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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 100% EQUITY INTERESTS IN CHENGDU ZHAORONGSHENG

THE CHENGDU ZHAORONGSHENG EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that on 6 November 2023, Chengdu Zhaoxinlin, an indirect wholly-owned subsidiary of the Company, entered into the Chengdu Zhaorongsheng Equity Transfer Agreement with C&D Real Estate Chengdu, pursuant to which C&D Real Estate Chengdu agreed to sell and Chengdu Zhaoxinlin agreed to purchase 100% equity interests in Chengdu Zhaorongsheng. The aggregate cash consideration under the Chengdu Zhaorongsheng Equity Transfer Agreement shall be nil. Chengdu Zhaoxinlin shall also repay the shareholder's loan (principal and interest) in the amount of RMB1,640,051,618.46 (with reference to the date of this announcement and subject to adjustment) previously advanced by C&D Real Estate Chengdu to Chengdu Zhaorongsheng.

Upon completion of the transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement, Chengdu Zhaoxinlin will hold 100% equity interests in Chengdu Zhaorongsheng. As such, Chengdu Zhaorongsheng will become an indirect subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

C&D Real Estate is a controlling shareholder of the Company and C&D Real Estate Chengdu is a wholly-owned subsidiary of C&D Real Estate, C&D Real Estate Chengdu is therefore a connected person of the Company. The transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement is required to be aggregated with the Previous Transactions. As one or more of the applicable percentage ratios in respect of the Aggregated Transactions is more than 5% but less than 25%, the Aggregated Transactions constitute a discloseable and connected transaction of the Company under the Listing Rules and are subject to the reporting, announcement and independent shareholders' approval requirements. An EGM will be held to seek approval from the Independent Shareholders for transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement.

C&D Real Estate (which held 1,050,425,743 issued Shares, representing approximately 56.91% 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(s) to approve the transactions contemplated under the Chengdu Zhaorongsheng 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 transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement.

An Independent Board Committee will be established to consider and advise the Independent Shareholders on the transactions contemplated under the Chengdu Zhaorongsheng 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 Chengdu Zhaorongsheng Equity Transfer Agreement are fair and reasonable, and the transactions contemplated under the Chengdu Zhaorongsheng 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 15 December 2023, 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 6 November 2023, Chengdu Zhaoxinlin, an indirect wholly-owned subsidiary of the Company, entered into the Chengdu Zhaorongsheng Equity Transfer Agreement with C&D Real Estate Chengdu, pursuant to which C&D Real Estate Chengdu agreed to sell and Chengdu Zhaoxinlin agreed to purchase 100% equity interests in Chengdu Zhaorongsheng. The aggregate cash consideration under the Chengdu Zhaorongsheng Equity Transfer Agreement shall be nil. Chengdu Zhaoxinlin shall also repay the shareholder's loan (principal and interest) in the amount of RMB1,640,051,618.46 (with reference to the date of this announcement and subject to adjustment) previously advanced by C&D Real Estate Chengdu to Chengdu Zhaorongsheng.

CHENGDU ZHAORONGSHENG EQUITY TRANSFER AGREEMENT

Date

6 November 2023

Parties

Vendor: C&D Real Estate Chengdu

Purchaser: Chengdu Zhaoxinlin

Interests to be acquired

C&D Real Estate Chengdu agreed to sell and Chengdu Zhaoxinlin agreed to purchase 100% equity interests in Chengdu Zhaorongsheng.

Consideration

The aggregate cash consideration shall be nil. Chengdu Zhaoxinlin shall also repay the shareholder's loan (principal and interest) in the amount of RMB1,640,051,618.46 (with reference to the date of this announcement and subject to adjustment) previously advanced by C&D Real Estate Chengdu to Chengdu Zhaorongsheng in accordance with the proportion of equity interests in Chengdu Zhaorongsheng to be held by Chengdu Zhaoxinlin. The shareholder's loan provided to Chengdu Zhaorongsheng was mainly for the acquisition of the Land. Chengdu Zhaoxinlin shall repay C&D Real Estate Chengdu the shareholder's loan after the satisfaction of the conditions precedent under the Chengdu Zhaorongsheng Equity Transfer Agreement.

