets		<u>224,016</u>	<u>49,331</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>16</i>	22,856	12,698
Reserves		<u>201,160</u>	<u>36,633</u>
Total equity		<u>224,016</u>	<u>49,331</u>

1. GENERAL INFORMATION

China Investment Development Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 25 March 1998 and was de-registered on 11 March 2011 and was registered by way of continuation as an exempted company in Bermuda on 2 March 2011. The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 12 December 2000. Its registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong is located at Suites 6303-04, 63/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The Company is principally engaged in investment holding for medium to long term capital appreciation purposes, and investment in listed and unlisted securities.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS ”)

Amendments to HKFRSs that are initially applied in the current year

In the current year, the Group has applied the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 *Interest Rate Benchmark Reform — Phase 2*
- Amendments to HKFRS 16 *Covid-19-Related Rent Concessions*
- Amendments to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*

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

New and amendments to HKFRSs in issue but not yet effective

The Group has not applied the following new and amendments to HKFRSs that have been issued but are not yet effective for the current accounting period. The Group has already commenced an assessment of the impact of these new and amendments to HKFRSs but is not yet in a position to state whether these new and amendments to HKFRSs would have a material impact on its results of operations and financial position:

	Effective for accounting periods beginning on or after
HKFRS 17, <i>Insurance Contracts and the Related Amendments</i>	1 January 2023
Amendments to HKFRS 3, <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to HKFRS 10 and HKAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
Amendments to HKAS 1, <i>Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020)</i>	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2, <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to HKAS 8, <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to HKAS 12, <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to HKAS 16, <i>Property, Plant and Equipment — Proceeds before Intended Use</i>	1 January 2022
Amendments to HKAS 37, <i>Onerous Contracts — Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to HKFRSs, <i>Annual Improvements to HKFRSs 2018–2020</i>	1 January 2022

The directors of the Group anticipate that the application of all new and revised HKFRSs and Interpretations will have no material impact on the consolidated financial statements of the Group in the future.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through other comprehensive income (“**FVTOCI**”) and financial assets at fair value through profit or loss (“**FVTPL**”), which are measured at fair values.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”). Each entity in the Group maintains its books and record in its own functional currency. The functional currency of the Company is HK\$.

4. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group’s chief operating decision maker in order to allocate resources and assess performance of the segment. For the years ended 31 March 2022 and 2021, the information reported to the executive directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, do not contain profit or loss information of each business line or geographical area and the executive directors reviewed the financial results of the Group as a whole reported under HKFRSs. Therefore, the executive directors have determined that the Group has only one single business component/operating and reportable segment as the Group is only engaged in investment. The executive directors allocate resources and assess performance on an aggregated basis. Accordingly, no operating segment information is presented.

The following table provides an analysis of the Group’s revenue and non current assets including property, plant and equipment, right-of-use assets and interest in an associate (i.e. “**specified non-current assets**”) by geographical locations, determined based on physical location of the assets or location of operations in case of interest in an associate, as follows:

	Revenue from		Specified	
	external customers		non-current assets	
	2022	2021	2022	2021
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Hong Kong (place of domicile)	<u>–</u>	<u>–</u>	<u>–</u>	<u>13</u>

5. REVENUE AND OTHER INCOME

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	<u>–</u>	<u>–</u>
Other income:		
Bank interest income	3	4
Dividend income	–	362
Government subsidy	–	270
Gain on disposal of property, plant and equipment	–	348
Interest income from other financial assets at amortised cost	4,999	–
Broker commission	–	55
Exchange gain	4,696	–
Others	<u>402</u>	<u>4</u>
	<u>10,100</u>	<u>1,043</u>
Total revenue and other income	<u>10,100</u>	<u>1,043</u>

No other source of income contributed to the Group's revenue for both 2022 and 2021.

