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CHINA DEVELOPMENT BANK INTERNATIONAL INVESTMENT LIMITED

國開國際投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

**CONTINUING CONNECTED TRANSACTION –
RE-APPOINTMENT OF INVESTMENT MANAGER**

The Board is pleased to announce that the Company entered into the Investment Management Agreement with HuaAn on 31 August 2017, pursuant to which HuaAn has agreed to act as the investment manager of the Company and to provide investment management services to the Company for a period of three years commencing from 1 September 2017 and expiring on 31 August 2020, for a management fee payable of HK\$350,000 per annum.

HuaAn shall be deemed as a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules and the transactions contemplated under the Investment Management Agreement (together with the Annual Caps) constitute continuing connected transactions. The management fee payable by the Company is HK\$350,000 per annum, and each of the percentage ratios on an annual basis will be less than 5%. The transactions contemplated under the Investment Management Agreement are therefore subject to the reporting, announcement, annual review requirements but are exempt from the independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

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THE INVESTMENT MANAGEMENT AGREEMENT

The principal terms of the Investment Management Agreement include the following:

Date: 31 August 2017

Parties: 1) the Company; and
2) HuaAn

Management Period and termination: From 1 September 2017 until 31 August 2020, whilst the Company and HuaAn shall each be entitled to terminate the Investment Management Agreement by giving not less than three months' notice in writing to the other party.

Scope of services: HuaAn shall provide investment management services to the Company including, inter alia:

- a) advising the Board regarding the investment and divestment events of the Company;
- b) providing to the Board with such information as may reasonably be available to it;
- c) providing to the Board, the auditor(s), the company secretary of the Company or such other persons as authorised by the Board from time to time with such information as may be in the possession or under control of the Investment Manager as required for the Company's own keeping of accounts, books, records and statements pursuant to the applicable law and regulations;
- d) advising on public and investor relationship matters;
- e) providing advice to the Board of the Company in compliance with the Listing Rules and corporate governance; and
- f) sourcing or providing investment proposals.

Notwithstanding the above, HuaAn shall exercise its powers and duties to serve the Company subject to compliance with the Investment Policies.

Management fee and Annual Caps: The management fee payable by the Company under the Investment Management Agreement is HK\$350,000 per annum, payable semi-annually in the amount of HK\$175,000. The Annual Caps of management fees for the years ending 31 December 2017, 2018, 2019 and 2020 are HK\$116,667, HK\$350,000, HK\$350,000 and HK\$233,333, respectively.

The management fee under the Investment Management Agreement was reached after arm's length negotiations between the Company and HuaAn and was determined with reference to the prevailing market rates charged by investment managers of other investment companies listed on the Stock Exchange and the responsibility and duty of HuaAn under the Investment Management Agreement. In this regard, the Board considers that the terms of the Investment Management Agreement (including the management fee and the Annual Caps) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

REASONS FOR ENTERING INTO THE INVESTMENT MANAGEMENT AGREEMENT

The Directors believe that, given its expertise, experience in securities market and proven track record, HuaAn will be capable to act as the investment manager to provide professional investment services to the Company, and, more importantly, will contribute towards the Company's development and asset growth. The Directors (including the independent non-executive Directors) are of the view that the entering into of the Investment Management Agreement and the transactions contemplated thereunder and the Annual Caps are on normal commercial terms, in the ordinary and usual course of business of the Company, fair and reasonable and in the best interests of the Company and its shareholders as a whole.

The Company has no intention to change its existing investment objectives and policies after entering into the Investment Management Agreement.

INFORMATION ON HUAAN

HuaAn was a company incorporated on 10 June 2010 in Hong Kong with limited liability and is a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. The assets under management by HuaAn and its holding company in Hong Kong and PRC were approximately RMB314 billion as at 31 December 2016.

The management team of HuaAn are as follows:

Mr ZHU XueHua

Mr ZHU XueHua is a director of HuaAn. He was appointed in various management roles in Shanghai Securities Co., Ltd. Mr ZHU has more than 18 years of management experience in securities, funds management and other financial industries.

