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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)

MAJOR TRANSACTION

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

Reference is made to the announcement of the Company dated 9 January 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 RMB4,022,100,000. On 8 February 2018, Guangzhou Jiansui, an indirect wholly-owned subsidiary of the Company, entered into the supplemental agreement to the Land Use Rights Grant Contract with the Guangzhou Land Commission for acquisition of the land use rights of the Land and the total consideration of the Land has been settled by Guangzhou Jiansui as at the date of this announcement.

THE COOPERATION AGREEMENT

The Board is pleased to announce that on 11 June 2018, Yi Yue, The Wharf (Guangzhou) and Guangzhou Changzheng entered into the Cooperation Agreement, pursuant to which, among other things, Yi Yue, The Wharf (Guangzhou) and Guangzhou Changzheng agreed to form the Joint Venture for the acquisition of the land use rights of the Land, in which Yi Yue, The Wharf (Guangzhou) and Guangzhou Changzheng shall own 64%, 18% and 18% 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 one or more of the applicable percentage ratios in respect of the transactions contemplated under the Cooperation Agreement are more than 25% but less than 100%, the transaction contemplated under the Cooperation Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular and shareholders' approval requirement. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the transaction contemplated under the Cooperation Agreement. A written Shareholder's approval dated 11 June 2018 has been obtained from Well Land International Limited (which as at the date of this announcement held 446,336,745 issued Shares of the Company, representing approximately 60.74% of the issued share capital of the Company) in respect of the transactions contemplated under the Cooperation Agreement. Such written approval has been accepted in lieu of holding a general meeting of the Company for approving the transaction contemplated under the Cooperation Agreement. Therefore, no general meeting of the Company will be convened for approving the transaction contemplated under the Cooperation Agreement pursuant to Rule 14.44 of the Listing Rules.

GENERAL

A circular containing, among other things, details of the transaction contemplated under the Cooperation Agreement and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 29 June 2018. If additional time is required for preparing the circular, the Company may apply for a waiver from strict compliance of Rule 14.41(a) of the Listing Rules.

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The Board is pleased to announce that on 11 June 2018, Yi Yue, The Wharf (Guangzhou) and Guangzhou Changzheng entered into the Cooperation Agreement, pursuant to which, among other things, Yi Yue, The Wharf (Guangzhou) and Guangzhou Changzheng agreed to form the Joint Venture for the acquisition of the land use rights of the Land, in which Yi Yue, The Wharf (Guangzhou) and Guangzhou Changzheng shall own 64%, 18% and 18% equity interests in the Joint Venture respectively.

THE COOPERATION AGREEMENT

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

Date

11 June 2018

Parties

- (a) Yi Yue, an indirect wholly-owned subsidiary of the Company
- (b) The Wharf (Guangzhou)
- (c) Guangzhou Changzheng

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, The Wharf (Guangzhou), Guangzhou Changzheng and its respective ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected person(s).

Setting up and capital contribution of the Joint Venture

Within 20 business days upon signing of the Cooperation Agreement, Yi Yue shall be responsible for setting up the Joint Venture. Upon the establishment of the Joint Venture, the initial registered capital of the Joint Venture shall be RMB1,200,000,000. Yi Yue, The Wharf (Guangzhou) and Guangzhou Changzheng shall contribute RMB768,000,000, RMB216,000,000 and RMB216,000,000, 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 fund to be provided by the Joint Venture to Guangzhou Jiansui for its repayment of the shareholder's loan previously advanced by Yi Yue for the acquisition of the Land by Guangzhou Jiansui.

Acquisition of Guangzhou Jiansui by the Joint Venture

Upon the establishment of the Joint Venture and within 10 business days after Yi Yue obtaining relevant regulatory approval regarding the transfer of the entire equity interests of Guangzhou Jiansui, Yi Yue shall transfer 100% equity interests in Guangzhou Jiansui to the Joint Venture. Based on the valuation to be conducted by an independent valuer on Guangzhou Jiansui, Guangzhou Jiansui is to be transferred at its contributed registered capital with zero premium.

Shareholders' loan to the Joint Venture

In addition to the capital contribution, Yi Yue, The Wharf (Guangzhou) and Guangzhou Changzheng shall provide shareholders' loan to the Joint Venture in the total sum of approximately RMB2,822,100,000, out of which Yi Yue shall be responsible for approximately RMB1,806,144,000 in accordance with the proportion of its equity interests in the Joint Venture. Such shareholders' loan will be used as the capital contribution to Guangzhou Jiansui by the Joint Venture and fund to be provided to Guangzhou Jiansui by the Joint Venture for its repayment of the shareholder's loan previously advanced by Yi Yue to Guangzhou Jiansui for the acquisition of the Land.

The parties to the Cooperation Agreement agreed that the subsequent development of the Joint Venture and/or Guangzhou Jiansui should be preferentially self-financed.

