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**C&D INTERNATIONAL INVESTMENT GROUP LIMITED**   **C&D Property Management Group Co., Ltd**  
建發國際投資集團有限公司   建發物業管理集團有限公司  
*(Incorporated in the Cayman Islands with limited liability)*   *(Incorporated in the British Virgin Islands with limited liability)*  
(Stock Code: 1908)   (Stock Code: 2156)

## **CONTINUING CONNECTED TRANSACTION IN RELATION TO PROVISION OF COMMERCIAL PROJECT MANAGEMENT SERVICES**

### **FRAMEWORK AGREEMENT**

The C&D International Board and the C&D Property Board are pleased to announce that on 7 September 2022 (after trading hours), C&D Real Estate, C&D International and Xiamen Yuefa entered into the Framework Agreement, pursuant to which Xiamen Yuefa shall provide commercial project management services for a variety of commercial assets projects, etc. of C&D Real Estate, C&D International, their subsidiaries (but not including the C&D Property Group (excluding connected subsidiaries)) and connected companies, for the period from 7 September 2022 to 31 December 2024.

### **LISTING RULES IMPLICATIONS**

#### **For C&D International**

C&D Real Estate is the controlling shareholder of C&D International and therefore, a connected person of C&D International. Accordingly, the transactions contemplated under the Framework Agreement with C&D Real Estate constitute continuing connected transactions of C&D International under the Listing Rules. As one or more of the applicable percentage ratios in respect of the annual caps for the transactions contemplated under the Framework Agreement with C&D Real Estate exceed 0.1% but are less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **For C&D Property**

C&D Real Estate and C&D International are the controlling shareholders of C&D Property and therefore, connected persons of C&D Property. Accordingly, the transactions contemplated under the Framework Agreement with C&D Real Estate and C&D International constitute continuing connected transactions of C&D Property under the Listing Rules. As one or more of the applicable percentage ratios in respect of the annual caps for the transactions contemplated under the Framework Agreement with C&D Real Estate and C&D International exceed 0.1% but are less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **FRAMEWORK AGREEMENT**

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### **Date**

7 September 2022

### **Parties**

- (1) C&D Real Estate
- (2) C&D International
- (3) Xiamen Yuefa, a wholly-owned subsidiary of C&D Property

### **Term**

From 7 September 2022 to 31 December 2024

### **Services**

Xiamen Yuefa will provide commercial project management services for a variety of commercial assets projects, of C&D Real Estate, C&D International, their subsidiaries (but not including the C&D Property Group (excluding connected subsidiaries)) and connected companies.

Commercial project management services to be provided by Xiamen Yuefa mainly include:

- (i) Pre-positioning and design consultancy: providing pre-positioning, planning and design consultancy services for commercial projects that have not commenced operation; and
- (ii) Operation management: providing services including investment management, operation management and marketing planning for commercial projects that have commenced operation.

### **Commercial Project Management Service Fees**

Commercial project management service fees for each of the abovementioned services are as follows:

- (i) Pre-positioning and design consultancy management fee is calculated at RMB50 per square metre of project management area (including car parks) per annum. The fee is calculated by multiplying the above rate by the actual time between the introduction of the project to Xiamen Yuefa and the official commencement of the project; and
- (ii) Operation management service fee is calculated according to the type of fees charged, including:
  - (1) operation management service fee, of which the basic management service fee rate is calculated based on 3% of the “Full-calibre Project Operating Income” and the commission management service fee rate is calculated based on 5% of the “Project Operating Profit”;
  - (2) branding fee, which is RMB1 million and RMB500,000 per annum for projects with management area (including car parks) of over 50,000 square metres and under 50,000 square metres, respectively;
  - (3) platform output management service fee, calculated at a rate of 0.5% of the “Full-calibre Project Operating Income”; and
  - (4) remuneration for the operating period of commercial project, calculated at a monthly rate of RMB1.2 per square metre of management area (including car parks).

“Full-calibre Project Operating Income” refers to the sum of the project rental income and other commercial income, and “Project Operating Profit” refers to the “Full-calibre Project Operating Income” less business tax and project operating costs (excluding the commission management service fee).

The commercial project management service fees may be adjusted according to the actual situation of the project upon unanimous consent by the parties after negotiation.

## HISTORICAL TRANSACTION AMOUNTS

Since Xiamen Yuefa did not conduct any similar transactions with either the Remaining C&D Real Estate Group or the C&D International Group (excluding the C&D Property Group) in respect of the provision of commercial project management services in the past, there are no historical transaction amounts between the C&D Property Group and each of (i) the Remaining C&D Real Estate Group; and (ii) the C&D International Group (excluding the C&D Property Group).

