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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 IN RELATION TO THE ENTERING INTO OF THE COOPERATION AGREEMENT AND THE JV AGREEMENT

THE COOPERATION AGREEMENT AND THE JV AGREEMENT

The Board is pleased to announce that on 20 April 2018, Yi Yue, an indirect wholly-owned subsidiary of the Company, entered into the following agreements:

- (1) the Cooperation Agreement with Changsha Xingwang, Hunan Xingwang and Mr. Hou, pursuant to which, among other things, Changsha Xingwang and Yi Yue conditionally agreed to cooperate in the potential acquisition of the land use rights of the Land through the Project Company. The total consideration under the Cooperation Agreement is expected to be approximately RMB900,000,000 (subject to adjustment according to the actual status for transfer of the Land); and
- (2) the JV Agreement with Hunan Hongkai, pursuant to which, among other things, Yi Yue and Hunan Hongkai agreed to form the Joint Venture for the acquisition of the Project Company, in which Yi Yue and Hunan Hongkai shall own as to 95% and 5% equity interests in the Joint Venture respectively.

Upon completion of the transactions contemplated under the Cooperation Agreement and the JV Agreement, the Project Company and the Joint Venture will become subsidiaries of the Company and their respective financial results will be consolidated into the consolidated financial statements of the Company.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios for the transactions contemplated under the Cooperation Agreement and the JV Agreement exceed 5%

but less than 25%, the transactions constitute discloseable transactions for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the transaction contemplated under the Cooperation Agreement is subject to the fulfilment of a number of conditions precedent, and accordingly, the transaction contemplated under the Cooperation Agreement may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

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- (2) the JV Agreement with Hunan Hongkai, pursuant to which, among other things, Yi Yue and Hunan Hongkai agreed to form the Joint Venture for the acquisition of the Project Company, in which Yi Yue and Hunan Hongkai shall own as to 95% and 5% equity interests in the Joint Venture respectively.

THE COOPERATION AGREEMENT

Date

20 April 2018

Parties

- (1) Yi Yue, an indirect wholly-owned subsidiary of the Company (purchaser)
- (2) Changsha Xingwang (vendor)
- (3) Hunan Xingwang (guarantor)

(4) Mr. Hou (guarantor)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Changsha Xingwang, Hunan Xingwang and their respective ultimate beneficial owner(s) and Mr. Hou is a third party independent of the Company and its connected persons.

Consideration

Changsha Xingwang and Yi Yue conditionally agreed to cooperate in the potential acquisition of the land use rights of the Land through the Project Company. If the Project Company successfully wins the bid for the auction for the Land according to the Cooperation Agreement, Changsha Xingwang agreed to transfer the 100% equity interests in the Project Company to Yi Yue or designated affiliate of Yi Yue. The consideration under the Cooperation Agreement is estimated to be approximately RMB900,000,000, which is based on that the price of the Land equals the comprehensive floor area price of the Land of approximately RMB4,500 per sq.m. multiplying the planned plot ratio area of the Land of approximately 200,000 sq.m..

Pursuant to the JV Agreement, Yi Yue has designated the Joint Venture as the entity to acquire the Project Company and the total consideration under the Cooperation Agreement shall be paid by the Joint Venture upon the fulfilment of the conditions precedent under the Cooperation Agreement.

The total consideration under the Cooperation Agreement was determined after arm's length negotiations between Changsha Xingwang and Yi Yue with reference to the following factors: (i) the selling price of the properties close to the Land is approximately RMB11,000 per sq.m. and it is estimated there exists reasonable profit from the development of the Land; and (ii) the average floor area price of the three residential land parcels located in the same district auctioned in 2018 is around RMB4,500 per sq.m.. The Directors consider that the total consideration under the Cooperation Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Payment obligations

The payment obligations of Yi Yue or the designated affiliate of Yi Yue shall arise following the satisfaction of the conditions precedent below:

1. The Land shall be listed for sale within one year after the entering into of the Cooperation Agreement based on the conditions agreed between the parties;
2. The Project Company shall win the bid of the Land and the total consideration for acquiring the Land shall comply with the stipulations under the Cooperation Agreement; and

3. The relevant procedures for coordinating the transfer of the Land and the subsequent development shall be performed by Changsha Xingwang according to the stipulations under the Cooperation Agreement.

