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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 IN RELATION TO THE ACQUISITION OF 40% EQUITY INTERESTS IN NANJING JIAYANG**

### **THE EQUITY TRANSFER AGREEMENT**

The Board is pleased to announce that on 14 March 2018, Yi Yue, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Jianyang Jiasheng, pursuant to which Jianyang Jiasheng agreed to sell and Yi Yue agreed to purchase 40% equity interests in Nanjing Jiayang at the cash consideration of RMB80,000,012.37. Yi Yue shall also repay the shareholder's loan (principal and interest) in the amount of RMB297,955,315 previously advanced by Jianyang Jiasheng (or its shareholder) to Nanjing Jiayang.

With effect from completion of the Acquisition, Yi Yue will hold 40% equity interests in Nanjing Jiayang. Nanjing Jiayang will become an associate of the Company and its financial results will not be consolidated into the consolidated financial statements of the Company.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

As Jianyang Jiasheng is a subsidiary of C&D Real Estate, which is the controlling shareholder of the Company, Jianyang Jiasheng is considered as a connected person of the Company. As such, the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction under Chapter 14A of the

Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements. An EGM will be held to seek the approval of the Independent Shareholders of the transaction contemplated under the Equity Transfer Agreement.

C&D Real Estate (which held 446,336,745 issued Shares, representing approximately 60.74% 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 to approve the transaction contemplated under the Equity Transfer 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 transaction contemplated under the Equity Transfer Agreement.

An Independent Board Committee consisting of all the independent non-executive Directors will be established to consider and advise the Independent Shareholders on the transaction contemplated under the 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 Equity Transfer 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.

## **GENERAL**

The Company will despatch a circular to its Shareholders on or before 30 April 2018, 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 14 March 2018, Yi Yue, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Jianyang Jiasheng, pursuant to which Jianyang Jiasheng agreed to sell and Yi Yue agreed to purchase 40% equity interests in Nanjing Jiayang at the cash consideration of RMB80,000,012.37. Yi Yue shall also repay the shareholder's loan (principal and interest) in the amount of RMB297,955,315 previously advanced by Jianyang Jiasheng (or its shareholder) to Nanjing Jiayang.

## **THE EQUITY TRANSFER AGREEMENT**

### **Date**

14 March 2018

### **Parties**

Vendor: Jianyang Jiasheng

Purchaser: Yi Yue

### **Assets to be acquired**

40% equity interests in Nanjing Jiayang

### **Consideration**

The cash consideration for the Acquisition shall be RMB80,000,012.37. Yi Yue shall pay the consideration in full to Jianyang Jiasheng after satisfaction of the condition precedent under the Equity Transfer Agreement. Yi Yue shall also repay the shareholder's loan (principal and interest) in the amount of RMB297,955,315 previously advanced by Jianyang Jiasheng (or its shareholder) to Nanjing Jiayang.

The cash consideration was determined based on arm's length negotiations between Yi Yue and Jianyang Jiasheng with reference to the valuation of the total assets and liabilities of Nanjing Jiayang 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 the connected persons of the Group, C&D Real Estate. As at 1 February 2018, the total assets of Nanjing Jiayang was valued at approximately RMB786,957,314.42, consisting of (i) net assets of RMB200,000,030.92 and (ii) total liabilities of RMB586,957,283.50. On the other hand, the shareholder's loan of RMB297,955,315 to be paid by Yi Yue is based on the total amount of shareholder's loan previously advanced by Jianyang Jiasheng (or its shareholder) to Nanjing Jiayang according to the audited accounts of Jianyang Jiasheng as at 1 February 2018. The valuation of Nanjing Jiayang has been prepared by asset based approach. Based on the assumption that Nanjing Jiayang will continue to operate, the assets and liabilities of Nanjing Jiayang will be evaluated by specific assessment method corresponding to such assets and liabilities. The assessed value of the equity interests of Nanjing Jiayang will be determined by the assessed value of the total assets less the assessed value of total liabilities. The Directors consider that the aggregate consideration under the Equity Transfer Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## Condition precedent

Completion of the Acquisition will be conditional upon the granting of all the necessary approval(s) required under the Listing Rules, including the approval by the Independent Shareholders in respect of the Acquisition.