The amount of capital contribution and shareholder's loan payable by Yi Yue in the total sum of approximately RMB2,574,144,000 were determined after arm's length negotiation among the parties to the Cooperation 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 be comprised of five directors, three of whom will be appointed by Yi Yue and one of whom will be appointed by The Wharf (Guangzhou) and Guangzhou Changzheng respectively.

Supervisor

The Joint Venture will not maintain a board of supervisors but instead will have two supervisors, each of whom will be appointed by The Wharf (Guangzhou) and Guangzhou Changzheng respectively.

Shareholders' voting mechanism

At the shareholders' meetings of the Joint Venture, specific matters under situation as described in the Cooperation Agreement must be passed by 100% of the votes cast by the shareholders of the Joint Venture.

Condition precedent

The Cooperation Agreement will be conditional upon the parties to the Cooperation Agreement obtaining relevant approval from the relevant authorities.

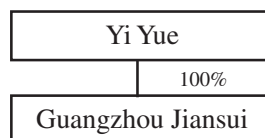
Completion

Upon completion of the transactions contemplated under the Cooperation Agreement, Yi Yue will hold 64% 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.

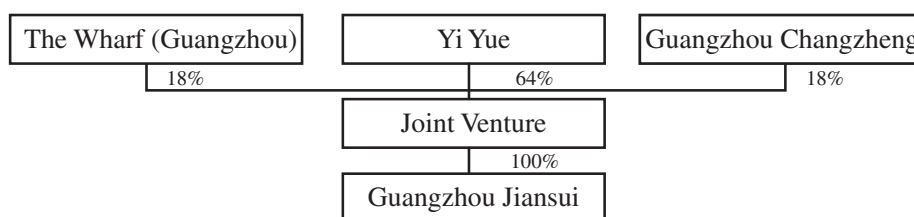
SHAREHOLDING STRUCTURES BEFORE AND AFTER THE TRANSACTIONS CONTEMPLATED UNDER THE COOPERATION AGREEMENT

The shareholding structures of Guangzhou Jiansui and the Joint Venture (i) before the completion of the transactions contemplated under the Cooperation Agreement; and (ii) immediately after the completion of the transactions contemplated under the Cooperation Agreement are as follows:-

Before the completion of the transactions contemplated under the Cooperation Agreement:



Immediately after the completion of the transactions contemplated under the Cooperation Agreement:



INFORMATION RELATING TO THE LAND

The Land is located at No.444, Shitan Road (石潭路), Shijing Town (石井鎮), Baiyun District (白雲區), Guangzhou, Guangdong Province, the PRC, reaching Shitan Road (石潭路) at the east and the planned roads at the south, west and north sides. The Land is close to Shijing River (石井河) and in the vicinity of approximately 700 metres from Shitan Station (石潭站) (under construction) of Guangzhou Metro Line 8, approximately 5 kilometres from the Baiyun District government building and approximately 8 kilometres from the Guangzhou government building. The Land has a total site area of approximately 45,559 sq.m., and an estimated gross floor area of not exceeding approximately 134,286 sq.m. for urban residential use. The terms of the land use rights of the Land is 70 years for residential use. The Land is intended to be developed as residential projects. The construction of the Land shall be commenced before 9 July 2019 and completed before 9 July 2022. The construction arrangement may be adjusted by the Group in accordance with the actual market conditions.

INFORMATION ABOUT THE PARTIES TO THE COOPERATION AGREEMENT

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

The Wharf (Guangzhou) is a company established with limited liability in the PRC and is principally engaged in property consultancy services etc..

Guangzhou Changzheng is a company established with limited liability in the PRC and is principally engaged in property development and operation, property investment etc..

REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE COOPERATION 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.

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

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DEFINITIONS

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

“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
“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
“Cooperation Agreement”	the cooperation agreement dated 11 June 2018 entered into among Yi Yue, The Wharf (Guangzhou) and Guangzhou Changzheng regarding, among other things, the formation of the Joint Venture
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Changzheng”	Guangzhou Changzheng Real Estate Development Company Limited* (廣州昌正房地產開發有限公司), a company established in the PRC with limited liability
“Guangzhou Land Commission”	Guangzhou Land Resources and Planning Commission* (廣州市國土資源和規劃委員會)
“Guangzhou Jiansui”	Guangzhou Jiansui Real Estate Development Company Limited* (廣州建穗房地產開發有限公司), a company established in the PRC with limited liability on 15 January 2018, with registered capital of RMB10,000,000
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture”	a joint venture to be established under the laws of the PRC

“Land”	a piece of land located at the No.444, Shitan Road (石潭路), Shijing Town (石井鎮), Baiyun District (白雲區), Guangzhou, Guangdong Province, the PRC (Land No.: 2017KJ01110015) with a total site area of approximately 45,559 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) of the Land entered into between Yi Yue and the Guangzhou Land Commission dated 9 January 2018
“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
“The Wharf (Guangzhou)”	The Wharf Property (Guangzhou) Company Limited* (九龍倉置業(廣州)有限公司), a company established in the PRC with limited liability
“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, 11 June 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*