Yi Yue or the designated affiliate of Yi Yue shall pay the total consideration under the Cooperation Agreement in instalments after the payment obligations arise.

Guarantee

Hunan Xingwang and Mr. Hou agreed to irrevocably provide Changsha Xingwang with guarantees and assume joint and several liabilities for the transaction contemplated under the Cooperation Agreement.

Termination

According to the Cooperation Agreement, Yi Yue is entitled to terminate the Cooperation Agreement, should among other things, any of the conditions precedent of the payment obligations fail to be satisfied.

THE JV AGREEMENT

Date

20 April 2018

Parties

- (1) Yi Yue, an indirect wholly-owned subsidiary of the Company
- (2) Hunan Hongkai

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

Contribution to the registered capital

Hunan Hongkai will assist in providing the relevant documents required for establishment of the Joint Venture within five days from receiving the notice from Yi Yue, which in turn will be responsible for establishing the Joint Venture. The initial registered capital of the Joint Venture is estimated to be RMB5,000,000. Yi Yue and Hunan Hongkai agreed to contribute RMB4,750,000 and RMB250,000, respectively according to their respective proportion in the equity interests of the Joint Venture.

Shareholders' loan to the Joint Venture

In addition to the capital contribution, upon completion of the acquisition of 100% equity interests of the Project Company by the Joint Venture, Yi Yue and Hunan Hongkai shall provide shareholders' loan for a total amount of approximately RMB895,000,000 to the Joint Venture (based on that the price of the Land equals the comprehensive floor area price of the Land of approximately RMB4,500 per sq.m. multiplying the planned plot ratio area of the Land of approximately 200,000 sq.m.). Such shareholders' loan will be used for satisfying the payment obligations under the Cooperation Agreement, which is used for acquisition of the Land and payment of relevant taxes.

The total consideration under the JV Agreement is expected to be approximately RMB900,000,000 (subject to adjustment according to the actual status for transfer of the Land). The total consideration under the JV Agreement was determined after arm's length negotiation between the parties to the JV Agreement with reference to the expected capital requirement under the Cooperation Agreement.

Scope of business of the Joint Venture

It is proposed that the Joint Venture will be principally be engaged in the business of investment holding.

Board composition of the Joint Venture

The board of directors of the Joint Venture will comprise of three directors, two of whom will be appointed by Yi Yue, one of whom will be appointed by Hunan Hongkai.

COMPLETION

Upon completion of the transactions contemplated under the Cooperation Agreement and the JV Agreement, the Project Company and the Joint Venture will become subsidiaries of the Company and their respective financial results will be consolidated into the consolidated financial statements of the Company.

The transactions contemplated under each of the Cooperation Agreement and the JV Agreement are not inter-conditional to each other. As mentioned above, Yi Yue is entitled to terminate the Cooperation Agreement, should, among other things, any of the conditions precedent of the payment obligations fail to be satisfied. Should the Cooperation Agreement be terminated, the Joint Venture will not acquire the Project Company while Yi Yue and Hunan Hongkai will otherwise agree on the business purpose of the Joint Venture.

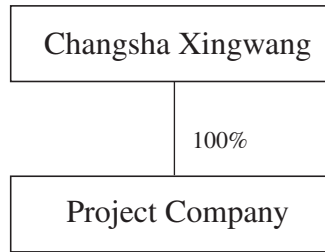
PAYMENT TERMS

Yi Yue will finance the total consideration under the Cooperation Agreement and the JV Agreement by the loan from the controlling shareholder to the Group.

