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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)

DISCLOSEABLE AND CONNECTED TRANSACTION FORMATION OF JOINT VENTURE IN RELATION TO LAND IN PUTIAN

COOPERATION AGREEMENT

Putian Lianxintai successfully won the bid on 17 November 2023 for the auction for the land use rights of the Land which is located in the regulatory planning range of Yuhu Subdistrict, Licheng District, Putian City, PRC, with Baicheng Road to the east, Lihu Road to the south, Planning Road to the west, and Yuhu Road Green Belt to the north (Parcel No.: Putian PS-Pai-2023-12 (莆田市PS拍-2023-12號)) for a total consideration of RMB530,000,000.

On 21 December 2023, Putian Zhaoxi (a wholly-owned subsidiary of the Company) and Putian Lianxintai entered into the Cooperation Agreement, pursuant to which, among other things, Putian Zhaoxi agreed to acquire 45% of the equity interest in the Joint Venture from Putian Lianxintai to jointly develop the Land through the Joint Venture.

Upon completion of the transactions under the Cooperation Agreement, Putian Zhaoxi and Putian Lianxintai shall own 45% and 55% equity interests in the Joint Venture, respectively. The Joint Venture will become an associate of the Company and its financial results will be incorporated into the consolidated financial statements of the Company using the equity method.

The initial registered capital of the Joint Venture was RMB530,000,000. Pursuant to the Cooperation Agreement, the total capital commitment to be made by Putian Zhaoxi into the Joint Venture is expected to be RMB238,500,000, which will be funded by self-owned funds of the Group.

LISTING RULES IMPLICATIONS

As Xiamen C&D is a controlling shareholder of the Company and Lianfa Group is a subsidiary of Xiamen C&D, 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 and the Previous Transactions (as aggregated) exceeds 5% but is less than 25%, the transactions contemplated under the Cooperation Agreement, when aggregated with the Previous Transactions, is subject to the reporting, announcement requirements and the independent shareholders' approval requirement.

Xiamen C&D (which was interested in 1,057,020,743 issued Shares, representing approximately 57.27% of the issued share capital as at the date of this announcement) and its associates shall abstain from voting on the proposed resolution(s) to approve the transactions contemplated under the Cooperation Agreement at the EGM. Save for the aforesaid and to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, no other Shareholder is interested in the transactions contemplated under the Cooperation Agreement.

GENERAL

The Independent Board Committee will be established to advise the Independent Shareholders on the transactions contemplated under the Cooperation Agreement. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Cooperation Agreement are fair and reasonable, and the transactions contemplated under the Cooperation Agreement are on normal commercial terms or better, in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole.

The Company will despatch a circular to its Shareholders on or before 8 February 2024, which is more than 15 business days after publication of this announcement, as the Company requires more time to prepare the information to be included in the circular.

INTRODUCTION

Putian Lianxintai successfully won the bid on 17 November 2023 for the land use rights of the Land which is located in the regulatory planning range of Yuhu Subdistrict, Licheng District, Putian City, PRC, with Baicheng Road to the east, Lihu Road to the south, Planning Road to the west, and Yuhu Road Green Belt to the north (Parcel No.: Putian PS-Pai-2023-12 (莆田市PS拍-2023-12號)) for a total consideration of RMB530,000,000.

COOPERATION AGREEMENT

On 21 December 2023, Putian Zhaoxi (a wholly-owned subsidiary of the Company) and Putian Lianxintai entered into the Cooperation Agreement, pursuant to which, among other things, Putian Zhaoxi agreed to acquire 45% of the equity interest in the Joint Venture from Putian Lianxintai to jointly develop the Land through the Joint Venture. Upon completion of the transactions under the Cooperation Agreement, Putian Zhaoxi and Putian Lianxintai shall own 45% and 55% equity interests in the Joint Venture, respectively.

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

Date

21 December 2023 (after trading hours)

Parties

(1) Putian Zhaoxi; and

(2) Putian Lianxintai

Conditions precedent

Completion is conditional upon the Company obtaining all necessary approvals from competent approving authorities for the development of the Land with Putian Lianxintai, including the completion of the state-owned asset valuation filing or verification process in accordance with relevant regulations on state-owned asset transactions, as well as obtaining independent Shareholders' approval required by the Listing Rules.

