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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

INVESTMENT AGREEMENT

The board of directors (the “**Board**”) of China Development Bank International Investment Limited (the “**Company**”) is pleased to announce the Company has entered into an investment agreement with Spruce pursuant to which the Company agreed to subscribe for newly issued preferred shares of Spruce at a consideration of USD25.7 million in cash (the “**Investment Agreement**”). As at the date of this announcement, this transaction (the “**Transaction**”) has been completed.

INFORMATION ON SPRUCE

Spruce 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 China. It is the largest e-commerce platform in terms of gross merchandise volume in the area of supply chain for agricultural products in China. 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 fine quality control for the whole process, Spruce is able to provide economic and efficient services for farmers and restaurant customers in China’s agricultural products supply chain. Spruce is an independent third party of the Company.

REASONS FOR AND BENEFITS OF THE INVESTMENT

The Company has been committed to identifying and exploring suitable investment opportunities in the logistics industry and has established certain investment layout in areas including logistics infrastructure and supply chain services. The Transaction is a natural extension of the Company’s investments in the logistic industry to related industries including the commodity circulation and consumption upgrade. The Transaction is expected to create investment returns for shareholders of the Company and further promote the Company’s overall market strength in modern service industries such as logistics, consumption and finance.

Upon the completion of the Transaction, the Company will leverage the resources of China Development Bank Corporation (“**CDB**”) in the areas of agriculture modernization, logistics infrastructure and microcredit and will fully utilize the Company’ knowledge and experience in finance, management and industry to assist Spruce in continuously enhancing its efficiency, exploring business opportunities, optimizing the decision-making process and incentive mechanism and improving corporate governance practices.

The terms of the Investment Agreement have been arrived after arm’s length negotiations among the parties. The Board considers that the terms of the Investment Agreement are on normal commercial terms which are fair and reasonable, and the entering into of the Investment Agreement is in the interests of the Company and its shareholders as a whole.

This announcement is made by the Company on a voluntary basis.

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

Hong Kong, 10 January 2017

As at the date of this announcement, the Board is comprised of Mr BAI Zhe, Mr LIU Xiao Guang, Mr YUAN Chun 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.