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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)

CONTINUING CONNECTED TRANSACTION RAW MATERIAL PROCUREMENT FRAMEWORK AGREEMENT

FRAMEWORK AGREEMENT

The Board is pleased to announce that, on 14 March 2023 (after trading hours), the Company and C&D Inc. entered into the Framework Agreement for a term from 14 March 2023 to 31 December 2025, pursuant to which the Group will procure raw materials for construction from C&D Inc. in respect of the Group's operations such as real estate development and construction.

LISTING RULES IMPLICATIONS

C&D Inc. is the controlling shareholder of the Company, therefore a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company 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 Framework Agreement with C&D Inc. exceed 0.1% but are less than 5%, the transactions contemplated under the 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.

FRAMEWORK AGREEMENT

The Board is pleased to announce that, on 14 March 2023 (after trading hours), the Company and C&D Inc. entered into the Framework Agreement for a term from 14 March 2023 to 31 December 2025, pursuant to which the Group will procure raw materials for construction from C&D Inc. in respect of the Group's operations such as real estate development and construction.

The principal terms of the Framework Agreement are set out as follows:

Date

14 March 2023 (after trading hours)

Parties

- (1) the Company
- (2) C&D Inc.

Term

From 14 March 2023 to 31 December 2025

Business Scope

The Group will procure raw materials from C&D Inc. in respect of the Group's operations such as real estate development and construction, and the raw materials will be supplied by C&D Inc. The parties will enter into individual agreements on the procurement of relevant raw materials to be supplied, the general terms and conditions of which must be consistent with that of the Framework Agreement.

Pricing Principles

In principle, procurement fees are calculated by multiplying the quantity of the target product by the unit price, which shall be determined with reference to the market price of the same or similar products and shall be adjusted by both parties after negotiation based on the actual situation of the target products. The market prices of raw materials are relatively transparent, and the relevant companies generally conduct a bidding process when purchasing raw materials to ensure that the procurement is carried out at the market prices and on normal commercial terms not less favourable than those provided by independent third parties. In principle, the procurement fees shall be settled by the Company on a quarterly basis, and the specific payment and settlement methods may be negotiated and arranged by both parties.

HISTORICAL TRANSACTION AMOUNTS

Since C&D Inc. did not conduct any similar transactions with the Company in respect of procurement of raw materials in the past, there are no historical transaction amounts between C&D Inc. and the Company.

PROPOSED ANNUAL CAPS

The following table sets out the proposed annual caps of the fees for procurement of raw materials payable by the Group to C&D Inc. under the Framework Agreement for the three years ending 31 December 2025:

	For the year ending 31 December		
	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Fees payable to C&D Inc.	700	800	900

In determining the proposed annual caps, the Board has considered, among other things, the following main factors:

- (a) the current and expected development expectations of the Group's construction business for the next two years and the corresponding annual demand for raw materials;
- (b) situation about the regions and cities as well as local raw material suppliers where the construction business is currently and expected to undertake projects for the next two years; and
- (c) current and expected market price levels of steel and other raw materials for construction for the next two years.

INTERNAL CONTROL

For effective implementation of the Framework Agreement, the Company shall take necessary internal control measures as follows:

- (a) the financial department and other relevant departments of the Company should perform ongoing review and regularly collect and evaluate the pricing principles, transaction terms and actual transaction amounts under the Framework Agreement to ensure that the transactions contemplated thereunder are carried out on normal commercial terms not less favourable than those provided by independent third parties and the transaction amounts shall not exceed the annual caps determined under the Framework Agreement; and
- (b) the auditor and independent non-executive Directors of the Company will conduct annual reviews on the pricing principles, transaction terms and annual caps under the Framework Agreement.

INFORMATION ABOUT THE PARTIES TO THE FRAMEWORK AGREEMENT

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1908). The 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, C&D Real Estate is the controlling shareholder of the Company, holding approximately 55.99% of the issued share capital of the Company and is owned by C&D Inc. and Xiamen C&D as to 54.65% and 45.35% respectively.

C&D Inc. is a company established in the PRC on 10 June 1998, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600153). As at the date of this announcement, C&D Inc. is owned by its public shareholders and Xiamen C&D as to 54.85% and 45.15% respectively. The State-owned Assets Supervision and Administration Commission of Xiamen Municipal People's Government is the ultimate shareholder of C&D Real Estate, holding 100% of the equity interests in Xiamen C&D. C&D Inc. is principally engaged in supply chain operation, real estate development and industrial investment, etc..

APPROVAL BY THE BOARD

To the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors had material interest in the transactions contemplated under the Framework Agreement, and accordingly none of the Directors was required to abstain from voting on the board resolution for considering and approving the transactions contemplated under the Framework Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

The Group's core business is real estate development and has been actively expanding its business around the upstream and downstream industrial chains of real estate, which currently covers entrusted construction management services, property management services and construction engineering management services. Since 2022, the Group's subsidiaries have started to expand their business in the construction of real estate development projects and the demand of raw materials for construction has gradually increased. The Group intends to form joint collaboration with the supply chain business of C&D Inc. through the Framework Agreement, which will facilitate the Group to enhance the efficiency in the procurement of raw materials for the construction business.

Based on the above, the Directors (including the independent non-executive Directors) consider that the Framework Agreement is entered into on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“C&D Inc.”	Xiamen C&D Inc. (廈門建發股份有限公司), a joint stock company established in the PRC with limited liability and the controlling shareholder of the Company and, where the context so requires, includes its subsidiaries, 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 company established in the PRC with limited liability and the controlling shareholder of the Company
“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(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Framework Agreement”	the framework agreement dated 14 March 2023 entered into between the Company and C&D Inc. in relation to the procurement of raw materials to be provided by C&D Inc. to the Group
“Group”	the Company and its subsidiaries and, where the context so requires, includes its associates and joint ventures
“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, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“shareholder(s)”	holder(s) of the share of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Xiamen C&D”

Xiamen C&D Corporation Limited* (廈門建發集團有限公司), a company established in the PRC with limited liability and the controlling shareholder of the Company

“%”

per cent.

For and on behalf of
C&D International Investment Group Limited
Lin Weiguo
Executive Director and Chief Executive Officer

Hong Kong, 14 March 2023

As at the date of this announcement, Ms. Zhao Chengmin (Chairperson), Mr. Lin Weiguo (Chief Executive Officer) and Mr. Tian Meitan are our executive Directors; Mr. Huang Wenzhou, Ms. Ye Yanliu and Mr. Wang Wenhui are our non-executive Directors; and Mr. Wong Chi Wai, Mr. Wong Tat Yan, Paul and Mr. Chan Chun Yee are our independent non-executive Directors.

* *For identification purpose only*