The cash consideration was determined based on arm's length negotiation among Chengdu Zhaoxinlin and C&D Real Estate Chengdu with reference to the valuation of the total assets and liabilities of Chengdu Zhaorongsheng 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 its connected persons. As at the benchmark date of 31 August 2023, the total assets of Chengdu Zhaorongsheng was valued at RMB591,700,000, consisting of (i) net assets of RMB0 and (ii) total liabilities of RMB591,700,000. On the other hand, the shareholder's loan of RMB1,640,051,618.46 to be repaid by Chengdu Zhaoxinlin was determined based on the total amount of shareholder's loan (principal and interests) advanced by C&D Real Estate Chengdu to Chengdu Zhaorongsheng as at the date of this announcement, and subject to adjustment for any actual amount incurred for the period from the date of this announcement to the completion of the transactions contemplated under Chengdu Zhaorongsheng Equity Transfer Agreement. The valuation of Chengdu Zhaorongsheng has been prepared based on the asset-based approach, and assuming that Chengdu Zhaorongsheng will continue to operate and the assets and liabilities of Chengdu Zhaorongsheng will be evaluated by specific assessment method corresponding to such assets and liabilities. The appraised value of the equity interests of Chengdu Zhaorongsheng was determined based on the difference between the appraised value of the total assets and the total liabilities.

The Directors consider that the aggregate consideration under the Chengdu Zhaorongsheng Equity Transfer Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The valuation of the entire equity interest in Chengdu Zhaorongsheng as at the benchmark date is subject to the completion of the filing or approval procedures for the valuation of state-owned assets in accordance with the relevant regulations on state-owned asset transactions.

The transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement are subject to, among others, the granting of all the necessary approval(s) required under the Listing Rules, including the approval by the Independent Shareholders.

COMPLETION

Upon completion of the transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement, Chengdu Zhaoxinlin will hold 100% equity interests in Chengdu Zhaorongsheng. As such, Chengdu Zhaorongsheng will become an indirect subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

CAPITAL COMMITMENT

Chengdu Zhaoxinlin will finance the total consideration in the sum of approximately RMB1,640,051,618.46 (with reference to the date of this announcement and subject to adjustment) under the Chengdu Zhaorongsheng Equity Transfer Agreement by internal resources of the Group.

INFORMATION OF CHENGDU ZHAORONGSHENG

Chengdu Zhaorongsheng is a company established with limited liability in the PRC on 23 August 2023, and is principally engaged in real estate development and operation. Chengdu Zhaorongsheng has a registered capital of RMB50,000,000. As at the date of this announcement, the registered capital of Chengdu Zhaorongsheng subscribed and paid-in by C&D Real Estate Chengdu was RMB50,000,000 and nil, respectively; and C&D Real Estate Chengdu holds Chengdu Zhaorongsheng's entire equity interests.

Set out below is certain financial information of Chengdu Zhaorongsheng:

	As at 31 August 2023 RMB'000
Total assets	591,700
Net assets	0

**For the period
from
23 August 2023
to 31 August
2023
RMB'000**

Net profit before taxation	0
Net profit after taxation	0

INFORMATION ABOUT THE LAND

On 15 August 2023, C&D Real Estate Chengdu successfully won the bid for the auction for the land use rights of the Land, and Chengdu Zhaorongsheng entered into the Land Use Rights Grant Contract with Chengdu Planning and Natural Resources Bureau (成都市規劃和自然資源局) on 29 August 2023, pursuant to which Chengdu Zhaorongsheng acquired the land use rights of the Land at the consideration of RMB3,184,434,340. As at the date of this announcement, Chengdu Zhaorongsheng paid the first instalment of land consideration of RMB1,592,217,170 for the Land, and the consideration for the acquisition of the land use rights of the Land was not fully settled. The Land is the major asset held by Chengdu Zhaorongsheng.