## Completion

With effect from completion of the Acquisition, Yi Yue will hold 40% equity interests in Nanjing Jiayang. Nanjing Jiayang will become an associate of the Company and its financial results will not be consolidated into the consolidated financial statements of the Company.

## PAYMENT TERMS

Yi Yue will finance the consideration under the Equity Transfer Agreement by loans available to the Group from the controlling shareholder.

## SHAREHOLDING STRUCTURES OF NANJING JIAYANG

The shareholding structures of Nanjing Jiayang (i) before the completion of the Acquisition; and (ii) immediately after the completion of the Acquisition are as follows:

Name of shareholder	Before the completion of the Acquisition		Immediately after the completion of the Acquisition	
	Amount of the registered capital of Nanjing Jiayang (in RMB)	Percentage	Amount of the registered capital of Nanjing Jiayang (in RMB)	Percentage
Jiayang Jiasheng	80,000,000	40%	—	—
COFCO Nanjing	80,000,000	40%	80,000,000	40%
Nanjing Xiangzhou	40,000,000	20%	40,000,000	20%
Yi Yue	—	—	80,000,000	40%
Total:	<u>200,000,000</u>	<u>100%</u>	<u>200,000,000</u>	<u>100%</u>

COFCO Nanjing is a company established in the PRC with limited liability and is principally engaged in property development and sales, property information consulting and property management. Nanjing Xiangzhou is a company established in the PRC with limited liability and is principally engaged in property development and property management etc.. Nanjing Xiangzhou is wholly-owned by Yuzhou Real Estate (Quanzhou) Company Limited\* (禹洲地產(泉州)有限公司) (“**Yuzhou Real Estate**”). Yuzhou Real Estate is 60% held by Xiamen Yuzhou Hongtu Property Development Company Limited\* (廈門禹洲鴻圖地產開發有限公司), which, as at the date of this announcement, held 23.3% equity interests in Taicang Yuzhou Yilong Real Estate Development Company Limited\* (太倉禹洲益龍房地產開發有限公司), an indirect subsidiary of the Company. Save as to the above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquires, COFCO Nanjing and Nanjing Xiangzhou are third parties independent of the Company and its connected persons.

## **FINANCIAL INFORMATION ABOUT NANJING JIAYANG**

Set out below is certain financial information of Nanjing Jiayang for the period from 9 November 2017 (date of establishment) to 1 February 2018:

**As at**  
**1 February 2018**  
**(audited)**  
*(in RMB'000)*

Total assets	786,957.28
Net assets	200,000.00

Nanjing Jiayang remained inactive for the period from 9 November 2017 (date of establishment) to 1 February 2018. As such, Nanjing Jiayang did not record any profit or loss in the above period.

## **INFORAMTION ABOUT THE NANJING LAND**

The Nanjing Land is situated at Yongyang Street (永陽街道), the south of Xingzhuang Road (幸莊路), the west of Xueli East Road (薛裡東路), Lishui District (溧水區), Nanjing City, Jiangsu Province, the PRC (Land Plot No.2017G19), the south of which is Gaoping Avenue (高平大街) and the north of which Xingzhuang Road reaches Provincial Highways S246 and S341 with convenient transportation and well-planned commercial facilities in the surroundings. The Nanjing Land has a site area of approximately 73,276.86 sq.m. and an estimated total plot ratio floor area of not exceeding approximately 146,553.72 sq.m. for urban residential use. The terms of land use rights of the Nanjing Land is 70 years.

The Nanjing Land is intended to be developed into a high-rise residential property with shops in the lower levels. The development will be divided into two phases. For the first phase, the construction has commenced and the pre-sale is expected to commence before October 2018. The completion is expected to be before June 2020. For the second phase, the construction is expected to commence before December 2018 and the pre-sale is expected to commence before July 2019. The completion is expected to be before June 2021. The actual schedule of construction, pre-sale and completion of each phase may vary in accordance with the actual market conditions.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the business of property development, real estate industry chain investment services and investment in emerging industries in the PRC.

