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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 IN RELATION TO THE ACQUISITION OF 100% EQUITY INTERESTS IN XIAMEN JIANYAOYUE

THE XIAMEN JIANYAOYUE EQUITY TRANSFER AGREEMENTS

The Board is pleased to announce that on 26 September 2023, C&D Shenggao and Xiamen Zhaoyirong, indirect wholly-owned subsidiaries of the Company, entered into the Xiamen Jianyaoyue Equity Transfer Agreements with C&D Real Estate, pursuant to which C&D Real Estate agreed to sell and C&D Shenggao and Xiamen Zhaoyirong agreed to purchase 95% and 5% equity interests in Xiamen Jianyaoyue, respectively. The aggregate cash consideration under the Xiamen Jianyaoyue Equity Transfer Agreements shall be nil. C&D Shenggao and Xiamen Zhaoyirong shall also repay the shareholder's loan (principal and interest) in the amount of RMB699,150,842.36 (with reference to the date of this announcement and subject to adjustment) previously advanced by C&D Real Estate to Xiamen Jianyaoyue and the Project Company in accordance with the proportion of equity interests in Xiamen Jianyaoyue to be held by C&D Shenggao and Xiamen Zhaoyirong.

Upon completion of the transactions contemplated under the Xiamen Jianyaoyue Equity Transfer Agreements, C&D Shenggao and Xiamen Zhaoyirong will hold 95% and 5% equity interests in Xiamen Jianyaoyue, respectively. As such, each of Xiamen Jianyaoyue and the Project Company will become an indirect subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

C&D Real Estate, being a controlling shareholder of the Company, is a connected person of the Company. As such, the transactions contemplated under the Xiamen Jianyaoyue Equity Transfer Agreements constitute connected transactions 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 Xiamen Jianyaoyue Equity Transfer Agreements exceeds 0.1% but is less than 5%, the transactions contemplated under the Xiamen Jianyaoyue Equity Transfer 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

The Board is pleased to announce that on 26 September 2023, C&D Shenggao and Xiamen Zhaoyirong, indirect wholly-owned subsidiaries of the Company, entered into the Xiamen Jianyaoyue Equity Transfer Agreements with C&D Real Estate, pursuant to which C&D Real Estate agreed to sell and C&D Shenggao and Xiamen Zhaoyirong agreed to purchase 95% and 5% equity interests in Xiamen Jianyaoyue, respectively. The aggregate cash consideration under the Xiamen Jianyaoyue Equity Transfer Agreements shall be nil. C&D Shenggao and Xiamen Zhaoyirong shall also repay the shareholder's loan (principal and interest) in the amount of RMB699,150,842.36 (with reference to the date of this announcement and subject to adjustment) previously advanced by C&D Real Estate to Xiamen Jianyaoyue and the Project Company in accordance with the proportion of their respective equity interests in Xiamen Jianyaoyue to be held by C&D Shenggao and Xiamen Zhaoyirong.

XIAMEN JIANYAOYUE EQUITY TRANSFER AGREEMENTS

Date

26 September 2023

Parties

Vendor: C&D Real Estate

Purchasers: C&D Shenggao and Xiamen Zhaoyirong

Interests to be acquired

C&D Real Estate agreed to sell and C&D Shenggao and Xiamen Zhaoyirong agreed to purchase 95% and 5% equity interests in Xiamen Jianyaoyue, respectively.

Consideration

The aggregate cash consideration shall be nil. C&D Shenggao and Xiamen Zhaoyirong shall also repay the shareholder's loan (principal and interest) in the amount of RMB699,150,842.36 (with reference to the date of this announcement and subject to adjustment) previously advanced by C&D Real Estate to Xiamen Jianyaoyue and the Project Company in accordance with the proportion of equity interests in Xiamen Jianyaoyue to be held by C&D Shenggao and Xiamen Zhaoyirong. The shareholder's loan provided to Xiamen Jianyaoyue and the Project Company was mainly for the acquisition and development of the Land. C&D Shenggao and Xiamen Zhaoyirong shall repay C&D Real Estate the shareholder's loan after the satisfaction of the conditions precedent under the Xiamen Jianyaoyue Equity Transfer Agreements.