6. IMPAIRMENT LOSSES UNDER THE ECL MODEL, NET OF REVERSAL

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Impairment loss, (net of reversal) on:		
Interest receivable	(2,400)	–
Other financial assets at amortised cost	3,670	–
Deposits paid	<u>(25,692)</u>	<u>–</u>
	<u>(24,422)</u>	<u>–</u>

7. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest expenses on lease liabilities	97	–
Interest expenses on bonds	<u>2,175</u>	<u>–</u>
	<u><u>2,272</u></u>	<u><u>–</u></u>

8. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is stated after charging the following:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Staff costs		
Salaries	4,139	1,770
Provident fund contributions	108	69
Share based payment expenses	<u>2,762</u>	<u>–</u>
Total staff costs excluding directors' remunerations	<u>7,009</u>	<u>1,839</u>
Auditor's remuneration	420	480
Depreciation		
Property, plant and equipment	15	38
Right-of-use assets	707	–
Directors' remuneration		
— fees	1,685	952
— share based payment expenses	8,364	–
Investment manager's fee	160	–
Short-term leases	5,473	949
Share based payment expenses excluding those included in staff costs and directors' remunerations	1,686	–
Impairment of property, plant and equipment*	314	–
Impairment of right-of-use assets*	<u>3,537</u>	<u>–</u>

* These items are included in “administrative and other expenses” in the consolidated statement of profit or loss and other comprehensive income.

9. INCOME TAX EXPENSE

Pursuant to the Inland Revenue (Amendment) Bill 2017, profits tax rate for the first HK\$2 million of assessable profits of corporations is lowered to 8.25% with the excess assessable profits continue to be taxed at 16.5%. Overseas tax is calculated at the rates applicable in the respective jurisdictions. No provision for income tax expense is required since the Group has no assessable profits either arising from Hong Kong or other jurisdictions during the year (2021: Nil).

The income tax expense for the year can be reconciled to the loss before income tax expense per consolidated statement of profit or loss and other comprehensive income as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss before income tax expense	<u>(20,010)</u>	<u>(15,450)</u>
Tax calculated at the applicable statutory tax rates	(3,302)	(2,384)
Tax effect of income not taxable	825	677
Tax effect of temporary differences not recognised	–	6
Tax effect of tax losses not recognised	<u>2,477</u>	<u>1,701</u>
Income tax expense	<u>–</u>	<u>–</u>

10. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 March 2022 (2021: Nil).

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i> (Restated)
Loss		
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(20,010)</u>	<u>(15,450)</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>1,863,786,115</u>	<u>1,121,101,272</u>

Note:

The weighted average number of ordinary shares for the years ended 31 March 2022 and 2021 for the purposes of basic and diluted loss per share have been retrospectively adjusted for the bonus element of the rights issue of shares during the year ended 31 March 2022 which was completed on 20 July 2021.

The computation of diluted loss per share for both years did not assume the exercise of the Company's outstanding share options since it would result in a decrease in loss per share. Therefore, the diluted loss per share is the same as the basic loss per share for both years.

12. OTHER FINANCIAL ASSETS AT AMORTISED COST

For the year ended 31 March 2022

At 31 March 2022, the other financial assets at amortised cost comprised of promissory notes held by the Group, amounted to approximately HK\$105,449,000 are unsecured, interest bearing, non-transferrable, non-trading related in nature and issued by private entities.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
At amortised cost	109,119	–
Less: ECL allowance	<u>(3,670)</u>	<u>–</u>
	<u>105,449</u>	<u>–</u>

Ageing analysis

As of the end of the reporting period, the ageing analysis of promissory notes, net of allowance for credit losses, based on the maturity date is as follows:

	2022 HK\$'000
Within 1 year	41,249
1 to 2 years	64,200
	<u>105,449</u>

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022 HK\$'000	2021 HK\$'000
Unlisted equity securities in PRC, at cost	16,390	16,946
Fair value adjustment	(12,093)	(7,530)
	<u>4,297</u>	<u>9,416</u>

Particulars of investments in unlisted equity securities held by the Group as at 31 March 2022 and 2021 are as follows:

Name of investee companies	Place of incorporation	Percentage of effective interest held at 31/3/2022	At cost		Accumulated fair value adjustment		Carrying value	
			31/3/2022	31/3/2021	31/3/2022	31/3/2021	31/3/2022	31/3/2021
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Tianjin Bao Xin Ying Precious Metals Management Limited (“ Bao Xin ”)	PRC	12%	6,590	6,590	(2,304)	(2,460)	4,286	4,130
GuangZhou Da Jian Company Management Consultation Limited (“ Da Jian ”)	PRC	11.59%	9,800	9,800	(9,789)	(4,514)	11	5,286
Huge Leader Investment Development Limited (“ Huge Leader ”)	BVI	N/A	-	556	-	(556)	-	-
			<u>16,390</u>	<u>16,946</u>	<u>(12,093)</u>	<u>(7,530)</u>	<u>4,297</u>	<u>9,416</u>

	Change in fair value during the year ended 31 March	
	2022	2021
	HK\$'000	HK\$'000
Unlisted equity securities issued by:		
– Bao Xin	156	234
– Da Jian	(5,275)	708
– Bio-Energy	–	200
– Yenbo Gain	–	200
– Perfect Worth	–	381
– Golden Resources	–	816
– Huge Leader	50	762
	<u>50</u>	<u>762</u>
	<u>(5,069)</u>	<u>3,301</u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	HK\$'000	HK\$'000
Hong Kong listed equity securities, at market value	17,758	18,715
Investments in convertible bonds, at fair value	16,280	9,749
Financial guarantee	–	253
	<u>–</u>	<u>253</u>
	<u>34,038</u>	<u>28,717</u>

15. AMOUNT DUE FROM SHAREHOLDER

On 15 March 2021, due to the change of the chairman, Mr. Han, who is also a shareholder of the Company, agreed to pay the remaining liability to the Company under the Deed of Indemnity executed by Ms. Yang. Details are set out in the Company's annual report for the year ended 31 March 2021, note 17(c). The amount is non-interest bearing.

16. SHARE CAPITAL

	Number of ordinary shares at HK\$0.01 each '000	HK\$'000
Authorised:		
At 1 April 2020, 31 March 2021, 1 April 2021 and 31 March 2022	<u>10,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2020	1,058,186	10,582
Placement of new shares (note (i))	<u>211,600</u>	<u>2,116</u>
At 31 March 2021 and 1 April 2021	1,269,786	12,698
Rights issue (note (ii))	634,893	6,349
Placing of new shares (note (iii))	<u>380,900</u>	<u>3,809</u>
At 31 March 2022	<u>2,285,579</u>	<u>22,856</u>

All shares issued during the year rank pari passu with the then existing shares in all respects.

Notes:

- (i) On 23 December 2020, an aggregate number of 211,600,000 new ordinary shares were issued at subscription price of HK\$0.101 each to the independent third parties of the Company at gross proceeds of approximately HK\$21.4 million, and related directly attributable expenses of approximately HK\$0.96 million.
- (ii) The Company has raised gross proceeds of approximately HK\$127.0 million before expenses by way of a rights issue of up to 634,892,864 Rights Shares at a price of HK\$0.2 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date.

The gross proceeds from the Rights Issue are approximately HK\$127.0 million and the net proceeds from the Rights Issue, after deducting the underwriting commission and all other relevant expenses for the Rights Issue, are estimated to be approximately HK\$124.0 million. Details are set out in the Company's announcements dated 4 May 2021, 14 May 2021, 28 May 2021, 25 June 2021 and 19 July 2021.

- (iii) On 18 October 2021, the Placing Agents and the Company entered into the Placing Agreement pursuant to which the Placing Agents agreed to place, on a best effort basis, up to 380,900,000 Placing Shares to currently expected not less than six Placees who are Independent Third Parties.

A total of 380,900,000 Placing Shares have been successfully placed to not less than six Places (who are individual, corporate and/or institutional investors), who and whose ultimate beneficial owner(s) are Independent Third Parties. The net proceeds from the Placing, after deducting all related costs, commission and expenses, amount to approximately HK\$56.2 million, which is intended to be utilised for the general working capital of the Group and future investment opportunities as may be identified from time to time. Details are set out in the Company's announcements dated 18 October 2021 and 8 November 2021.

17. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the net assets included in the consolidated statement of financial position of approximately HK\$224,016,000 (2021: net assets of HK\$49,331,000) and the number of ordinary shares in issue as at 31 March 2022, being 2,285,578,593 (2021: 1,276,071,797, as adjusted for the bonus element of the rights issue of shares completed on 20 July 2021).

18. EFFECT OF COVID-19

Since January 2020, the outbreak of Novel Coronavirus (“COVID-19”) has dealt a big blow on the global business environment. In preparing the consolidated financial statements, the Group applies fair value to measure its financial assets at fair value through other comprehensive income and fair value through profit or loss. In the years ended 31 March 2022 and 2021, fair values of the Group's financial assets at fair value through profit or loss suffered from fluctuations due to the COVID-19 outbreak. The development and spread of COVID-19 subsequent to the date of this report may result in further changes in economic conditions arising thereof which may have negative impact on the financial results of the Group, the extent of which could not be estimated as at the date of this report. The Group will keep monitoring to the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group.

19. EVENTS AFTER REPORTING PERIOD

On 6 April 2022, the Company entered into the following agreements: (A) the Wole Agreement with Zheng Hongping (鄭紅萍) (the “Wole Vendor”) in respect of the acquisition of 100% of Lanzhou Wole Home Furnishing Service Co. Limited (蘭州我樂家居服務有限公司) (the “Wole Target”) at the consideration of HK\$36 million to be settled by the allotment and issue of the Wole Consideration Shares; (B) the Jiajiafu Agreement with Tider Holdings Limited (the “Jiajiafu Vendor”) in respect of the acquisition of 7% of Jiajiafu Modern Agriculture (HK) Limited (家家富現代農業(香港)有限公司) (the “Jiajiafu Target”) at the consideration of HK\$40 million to be settled as to (a) HK\$10,928,000 by cash and (b) HK\$29,072,000 by the allotment and issue of the Jiajiafu Consideration Shares.

On 8 April 2022 the Company and the Wole Vendor entered into a new agreement (the “New Wole Agreement”) to acquire 30% equity interest in 蘭州我樂家居服務有限責任公司 (Lanzhou Wole Home Furnishing Service Co. Ltd., a company incorporated in the PRC) at the consideration of HK\$36 million to be settled by the Wole Consideration Shares. The New Wole Agreement shall supersede the Wole Agreement, which was terminated and became void on 8 April 2022.

On 26 May 2022, the Company's shareholders passed a resolution at the general meeting to approve the allotment and issue of the Wole Consideration Shares pursuant to the New Wole Agreement and the Jiajiafu Consideration Shares pursuant to the Jiajiafu Agreement.

EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 March 2022 which included a qualified opinion.

Qualified Opinion

We have audited the consolidated financial statements of China Investment Development Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”), which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects on the corresponding figures of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

Basis for Qualified Opinion

Comparability of the related current year’s figures and the corresponding figures

As stated in the auditor’s report of the auditors of the Group for the financial year ended 31 March 2021 (the “**Predecessor Auditor**”), as at 31 March 2020, the Group held 18% equity interests in Huge Leader Investment Development Limited (“**Huge Leader**”) and 14% equity interests in Golden Resources Asia Limited (“**Golden Resources**”) which were determined as unquoted equity instruments and accounted for as financial assets at fair value through other comprehensive income (“**FVTOCI**”). During the year ended 31 March 2020, the Group lost contact with the management of Huge Leader and Golden Resources and could not get access to the financial information of Huge Leader and Golden Resources. The directors of the Company had measured the fair value of the Group’s interests in Huge Leader and Golden Resources as at 31 March 2020 based on the net asset values of Huge Leader and Golden Resources as at 31 March 2019, which was the latest available financial information of these investee companies and adjusted for factors they considered might affect their fair values. As at 31 March 2020, the fair value of the Group’s interest in Huge Leader was estimated at HK\$ nil.

