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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

JOINT VENTURE ARRANGEMENT IN RESPECT OF ACQUISITION OF THE LAND USE RIGHTS IN SUZHOU, THE PRC

Reference is made to the announcement of the Company dated 27 February 2018, in which Yi Yue, an indirect wholly-owned subsidiary of the Company, has successfully won the bid for the auction for the land use rights of the Land for a total consideration of RMB458,350,000.

The Board is pleased to announce that on 23 March 2018, Yi Yue and Suzhou Junfengchang entered into the JV Agreement, pursuant to which, among other things, Yi Yue and Suzhou Junfengchang agreed to form the Joint Venture for the acquisition of the land use rights of the Land, in which Yi Yue and Suzhou Junfengchang shall own 55% and 45% equity interests in the Joint Venture respectively. The Joint Venture will become an indirect subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Company.

LISTING RULES IMPLICATIONS

As announced by the Company on 27 February 2018, Yi Yue entered into the Confirmation Letter with the Suzhou Land Bureau on 27 February 2018 to confirm that Yi Yue has successfully won the bid for the auction of the Land at a total consideration of RMB458,350,000. Pursuant to Rule 14.22 of the Listing Rules, the transaction contemplated under the JV Agreement is required to be aggregated with the Land Acquisition. After aggregation, as one or more of the applicable percentage ratios for the Aggregated Transaction exceed 5% but less than 25%, the Aggregated Transaction constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 27 February 2018, in which Yi Yue, an indirect wholly-owned subsidiary of the Company, has successfully won the bid for the auction for the land use rights of the Land for a total consideration of RMB458,350,000. Having considered the scale of the proposed project, the Group intended to bring in other investor to jointly develop the Land through the Joint Venture.

THE JV AGREEMENT

The Board is pleased to announce that on 23 March 2018, Yi Yue and Suzhou Junfengchang entered into the JV Agreement, pursuant to which, among other things, Yi Yue and Suzhou Junfengchang agreed to form the Joint Venture for the acquisition of the land use rights of the Land, in which Yi Yue and Suzhou Junfengchang shall own 55% and 45% equity interests in the Joint Venture respectively. The principal terms of the JV Agreement are set out as follows:-

Date

23 March 2018

Parties

- (a) Yi Yue, an indirect wholly-owned subsidiary of the Company
- (b) Suzhou Junfengchang

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Suzhou Junfengchang and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Setting up of the Joint Venture

Yi Yue shall be responsible for setting up of the Joint Venture. Yi Yue shall procure the Joint Venture to enter into the supplemental agreement to the Land Use Rights Grant Contract with the Suzhou Land Bureau for the acquisition of the land use rights of the Land.

Capital contribution of the Joint Venture

Upon the establishment of the Joint Venture, the registered share capital of the Joint Venture shall be RMB100,000,000. Yi Yue and Suzhou Junfengchang shall contribute RMB55,000,000 and RMB45,000,000, respectively, according to their respective proportion in the equity interests of the Joint Venture. The registered capital of the Joint Venture shall be used as payment of the Land consideration and other expenses.

Shareholders' loan to the Joint Venture

In addition to the capital contribution, Yi Yue and Suzhou Junfengchang shall provide shareholders' loan to the Joint Venture in accordance to their respective proportion of shareholding in the total sum of approximately RMB358,350,000, out of which Yi Yue shall be responsible for approximately RMB197,092,500 in accordance with the proportion of its equity interest in the Joint Venture. Such shareholders' loan will be used for the acquisition of the Land.

The amount of capital contribution and the shareholder's loan were determined after arm's length negotiation between the parties to the JV Agreement with reference to the consideration and other expenses of the Land. Capital contribution and the shareholder's loan payable by Yi Yue will be funded by borrowing from the controlling shareholder of the Company.

Board composition

The board of directors of the Joint Venture will comprise of five directors, three of whom will be appointed by Yi Yue and two of whom will be appointed by Suzhou Junfengchang.

Financing

The Joint Venture shall prioritize to obtain financing for the development of the Land from other bank institutions.

