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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 TRANSACTION IN RELATION TO THE ENTERING INTO OF THE COOPERATION AGREEMENT

THE AGREEMENT AND THE MEMORANDUM

The Board is pleased to announce that on 3 September 2018, Yi Yue, an indirect wholly-owned subsidiary of the Company, Mingju Nanzhuang, Xinkuihua and the Guarantors entered into the Agreement and the Memorandum, pursuant to which, among other things, Yi Yue and Mingju Nanzhuang agreed to cooperate in the development of the Project, and Yi Yue agreed to provide funding of approximately RMB600,000,000 in aggregate to Mingju Nanzhuang.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the transactions contemplated under the Agreement exceeds 5% but less than 25%, the transactions contemplated under the Agreement constitute a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

THE AGREEMENT AND THE MEMORANDUM

The Board is pleased to announce that on 3 September 2018, Yi Yue, an indirect wholly-owned subsidiary of the Company, Mingju Nanzhuang, Xinkuihua and the Guarantors entered into the Agreement and the Memorandum, pursuant to which, among other things, Yi Yue and Mingju Nanzhuang agreed to cooperate in the development of the Project, and Yi Yue agreed to provide funding of approximately RMB600,000,000 in aggregate to Mingju Nanzhuang. The principal terms of the Agreement and the Memorandum are set out as follows:-

Date

3 September 2018

Parties

- (a) Yi Yue, an indirect wholly-owned subsidiary of the Company
- (b) Mingju Nanzhuang
- (c) Xinkuihua
- (d) Xinduoji Investment, the Guarantor
- (e) Huasheng Investment, the Guarantor
- (f) Mr. Wang, the Guarantor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Mingju Nanzhuang, Xinkuihua, Xinduoji Investment and Huasheng Investment and its respective ultimate beneficial owner(s) and Mr. Wang are third parties independent of the Company and its connected persons.

Investment in the Project

Under the Agreement, Yi Yue and Mingju Nanzhuang will develop the Project together. Yi Yue will provide the operation team and brand support, and Mingju Nanzhuang will provide the Land.

Under the Agreement, Yi Yue and Mingju Nanzhuang shall jointly share the development revenue and operational risk of the Project with an estimated value of approximately RMB650,000,000 in the proportion of 51% : 49%. The estimated value of the Project is determined by negotiation between the parties with reference to the land auction prices and commodity housing selling prices in the surroundings.

Development funds for the Project

Under the Agreement, Yi Yue agreed to provide, by coordinating financial institutions, to Mingju Nanzhuang:

1. approximately RMB331,500,000, which was calculated based on the estimated value of the Project and Yi Yue's proportion to the revenue it is entitled to enjoy in the Project; and
2. approximately RMB268,500,000, which is to be used as working capital.

Yi Yue's total capital commitment is approximately RMB600,000,000, which was determined based on arm's length negotiations among the parties to the Agreement based on the estimated value of the Project and other expenses. The Directors consider that the total capital commitment of Yi Yue under the Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mingju Nanzhuang agreed to pay interest on Yi Yue's total capital commitment of approximately RMB600,000,000 at the rate of approximately 24% per annum.

Yi Yue and Mingju Nanzhuang agreed to provide through financial institutions the follow-up development and operational funds for the Project in proportion to their respective share of the Project's revenue. If one party is over-invested, the other party is required to pay the interest at the rate of 24% per annum for the excess part.

All interests above are subject to conditional adjustment following the mechanism under "Adjustment of Interest" of this announcement pursuant to the Memorandum.

Adjustment of Interest

Pursuant to the Memorandum, if (i) the sold plot ratio floor area of the Project accounts for 90% of the total saleable plot ratio floor area; (ii) Yi Yue has actually received the principal and interest of 5% per annum on its total capital commitment of approximately RMB600,000,000; and (iii) Yi Yue has actually received principal and interest of 10% per annum on its excessive contribution, if any, of the follow-up development and operational funds invested by it, Yi Yue is obligated to coordinate the financial institution to adjust the agreed interest rate, which shall be (i) calculated at the rate of 5% per annum on the total capital commitment of approximately RMB600,000,000; and (ii) calculated at the rate of 10% per annum on the excessive contribution, if any, of the follow-up development and operational funds.

Exit mechanism of Yi Yue

Under the Agreement, when the sold plot ratio floor area of the Project accounts for 90% of the total saleable plot ratio floor area, Yi Yue has the right to request settlement. Mingju Nanzhuang, Xinkuihua, Xinduoji Investment, Huasheng Investment and Mr. Wang shall jointly repay and pay to Yi Yue (or its designated party) the sum of the total capital commitment (principal and interest), the excessive contribution (principal and interest), if any, of the follow-up development and operational funds and the entitled cooperation benefit of Yi Yue. Yi Yue will exit the cooperation following the completion of the settlement for the Project pursuant to the Agreement.