During the year ended 31 March 2021, the Group disposed of 17% equity interests in Huge Leader and 14% equity interests in Golden Resources at considerations of HK\$762,000 and HK\$816,000 respectively. A change in fair value of financial assets at FVTOCI amounting to HK\$762,000 and HK\$816,000 were recognised in consolidated other comprehensive income of the Group for the year ended 31 March 2021, represent the disposal proceeds in respect of Huge Leader and Golden Resources respectively. A cumulative loss of approximately HK\$8,683,000 and HK\$9,184,000 were transferred from revaluation reserve to accumulated losses in consolidated statement of changes in equity for the year ended 31 March 2021 upon the disposal of 17% equity interests in Huge Leader and 14% equity interests in Golden Resources.

The Predecessor Auditor had issued a disclaimer of opinion on these matters for the year ended 31 March 2021.

As stated in the auditor's report issued by the Predecessor Auditor for the year ended 31 March 2021, the directors of the Company did not provide them with the details of their estimation of the fair value of these two investments as at 31 March 2020, and they were therefore unable to obtain sufficient appropriate audit evidence to assess the reasonableness of the directors' estimation of the fair values of the Group's interests in Huge Leader and Golden Resources as at 31 March 2020. Any adjustments to the fair values of these two investments as at 31 March 2020 found necessary would (i) reduce the increase in fair value of financial assets at fair value through other comprehensive income for the year ended 31 March 2021; (ii) affect the elements making up the consolidated statement of changes in equity; and (iii) affect the related disclosures thereof in the Company's consolidated financial statements for the year ended 31 March 2021. Our audit opinion on the current year's consolidated financial statements is also modified because of the possible effects of the above matters on the comparability of the current year's figures and the corresponding figures.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group's revenue for the year ended 31 March 2022 was nil (2021: nil), which remained unchanged when compared with that of last year. The Group incurred a loss for the year attributable to owners of the Company amounting to approximately HK\$20,010,000 which increased by approximately HK\$4,560,000 or 29.5% when compared with the loss of approximately HK\$15,450,000 incurred in last year. The increase in the loss for the year was mainly attributable to the increase in administrative expenses, and the increase in change in fair value of financial assets at fair value through profit or loss during the year under review. The net asset value per share of the Group as at 31 March 2022 amounted to HK\$0.10 (2021: HK\$0.04). The Board has decided not to declare a final dividend for the year.

Investment Portfolio

As at 31 March 2022, the details of main investments of the Group were summarised as below:

Interests in an associate – unlisted equity securities

Name of investee company	Place of incorporation/ operation	Percentage of effective interest held	Proportion of voting power	Cost HK\$'000	Carrying value HK\$'000
Bonicast Construction Material (Beijing) Co., Ltd	People's Republic of China ("PRC")	49%	20%	5,958	–

Financial assets at fair value through profit or loss

(i) *Investment in convertible bonds*

Name of investee companies	Place of incorporation	Cost HK\$'000	Carrying Value HK\$'000
Guanwan Investments Limited	British Virgin Islands	20,000	16,280

(ii) *Investment in Hong Kong listed equity securities*

Name of investee companies	Number of shares held	Percentage of interest held	Cost	Market	Accumulated	Change in
				value	unrealised	
				2022	gain/(loss)	fair value
			HK\$'000	HK\$'000	arising on	2022
					revaluation	HK\$'000
						HK\$'000
Kidztech Holdings Limited	1,686,000 ordinary share	0.3237%	1,753	1,450	(303)	(303)
Asia Television Holdings Limited	80,510,000 ordinary share	0.8111%	3,059	966	(2,093)	(2,093)
Feiyang International Holdings Group Limited	492,000 ordinary share	0.0820%	499	443	(56)	(56)
Future Bright Mining Holdings Limited	20,000 ordinary share	0.0005%	1	1	–	–
Morris Home Holdings Limited	200,000 ordinary share	0.0200%	17	27	10	10
RMH Holdings Limited	344,000 ordinary share	0.0398%	35	47	12	12
Amber Hill Financial Holdings Limited	9,564,000 ordinary share	1.7802%	13,781	14,824	1,043	1,043
Target Insurance (Holdings) Limited	4,228,000 ordinary share	0.8109%	4,298	–	(4,298)	(4,298)
				17,758		

