

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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 100% EQUITY INTERESTS IN FUZHOU ZHAOZHEN

FUZHOU ZHAOZHEN EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that on 9 January 2024, Hangzhou Zhaorui, an indirect wholly-owned subsidiary of the Company, entered into the Fuzhou Zhaozhen Equity Transfer Agreement with Fuzhou Zhaoxing, pursuant to which Fuzhou Zhaoxing agreed to sell and Hangzhou Zhaorui agreed to purchase 100% equity interests in Fuzhou Zhaozhen. The aggregate cash consideration under the Fuzhou Zhaozhen Equity Transfer Agreement shall be RMB29,131,248.69. Hangzhou Zhaorui shall also repay the shareholder's loan (principal and interest) in the amount of RMB1,192,742,292 (with reference to the date of this announcement and subject to adjustment) previously advanced by Fuzhou Zhaoxing to Fuzhou Zhaozhen.

Upon completion of the transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement, Hangzhou Zhaorui will hold 100% equity interests in Fuzhou Zhaozhen. As such, Fuzhou Zhaozhen 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 is a controlling shareholder of the Company and Fuzhou Zhaoxing is a wholly-owned subsidiary of C&D Real Estate, Fuzhou Zhaoxing is therefore a connected person of the Company. The transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement is required to be aggregated with the Previous Transactions. As one or more of the applicable percentage ratios in respect of the Aggregated Transactions is more than 5% but less than 25%, the Aggregated Transactions constitute a discloseable and connected transaction of the Company under the Listing Rules and are subject to the reporting, announcement and independent shareholders' approval requirements.

C&D Real Estate (which held 1,058,436,743 issued Shares, representing approximately 55.83% of the issued share capital of the Company 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 Fuzhou Zhaozhen Equity Transfer Agreement. 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 Fuzhou Zhaozhen Equity Transfer Agreement.

GENERAL

An Independent Board Committee will be established to consider and advise the Independent Shareholders on the transactions contemplated under the Fuzhou Zhaozhen Equity Transfer 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 Fuzhou Zhaozhen Equity Transfer Agreement are fair and reasonable, and the transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement are entered into 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 20 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

The Board is pleased to announce that on 9 January 2024, Hangzhou Zhaorui, an indirect wholly-owned subsidiary of the Company, entered into the Fuzhou Zhaozhen Equity Transfer Agreement with Fuzhou Zhaoxing, pursuant to which Fuzhou Zhaoxing agreed to sell and Hangzhou Zhaorui agreed to purchase 100% equity interests in Fuzhou Zhaozhen. The aggregate cash consideration under the Fuzhou Zhaozhen Equity Transfer Agreement shall be RMB29,131,248.69. Hangzhou Zhaorui shall also repay the shareholder's loan (principal and interest) in the amount of RMB1,192,742,292 (with reference to the date of this announcement and subject to adjustment) previously advanced by Fuzhou Zhaoxing to Fuzhou Zhaozhen.

FUZHOU ZHAOZHEN EQUITY TRANSFER AGREEMENT

Date

9 January 2024

Parties

Vendor: Fuzhou Zhaoxing

Purchaser: Hangzhou Zhaorui

Interests to be acquired

Fuzhou Zhaoxing agreed to sell and Hangzhou Zhaorui agreed to purchase 100% equity interests in Fuzhou Zhaozhen.

Consideration

The aggregate cash consideration shall be RMB29,131,248.69. Hangzhou Zhaorui shall also repay the shareholder's loan (principal and interest) in the amount of RMB1,192,742,292 (with reference to the date of this announcement and subject to adjustment) previously advanced by Fuzhou Zhaoxing to Fuzhou Zhaozhen in accordance with the proportion of equity interests in Fuzhou Zhaozhen to be held by Hangzhou Zhaorui. The shareholder's loan provided to Fuzhou Zhaozhen was mainly for the acquisition of the Land. Hangzhou Zhaorui shall pay the cash consideration and repay the shareholder's loan to Fuzhou Zhaoxing after the satisfaction of the conditions precedent under the Fuzhou Zhaozhen Equity Transfer Agreement.