The Land is located at Group 6, Hongnian Community, Groups 6 and 7, Huayan Community, Caiqiao Street, Qingyang District, Chengdu, Sichuan Province, the PRC (Land Number: QY02(251): 2023-020), which is located in the primary urban area of Chengdu, adjacent to high-quality educational resources, surrounded by subway, shopping malls, hospitals and complete supporting facilities, with a large potential for development. The Land has a site area of approximately 71,367.87 sq.m. and an estimated plot ratio floor area of not more than approximately 164,146.1 sq.m. for residential use. The term of the land use rights of the Land for residential use is 70 years.

The Land will be a two-phase residential development project, with construction work for the first phase expected to commence no later than March 2024, pre-sale campaigns expected to commence no later than July 2024, and construction work expected to be completed no later than July 2026, and the construction work for the second phase expected to commence no later than July 2024, pre-sale campaigns expected to commence no later than May 2025, and construction work expected to be completed no later than February 2027. The actual schedule for the construction works, pre-sale campaign and completion of the residential development project may be subject to change based on actual circumstances.

INFORMATION ABOUT THE PARTIES TO THE CHENGDU ZHAORONGSHENG EQUITY TRANSFER AGREEMENT

Chengdu Zhaoxinlin 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.

C&D Real Estate Chengdu is a company established with limited liability in the PRC, a wholly-owned subsidiary of C&D Real Estate and is principally engaged in the property development and operation businesses.

C&D Real Estate is a company established with limited liability in the PRC, and is 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, 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 Corporation Limited (“**Xiamen C&D**”) as to 54.65% and 45.35%, respectively. Xiamen C&D Inc. was 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* (廈門市人民政府國有資產監督管理委員會) is the ultimate controlling shareholder of C&D Real Estate and holds 100% equity interests in Xiamen C&D. Xiamen C&D Inc. is principally engaged in supply chain operation, real estate development, industrial investment, etc.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE CHENGDU ZHAORONGSHENG EQUITY TRANSFER AGREEMENT

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.

Given that (1) the Land is well located with outstanding educational resources and superior comprehensive quality, possessing great development potential; (2) the acquisition of the Land can further expand the scale of the Group’s land reserve and enhance the Group’s brand influence in both Chengdu and the PRC market, the Directors (excluding the independent non-executive Directors who will express their opinions after considering the advice from the independent financial adviser) are of the view that the entering into of the Chengdu Zhaorongsheng Equity Transfer Agreement will benefit the expansion of the Group’s real estate development business, and the terms of the Chengdu Zhaorongsheng Equity Transfer Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

C&D Real Estate is a controlling shareholder of the Company and C&D Real Estate Chengdu is a wholly-owned subsidiary of C&D Real Estate, C&D Real Estate Chengdu is therefore a connected person of the Company. The transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement are required to be aggregated with the Previous Transactions. As one or more of the applicable percentage ratios in respect of the Aggregated Transactions is more than 5% but less than 25%, the Aggregated Transactions constitute a discloseable and connected transaction of the Company under the Listing Rules

and are subject to the reporting, announcement and independent shareholders' approval requirements. An EGM will be held to seek approval from the Independent Shareholders for transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement.

C&D Real Estate (which held 1,050,425,743 issued Shares, representing approximately 56.91% 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(s) to approve the transactions contemplated under the Chengdu Zhaorongsheng 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 transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement.

An Independent Board Committee will be established to consider and advise the Independent Shareholders on the transactions contemplated under the Chengdu Zhaorongsheng 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 Chengdu Zhaorongsheng Equity Transfer Agreement are fair and reasonable, and the transactions contemplated under the Chengdu Zhaorongsheng 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.

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DEFINITIONS

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

“Aggregated Transactions”	collectively, the Previous Transactions and the transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement
“associate(s)”	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 of the Company, which holds approximately 56.91% of the issued share capital of the Company as at the date of this announcement

