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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



BAOQIAO PARTNERS CAPITAL LIMITED

On 4 December 2016, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 68,000,000 Placing Shares at a Placing Price of HK\$3.97 per Placing Share. The Placing is subject to various conditions set out below under the heading “Conditions of the Placing”.

The Placing Price of HK\$3.97 represents (i) a discount of approximately 19.80% to the closing price of HK\$4.95 per Share as quoted on the Stock Exchange on 2 December 2016, being the last trading day prior to the date of the Placing Agreement; (ii) a discount of 14.44% to the average closing price of HK\$4.64 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement; and (iii) a discount of approximately 9.36% to the average closing price of HK\$4.38 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of the Placing Agreement.

The maximum number of 68,000,000 Placing Shares represents (i) approximately 18.89% of the existing issued share capital of the Company of 360,000,000 Shares as at the date of this announcement; and (ii) approximately 15.89% of the then issued share capital of the Company of 428,000,000 Shares as enlarged by the issue of the Placing Shares. The Placing Shares will be allotted and issued under the General Mandate.

Application will be made to the Listing Committee of the Stock Exchange for the approval for the listing of and permission to deal in the Placing Shares.

The maximum gross proceeds from the Placing will be approximately HK\$269,960,000. The maximum net proceeds, after deducting the placing commission and other related expenses, are estimated to be approximately HK\$266,960,000. The Company intends to apply (i) HK\$100,000,000 out of the net proceeds from the Placing for the repayment of loans from Shareholders, and (ii) the remaining balance of the net proceeds from the Placing for general working capital purposes.

Shareholders and potential investors should note that completion of the Placing is subject to the fulfilment of the conditions precedents under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING AGREEMENT

Date: 4 December 2016

Parties

- (1) the Company; and
- (2) the Placing Agent.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placing Shares

As at the date of this announcement, the Company has 360,000,000 Shares in issue. The maximum number of 68,000,000 Placing Shares represents (i) approximately 18.89% of the existing issued share capital of the Company of 360,000,000 Shares as at the date of this announcement; and (ii) approximately 15.89% of the issued share capital of the Company of 428,000,000 Shares as enlarged by the allotment and issue of the Placing Shares.

The aggregate nominal value of the Placing Shares is HK\$6,800,000 as at the date of this announcement.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate.

As at the date of this announcement, the General Mandate has not been utilised since it was granted at the AGM and the number of new Shares that could be issued by the Company under the General Mandate is 72,000,000 Shares.

Placee(s)

Pursuant to the Placing Agreement, the Placing Agent has agreed to place the Placing Shares, on a best effort basis, to not less than six Placee(s) who are Independent Third Party(ies). It is expected that none of the Placees will become substantial shareholder of the Company upon completion of the Placing.

Placing Price

The Placing Price of HK\$3.97 per Placing Share represents:

- (a) a discount of approximately 19.80% to the closing price of HK\$4.95 per Share as quoted on the Stock Exchange on 2 December 2016, being the last trading day prior to the date of the Placing Agreement;
- (b) a discount of approximately 14.44% to the average closing price of HK\$4.64 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement; and
- (c) a discount of approximately 9.36% to the average closing price of HK\$4.38 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of the Placing Agreement.

The net price per Placing Share will be approximately HK\$3.93.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions and is in the interests of the Company and the Shareholders as a whole.

Rights of the Placing Shares

The Placing Shares will rank upon pari passu in all aspects among themselves and with existing Shares in issue as at the date of this announcement.

Placing Commission

The Placing Agent will be entitled to receive a placing commission of 1% of the amount equal to the Placing Price multiplied by the number of the Placing Shares placed by the Placing Agent. Such commission was negotiated on an arm's length basis among the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents.

Conditions of the Placing

The Placing is conditional upon:

1. the Listing Committee having granted listing of and permission to deal in the Placing Shares;
2. the Stock Exchange having approved the issue of the Placing Shares, or the Company not having received any objection from the Stock Exchange to the issue of the Placing Shares; and
3. none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the Placing Agreement would otherwise become unconditional and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of Completion.

In the event of the conditions referred to in above conditions not having been fulfilled within 45 days from the date of the Placing Agreement, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties thereto shall have any claim against the other party in respect of the Placing, save for any breach of the Placing Agreement occurring prior to such event.

Application will be made to the Listing Committee for the approval for the listing of and permission to deal in the Placing Shares.

Completion of the Placing

Completion of the Placing shall take place no later than the third Business Day after the satisfaction or waiver of the conditions precedent or at such later date as the parties may mutually agree.

Termination

If at any time prior to Completion:

1. the Company fails to comply with its obligations under the Placing Agreement, or the Listing Rules; or
2. it comes to the notice of the Placing Agent that any statement contained in any document issued in connection with the Placing has become (or would if then repeated be) untrue, incorrect or misleading in any material respect or that matters have arisen which would, if the Placing were made at that time, constitute a material omission therefrom; or
3. any of the warranties as set out in the Placing Agreement is not, or has ceased to be, true, accurate and not misleading in any material respect (or would not be true, accurate and not misleading in any material respect if then repeated) by reference to the facts subsisting at the time when the notice referred to below is given, or
4. any national or international, political, military, diplomatic, monetary, economic or financial crisis or situation occurs or there occurs any change in national or international, military, diplomatic, monetary, economic, political, financial or market conditions which, in the opinion of the Placing Agent arrived at in good faith, renders the Placing temporarily or permanently impracticable or inadvisable, or any event or omission occurs or comes to the Placing Agent's notice which, in the opinion of the Placing Agent arrived at in good faith, will or may be materially prejudicial to the Company or the Placing,

