

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **C&D INTERNATIONAL INVESTMENT GROUP LIMITED**

**建發國際投資集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1908)**

### **CONNECTED TRANSACTION FORMATION OF JOINT VENTURE IN RELATION TO LAND IN PUTIAN**

#### **FORMATION OF JOINT VENTURE**

Putian Zhaoxi, a wholly-owned subsidiary of the Company, successfully won the bid on 18 May 2023 for the auction for the land use rights of the Land which is located in the regulatory planning range of Bantou West Unit, Xialin Subdistrict, Chengxiang District, Putian City, east to Bantou Road and south to Shengli Road (Parcel No. PS-Pai-2022-04 (莆田市PS拍-2022-04號)) for a total consideration of RMB285,000,000. As at the date of this announcement, Putian Zhaoxi has paid RMB60,000,000 to the Putian Natural Resources Bureau as the security deposit for the Land.

On 23 June 2023, Putian Zhaoxi and Putian Lianxintai entered into the Cooperation Agreement, pursuant to which, among other things, Putian Zhaoxi and Putian Lianxintai agreed to form the Joint Venture for the acquisition of the land use rights of the Land, in which Putian Zhaoxi and Putian Lianxintai shall own 55% and 45% equity interests in the Joint Venture, respectively. The Joint Venture will become an indirect subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

The initial registered capital of the Joint Venture shall be RMB400,000,000. Pursuant to the terms of the Cooperation Agreement, the total capital commitment to be made by Putian Zhaoxi into the Joint Venture is expected to be RMB220,000,000, using self-owned funds of the Group.

#### **LISTING RULES IMPLICATIONS**

As C&D Inc. is a controlling shareholder of the Company and Lianfa Group is a subsidiary of C&D Inc., and Putian Lianxintai is a wholly-owned subsidiary of Lianfa Group, each of Lianfa Group and Putian Lianxintai is a connected person of the Company. As such, the transactions contemplated under the Cooperation Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Cooperation Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Cooperation Agreement is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Putian Zhaoxi, a wholly-owned subsidiary of the Company, successfully won the bid on 18 May 2023 for the land use rights of the Land which is located in the regulatory planning range of Bantou West Unit, Xialin Subdistrict, Chengxiang District, Putian City, east to Bantou Road and south to Shengli Road (Parcel No. PS-Pai-2022-04 (莆田市PS拍-2022-04號)) for a total consideration of RMB285,000,000. As at the date of this announcement, Putian Zhaoxi has paid RMB60,000,000 to the Putian Natural Resources Bureau as the security deposit for the Land.

## **COOPERATION AGREEMENT**

On 23 June 2023, Putian Zhaoxi and Putian Lianxintai entered into the Cooperation Agreement, pursuant to which, among other things, Putian Zhaoxi and Putian Lianxintai agreed to form the Joint Venture for the acquisition of the land use rights of the Land, in which Putian Zhaoxi and Putian Lianxintai shall own 55% and 45% equity interests in the Joint Venture, respectively.

The principal terms of the Cooperation Agreement are set out as follows:

### **Date**

23 June 2023 (after trading hours)

### **Parties**

- (1) Putian Zhaoxi
- (2) Putian Lianxintai

### **Capital commitment in the Joint Venture**

Putian Zhaoxi and Putian Lianxintai shall, within ten business days upon signing of the Cooperation Agreement, set up the Joint Venture based on the respective equity ratio of 55% and 45%. Both parties could transfer their respective equity interest in the Joint Venture to a designated joint venture company controlled by them respectively within one year after the establishment of the Joint Venture.

Upon the establishment of the Joint Venture, the initial registered capital of the Joint Venture shall be RMB400,000,000. Putian Zhaoxi and Putian Lianxintai shall contribute RMB220,000,000 and RMB180,000,000, respectively, according to their respective proportion in the equity interests in the Joint Venture. Putian Zhaoxi and Putian Lianxintai shall complete its contribution to the Joint Venture's registered capital by 30 September

2023. The Joint Venture shall enter into the supplemental agreement to the Land Use Rights Grant Contract with the Putian Natural Resources Bureau for acquisition of the land use rights of the Land by the Joint Venture.

The contribution to the Joint Venture's registered capital by Putian Zhaoxi and Putian Lianxintai will be used for the acquisition of the Land and its development. Putian Zhaoxi and Putian Lianxintai agreed that the subsequent development of the Joint Venture shall be preferentially self-financed. The total capital commitment of Putian Zhaoxi to the Joint Venture of RMB220,000,000 was determined after arm's length negotiation among the parties to the Cooperation Agreement with reference to the consideration and other expenses of the Land. The capital commitment of Putian Zhaoxi will be financed with the self-owned funds of the Group. The Directors considered that the amount of capital commitment payable by Putian Zhaoxi under the Cooperation Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Board composition**

The board of directors of the Joint Venture will consist of five directors, three of whom will be appointed by Putian Zhaoxi and two of whom will be appointed by Putian Lianxintai. All matters to be decided by the board of directors of the Joint Venture shall be by majority decision.