Mr ZHU obtained the qualification of senior management in fund industry issued by China Securities Regulatory Commission in 2014.

Mr TONG Wei

Mr TONG Wei is a director of HuaAn. He is one of the responsible officers of HuaAn with the Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Mr TONG had been participated in various investment research and management roles in Shanghai International Group Co., Ltd., Shanghai Securities Co., Ltd. and China International Fund Morgan Asset Management. Mr TONG has more than 15 years of investment research and management experience in securities, funds and other financial industries.

Mr TONG obtained a Bachelor's degree in Engineering from BeiHang University and the Master's degree in Economics from Sichuan Academy of Social Sciences as well as awarded a Doctor of Philosophy in Economics by Department of International Finance, Fudan University.

Mr TONG obtained the qualification of senior management in fund industry issued by China Securities Regulatory Commission in 2015.

Mr WANG Yi

Mr WANG Yi is a director and chairman of the board of directors of HuaAn. He is one of the responsible officers of HuaAn with the Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Mr WANG has been in various investment research and management roles in entities including Shanghai Securities Co., Ltd., JP Morgan Chase Bank, and University of Texas. He has more than 18 years of investment research and management experience in securities, funds and other financial industries.

Mr WANG obtained a Bachelor's degree in Physics from China Shanghai University of Science and Technology and a Master's degree in Science Philosophy from China Fudan University as well as Master's degree in Philosophy from University of South Carolina. He was awarded a Doctor's degree of Philosophy in Finance by University of Texas. He obtained the fund qualification certificate issued by the Asset Management Association of China in 2015 and the securities qualification certificate issued by the Securities Association of China in 2011.

Mr XU Nuo

Mr XU Nuo is a director of HuaAn. He was appointed in various management roles in both Aon Hewitt and The McLagan. Mr XU has more than 16 years of management experience in consulting and financial industry.

Mr XU obtained the Bachelor's degree in Economics from Renmin University of China and a Senior Master's degree in Business Administration from China Europe International Business School.

Mr HE YiZhi

Mr HE YiZhi is a director of HuaAn. He is one of the responsible officers of HuaAn with the Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Mr HE had participated in various senior positions in many international and local financial institutions. Mr HE has more than 20 years of experience in investments and risk analysis of securities, funds as well as other financial industries.

Mr HE obtained the Bachelor and Master degree from Guanghua School of Management, Peking University and a Doctor of Philosophy in Financial Engineering from University of Twente in Netherlands.

LISTING RULES IMPLICATION

HuaAn shall be deemed as a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules and the transactions contemplated under the Investment Management Agreement (together with the Annual Caps) constitute continuing connected transactions. The management fee payable by the Company is HK\$350,000 per annum, and each of the percentage ratios on an annual basis will be less than 5%. The transactions contemplated under the Investment Management Agreement are therefore subject to the reporting, announcement, annual review requirements but are exempt from the independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

INFORMATION ON THE COMPANY

The principal activity of the Company is to act as an investment holding company holding equity investments primarily in companies or other entities with business interests of involvement in the PRC and/or Hong Kong.

DEFINITIONS

“Annual Cap(s)”	the proposed maximum aggregate amount of the fees payable to HuaAn per annum under the Investment Management Agreement, being HK\$116,667, HK\$350,000, HK\$350,000 and HK\$233,333 for the years ending 31 December 2017, 2018, 2019 and 2020, respectively
“Board”	board of Directors
“Company”	China Development Bank International Investment Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HuaAn”	HuaAn Asset Management (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Investment Policies”	The investment policies and objectives of the Company as set out in the circular to shareholders of the Company dated 11 July 2011, as amended from time to time by the Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Investment Management Agreement”	the investment management agreement dated 31 August 2017 between the Company and HuaAn
“percentage ratio(s)”	has the meaning ascribed to it under Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and the territory of Taiwan
“RMB”	Renminbi, the lawful currency of PRC

“SFC”	Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 31 August 2017

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