The terms of the Equity Transfer Agreement were determined by the parties at arm's length with reference to the appraised value of equity interests in Nanjing Jiayang. Taking into consideration that : (i) the Nanjing Land is advantageous in price and situated in good location with low operational risks and good investment prospects; (ii) the Acquisition will be beneficial for the further expansion of the Company's share in the Nanjing real estate market and promotion of local brand recognition; and (iii) the Acquisition will enlarge the scale of land reserve of the Group, the Directors are of opinions that entering into the Equity Transfer Agreement is beneficial for the development of the Company's principal business and the terms of the Equity Transfer Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

As Jianyang Jiasheng is a subsidiary of C&D Real Estate, which is the controlling shareholder of the Company, Jianyang Jiasheng is considered as a connected person of the Company. As such, the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements. An EGM will be held to seek the approval of the Independent Shareholders of the transaction contemplated under the Equity Transfer Agreement.

C&D Real Estate (which held 446,336,745 issued Shares, representing approximately 60.74% 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 to approve the transaction contemplated under the Equity Transfer 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 transaction contemplated under the Equity Transfer Agreement.

An Independent Board Committee consisting of all the independent non-executive Directors will be established to consider and advise the Independent Shareholders on the transaction contemplated under the 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 Equity Transfer 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.

## **GENERAL**

The Company will despatch a circular to its Shareholders on or before 30 April 2018, 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.

## **INFORMATION ABOUT THE PARTIES TO THE EQUITY TRANSFER AGREEMENT**

Yi Yue 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.

Jianyang Jiasheng, a subsidiary of C&D Real Estate, is a company established in the PRC with limited liability and is principally engaged in property development and property management etc..

## DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Acquisition”	the acquisition of 40% equity interests in Nanjing Jiayang from Jianyang Jiasheng by Yi Yue
“associate”	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 which held approximately 60.74% of the issued share capital of the Company as at the date of this announcement
“COFCO Nanjing”	COFCO Nanjing Property Company Limited* (中糧地產南京有限公司), a company established in the PRC with limited liability
“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”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting to be held by the Company to approve, among other things, the Acquisition
“Equity Transfer Agreement”	the equity transfer agreement entered into between Yi Yue and Jianyang Jiasheng on 14 March 2018 in relation to the Acquisition
“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 Acquisition
“Independent Shareholders”	Shareholders who, under the Listing Rules, are not required to abstain from voting for the resolutions approving the Acquisition
“Jianyang Jiasheng”	Jianyang Jiasheng Property Development Company Limited* (建陽嘉盛房地產有限公司), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing Jiayang”	Nanjing Jiayang Property Development Company Limited* (南京嘉陽房地產開發有限公司), a company established in the PRC with limited liability
“Nanjing Land”	a land parcel situated at Yongyang Street (永陽街道), the south of Xingzhuang Road (幸莊路), the west of Xueli East Road (薛裡東路), Lishui District (溧水區), Nanjing City, Jiangsu Province, the PRC (Land Plot No.2017G19) with a site area of approximately 73,276.86 sq.m.
“Nanjing Xiangzhou”	Nanjing Xiangzhou Property Development Company Limited* (南京翔洲房地產開發有限公司), a company established in the PRC with limited liability
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“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

“Yi Yue”

Xiamen Yi Yue Property Company Limited\* (廈門益悅置業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“%”

per cent

For and on behalf of  
**C&D International Investment Group Limited**  
**Zhuang Yuekai**  
*Chairman and Executive Director*

Hong Kong, 14 March 2018

*As at the date of this announcement, the executive Directors are Mr. Zhuang Yuekai (Chairman), Mr. Shi Zhen and Ms. Zhao Chengmin; the non-executive Directors are Ms. Wang Xianrong, Ms. Wu Xiaomin and Mr. Huang Wenzhou; and the independent non-executive Directors are Mr. Wong Chi Wai, Mr. Wong Tat Yan, Paul and Mr. Chan Chun Yee.*

*\* For identification purpose only*