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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

Reference is made to the joint announcement of C&D International and C&D Property dated 7 September 2022 in relation to, among other things, the Framework Agreement in respect of the provision of commercial project management services by C&D Commercial Management 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 which will expire on 31 December 2024.

RENEWED FRAMEWORK AGREEMENT

The C&D International Board and the C&D Property Board are pleased to announce that on 5 December 2024 (after trading hours), C&D Real Estate, C&D International and C&D Commercial Management entered into the Renewed Framework Agreement, pursuant to which C&D Commercial Management 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 1 January 2025 to 31 December 2027.

LISTING RULES IMPLICATIONS

For C&D International

C&D Real Estate is a controlling shareholder of C&D International and therefore, a connected person of C&D International. Accordingly, the transactions contemplated under the Renewed 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 Renewed Framework Agreement with the Remaining C&D Real Estate Group exceed 0.1% but are less than 5%, the transactions contemplated under the Renewed 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 controlling shareholders of C&D Property and therefore, connected persons of C&D Property. Accordingly, the transactions contemplated under the Renewed 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 Renewed Framework Agreement with the Remaining C&D Real Estate Group and the Remaining C&D International Group exceed 0.1% but are less than 5%, the transactions contemplated under the Renewed 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.

Reference is made to the joint announcement of C&D International and C&D Property dated 7 September 2022 in relation to, among other things, the Framework Agreement in respect of the provision of commercial project management services by C&D Commercial Management 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 which will expire on 31 December 2024.

RENEWED FRAMEWORK AGREEMENT

The C&D International Board and the C&D Property Board are pleased to announce that on 5 December 2024 (after trading hours), C&D Real Estate, C&D International and C&D Commercial Management entered into the Renewed Framework Agreement, pursuant to which C&D Commercial Management 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 1 January 2025 to 31 December 2027. The principal terms of the Renewed Framework Agreement are set out as follows:

Date

5 December 2024

Parties

- (1) C&D Real Estate;
- (2) C&D International; and
- (3) C&D Commercial Management, a wholly-owned subsidiary of C&D Property

Term

From 1 January 2025 to 31 December 2027

Services

C&D Commercial Management 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 C&D Commercial Management 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 C&D Commercial Management 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 RMB0.5 million per annum for projects with management area (including car parks) of over 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 property, 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 payable to C&D Commercial Management may be otherwise determined with reference to the market-oriented method upon unanimous consent by the parties after negotiation having taken into account the actual situation of the project, provided that the service fees charged by C&D Commercial Management shall not be higher than the level of fees charged by other commercial management companies in the vicinity of the project for the provision of the same services.

HISTORICAL TRANSACTION AMOUNTS

The historical transaction amounts of service fees received by C&D Commercial Management from each of (i) the Remaining C&D Real Estate Group; and (ii) the Remaining C&D International Group under the Framework Agreement for each of the two years ended 31 December 2023 and the nine months ended 30 September 2024 are set out below:

	For the year ended 31 December		For the nine months ended 30 September
	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	14,537	38,900	31,500
Fees received from the Remaining C&D International Group	<u>1,454</u>	<u>8,200</u>	<u>6,900</u>
Total	<u>15,991</u>	<u>47,100</u>	<u>38,400</u>

ANNUAL CAPS

The following table sets out the annual caps of the commercial project management service fees to be received by C&D Commercial Management from each of (i) the Remaining C&D Real Estate Group; and (ii) the Remaining C&D International Group under the Renewed Framework Agreement for each of the three years ending 31 December 2027:

	For the year ending 31 December		
	2025	2026	2027
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fees received from the Remaining C&D Real Estate Group	60,000	70,000	80,000
Fees received from the Remaining C&D International Group	<u>12,000</u>	<u>16,000</u>	<u>20,000</u>
Total	<u>72,000</u>	<u>86,000</u>	<u>100,000</u>

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

- (i) the expected 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 2027;
- (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 RENEWED FRAMEWORK AGREEMENT

C&D International is a company incorporated in the Cayman Islands with limited liability, and a controlling shareholder of C&D Property, holding 536,932,364 issued shares of C&D Property, representing approximately 38.13% 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 219,945,505 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 1,142,467,712 issued shares of C&D International, representing approximately 56.64% 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 International and C&D Property. 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 53.97% and 46.03%, 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..

C&D Commercial Management 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, value-added services to non-property owners and commercial property operation and management services 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 Renewed 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 Renewed 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 Renewed 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 Renewed Framework Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED 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 Renewed 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 Renewed 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 since 2022 C&D Property has expanded its business scope to include commercial asset management, which is also in the light asset service sector, it has gradually accumulated management experience, and the management scale and business scope have also grown steadily. Entering into the Renewed Framework Agreement will help C&D Property to continue to deepen its commercial asset management business, which is in line with C&D Property's development strategy of becoming a light asset service provider with "property management + commercial operation", and also beneficial for C&D Property to continue to broaden and enrich its business foundation.

The C&D Property Board (including the independent non-executive directors) consider that the Renewed 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 a controlling shareholder of C&D International and therefore, a connected person of C&D International. Accordingly, the transactions contemplated under the Renewed 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 Renewed Framework Agreement with the Remaining C&D Real Estate Group exceed 0.1% but are less than 5%, the transactions contemplated under the Renewed 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 controlling shareholders of C&D Property and therefore, connected persons of C&D Property. Accordingly, the transactions contemplated under the Renewed 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 Renewed Framework Agreement with the Remaining C&D Real Estate Group and the Remaining C&D International Group exceed 0.1% but are less than 5%, the transactions contemplated under the Renewed 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 Commercial Management”	Xiamen C&D Commercial Management Company Limited* (廈門建發商業管理有限公司) (formerly known as 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

“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 and, where the context so requires, includes its associates and joint ventures
“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 C&D Commercial Management in relation to the commercial project management services to be provided by C&D Commercial Management 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 only, 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 associates and joint ventures
“Remaining C&D International Group”	C&D International Group (excluding the C&D Property Group)
“Renewed Framework Agreement”	the framework agreement dated 5 December 2024 entered into among C&D Real Estate, C&D International and C&D Commercial Management in relation to the commercial project management services to be provided by C&D Commercial Management 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
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

For and on behalf of the Board
**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**
Qiao Haixia
*Executive Director and Chief Executive
Officer*

Hong Kong, 5 December 2024

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