The cash consideration was determined based on arm's length negotiation among C&D Shenggao, Xiamen Zhaoyirong and C&D Real Estate with reference to the valuation of the total assets and liabilities of Xiamen Jianyaoyue conducted by Xiamen Qianyuan Asset Valuation and Property Valuation Company Limited* (廈門乾元資產評估與房地產估價有限責任公司), a third party independent of the Group and its connected persons. As at the benchmark date of 5 August 2023, the total assets of Xiamen Jianyaoyue was valued at RMB670,189,482.36, consisting of (i) net assets of RMB0 and (ii) total liabilities of RMB670,189,482.36. On the other hand, the shareholder's loan of RMB699,150,842.36 to be repaid by C&D Shenggao and Xiamen Zhaoyirong was determined based on the total amount of shareholder's loan (principal and interests) advanced by C&D Real Estate to Xiamen Jianyaoyue and the Project Company as at the date of this announcement, and subject to adjustment for any actual amount incurred for the period from the date of this announcement to the completion of the transactions contemplated under Xiamen Jianyaoyue Equity Transfer Agreements. The valuation of Xiamen Jianyaoyue has been prepared based on the asset-based approach, and assuming that Xiamen Jianyaoyue will continue to operate and the assets and liabilities of Xiamen Jianyaoyue will be evaluated by specific assessment method corresponding to such assets and liabilities. The appraised value of the equity interests of Xiamen Jianyaoyue was determined based on the difference between the appraised value of the total assets and the total liabilities.

The Directors consider that the aggregate consideration under the Xiamen Jianyaoyue Equity Transfer Agreements is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The valuation of the entire equity interest in Xiamen Jianyaoyue as at the benchmark date is subject to the completion of the filing or approval procedures for the valuation of state-owned assets in accordance with the relevant regulations on state-owned asset transactions.

COMPLETION

Upon completion of the transactions contemplated under the Xiamen Jianyaoyue Equity Transfer Agreements, C&D Shenggao and Xiamen Zhaoyirong will hold 95% and 5% equity interests in Xiamen Jianyaoyue, respectively. As such, Xiamen Jianyaoyue and the Project Company will become an indirect subsidiary of the Company, respectively, and their financial results will be consolidated into the financial statements of the Company.

CAPITAL COMMITMENT

C&D Shenggao and Xiamen Zhaoyirong will finance the total consideration in the sum of approximately RMB699,150,842.36 (subject to adjustment) under the Xiamen Jianyaoyue Equity Transfer Agreements by internal resources of the Group.

INFORMATION OF XIAMEN JIANYAOYUE AND THE PROJECT COMPANY

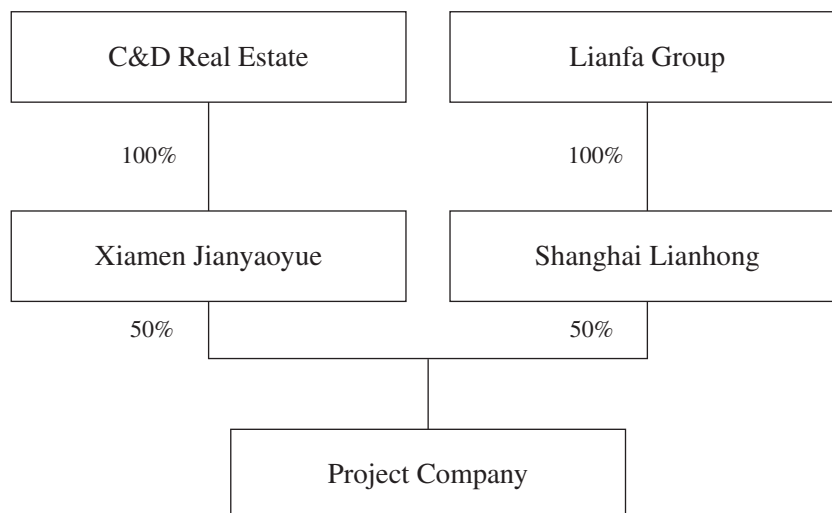
Xiamen Jianyaoyue is a company established with limited liability in the PRC on 8 June 2021, and is principally engaged in real estate development and operation. Xiamen Jianyaoyue has a registered capital of RMB1,000,000. As at the date of this announcement, C&D Real Estate subscribed for RMB1,000,000 and holds its entire equity interest.

The Project Company is a company established with limited liability in the PRC on 20 July 2023 with a registered capital of RMB1,336,510,000, which was fully subscribed by its shareholders, whereby each of Xiamen Jianyaoyue and Shanghai Lianhong subscribed for RMB668,255,000 and holds 50% of its equity interest. Shanghai Lianhong is a wholly-owned subsidiary of Lianfa Group, while Lianfa Group is a subsidiary of Xianen C&D Inc. (“C&D Inc.”), a controlling shareholder of the Company. The Project Company is the main entity for the development of the Land.