Guarantee

Under the Agreement, each of Mingju Nanzhuang, Xinkuihua, Xinduoji Investment, Huasheng Investment and Mr. Wang agreed to irrevocably provide each other with guarantees and assume joint guarantee liabilities for the transactions contemplated under the Agreement.

Board composition

Under the Agreement, Yi Yue shall be entitled to appoint three out of five directors of Mingju Nanzhuang.

Conditions precedent

The transactions contemplated under the Agreement will be conditional upon the conditions precedent, including but not limited to, Mingju Nanzhuang having completed investigation and/or disposition of relevant contracts, personnel, debts and claimants, having been fulfilled within 30 days upon signing of the Agreement. If the conditions precedent in the Agreement are not satisfied by Mingju Nanzhuang, the parties will agree otherwise.

SOURCE OF FUNDING OF YI YUE

The total capital commitment of Yi Yue shall be in the sum of approximately RMB600,000,000. Yi Yue will finance the consideration under the Agreement by loans from controlling shareholder of the Company.

INFORMATION ABOUT THE LAND

The land locates at Gongming Street Community Office* (公明街道辦事處), Guangming New District* (光明新區), Shenzhen, the PRC, to the west of Zhenming Road* (振明路), to the north of Nanzhuang Road* (南莊路), to the east of Huafa Urban Renewal Project* (華發舊城改造項目) and to the south of Rongxing Road* (榮興路), with the construction site area of approximately 8,415.61 sq.m. and the planned plot ratio floor area of approximately 50,820 sq.m. for commercial use. The Land is with complete living, medical and educational facilities within two kilometers and its value might be further improved once the surrounding metro line opens.

INFORMATION ABOUT THE PARTIES TO THE AGREEMENT

Yi Yue is a company established with limited liability in the PRC and is an indirect wholly-owned subsidiary of the Company. Yi Yue is principally engaged in the property investment and development business.

Mingju Nanzhuang is a company established in the PRC on 20 October 2010 with limited liability, the principal business of which is property development and operation. As at the date of this announcement, the 91.6% equity interests of Mingju Nanzhuang is owned by Xinkuihua.

Xinkuihua is a company established in the PRC with limited liability, the principal business of which is investment in property development etc..

Xinduoji Investment is a company established in the PRC with limited liability, the principal business of which is industrial investment, investment consultancy etc..

Huasheng Investment is a company established in the PRC with limited liability, the principal business of which is industrial investment, investment consultancy etc..

Mr. Wang is a natural person and a shareholder and the legal representative of Huasheng Investment.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE AGREEMENT

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

Given that: (i) the Land is a piece of scarce land parcel with good traffic conditions and great potential for development; (ii) Shenzhen is a core city of the PRC with steady demand in its mature property market; and (iii) participation in the Project will facilitate the Group to share the revenue; the Board confirms that the transactions contemplated under the Agreement are on normal commercial terms and 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 for the transactions contemplated under the Agreement exceeds 5% but less than 25%, the transactions contemplated under the Agreement constitute a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the cooperative development agreement entered into among Yi Yue, Mingju Nanzhuang, Xinkuihua, Xinduoji Investment, Huasheng Investment and Mr. Wang in relation to, among other things, the cooperation in the development of the Project
“Board”	the board of Directors
“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
“Group”	the Company and its subsidiaries
“Guarantors”	Xinduoji Investment, Huasheng Investment and Mr. Wang
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huasheng Investment”	Shenzhen Huasheng Investment Company Limited* (深圳市樺盛投資有限公司), a company established in the PRC with limited liability
“Land”	a land parcel located at Gongming Street Community Office* (公明街道辦事處), Guangming New District* (光明新區), Shenzhen, the PRC, to the west of Zhenming Road* (振明路), to the north of Nanzhuang Road* (南莊路), to the east of Huafa Urban Renewal Project* (華發舊城改造項目) and to the south Rongxing Road* (榮興路), with the construction site area of approximately 8,415.61 sq.m.

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	a memorandum to the agreement dated 3 September 2018 entered into by Yi Yue, Mingju Nanzhuang, Xinkuihua, Xinduoji Investment, Huasheng Investment and Mr. Wang in respect of the Project
“Mingju Nanzhuang”	Shenzhen Mingju Nanzhuang Real Estate Company Limited* (深圳市名巨南莊房地產有限公司), a company established in the PRC with limited liability
“Mr. Wang”	Mr. Wang Zhanjiang* (王占江先生), a natural person, the beneficial owner of Mingju Nanzhuang, Xinkuihua, Xinduoji Investment and Huasheng Investment
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Project”	the commercial projects to be developed and constructed on the Land, including both the Land and buildings and erections on the Land
“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
“Xinduoji Investment”	Shenzhen Xinduoji Investment Company Limited* (深圳市新多吉投資有限公司), a company established in the PRC with limited liability
“Xinkuihua”	Shenzhen Xinkuihua Investment Company Limited* (深圳市鑫葵花投資有限公司), a company established in the PRC with limited liability

“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, 3 September 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*