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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)**

### **SUPPLEMENTAL ANNOUNCEMENT**

### **CONNECTED TRANSACTION IN RELATION TO THE ENTERING INTO OF THE CAPITAL INCREASE AGREEMENT**

Reference is made to the announcement (the “**Announcement**”) of C&D International Investment Group Limited (the “**Company**”) dated 30 December 2019 in relation to the entering into of the Capital Increase Agreement among Xiamen Libai, an indirect wholly-owned subsidiary of the Company, C&D Real Estate and Hongxin Chuangye. Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

In addition to the information mentioned in the Announcement, the Board would like to provide the supplemental information as follows:

The Group is principally engaged in the businesses of real estate development, real estate industrial chain investment services and investment in emerging industries in the PRC. Over the years, the Company has focused its business position as “integrated service provider in real estate development and real estate industrial chain investment services”. The Company has actively fostered and participated in business projects of real estate industrial chain investment services and completed relevant strategic layout, among other things, (1) project operation and management (entrusted construction services), (2) property management, and (3) Internet finance, etc.. The above businesses, which are considered as ordinary course of business of the Company and remain as part of the principal business of the Group, are in line with the Company’s position as “integrated service provider in real estate development and real estate industrial chain investment services” and its strategic layout in the real estate industrial chain investment services.

As part of the strategic layout of the “real estate industrial chain investment services” and since its establishment in 2017, Guangzhou Jianxin, which is to commit to expanding customer finance and industrial finance business in China, has been principally engaged in small loan lending business and provision of financing advisory services to micro, small and medium enterprises. Based on the above, as (1) Guangzhou Jianxin is part of the strategic layout of the real estate industrial chain services of the Company; (2) the Company has

invested in the small loan business through Guangzhou Jianxin for around three years; and (3) Guangzhou Jianxin provided, including but not limited to, loans (including construction loan and operating loan) to the Group's business partners along the real estate industrial chain (e.g. suppliers) and loans (including car park loan and home loan) to the home-owners enjoying the Group's property management services, the Company considered that the Capital Increase is in the ordinary and usual course of business of the Company.

In view of the business development needs of Guangzhou Jianxin and in order to enlarge the scale of the loan business of Guangzhou Jianxin, the registered capital of Guangzhou Jianxin will be increased from RMB100,000,000 to RMB200,000,000. The amount of the Capital Increase in the sum of RMB100,000,000 was determined based on arm's length negotiation among the parties to the Capital Increase Agreement with reference to, among other things, the business development plan of Guangzhou Jianxin and their respective shareholding in Guangzhou Jianxin before completion of the Capital Increase.

Such Capital Increase would expand the equity scale of Guangzhou Jianxin, enhance its risk resistance as well as expand the scale of external loans. Currently, Guangzhou Jianxin has a satisfactory level of profits. For the three years ended 31 December 2019, the investment of RMB34 million in Guangzhou Jianxin contributed profit of approximately RMB0.5 million (audited), RMB2.73 million (audited) and RMB7.03 million (unaudited) respectively to the Group, representing an average annual return of approximately 10%. Based on the above and assuming the return from the investment in Guangzhou Jianxin would remain at the same level for the year ended 31 December 2020, given the amount of the Capital Increase by the Company is RMB34 million, it is estimated that there will be an increase of approximately RMB3.4 million in profit after the Capital Increase. Such Capital Increase would help to improve the profitability of the Group.

Based on the above, the Company is of the view that the Capital Increase is in the ordinary and usual course of business of the Group and the Capital Increase can improve the profitability of the Group.

This supplemental announcement is supplemental to and should be read in conjunction with the Announcement. All other information and content set out in the Announcement remain unchanged and shall continue to be valid for all purposes.

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

Hong Kong, 3 February 2020

*As at the date of this announcement, the executive Directors are Mr. Zhuang Yuekai (Chairman), Ms. Zhao Chengmin and Mr. Lin Weiguo (Chief Executive Officer); the non-executive Directors are Ms. Wu Xiaomin, Mr. Huang Wenzhou and Ms. Ye Yanliu; and the independent non-executive Directors are Mr. Wong Chi Wai, Mr. Wong Tat Yan Paul and Mr. Chan Chun Yee.*