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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)

CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF 34% EQUITY INTEREST IN THE TARGET COMPANY

THE EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that on 8 August 2023 (after trading hours), Xiamen Libai, an indirect wholly-owned subsidiary of the Company, C&D Real Estate and Xiamen C&D entered into the Equity Transfer Agreement, pursuant to which, among other things, each of Xiamen Libai and C&D Real Estate agreed to sell and Xiamen C&D agreed to purchase 34% and 42% equity interest in the Target Company, respectively. The consideration for the Sale Shares shall be RMB103.8 million (subject to the approved results of the valuation of state-owned assets). Xiamen Libai shall also receive the dividend of approximately RMB36.1 million (based on the Benchmark Date and subject to adjustment) payable by the Target Company to it.

As at the date of this announcement, Xiamen Libai holds 34% of the equity interests in the Target Company. Upon completion of the Disposal, Xiamen Libai and the Group will no longer, directly or indirectly, hold any equity interest in the Target Company. The financial results of the Target Company were not consolidated into the financial statements of the Company immediately before and upon completion of the Disposal.

LISTING RULES IMPLICATIONS

Xiamen C&D, being a controlling shareholder of the Company, is 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.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Equity Transfer Agreement is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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The Board is pleased to announce that on 8 August 2023 (after trading hours), Xiamen Libai, an indirect wholly-owned subsidiary of the Company, C&D Real Estate and Xiamen C&D entered into the Equity Transfer Agreement, pursuant to which, among other things, each of Xiamen Libai and C&D Real Estate agreed to sell and Xiamen C&D agreed to purchase 34% and 42% equity interest in the Target Company, respectively. The consideration for the Sale Shares shall be RMB103.8 million (subject to the approved results of the valuation of state-owned assets). Xiamen Libai shall also receive the dividend of approximately RMB36.1 million (based on the Benchmark Date and subject to adjustment) payable by the Target Company to it. The principal terms of the Equity Transfer Agreement are set out below:

Date:	8 August 2023 (after trading hours)
Parties:	Vendors: (i) Xiamen Libai, an indirect wholly-owned subsidiary of the Company; and (ii) C&D Real Estate, a controlling shareholder of the Company Purchaser: Xiamen C&D, a controlling shareholder of the Company
Subject matter:	34% and 42% equity interest in the Target Company beneficially owned by Xiamen Libai and C&D Real Estate, respectively
Consideration and payment terms:	RMB103.8 million (subject to the approved results of the valuation of state-owned assets), being the consideration for the Sale Shares shall be paid by Xiamen C&D to Xiamen Libai within 7 days after completion; and RMB128.2 million (subject to the approved results of the valuation of state-owned assets), being the consideration for the 42% equity interest disposed by C&D Real Estate shall be paid by Xiamen C&D on the same day

The outstanding debts (including principal and its interest) owed by the Target Company to Xiamen Libai and C&D Real Estate at completion shall be repaid by the Target Company to Xiamen Libai and C&D Real Estate at the date of receipt of a shareholder loan in the corresponding amount to be provided by Xiamen C&D to the Target Company at the date of completion. Among which, Xiamen Libai is entitled to a debt claim of RMB36.1 million (based on the Benchmark Date and subject to adjustment), being Xiamen Libai's entitlement to the dividend declared by the Target Company.

Conditions precedent: The appraised value of the entire equity interests of the Target Company as at the Benchmark Date shall be subject to the evaluation and approval by the Xiamen State-owned Assets Supervision and Administration Commission in accordance with relevant regulations on state-owned assets transactions; and the transaction contemplated under the Equity Transfer Agreement shall be subject to the approval by Guangdong Financial Supervisory Authority.

Arrangement for profit or loss during the transition period: Any profit or loss and matters (if any) arising from the Target Company for the period from Benchmark Date to completion date shall be assumed or enjoyed by Xiamen Libai and C&D Real Estate in proportion to their equity interests.

Completion: The date on which the equity interest acquired by Xiamen C&D is registered under its name and the change of industrial and commercial registration is completed

The consideration for the Sale Shares was determined after arm's length negotiations between the parties to the Equity Transfer Agreement with reference to the appraised value of the entire equity interests of the Target Company as at the Benchmark Date which was RMB305.29 million, as appraised by an independent valuer adopting the asset-based approach. The Directors (including the independent non-executive Directors) are of the view that the consideration under the Equity Transfer Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Target Company is held by C&D Real Estate, Xiamen Libai, Hongxin Venture Factory Investment Group Co., Ltd.* (弘信創業工場投資集團股份有限公司), Li Ping (李萍) and Wang Xiayun (王夏雲) as to 42%, 34%, 20%, 2% and 2%, respectively. Upon completion of the Disposal, each of Xiamen Libai and C&D Real Estate will no longer hold any equity interest in the Target Company, and the Target Company will cease to be an associate of the Company. The financial results of the Target Company were not consolidated into the financial statements of the Company immediately before and upon completion of the Disposal.