Supervisor

The Joint Venture will not maintain a board of supervisors but instead will have two supervisors, each of whom will be appointed by Yi Yue and Suzhou Junfengchang respectively.

Completion

Upon establishment of the Joint Venture, Yi Yue will hold 55% equity interests in the Joint Venture. The Joint Venture will become an indirect subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Company.

INFORMATION RELATING TO THE LAND

The Land is located at Weitang Town* (渭塘鎮), Xiangcheng District* (相城區), Suzhou, Jiangsu Province, the PRC, and is situated at the south of Xinyan Highway* (新燕大道) and west of Chengyang Road* (澄陽路), with various commercial and educational facilities in its vicinity, and is adjacent to Weitang bus station* (渭塘汽車客運站) which provides a convenient transportation network. The Land has a total site area of approximately 22,256 sq.m. and an estimated gross floor area of approximately not exceeding 44,512 sq.m. for commercial-service and urban-residential use. The terms of the land use rights of the Land are 40 years and 70 years respectively.

INFORMATION ABOUT THE PARTIES TO THE JV AGREEMENT

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

Suzhou Junfengchang is a company established in the PRC with limited liability. It is principally engaged in property development, operation and management business.

REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE JOINT VENTURE

The Group is principally engaged in property development, real estate industry chain investment services and emerging industry investment.

The Directors are of the view that: (i) the Land Acquisition will expand the Group's land reserve; and (ii) the establishment of the Joint Venture for the joint development of the Land can diversify risks, which are beneficial to the further expansion of the business scale of the Group. The Directors are of the view that the establishment of the Joint Venture is in the ordinary and usual course of business of the Company and the establishment of the Joint Venture is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As announced by the Company on 27 February 2018, Yi Yue entered into the Confirmation Letter with the Suzhou Land Bureau on 27 February 2018 to confirm that Yi Yue has successfully won the bid for the auction of the Land at a total consideration of RMB458,350,000. Pursuant to Rule 14.22 of the Listing Rules, the transaction contemplated under the JV Agreement is required to be aggregated with the Land Acquisition. After aggregation, as one or more of the applicable percentage ratios for the Aggregated Transaction exceed 5% but less than 25%, the Aggregated Transaction constitutes 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:

“Aggregated Transaction”	the transaction contemplated under the JV Agreement, aggregated with the Land Acquisition
“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
“Confirmation Letter”	the auction confirmation letter (國有土地使用權拍賣競買成交確認書) entered into between Yi Yue and the Suzhou Land Bureau on 27 February 2018 as a result of successfully winning the bid for the auction of the Land
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Joint Venture”	Suzhou Jianhe Real Estate Development Company Limited* (蘇州建合房地產開發有限公司), the joint venture established by Yi Yue and Suzhou Junfengchang under the JV Agreement
“JV Agreement”	the joint venture agreement dated 23 March 2018 entered into between Yi Yue and Suzhou Junfengchang regarding the establishment of the Joint Venture
“Land Acquisition”	the acquisition of land use rights of the Land by Yi Yue through public bidding process at the auction
“Land”	a piece of land located at Weitang Town* (渭塘鎮), Xiangcheng District* (相城區), Suzhou, Jiangsu Province, the PRC (Land Plot no. 2017-WG-79), which is situated at the south of Xinyan Highway* (新燕大道) and west of Chengyang Road* (澄陽路), with a total site area of approximately 22,256 sq.m.
“Land Use Rights Grant Contract”	the State-Owned Land Use Rights Grant Contract (國有土地使用權出讓合同) to be entered into pursuant to the Confirmation Letter entered into between Yi Yue and the Suzhou Land Bureau
“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 and Taiwan
“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(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Junfengchang”	Suzhou Junfengchang Real Estate Development Company Limited* (蘇州雋豐昌房地產開發有限公司), a company established in the PRC with limited liability

“Suzhou Land Bureau”	Suzhou Municipal Bureau of Land Resources* (蘇州市國土資源局)
“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, 23 March 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*