Capital commitment in the Joint Venture

On 5 December 2023, the Joint Venture was established by Putian Lianxintai as the main entity for the development of the Land with an initial registered capital of RMB530,000,000 which was fully subscribed by Putian Lianxintai. Putian Lianxintai has the right to transfer its equity interest in the Joint Venture to its designated subsidiary within one year after the establishment of the Joint Venture. The Joint Venture entered into the Land Use Rights Grant Contract with Putian Natural Resources Bureau for acquisition of the land use rights of the Land by the Joint Venture on 15 December 2023.

Putian Zhaoxi shall pay RMB49,500,000 (being the amount of security deposit Putian Zhaoxi shall bear for the Land), as well as the balance of its capital commitment in the Joint Venture to Putian Lianxintai and corresponding interest (if any) as cooperation intention payment by 28 December 2023, provided that a guarantee is provided by Putian Lianxintai's holding company for such amounts. If the Company's competent approving authorities does not approve the Cooperation Agreement, Putian Zhaoxi has the right to terminate the Cooperation Agreement, and Putian Lianxintai shall refund the cooperation intention payment and corresponding interest (if any) to Putian Zhaoxi within 5 days from the date of termination of the Cooperation Agreement.

Within 10 working days after the conditions precedent have been fulfilled, Putian Lianxintai shall transfer 45% of its equity interest in the Joint Venture to Putian Zhaoxi at a consideration equivalent to the paid-up registered capital, subject to the appraisal value as approved or filed.

After completing the abovementioned transfer, Putian Zhaoxi and Putian Lianxintai shall own 45% and 55% equity interests in the Joint Venture, respectively, and contribute RMB238,500,000 and RMB291,500,000, respectively, according to their respective proportion in the equity interest in the Joint Venture. The cooperation intention payment paid by Putian Zhaoxi shall be considered as capital commitment made by it. Putian Zhaoxi and Putian Lianxintai shall complete its contribution to the Joint Venture's registered capital by 31 March 2024.

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 RMB238,500,000 payable by Putian Zhaoxi 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 funded by self-owned funds of the Group.

Management

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

The Joint Venture does not have a board of supervisors but has two supervisors instead, and each of Putian Zhaoxi and Putian Lianxintai shall 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 change of registered capital, merger, separation, dissolution, liquidation or change of corporate form of the Joint Venture, amendment to the articles of association, 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 45% equity interests in the Joint Venture. The Joint Venture will become an associate of the Company and its financial results will be incorporated into the consolidated financial statements of the Company using the equity method.

INFORMATION RELATING TO THE LAND

The Land is located in the regulatory planning range of Yuhu Subdistrict, Licheng District, Putian City, PRC, with Baicheng Road to the east, Lihu Road to the south, Planning Road to the west, and Yuhu Road Green Belt to the north (Parcel No.: Putian PS-Pai-2023-12 (莆田市PS拍-2023-12號)). The Land is located in the Yuhu development zone of Putian City, with a river view in the south and a lake view in the northeast, and surrounded by schools, shopping malls, hospitals and parks, indicating good overall infrastructure. The Land has a total site area of approximately 18,681.13 sq.m. and an estimated gross floor area of not exceeding approximately 74,724 sq.m.. As at the date of this announcement, Putian Lianxintai has paid RMB110,000,000 to Putian Natural Resources Bureau as the security deposit for the Land. The terms of the land use rights of the Land for residential and commercial use are 70 and 40 years, respectively.

INFORMATION ABOUT PARTIES TO THE COOPERATION AGREEMENT

Putian Zhaoxi is a company established in the PRC with limited liability on 26 October 2018, an indirect wholly-owned subsidiary of the Company and is principally engaged in the property development and operation businesses.

Putian Lianxintai is a company established in the PRC with limited liability on 18 August 2016, 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 approving the transactions contemplated under the Cooperation Agreement.