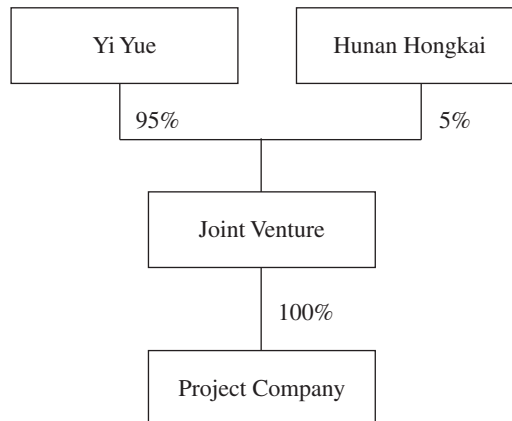
SHAREHOLDING STRUCTURES OF THE PROJECT COMPANY AND THE JOINT VENTURE

The shareholding structures of the Project Company and the Joint Venture (i) before the completion of acquisition of the Project Company; and (ii) immediately after the completion of acquisition of the Project Company is as follows:

Before the completion of acquisition of the Project Company:



Immediately after the completion of acquisition of the Project Company:



INFORAMTION ABOUT THE LAND

The Land is located at the north of Wuguang New City* (武廣新城), Yuhua District* (雨花區), Changsha City, Hunan Province, the PRC, with residential areas at the east and the south, land to be developed at the north, and the Beijing-Hong Kong-Macau Expressway at the west with comprehensive education, business, and medical facilities. The Land has a site area of approximately 80,000 sq.m. and a planned plot ratio floor area of approximately 200,000 sq.m. which is expected to be of residential use. The actual condition of listing for sale shall be subject to the announcement of the local relevant land authorities.

INFORMATION ABOUT THE PARTIES TO THE COOPERATION AGREEMENT AND THE JV AGREEMENT

Yi Yue 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.

Changsha Xingwang is a company established with limited liability in the PRC. It is principally engaged in real estate development business.

Hunan Xingwang is a company established with limited liability in the PRC. It is principally engaged in businesses including contracting of construction projects.

Hunan Hongkai is a company established with limited liability in the PRC. It is principally engaged in real estate development business.

Mr. Hou is a natural person and the legal representative of Hunan Xingwang.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE COOPERATION AGREEMENT AND THE JV AGREEMENT

The Group is principally engaged in the business of property development, real estate industry chain investment services and investment in emerging industries in the PRC.

In view that: (i) the entering into of the Cooperation Agreement will enable the Company to acquire the Land at a controllable cost in the future; (ii) the acquisition of the Land will help expand the land reserve of the Company and strengthen its position in the real estate market in Changsha; and (iii) the entering into of the JV Agreement will help reduce operating risks; the Directors consider that the entering into of the Cooperation Agreement and the JV Agreement will facilitate the Company to develop its principal business of real estate development which is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the transactions contemplated under the Cooperation Agreement and the JV Agreement exceed 5% but less than 25%, the transactions constitute discloseable transactions 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:

“Board”	the board of Directors
“Changsha Xingwang”	Changsha Xingwang Real Estate Development Company Limited* (長沙興旺房地產開發有限公司), a company established in the PRC with limited liability
“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”	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
“Hunan Hongkai”	Hunan Hongkai Real Estate Development Company Limited* (湖南泓楷房地產開發有限責任公司), a company established in the PRC with limited liability
“Hunan Xingwang”	Hunan Xingwang Construction Company Limited* (湖南興旺建設有限公司), a company established in the PRC with limited liability
“Joint Venture”	the joint venture to be established in the PRC, the equity interests of which shall be owned as to 95% and 5% by Yi Yue and Hunan Hongkai
“Land”	A parcel of land located at the north of Wuguang New City* (武廣新城), Yuhua District* (雨花區), Changsha City, Hunan Province, the PRC with a site area of approximately 80,000 sq.m.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Hou”	Mr. Hou Yu* (侯宇), the legal representative of Hunan Xingwang
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Project Company”	the project company to be established by Changsha Xingwang for the acquisition of the Land under the Cooperation Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metre(s)
“Share(s)”	the ordinary share(s) of HK\$0.1 each of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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.

Shareholders and potential investors should note that the transaction contemplated under the Cooperation Agreement is subject to the fulfilment of a number of conditions precedent, and accordingly, the transaction contemplated under the Cooperation Agreement may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

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

Hong Kong, 20 April 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*