## PROPOSED ANNUAL CAPS

The following table sets out the proposed annual caps of the commercial project management service fees to be received by Xiamen Yuefa from each of (i) the Remaining C&D Real Estate Group; and (ii) the C&D International Group (excluding the C&D Property Group) under the Framework Agreement for each of the three years ending 31 December 2024:

	For the year ending 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fees received from the Remaining C&D Real Estate Group	16,000	55,000	60,000
Fees received from the C&D International Group (excluding the C&D Property Group)	<u>3,000</u>	<u>9,000</u>	<u>12,000</u>
Total	<u>19,000</u>	<u>64,000</u>	<u>72,000</u>

In determining the proposed annual caps, the C&D International Board has considered, among other things, the following main factors:

- (i) the business environment and market conditions of the commercial projects proposed to be entrusted for the three years ending 31 December 2024;
- (ii) the location, number and management area of the commercial projects proposed to be entrusted;
- (iii) new commercial projects that may be acquired in the future and the demand for commercial operation and management services;
- (iv) the pricing and charge level of commercial operation and management services in comparable markets; and
- (v) the operation model and the income and cost structure of the commercial operation management business of the representative enterprises in the same industry.

In determining the proposed annual caps, the C&D Property Board has considered, among other things, the following main factors:

- (i) the business environment and market conditions of the commercial projects proposed to be entrusted by C&D Real Estate and C&D International for the three years ending 31 December 2024;
- (ii) the location, number and management area of the commercial projects proposed to be entrusted by C&D Real Estate and C&D International;
- (iii) new commercial projects that may be acquired by C&D Real Estate and C&D International in the future and the demand for commercial operation and management services;
- (iv) fees expected to be charged with reference to rate in comparable markets; and
- (v) the operation model and the income and cost structure of the commercial operation management business of the representative enterprises in the same industry.

#### **INFORMATION ABOUT THE PARTIES TO THE FRAMEWORK AGREEMENT**

C&D International is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1908). C&D International is the controlling shareholder of C&D Property, holding 475,535,388 issued shares of C&D Property, representing approximately 35.59% of the issued shares of C&D Property as at the date of this announcement, and has the right to exercise the voting right in respect of 213,801,777 shares of C&D Property directly held by Well Land International Limited (益能國際有限公司) (“**Well Land**”). The C&D International Group is principally engaged in the businesses of real estate development, real estate industry chain investment services and investment in emerging industries in the PRC. As at the date of this announcement, (i) Well Land held 980,071,548 issued shares of C&D International, representing approximately 61.52% of the issued share capital of C&D International; (ii) Well Land is wholly-owned by Well Honour International Limited (益鴻國際有限公司) (“**Well Honour**”); and (iii) Well Honour is wholly-owned by C&D Real Estate.

C&D Real Estate is a company established with limited liability in the PRC, and is a controlling shareholder of C&D Property and C&D International. It is principally engaged in the businesses of real estate development, commercial operation, property management and investment, etc.. As at the date of this announcement, C&D Real Estate was owned by Xiamen C&D Inc.\* (廈門建發股份有限公司) (“**C&D Inc.**”), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600153) and Xiamen C&D Corporation Limited\* (廈門建發集團有限公司) (“**Xiamen C&D**”) as to 54.65% and 45.35% respectively. C&D Inc. was owned by its public shareholders and Xiamen C&D as to 54.87% and 45.13%, respectively. The State-owned Assets Supervision and Administration Commission of Xiamen Municipal People’s Government (廈門市人民政府國有資產監督管理委員會) is the ultimate shareholder of C&D Real Estate. C&D Inc. is principally engaged in supply chain operation, real estate development and industrial investment, etc..

Xiamen Yuefa is a company established in the PRC with limited liability and a wholly-owned subsidiary of C&D Property, and is principally engaged in management of commercial conglomerate and enterprises management consultancy. C&D Property Group is principally engaged in property management services, community value-added and synergy services and value-added services to non-property owners in the PRC.

## **APPROVAL BY THE BOARD**

To the best of the knowledge, information and belief of the C&D International Directors and having made all reasonable enquiries, none of the C&D International Directors had material interest in the transactions contemplated under the Framework Agreement, and accordingly none of the C&D International Directors was required to abstain from voting on the board resolution for considering and approving the transactions contemplated under the Framework Agreement.

To the best of the knowledge, information and belief of the C&D Property Directors and having made all reasonable enquiries, none of the C&D Property Directors had material interest in the transactions contemplated under the Framework Agreement, and accordingly none of the C&D Property Directors was required to abstain from voting on the board resolution for considering and approving the transactions contemplated under the Framework Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT**

### **C&D International**

The C&D International Board (including the independent non-executive directors) are of the opinion that as C&D International is mainly engaged in real estate development, entering into the Framework Agreement to entrust the management of the operation of its commercial projects and assets held to its subsidiary, C&D Property, will enable C&D International to focus on the development and operation of its main business and improve the efficiency of the management and operation of its commercial assets.