REASONS FOR AND BENEFIT OF THE TRANSACTIONS CONTEMPLATED UNDER THE COOPERATION AGREEMENT

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.

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 (excluding the independent non-executive Directors who will express their opinions after considering the advice from the Independent Financial Adviser) consider that the transactions contemplated under the Cooperation Agreement are on normal commercial terms, the terms as set out in such agreement are fair and reasonable and 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 Xiamen C&D is a controlling shareholder of the Company and Lianfa Group is a subsidiary of Xiamen C&D 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 and the Previous Transactions (as aggregated) exceeds 5% but is less than 25%, the transactions contemplated under the Cooperation Agreement, when aggregated with the Previous Transactions, is subject to the reporting, announcement requirements and the independent shareholders' approval requirement.

Xiamen C&D (which was interested in 1,057,020,743 issued Shares, representing approximately 57.27% of the issued share capital as at the date of this announcement) and its associates shall abstain from voting on the proposed resolution(s) to approve the transactions contemplated under the Cooperation Agreement at the EGM. Save for the aforesaid and to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, no other Shareholder is interested in the transactions contemplated under the Cooperation Agreement.

GENERAL

The Independent Board Committee will be established to advise the Independent Shareholders on the transactions contemplated under the Cooperation Agreement. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Cooperation Agreement are fair and reasonable, and the transactions contemplated under the Cooperation Agreement are on normal commercial terms or better, in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole.

The Company will despatch a circular to its Shareholders on or before 8 February 2024, which is more than 15 business days after publication of this announcement, as the Company requires more time to prepare the information to be included in the circular.

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
“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 21 December 2023 entered into between Putian Zhaoxi and Putian Lianxintai regarding, among other things, the formation of the Joint Venture and the acquisition of equity interest in the Joint Venture by Putian Zhaoxi
“Director(s)”	the director(s) of the Company
“Dongguan Zhaoxi”	Dongguan Zhaoxi Real Estate Development Co., Ltd.* (東莞市兆禧房地產開發有限公司), a company established in the PRC with limited liability
“EGM”	an extraordinary general meeting to be held by the Company to approve, among other things, the transactions contemplated under the Cooperation Agreement
“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
“Independent Board Committee”	an independent Board committee comprising all the independent non-executive Directors, which will be formed to advise the Independent Shareholders on the Cooperation Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who, under the Listing Rules, are not required to abstain from voting for the resolutions approving the Cooperation Agreement and the transactions contemplated thereunder

“Joint Venture”	Putian Lianzhaorun Real Estate Co., Ltd.* (莆田聯兆潤置業有限公司), a company established in the PRC with limited liability
“Land”	a piece of land located in the regulatory planning range of Yuhu Subdistrict, Licheng District, Putian City, PRC, with Baicheng Road to the east, Lihu Road to the south, Planning Road to the west, and Yuhu Road Green Belt to the north (Parcel No.: Putian PS-Pai-2023-12 (莆田市PS拍-2023-12號)), with a total site area of approximately 18,681.13 sq.m. and an estimated gross floor area of not exceeding approximately 74,724 sq.m.
“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 Xiamen C&D
“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 only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Transactions”	the transactions under (i) the cooperation agreement dated 11 September 2023 entered into between Xiamen Hongyaoyi and Shenzhen Lianyue regarding, among other things, the transfer of equity interest in Dongguan Zhaoxi; and (ii) the cooperation agreement dated 23 June 2023 entered into between Putian Zhaoxi and Putian Lianxintai regarding, among other things, the formation of a joint venture to develop a land in Putian
“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

“Shenzhen Lianyue”	Shenzhen Lianyue Real Estate Development Co., Ltd.* (深圳聯粵房地產開發有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Lianfa Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Xiamen C&D”	Xiamen C&D Corporation Limited* (廈門建發集團有限公司), a company established in the PRC with limited liability and the controlling shareholder of the Company
“Xiamen Hongyaoyi”	Xiamen Hongyaoyi Real Estate Development Co., Ltd.* (廈門市泓垚翊房地產開發有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 21 December 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*