and such matter is considered by the Placing Agent to be material in the context of the Placing then the Placing Agent may in its absolute discretion by giving notice in writing to the Company terminate the Placing Agent's obligations under the Placing Agreement.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company before and after the Placing (assuming the all Placing Shares are placed) is summarised as follows:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares (%)	Approximate shareholding percentage (%)	Number of Shares	Approximate shareholding percentage
Well Land International Land Limited ("Well Land") (Note 1)	215,472,000	59.85%	215,472,000	50.34%
Diamond Firetail Limited ("Diamond Firetail") (Note 2)	50,580,000	14.05%	50,580,000	11.82%
Placees	0	0.00%	68,000,000	15.89%
Other public Shareholders (excluding Placees)	<u>93,948,000</u>	<u>26.10%</u>	<u>93,948,000</u>	<u>21.95%</u>
	<u>360,000,000</u>	<u>100.00%</u>	<u>428,000,000</u>	<u>100.00%</u>

Notes:

1. These Shares were registered in the name of Well Land, a company incorporated in the British Virgin Islands. Well Land is a wholly-owned subsidiary of Well Honour International Limited ("Well Honour"). Well Honour is a wholly-owned subsidiary of C&D Real Estate Corporation Limited ("C&D Real Estate"). C&D Real Estate is a subsidiary of Xiamen C&D Inc., which is a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600153). As at the date of this announcement, Xiamen C&D Corporation Limited, a state-owned group of companies under the supervision of Xiamen Municipality, owns 45.89% interests in Xiamen C&D Inc.. Therefore, Well Honour, C&D Real Estate, Xiamen C&D Inc. and Xiamen C&D are deemed to be interested in the Shares in which Well Land is interested by virtue of the SFO.
2. These Shares were registered in the name of Diamond Firetail. Diamond Firetail is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Equity Trustee Limited ("Equity Trustee"). Equity Trustee is a trustee of a discretionary trust and Mr. Zhuang Yuekai, Mr. Shi Zhen, Ms. Zhao Chengmin, Ms. Zhang Yunxia and Ms. Cheng Bing are founders of the said discretionary trust. Therefore, Equity Trustee, Mr. Zhuang Yuekai, Mr. Shi Zhen, Ms. Zhao Chengmin, Ms. Zhang Yunxia and Ms. Cheng Bing are deemed to be interested in the Shares held by Diamond Firetail by virtue of the SFO.

REASON FOR THE PLACING AND USE OF PROCEEDS

The Directors consider various ways of raising funds and consider that the Placing represents an opportunity to raise capital for the Company while broadening the Shareholders' base and capital base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The maximum gross proceeds from the Placing will be approximately HK\$269,960,000. The maximum net proceeds, after deducting the placing commission and other related expenses, are estimated to be approximately HK\$266,960,000. The Company intends to apply (i) HK\$100,000,000 out of the net proceeds from the Placing for the repayment of loans from Shareholders, and (ii) the remaining balance of the net proceeds from the Placing for general working capital purposes.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Date of announcement	Description	Net proceeds	Intended use of proceeds
4 December 2016	Issue of perpetual convertible bond under specific mandate at the subscription price of HK\$4.6 each	Approximately HK\$499,400,000.	The Company intends to apply all the net proceeds for the repayment of loans from Shareholders

Save for the fund raising activity disclosed above, the Company has not conducted any equity fundraising activities involving the issue of its securities in the past 12 months immediately preceding the date of this announcement.

GENERAL

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the General Mandate.

Shareholders and potential investors should note that completion of the Placing is subject to the fulfilment of the conditions precedents under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“AGM”	the annual general meeting of the Company held on 9 May 2016;
“acting in concert”	has the meaning given to it under the Codes on Takeovers and Mergers and Share Buy-backs;
“associate(s)”	has the meaning given to it under the Listing Rules;
“Board”	the board of directors of the Company;
“Business Day”	means any day (excluding Saturday and Sunday) on which licensed banks in Hong Kong are open to the general public for business;
“Company”	C&D International Investment Group Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange;
“Completion Date”	no later than the third Business Day after the satisfaction or waiver of the conditions precedent or at such later date as the Company and the Placing Agent shall agree;
“connected person(s)”	has the meaning given to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to new Shares, representing 20.00% of the then issued share capital of the Company as at the date of the AGM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	party(ies) who is(are) independent of and not connected nor acting in concert with the Company or any member of the Group, their respective directors, chief executive or substantial shareholders, or any of their respective associates, and otherwise not connected persons of the Company

“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Placees”	not less than six (6) professional, institutional and other investors which are Independent Third Parties, whom the Placing Agent and/or any of its agent(s) have procured to subscribe for the Placing Shares;
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement;
“Placing Agent”	BaoQiao Partners Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 4 December 2016 entered into between the Company and the Placing Agent in respect of the Placing;
“Placing Price”	HK\$3.97 per Placing Share;
“Placing Share(s)”	means a maximum of 68,000,000 new Shares to be allotted and issued to the Placees by the Company through Placing procured by the Placing Agent;
“SFO”	Securities and Futures Ordinance (Cap. 571)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning given to it under the Listing Rules;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

By Order of the Board
C&D International Investment Group Limited
Zhuang Yuekai

Chairman and Executive Director

Hong Kong, 4 December 2016

As at the date of this announcement, the Directors are:-

Executive Directors:

Mr. Zhuang Yuekai (*Chairman*)

Mr. Shi Zhen

Ms. Zhao Chengmin

Non-executive Directors:

Ms. Wang Xianrong

Ms. Wu Xiaomin

Mr. Huang Wenzhou

Independent Non-executive Directors:

Mr. Wong Chi Wai

Mr. Wong Tat Yan, Paul

Mr. Chan Chun Yee