Financial assets at fair value through other comprehensive income

Name of investee company	Place of incorporation	Percentage of effective interest held	Cost	Carrying
			HK\$'000	Value
			HK\$'000	HK\$'000
Tianjin Bao Xin Ying Precious Metals Management Limited	PRC	12.00%	6,590	4,286
GuangZhou Da Jian Company Management Consultation Limited	PRC	11.59%	9,800	11

Other Financial Assets at Amortised Cost

At 31 March 2022, the other financial assets at amortised cost comprised of promissory notes held by the Group, amounted to approximately HK\$105,449,000 are unsecured, interest bearing, non-transferrable, non trading related in nature and issued by private entities.

Financial Resources and Liquidity

As at 31 March 2022, the Group had cash and cash equivalents of approximately HK\$51,574,000 (2021: approximately HK\$8,504,000). The Group had the net current assets and the net assets of approximately HK\$157,046,000 (2021: HK\$39,902,000) and approximately HK\$224,016,000 (2021: HK\$49,331,000) respectively as at 31 March 2022. The Group had other borrowing of approximately HK\$2,694,000 at 31 March 2022 (2021: HK\$nil). The current ratio, calculated on the basis of total current assets over total current liabilities, was approximately 16.52 (2021: 8.71) as at 31 March 2022.

As at 31 March 2022, the gearing ratio of the Group was approximately 1.2% (2021: nil).

The gearing ratio is calculated as total debts HK\$2,694,000 (2021: HK\$nil) divided by equity attributable to owners of the Company HK\$224,016,000 (2021: HK\$49,331,000) as the respective reporting date. For this purpose, total debts are defined as amount due to former director and bond holder.

Capital Structure

Details in the changes of the capital structure of the Company during the year ended 31 March 2022 are set out in note 16 to this Announcement. The capital of the Company comprises only ordinary shares as at 31 March 2022.

Foreign Exchange Exposure

Most of the business transactions of the Group are denominated in Hong Kong dollars and Renminbi. The management of the Group will closely monitor the fluctuation in these currencies and take appropriate actions when needed. As at 31 March 2022, the Group did not engage in currency hedging nor did it adopt any formal hedging activities.

Pledge of Assets and Contingent Liabilities

As at 31 March 2022, there were no charges on the Group's assets and the Group did not have any contingent liabilities.

Impairment Losses Under the Expected Credit Loss Model, Net of Reversal

A net amount of approximately HK\$24,422,000 was recognised for reversal of impairment loss under the ECL model for the year ended 31 March 2022 that it was related to interest receivables and deposits paid as shown in the note 6 to this Announcement.

Staff Cost

As at 31 March 2022, the Group had 10 (2021: 6) full time employees (exclusive of directors). The Group's total staff costs (including directors' remuneration) amounted to approximately HK\$17,058,000 for the year ended 31 March 2022 (2021: HK\$2,791,000). The employees were remunerated based on their responsibilities and performance.

Administrative and Other Expenses

Administrative and other expenses for the year ended 31 March 2022 amounted to approximately HK\$36,992,000 (2021: HK\$7,770,000), representing an increase of approximately HK\$29,222,000 or 376.1%, which was mainly due to increase in staff costs, rent and rates, impairment loss of non-current assets and share-based payment expenses.

Finance Costs

Finance costs for the year ended 31 March 2022 amounted to approximately HK\$2,272,000 (2021: HK\$nil), represented an increase of approximately HK\$2,272,000. Such increase was mainly due to the increase of interest on bonds during the year ended 31 March 2022.

Events After Reporting Period

Details are set out in note 19 to this Announcement.

Prospect

During 2021-2022, the Group successfully got through the challenges of the outbreak of Covid-19 pandemic. Along with the mitigation of the novel coronavirus pandemic, the business environment is expected to drive the financial markets to grow significantly. As regards the global economy, it is expected that an increase in economic activities in the rest of 2022 may be led by the pent-up demand from 2021.