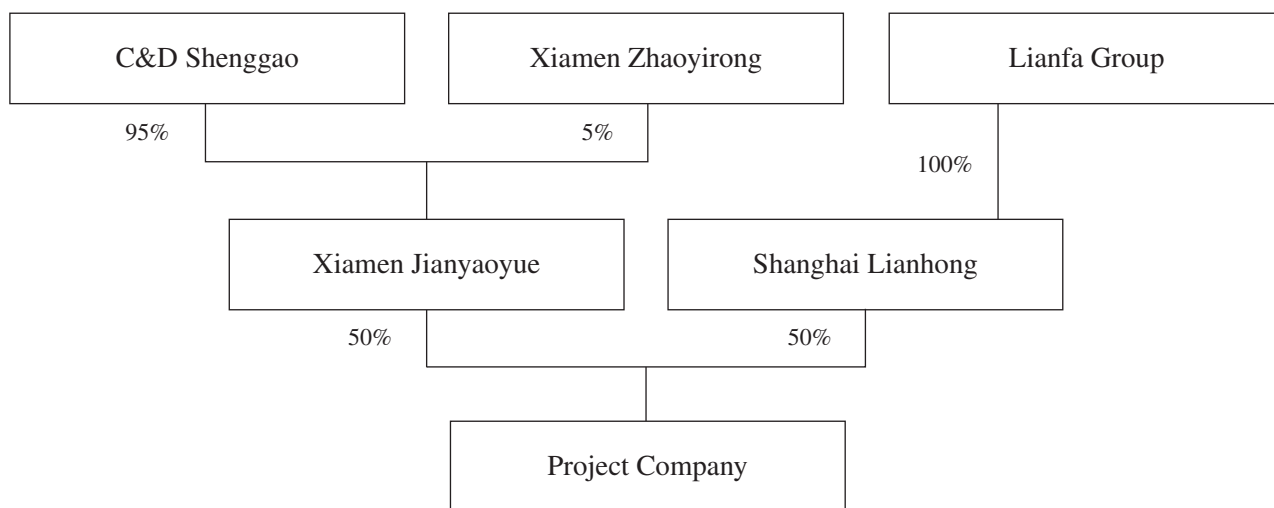
As at the date of this announcement, the paid-in registered capital of each of Xiamen Jianyaoyue and the Project Company was nil.

The shareholding structures of Xiamen Jianyaoyue and the Project Company immediately before and upon completion of the transactions contemplated under the Xiamen Jianyaoyue Equity Transfer Agreements are as follows:

Immediately before completion of the transactions contemplated under the Xiamen Jianyaoyue Equity Transfer Agreements



Immediately upon completion of the transactions contemplated under the Xiamen Jianyaoyue Equity Transfer Agreements



Set out below is certain financial information of Xiamen Jianyaoyue:

	As at 31 December 2021 RMB'000	As at 31 December 2022 RMB'000
Total assets	1,140	317
Net assets	61	109
	For the year ended 31 December 2021 RMB'000	For the year ended 31 December 2022 RMB'000
Net profit before taxation	865	63
Net profit after taxation	649	47

INFORMATION ABOUT THE LAND

On 13 July 2023, the tender consortium formed by Xiamen Jianyaoyue and Shanghai Lianhong for the purpose of jointly submitting a bid for the acquisition of the land use rights of the Land successfully won the bid for the auction for the land use rights of the Land, and the Project Company entered into a supplemental contract in respect of the Land Use Rights Grant Contract with Shanghai Pudong New District Planning and Natural Resources Bureau (上海市浦東新區規劃和自然資源局) on 4 August 2023, pursuant to which the Project Company acquired the land use rights of the Land at the consideration of RMB1,336,510,000. As at the date of this announcement, the Project Company fully settled the land consideration of RMB1,336,510,000 for the Land using the shareholder's loan provided by C&D Real Estate and Shanghai Lianhong. The Land is the major asset held by the Project Company.

The Land is located at a plot (Land Number: Lot 15-01 Cao Road Base, Pudong New Area) at Cao Road, Pudong New Area, Shanghai, the PRC, which is considered as an ideal location in general, as the Land is in proximity to Jinqiao, Tangzhen and other popular areas, with more mature ancillary facilities, including schools, shopping malls, hospitals, and planned subway routes, etc. The Land has a site area of approximately 23,555.9 sq.m. and an estimated plot ratio floor area of not more than approximately 47,111.8 sq.m. for residential use. The term of the land use rights of the Land for residential use is 70 years.

The Land will be a single phase residential development project, with construction work expected to commence no later than December 2023, pre-sale campaigns expected to commence no later than May 2024, and construction work expected to be completed no later than December 2025. The actual schedule for the construction works, pre-sale campaign and completion of the Land may be subject to change based on actual circumstances.