The cash consideration was determined based on arm's length negotiation among Hangzhou Zhaorui and Fuzhou Zhaoxing with reference to the valuation of the total assets and liabilities of Fuzhou Zhaozhen conducted by Xiamen Dacheng Fanghua Assets Appraisal Land Real Estate Assessment Co., Ltd.* (廈門大成方華資產評估土地房地產估價有限公司), a third party independent of the Company and its connected persons. As at the benchmark date of 12 December 2023, the total assets of Fuzhou Zhaozhen was valued at RMB440,522,405.33, consisting of (i) net assets of RMB29,131,248.69 and (ii) total liabilities of RMB411,391,156.64. On the other hand, the shareholder's loan of RMB1,192,742,292 to be repaid by Hangzhou Zhaorui was determined based on the total amount of shareholder's loan (principal and interests) advanced by Fuzhou Zhaoxing to Fuzhou Zhaozhen 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 Fuzhou Zhaozhen Equity Transfer Agreement. The valuation of Fuzhou Zhaozhen was prepared based on the asset-based approach, and assuming that Fuzhou Zhaozhen will continue to operate and the assets and liabilities of Fuzhou Zhaozhen will be evaluated by specific assessment method corresponding to such assets and liabilities. The appraised value of the equity interests of Fuzhou Zhaozhen was determined based on the difference between the appraised value of the total assets and the total liabilities.

Conditions precedent

The valuation of the entire equity interest in Fuzhou Zhaozhen 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.

The transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement is subject to the Independent Shareholders' approval required under the Listing Rules.

COMPLETION

Upon completion of the transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement, Hangzhou Zhaorui will hold 100% equity interests in Fuzhou Zhaozhen. As such, Fuzhou Zhaozhen will become an indirect subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

CAPITAL COMMITMENT

Hangzhou Zhaorui will finance the total consideration in the sum of approximately RMB1,221,873,540.69 (with reference to the date of this announcement and subject to adjustment) under the Fuzhou Zhaozhen Equity Transfer Agreement by internal resources of the Group.

INFORMATION OF FUZHOU ZHAOZHEN

Fuzhou Zhaozhen is a company established with limited liability in the PRC on 29 August 2017, and is principally engaged in real estate development and operation. Fuzhou Zhaozhen has a registered capital of RMB660,000,000. As at the date of this announcement, the registered capital of Fuzhou Zhaozhen subscribed and paid-in by Fuzhou Zhaoxing was RMB660,000,000 and RMB660,000,000, respectively; and Fuzhou Zhaoxing holds Fuzhou Zhaozhen's entire equity interests. The Land is the major asset held by Fuzhou Zhaozhen. Fuzhou Zhaozhen also holds certain unsold car parking spaces at another property development project in Fuzhou developed by it, which was completed in November 2020.

Set out below is certain financial information of Fuzhou Zhaozhen:

	As at 31 December 2021 RMB'000	As at 31 December 2022 RMB'000	As at 12 December 2023 RMB'000
Total assets	1,059,537	99,779	434,203
Net assets	(642,744)	(613,540)	22,812

	For the year ended 31 December 2021 <i>RMB'000</i>	For the year ended 31 December 2022 <i>RMB'000</i>	For the period from 1 January 2023 to 12 December 2023 <i>RMB'000</i>
Net profit before taxation	150,931	29,205	14,162
Net profit after taxation	129,277	29,205	56,352*

* Due to over provision of income tax in respect of prior years

INFORMATION ABOUT THE LAND

On 18 November 2023, Fuzhou Zhaozhen successfully won the bid for the auction for the land use rights of the Land, and Fuzhou Zhaozhen entered into the Land Use Rights Grant Contract on 28 November 2023, pursuant to which Fuzhou Zhaozhen acquired the land use rights of the Land at the consideration of RMB2,375,000,000. As at the date of this announcement, Fuzhou Zhaozhen paid the first instalment of land consideration of RMB1,187,500,000 for the Land, and the consideration for the acquisition of the land use rights of the Land was not fully settled.