Purchase, Sale or Redemption of Listed Securities of the Company

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the year.

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for ensuring that high standards of corporate governance are maintained and for accounting to shareholders. During the year ended 31 March 2022, the Company complied with the Corporate Governance Code (the “**CG Code**”) as contained in Appendix 14 to the Listing Rules except for the following deviations:

- (i) The code provision C.1.6 of the CG Code requires that the independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings and develop a balanced understanding of the views of shareholders. Some directors were unable to attend the annual general meeting of the Company held on 16 September 2021 due to other important engagement.
- (ii) The code provision C.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Since Ms. Lin Yudan resigned as the Chief Executive Officer of the Company on 12 July 2021, nobody has been appointed. The executive Board which includes all executive directors, investment manager and senior management have been delegated with the authority and responsibility by the Board for the day-to-day operations of the Group while reserving certain key matters for the approval by the Board. After evaluation of the current situation of the Company and considering of the board composition, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for such arrangement as it helps to maintain the continuity of the policies and the stability of the operations of the Company.

- (iii) The code provision F.2.2 of the CG Code requires that the chairman of the board should attend the annual general meeting. The chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, the chairman should invite another member of the committee or failing this their duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. Some of the committee chairmen were unable to attend the annual general meeting of the Company held on 16 September 2021 due to other important engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS

During the year ended 31 March 2022, the Company complied with the code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Model Code in Appendix 10 to the Listing Rules. Having made specific enquiry to all directors, all of them confirmed that they had complied with the required standard of dealings and its code of conduct regarding securities transactions by directors throughout the year ended 31 March 2022.

AUDIT COMMITTEE

The Company has an Audit Committee with written terms of reference in compliance with the Listing Rules. Amongst other duties, the principal duties of the Audit Committee are to review and supervise the financial reporting process and internal control of the Group.

The Audit Committee comprises four independent non-executive Directors, namely, Ms. Mo Li, Mr. Lok Chiu Chan, Mr. Shi Zhu and Mr. Yuan Wei, and is chaired by Ms. Mo Li. The audited financial statements of the Group for the year ended 31 March 2022 have been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The Company has a Remuneration Committee with written terms of reference. The Remuneration Committee consists of one non-executive Director and four independent non-executive Directors, namely, Mr. Han Zhenghai, Ms. Mo Li, Mr. Lok Chiu Chan, Mr. Shi Zhu and Mr. Yuan Wei, and is chaired by Ms. Mo Li.

NOMINATION COMMITTEE

The Company has a Nomination Committee with written terms of reference. The Nomination Committee consists of four independent non-executive Directors, namely, Ms. Mo Li, Mr. Lok Chiu Chan, Mr. Shi Zhu and Mr. Yuan Wei as well as the Joint Chairman of the Board and non-executive Director Mr. Han Zhenghai, and is chaired by Mr. Han Zhenghai.

RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee with written terms of reference. The Risk Management Committee consists of the executive Director Mr. Chan Cheong Yee and four independent non-executive Directors, namely, Ms. Mo Li, Mr. Lok Chiu Chan, Mr. Shi Zhu and Mr. Yuan Wei, and is chaired by Mr. Chan Cheong Yee.

SCOPE OF WORK OF FAN, CHAN & CO. LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2022 as set out in the announcement have been agreed by the Group's auditor, Fan, Chan & Co. Limited (the "Auditor"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor 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 HKICPA and consequently no assurance has been expressed by the Auditor on the announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be published on the websites of the Stock Exchange and the Company as soon as practicable.

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

Hong Kong, 30 June 2022

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 (Joint Chairman), Mr. Gao Yun (Joint Chairman), Mr. Deng Dongping, Mr. Liu Lihan and Mr. Zhu Zhikun as non-executive Directors; and Ms. Mo Li, Mr. Lok Chiu Chan, Mr. Shi Zhu and Mr. Yuan Wei as independent non-executive Directors.