INFORMATION OF THE TARGET COMPANY

The Target Company was established in the PRC with limited liability on 28 February 2017, and is principally engaged in small loan lending business. Set out below is certain financial information of the Target Company for each of the two years ended 31 December 2022:

	For the year ended/as at	
	31 December 2022	31 December 2021
	(Audited)	(Audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	100,188	66,827
Profit after taxation	86,213	50,105
Net assets	373,659	287,446

As of 31 May 2023 or as at the Benchmark Date, the Target Company recorded the audited operating income of RMB71.3 million, net profit of RMB32.6 million and has net assets of approximately RMB300.0 million.

FINANCIAL EFFECT OF THE DISPOSAL

Upon completion of the Disposal, Xiamen Libai and the Group will no longer, directly or indirectly, hold any equity interest in the Target Company, and the Target Company will cease to be an associate of the Company. The financial results of the Target Company were not consolidated into the financial statements of the Company immediately before and upon completion of the Disposal.

It is expected that as a result of the Disposal, the Group will recognize a gain of approximately RMB1.8 million, being the difference between the consideration for the Disposal and the audited net asset of the Target Company attributable to the Group as at the Benchmark Date. The actual amount of gain arising from the Disposal will be subject to the review and final audit by auditors of the Company.

INFORMATION ABOUT THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

Xiamen Libai is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. Xiamen Libai is principally engaged in investment holding.

C&D Real Estate is a company established in the PRC with limited liability, and a controlling shareholder of the Company holding 1,050,425,743 Shares, representing approximately 56.91% of the issued share capital of the Company as at the date of this announcement. It is principally engaged in the businesses of real estate development, commercial operation, property management and investment, etc.. As at the date of this announcement, C&D Real Estate was owned by Xiamen C&D Inc., the shares of which are listed on the Shanghai Stock Exchange (stock code: 600153) and Xiamen C&D as to 54.65% and 45.35% respectively.

Xiamen C&D is a company established in the PRC with limited liability, and is principally engaged in the operation and management of the state-owned capital within the scope of authorisation according to the authorisation of the state-owned assets supervision and administration department; investment in the primary industry, the secondary industry and the tertiary industry, etc.. The State-owned Assets Supervision and Administration Commission of Xiamen Municipal People's Government (廈門市人民政府國有資產監督管理委員會) is the sole shareholder of Xiamen C&D.

APPROVAL BY THE BOARD

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors had material interest in the transaction contemplated under the Equity Transfer Agreement, and accordingly none of them was required to abstain from voting on the Board resolution for considering and approving the transaction contemplated under the Equity Transfer Agreement.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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.

The Disposal allows the Group to focus more on the development of its real estate business and concentrate on its principal business, and the Group intends to use the cash proceeds from the Disposal mainly to develop its existing real estate and other businesses. Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Group intends to use the net sale proceeds from the Disposal for general working capital.

LISTING RULES IMPLICATIONS

Xiamen C&D, being a controlling shareholder of the Company is 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.

As one or more of the applicable percentage ratios in respect of the transaction contemplated under the Equity Transfer Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Equity Transfer Agreement is subject to the reporting and announcement requirements, but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Benchmark Date”	31 May 2023
“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 56.91% of the issued share capital of the Company and a shareholder of the Target Company holding 42% of its equity interest before completion of the Disposal
“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
“Director(s)”	the director(s) of the Company

“Disposal”	the disposal of the Sale Shares from Xiamen Libai to Xiamen C&D in accordance with the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into between Xiamen Libai, C&D Real Estate and Xiamen C&D on 8 August 2023 (after trading hours), pursuant to which, among other things, Xiamen Libai agreed to sell and Xiamen C&D agreed to purchase the Sale Shares; and C&D Real Estate agreed to sell and Xiamen C&D agreed to purchase 42% equity interest in the Target Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“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
“Sale Shares”	34% equity interest in the Target Company
“Share(s)”	ordinary share(s) with a par value of HK\$0.1 each of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Guangzhou Jianxin Microfinance Company Limited* (廣州建信小額貸款有限公司), a company established in the PRC with limited liability
“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 on 6 December 2000 which is under the supervision of Xiamen State-owned Assets Supervision and Administration Commission, and a controlling shareholder of the Company

“Xiamen Libai”

Xiamen Libai Business Service Company Limited* (廈門利柏商務服務有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company and a shareholder of the Target Company holding 34% of its equity interest before completion of the Disposal

“%”

per cent.

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

Hong Kong, 8 August 2023

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

* *For identification purpose only*