INFORMATION ABOUT THE PARTIES TO THE XIAMEN JIANYAOYUE EQUITY TRANSFER AGREEMENTS

C&D Shenggao is a company established with limited liability in the PRC and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the property investment and development businesses.

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

C&D Real Estate is a company established with limited liability in the PRC, and is a controlling shareholder of the Company holding 1,050,425,743 Shares, representing approximately 56.91% of the issued share capital of the Company as at the date of this announcement. 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 C&D Inc., the shares of which are listed on the Shanghai Stock Exchange (stock code: 600153) and Xiamen C&D Corporation Limited (“**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 54.85% and 45.15%, 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 controlling

shareholder of C&D Real Estate and holds 100% equity interests in Xiamen C&D. C&D Inc. is principally engaged in supply chain operation, real estate development and industrial investment, etc..

REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE XIAMEN JIANYAOYUE EQUITY TRANSFER AGREEMENTS

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.

Given that (1) Shanghai is a first-tier city in the PRC with well-developed urban ancillary facilities and abundant medical and education resources, the demand for real estate in Shanghai remained robust, and its real estate market is less volatile and more risk-resistant; and (2) the comprehensive ancillary facilities surrounding the Land allows it to have better development potential, and the acquisition of Xiamen Jianyaoyue can further expand the Group's land bank and enhance the Group's brand influence in the Shanghai and the PRC market, the Directors (including the independent non-executive Directors) are of the view that the entering into of the Xiamen Jianyaoyue Equity Transfer Agreements will benefit the expansion of the Group's real estate development business, and the terms of the Xiamen Jianyaoyue Equity Transfer Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

C&D Real Estate, being a controlling shareholder of the Company, is a connected person of the Company. As such, the transactions contemplated under the Xiamen Jianyaoyue Equity Transfer Agreements constitute connected transactions 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 Xiamen Jianyaoyue Equity Transfer Agreements exceeds 0.1% but is less than 5%, the transactions contemplated under the Xiamen Jianyaoyue Equity Transfer 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.

None of the Directors had a material interest in the transactions contemplated under the Xiamen Jianyaoyue Equity Transfer Agreements and abstained from voting on the relevant Board resolution.

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
“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 the Company, which holds approximately 56.91% of the issued share capital of the Company as at the date of this announcement
“C&D Shenggao”	Shanghai C&D Shenggao Enterprise Development Co., Ltd.* (上海建發盛高企業發展有限公司), a company established with limited liability in the PRC and an indirect wholly-owned subsidiary 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
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a plot (Land number: Lot 15-01 Cao Road Base, Pudong New Area) at Cao Road, Pudong New Area, Shanghai, the PRC, with a site area of approximately 23,555.9 sq.m. and an estimated plot ratio floor area of not more than approximately 47,111.8 sq.m. for residential use
“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 13 July 2023 entered into by Xiamen Jianyaoyue and Shanghai Lianhong with Shanghai Pudong New District Planning and Natural Resources Bureau (上海市浦東新區規劃和自然資源局) 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
“Project Company”	Shanghai Zhaozhi Real Estate Development Co., Ltd.* (上海兆至房地產開發有限公司), a company established with limited liability in the PRC on 20 July 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Lianhong”	Shanghai Lianhong Chuangsheng Real Estate Co., Ltd.* (上海聯泓房地產開發有限公司), a company established with limited liability in the PRC and a wholly-owned subsidiary of Lianfa Group
“Share(s)”	the ordinary share(s) of HK\$0.1 each of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xiamen Jianyaoyue”	Xiamen Jianyaoyue Real Estate Development Co., Ltd.* (廈門建壹悅房地產開發有限公司), a company established with limited liability in the PRC on 8 June 2021
“Xiamen Jianyaoyue Equity Transfer Agreements”	the equity transfer agreements entered into by C&D Real Estate with each of C&D Shenggao and Xiamen Zhaoyirong dated 26 September 2023, pursuant to which C&D Real Estate agreed to sell and C&D Shenggao and Xiamen Zhaoyirong agreed to purchase 95% and 5% equity interests in Xiamen Jianyaoyue, respectively
“Xiamen Zhaoyirong”	Xiamen Zhaoyirong Property Development Company Limited* (廈門兆翊蓉房地產開發有限公司), a company established with limited liability in the PRC and an indirect wholly-owned subsidiary of the Company

“%”

per cent.

By order of the Board
C&D International Investment Group Limited
建發國際投資集團有限公司
Lin Weiguo
Executive director and Chief Executive Officer

Hong Kong, 26 September 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 purpose only*