### **Supervisor**

The Joint Venture will not have a board of supervisors but will have two supervisors instead, and each of Putian Zhaoxi and Putian Lianxintai is entitled to appoint one supervisor.

### **Shareholders' voting mechanism**

At the shareholders' meeting of the Joint Venture, other than specific matters described in the Cooperation Agreement such as increase or decrease of registered capital, merger, separation, dissolution, liquidation or change of corporate form of the Joint Venture, which must be passed by at least two-thirds of the voting rights held by the shareholders of the Joint Venture, other matters are to be decided by simple majority of the votes cast by shareholders of the Joint Venture.

### **Completion**

Upon completion of the transactions contemplated under the Cooperation Agreement, Putian Zhaoxi will hold 55% equity interests in the Joint Venture. The Joint Venture will become an indirect subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

## **INFORMATION RELATING TO THE LAND**

The Land is located in the regulatory planning range of Bantou West Unit, Xialin Subdistrict, Chengxiang District, Putian City, east to Bantou Road and south to Shengli Road (Parcel No. PS-Pai-2022-04 (莆田市PS拍-2022-04號)), which is adjacent to Mulan River with relatively good river view and better overall quality. The Land has a total site

area of approximately 12,881.67 sq.m. and an estimated gross floor area of not exceeding approximately 47,662 sq.m.. As at the date of this announcement, Putian Zhaoxi has paid RMB60,000,000 to the Putian Natural Resources Bureau as the security deposit for the Land. The terms of the land use rights of the Land for residential, commercial and public administration & public service use are 70, 40 and 50 years, respectively.

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

Putian Zhaoxi is a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company and is principally engaged in the property investment and development businesses.

Putian Lianxintai is a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of Lianfa Group and is principally engaged in the property development and operation businesses.

## **APPROVAL BY THE BOARD**

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

## **REASONS FOR AND BENEFIT OF THE TRANSACTION**

The 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.

The entering into the Cooperation Agreement will enable the Group and Lianfa Group to collaborate in the process of developing the Land by leveraging their respective strengths to enhance the efficiency of land development and operation as well as the use of capital, therefore sharing its risks and benefits. The Directors believe that the joint development of the Land with Lianfa Group will enable more effective cost and quality control over the development of the Land, explore the advantages of brand synergy and further expand the influence of “C&D” as a brand.

The Directors (including the independent non-executive Directors) consider that the terms of the Cooperation Agreement are on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As C&D Inc. is a controlling shareholder of the Company and Lianfa Group is a subsidiary of C&D, Inc. and Putian Lianxintai is a wholly-owned subsidiary of Lianfa Group, each of Lianfa Group and Putian Lianxintai is a connected person of the Company. As such, the transactions contemplated under the Cooperation Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Cooperation Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Cooperation Agreement is subject to the reporting and announcement requirements, but is exempted 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:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“C&D Inc.”	Xiamen C&D Inc. (廈門建發股份有限公司), a joint stock company established in the PRC with limited liability listed on the Shanghai Stock Exchange (stock code: 600153) and a controlling shareholder of the Company
“Company”	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
“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
“Cooperation Agreement”	the cooperation agreement dated 23 June 2023 entered into between Putian Zhaoxi and Putian Lianxintai regarding, among other things, the formation of the Joint Venture
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries and, where the context so requires, includes its associates and joint ventures
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture”	the joint venture to be established by Putian Zhaoxi and Putian Lianxintai under the Cooperation Agreement
“Land”	a piece of land located in the regulatory planning range of Bantou West Unit, Xialin Subdistrict, Chengxiang District, Putian City, east to Bantou Road and south to Shengli Road (Parcel No. PS-Pai-2022-04 (莆田市PS拍-2022-04號)), with a total site area of approximately 12,881.67 sq.m. and an estimated gross floor area of not exceeding approximately 47,662 sq.m.

“Land Use Rights Grant Contract”	the State-owned Land Use Rights Grant Contract (國有土地使用權出讓合同) dated 1 June 2023 entered into between Putian Zhaoxi and the Putian Natural Resources Bureau regarding the acquisition of the Land
“Lianfa Group”	Lianfa Group Company Limited* (聯發集團有限公司), a company established in the PRC with limited liability and a subsidiary of C&D Inc.
“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
“Putian Lianxintai”	Putian Lianxintai Real Estate Co., Ltd.* (莆田聯欣泰置業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Lianfa Group
“Putian Zhaoxi”	Putian Zhaoxi Property Company Limited* (莆田兆璽置業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of HK\$0.1 each of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Hong Kong, 23 June 2023

*As at the date of this announcement, the executive Directors are Ms. Zhao Chengmin (Chairperson), Mr. Lin Weiguo (Chief Executive Officer), Mr. Tian Meitan and Mr. Peng Yong; the non-executive Directors are Mr. Huang Wenzhou, Ms. Ye Yanliu and Mr. Zheng Yongda; and the independent non-executive Directors are Mr. Wong Chi Wai, Mr. Wong Tat Yan, Paul, Mr. Chan Chun Yee and Mr. Dai Yiyi.*

\* For identification purposes only