The Land is located at a plot granted in Gaogong Community on the east side of Dongshui Road and the north side of Fuxin Road in Gulou District, Fuzhou, Fujian Province, the PRC (Land Number: 2023-40). It is situated in the prime location of the main urban area of Fuzhou City, with excellent amenities, close proximity to high-quality schools and medical resources and great development potential. The Land has a site area of approximately 24,660 sq.m. and an estimated plot ratio floor area of not more than approximately 61,650 sq.m. for residential and commercial uses. The terms of the land use rights of the Land for residential and commercial uses are 70 years and 40 years, respectively.

The Land will be a single phase residential development project, with construction work expected to commence no later than May 2024, pre-sale campaigns expected to commence no later than December 2024, and construction work expected to be completed no later than March 2027. 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 FUZHOU ZHAOZHEN EQUITY TRANSFER AGREEMENT

Hangzhou Zhaorui 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 development and operation businesses.

Fuzhou Zhaoxing is a company established with limited liability in the PRC, a wholly-owned subsidiary of C&D Real Estate and is principally engaged in the property development and operation businesses.

C&D Real Estate is a company established with limited liability in the PRC, and is a controlling shareholder of the Company holding 1,058,436,743 Shares, representing approximately 55.83% 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, investment, etc. As at the date of this announcement, C&D Real Estate was owned by Xiamen 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. Xiamen 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. Xiamen C&D Inc. is principally engaged in supply chain operation, real estate development, industrial investment, etc.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE FUZHOU ZHAOZHEN EQUITY TRANSFER 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.

Given that (1) the Land is located in a prime area with excellent educational and medical resources and great development potential; (2) acquisition of the Land will allow the Group to further increase its scale of land reserves and enhance its brand influence in the Fuzhou and PRC markets, the Directors (excluding the independent non-executive Directors who will express their opinions after considering the advice from the independent financial adviser) are of the view that the entering into of the Fuzhou Zhaozhen Equity Transfer Agreement will benefit the expansion of the Group’s real estate development business, and the transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement are entered into on normal commercial terms in the ordinary and usual course of business of the Group, and the terms as contained thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

C&D Real Estate is a controlling shareholder of the Company and Fuzhou Zhaoxing is a wholly-owned subsidiary of C&D Real Estate, Fuzhou Zhaoxing is therefore a connected person of the Company. The transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement are required to be aggregated with the Previous Transactions. As one or more of the applicable percentage ratios in respect of the Aggregated Transactions is more than 5% but less than 25%, the Aggregated Transactions constitute a discloseable and connected transaction of the Company under the Listing Rules and are subject to the reporting, announcement and independent shareholders' approval requirements.

C&D Real Estate (which held 1,058,436,743 issued Shares, representing approximately 55.83% of the issued share capital of the Company 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 Fuzhou Zhaozhen Equity Transfer Agreement. 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 Fuzhou Zhaozhen Equity Transfer Agreement.

GENERAL

An Independent Board Committee will be established to consider and advise the Independent Shareholders on the transactions contemplated under the Fuzhou Zhaozhen Equity Transfer 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 Fuzhou Zhaozhen Equity Transfer Agreement are fair and reasonable, and the transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement are entered into 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 20 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:

“Aggregated Transactions”	collectively, the Previous Transactions and the transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement
“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 55.83% of the issued share capital of the Company as at the date of this announcement
“C&D Real Estate Chengdu”	C&D Real Estate Group Chengdu Co., Ltd.* (建發房地產集團成都有限公司), a company established in the PRC with limited liability, and a wholly-owned subsidiary of C&D Real Estate
“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
“Chengdu Zhaorongsheng”	Chengdu Zhaorongsheng Real Estate Development Company Limited* (成都兆蓉晟房地產開發有限公司), a company established with limited liability in the PRC on 23 August 2023
“Chengdu Zhaorongsheng Equity Transfer Agreement”	the equity transfer agreement entered into by C&D Real Estate Chengdu with Chengdu Zhaoxinlin dated 6 November 2023, pursuant to which C&D Real Estate Chengdu agreed to sell and Chengdu Zhaoxinlin agreed to acquire 100% equity interests in Chengdu Zhaorongsheng
“Chengdu Zhaoxinlin”	Chengdu Zhaoxinlin Real Estate Development Company Limited* (成都兆欣麟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
“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
“Fujian Zhaorun”	Fujian Zhaorun Real Estate Co., Ltd.* (福建兆潤房地產有限公司), a company established with limited liability in the PRC on 29 August 2014

“Fujian Zhaorun Equity Transfer Agreements”	the equity transfer agreements dated 6 December 2022 between Yi Yue and C&D Real Estate, between Yi Yue and Xiamen Liyuan, and between Xiamen Zhaoyirong and Xiamen Liyuan, respectively, pursuant to which, C&D Real Estate and Xiamen Liyuan agreed to sell, and Yi Yue and Xiamen Zhaoyirong agreed to acquire 95% and 5% equity interests in Fujian Zhaorun, respectively
“Fuzhou Zhaoxing”	Fuzhou Zhaoxing Real Estate Development Co., Ltd.* (福州兆興房地產開發有限公司), a company established with limited liability in the PRC and a wholly-owned subsidiary of C&D Real Estate
“Fuzhou Zhaozhen”	Fuzhou Zhaozhen Real Estate Development Co., Ltd. * (福州兆臻房地產開發有限公司), a company established with limited liability in the PRC on 29 August 2017
“Hangzhou Zhaorui”	Hangzhou Zhaorui Real Estate Co., Ltd.* (杭州兆瑞房地產有限公司), a company established with limited liability in the PRC and an indirect wholly-owned subsidiary of the Company
“Fuzhou Zhaozhen Equity Transfer Agreement”	the equity transfer agreement entered into by Fuzhou Zhaoxing with Hangzhou Zhaorui dated 9 January 2024, pursuant to which Fuzhou Zhaoxing agreed to sell and Hangzhou Zhaorui agreed to acquire 100% equity interests in Fuzhou Zhaozhen
“Group”	the Company and its subsidiaries
“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 transactions contemplated under the Fuzhou Zhaozhen Equity Transfer Agreement
“Independent Shareholders”	Shareholders who, under the Listing Rules, are not required to abstain from voting for the resolutions approving the Fuzhou Zhaozhen Equity Transfer Agreement and the transactions contemplated thereunder
“Land”	the land located at a plot granted in Gaogong Community on the east side of Dongshui Road and the north side of Fuxin Road in Gulou District, Fuzhou, Fujian Province, the PRC (Land number: 2023-040), with a site area of approximately 24,660 sq.m. and an estimated plot ratio floor area of not more than approximately 61,650 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 28 November 2023 entered into by Fuzhou Zhaozhen with Fuzhou Natural Resources and Planning Bureau (福州市自然資源和規劃局) regarding the acquisition of the Land
“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 the Fujian Zhaorun Equity Transfer Agreements, the Xiamen Jianyaoyue Equity Transfer Agreements and the Chengdu Zhaorongsheng Equity Transfer Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“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 dated 26 September 2023 entered into by C&D Real Estate with C&D Shenggao and Xiamen Zhaoyirong, respectively, pursuant to which, C&D Real Estate agreed to sell, and C&D Shenggao and Xiamen Zhaoyirong agreed to acquire 95% and 5% equity interests in Xiamen Jianyaoyue, respectively
“Xiamen Liyuan”	Xiamen Liyuan Investment Company Limited* (廈門利源投資有限公司), a company established with limited liability in the PRC and a wholly-owned subsidiary of C&D Real Estate
“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

“Yi Yue”

Xiamen Yi Yue Property Company Limited* (廈門益悅置業有限公司), 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, 9 January 2024

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