“C&D Real Estate Chengdu”	C&D Real Estate Group Chengdu Co., Ltd.* (建發房地產集團成都有限公司), a company established in the PRC with limited liability, and a wholly-owned subsidiary of C&D Real Estate
“C&D Shenggao”	Shanghai C&D Shenggao Enterprise Development Co., Ltd.* (上海建發盛高企業發展有限公司), a company established with limited liability in the PRC and an indirect wholly-owned subsidiary of the Company
“Chengdu Zhaorongsheng”	Chengdu Zhaorongsheng Real Estate Development Company Limited* (成都兆蓉晟房地產開發有限公司), a company established with limited liability in the PRC on 23 August 2023
“Chengdu Zhaorongsheng Equity Transfer Agreement”	the equity transfer agreement entered into by C&D Real Estate Chengdu with Chengdu Zhaoxinlin dated 6 November 2023, pursuant to which C&D Real Estate Chengdu agreed to sell and Chengdu Zhaoxinlin agreed to purchase 100% equity interests in Chengdu Zhaorongsheng
“Chengdu Zhaoxinlin”	Chengdu Zhaoxinlin Real Estate Development Company Limited* (成都兆欣麟房地產開發有限公司), a company established with limited liability in the PRC and an indirect wholly-owned subsidiary 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
“Director(s)”	the directors of the Company
“Fujian Zhaorun”	Fujian Zhaorun Real Estate Co., Ltd.* (福建兆潤房地產有限公司), a company established with limited liability in the PRC on 29 August 2014
“Fujian Zhaorun Equity Transfer Agreements”	the equity transfer agreements dated 6 December 2022 between Yi Yue and C&D Real Estate, between Yi Yue and Xiamen Liyuan, and between Xiamen Zhaoyirong and Xiamen Liyuan, respectively, pursuant to which, C&D Real Estate and Xiamen Liyuan agreed to sell, and Yi Yue and Xiamen Zhaoyirong agreed to purchase 95% and 5% equity interests in Fujian Zhaorun, respectively
“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 transactions contemplated under the Chengdu Zhaorongsheng Equity Transfer Agreement
“Independent Shareholders”	Shareholders who, under the Listing Rules, are not required to abstain from voting for the resolutions approving the Chengdu Zhaorongsheng Equity Transfer Agreement and the transactions contemplated thereunder
“Land”	a plot (Land number: QY02(251): 2023-020) at Group 6, Hongnian Community, Groups 6 and 7, Huayan Community, Caiqiao Street, Qingyang District, Chengdu, Sichuan Province, the PRC, with a site area of approximately 71,367.87 sq.m. and an estimated plot ratio floor area of not more than approximately 164,146.1 sq.m. for residential use
“Land Use Rights Grant Contract”	the State-owned Land Use Rights Grant Contract (國有土地使用權出讓合同) dated 29 August 2023 entered into by Chengdu Zhaorongsheng with Chengdu Planning and Natural Resources Bureau (成都市規劃和自然資源局) regarding the acquisition of the Land
“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
“Previous Transactions”	the transactions under the Fujian Zhaorun Equity Transfer Agreements and the Xiamen Jianyaoyue Equity Transfer Agreements
“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
“Xiamen Jianyaoyue”	Xiamen Jianyaoyue Real Estate Development Co., Ltd.* (廈門建垚悅房地產開發有限公司), a company established with limited liability in the PRC on 8 June 2021

“Xiamen Jianyaoyue Equity Transfer Agreements”	the equity transfer agreements dated 26 September 2023 entered into by C&D Real Estate with C&D Shenggao and Xiamen Zhaoyirong, respectively, pursuant to which, C&D Real Estate agreed to sell, and C&D Shenggao and Xiamen Zhaoyirong agreed to purchase 95% and 5% equity interests in Xiamen Jianyaoyue, respectively
“Xiamen Liyuan”	Xiamen Liyuan Investment Company Limited* (廈門利源投資有限公司), a company established with limited liability in the PRC and a wholly-owned subsidiary of C&D Real Estate
“Xiamen Zhaoyirong”	Xiamen Zhaoyirong Property Development Company Limited* (廈門兆翊蓉房地產開發有限公司), a company established with limited liability in the PRC and an indirect wholly-owned subsidiary of the Company
“Yi Yue”	Xiamen Yi Yue Property Company Limited* (廈門益悅置業有限公司), a company established with limited liability in the PRC and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

By order of the Board
C&D International Investment Group Limited
建發國際投資集團有限公司
Lin Weiguo
Executive director and Chief Executive Officer

Hong Kong, 6 November 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*