The C&D International Board (including the independent non-executive directors) consider that the Framework Agreement is entered into on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the C&D International Group and in the interests of C&D International and its shareholders as a whole.

### **C&D Property**

The C&D Property Board (including the independent non-executive directors) are of the opinion that while C&D Property is mainly engaged in traditional property management services, it intends to expand its business scope to include commercial asset management, which is also in the light asset service sector. Entering into of the Framework Agreement will enable C&D Property to expand its commercial asset management business, making C&D Property a light asset service provider with “property management + commercial operation”, which is conducive to broadening and enriching its business foundation.

The C&D Property Board (including the independent non-executive directors) consider that the Framework Agreement is entered into on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the C&D Property Group and in the interests of C&D Property and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

### **For C&D International**

C&D Real Estate is the controlling shareholder of C&D International and therefore, a connected person of C&D International. Accordingly, the transactions contemplated under the Framework Agreement with C&D Real Estate constitute continuing connected transactions of C&D International under the Listing Rules. As one or more of the applicable percentage ratios in respect of the annual caps for the transactions contemplated under the Framework Agreement with C&D Real Estate exceed 0.1% but are less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **For C&D Property**

C&D Real Estate and C&D International are the controlling shareholders of C&D Property and therefore, connected persons of C&D Property. Accordingly, the transactions contemplated under the Framework Agreement with C&D Real Estate and C&D International constitute continuing connected transactions of C&D Property under the Listing Rules. As one or more of the applicable percentage ratios in respect of the annual caps for the transactions contemplated under the Framework Agreement with C&D Real Estate and C&D International exceed 0.1% but are less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“BVI”	the British Virgin Islands
“C&D International”	C&D International Investment Group Limited (建發國際投資集團有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and a controlling shareholder of C&D Property
“C&D International Board”	the board of directors of C&D International
“C&D International Directors”	the directors of C&D International

“C&D International Group”	C&D International and its subsidiaries and, where the context so requires, includes its associates and joint ventures
“C&D Property”	C&D Property Management Group Co., Ltd 建發物業管理集團有限公司, a BVI business company incorporated in the BVI with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“C&D Property Board”	the board of directors of C&D Property
“C&D Property Directors”	the directors of C&D Property
“C&D Property Group”	C&D Property and its subsidiaries
“C&D Real Estate”	C&D Real Estate Corporation Limited* (建發房地產集團有限公司), a controlling shareholder of each of C&D International and C&D Property
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Framework Agreement”	the framework agreement dated 7 September 2022 entered into among C&D Real Estate, C&D International and Xiamen Yuefa in relation to the commercial project management services to be provided by Xiamen Yuefa for a variety of commercial assets projects, etc. of C&D Real Estate, C&D International, their subsidiaries (but not including the C&D Property Group (excluding connected subsidiaries)) and connected companies
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remaining C&D Real Estate Group”	C&D Real Estate and its subsidiaries (excluding the C&D International Group) and, where the context so requires, includes their joint ventures and associates
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Xiamen Yuefa” Xiamen Yuefa Commercial Management Company Limited\* (廈門悅發商業管理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of C&D Property

“%” per cent.

For and on behalf of  
**C&D International Investment Group  
Limited**  
**Lin Weiguo**  
*Executive Director and Chief Executive  
Officer*

For and on behalf of the Board  
**C&D Property Management Group Co.,  
Ltd**  
**Lin Weiguo**  
*Chairman and Non-executive Director*

Hong Kong, 7 September 2022

*As at the date of this announcement, the C&D International Board comprises Ms. Zhao Chengmin (Chairperson), Mr. Lin Weiguo (Chief Executive Officer) and Mr. Tian Meitan as executive directors; Mr. Huang Wenzhou, Ms. Ye Yanliu and Mr. Wang Wenhui as non-executive directors; and Mr. Wong Chi Wai, Mr. Wong Tat Yan, Paul and Mr. Chan Chun Yee as independent non-executive directors.*

*As at the date of this announcement, the C&D Property Board comprises Ms. Qiao Haixia (Chief Executive Officer) and Mr. Huang Danghui as executive directors; Mr. Lin Weiguo (Chairman) and Mr. Xu Yixuan as non-executive directors; and Mr. Lee Cheuk Yin Dannis, Mr. Li Kwok Tai James and Mr. Wu Yat Wai as independent non-executive directors.*

\* For identification purpose only