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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 EQUITY TRANSFER AGREEMENT

BACKGROUND

Reference is made to the announcement of the Company dated 7 February 2018, whereby it was announced that Xiamen Zhaochun was established for the purpose of participating in the development of the Land. Yi Yue, an indirect wholly-owned subsidiary of the Company, and Beijing Shoukai each holds 50% equity interests in Xiamen Zhaochun. As at the date of this announcement, Xiamen Zhaochun has been established as an indirect subsidiary of the Company.

On 24 October 2017, Fujian Country Garden entered into the Land Transfer Contract for the acquisition for the land use rights of the Land in Fuzhou, Fujian Province, the PRC for a total consideration of RMB5,040,000,000. On 1 December 2017, the Target Company entered into the supplemental agreement to the Land Transfer Contract for acquisition of the land use rights of the Land. As at the date of this announcement, Fujian Country Garden, Wansi Property and Fujian Poly holds 60%, 20% and 20% equity interest in the Target Company, respectively and Fujian Country Garden has paid the consideration for the Land in full.

THE EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that on 20 November 2018, Xiamen Zhaochun and Fujian Country Garden entered into the Equity Transfer Agreement, pursuant to which Xiamen Zhaochun agreed to purchase and Fujian Country Garden agreed to sell 33% of equity interests in the Target Company and the rights and obligations thereunder. It is anticipated that Yi Yue's maximum total capital commitment will be RMB907,500,000 (based on the estimation as the maximum funding needed for the development of the Land amounting to RMB5,500,000,000 multiplied by Yi Yue's interest in the Target Company). Upon completion of the equity transfer, Fujian Country Garden, Wansi Property, Fujian Poly and Xiamen Zhaochun will hold 27%, 20%, 20% and 33% equity interests in the Target Company, respectively.

LISTING RULES IMPLICATIONS

Fujian Country Garden indirectly holds 49% equity interests in Sha County Tianchen Real Estate Development Company Limited, which is an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules, as such, Fujian Country Garden and its ultimate beneficial owner(s) are not regarded as connected persons of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the Equity Transfer Agreement do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As announced by the Company on 7 February 2018, Xiamen Zhaochun was established, in which Yi Yue and Beijing Shoukai each held 50% equity interests. Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Equity Transfer Agreement are required to be aggregated with the establishment of Xiamen Zhaochun. After aggregation, as one or more of the applicable percentage ratios for the Aggregated Transaction exceeds 5% but are all less than 25%, the Aggregated Transaction constitutes a discloseable transaction for the Company and is subject to the announcement and reporting under Chapter 14 of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 7 February 2018, whereby it was announced that Xiamen Zhaochun was established for the purpose of participating in the development of the Land. Yi Yue, an indirect wholly-owned subsidiary of the Company, and Beijing Shoukai each holds 50% equity interests in Xiamen Zhaochun. As at the date of this announcement, Xiamen Zhaochun has been established as an indirect subsidiary of the Company.

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THE EQUITY TRANSFER AGREEMENT

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Date

20 November 2018

Parties

Seller: Fujian Country Garden

Purchaser: Xiamen Zhaochun

Save and except Fujian Country Garden's 100% shareholding in Sanming Country Garden Real Estate Development Company Limited which holds 49% equity interests in Sha County Tianchen Real Estate Development Company Limited, which is an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules, as such, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Fujian Country Garden and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Consideration and registered capital contribution

The consideration under the Equity Transfer Agreement is nil, which was determined with reference to Fujian Country Garden's actual contribution in the registered capital of the Target Company with zero premium. The registered capital of the Target Company of RMB10,000,000 is unpaid. Upon completion of the transfer, Xiamen Zhaochun shall contribute RMB3,300,000 to the registered capital of the Target Company in accordance with the proportion of its equity interests in the Target Company.

Shareholders' loan to the Target Company

In addition to capital contribution, Xiamen Zhaochun shall provide RMB1,811,700,000 of shareholders' loan to the Target Company in accordance to the proportion of its equity interests of the Target Company to cover the acquisition cost of the Land previously provided by Fujian Country Garden and the development cost of the land, which may be further adjusted according to the market conditions.

Yi Yue has contributed RMB300,000,000 to the registered capital of Xiamen Zhaochun. Yi Yue shall in turn provide RMB607,500,000 of shareholder's loan to Xiamen Zhaochun in accordance to its equity interests in Xiamen Zhaochun.

The capital contribution and the shareholders' loan in the total sum of RMB907,500,000 to Xiamen Zhaochun by Yi Yue were determined based on arm's length negotiations between the parties to the Equity Transfer Agreement and with reference to the Land consideration. The Directors consider that the aggregate consideration under the Equity Transfer Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

SOURCE OF FUNDING OF YI YUE

The capital contribution and the shareholders' loan payable by Yi Yue will be financed by internal resources of the Company.

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is established in the PRC with limited liability on 10 November 2017 and is principally engaged in property development and sales.

	As at 31 December 2017 <i>(unaudited)</i> <i>(in RMB)</i>	As at 31 October 2018 <i>(unaudited)</i> <i>(in RMB)</i>
Total assets	2,520,001,192.96	5,389,013,277.84
Net Asset/(Liability)	144.72	(5,707,622.51)

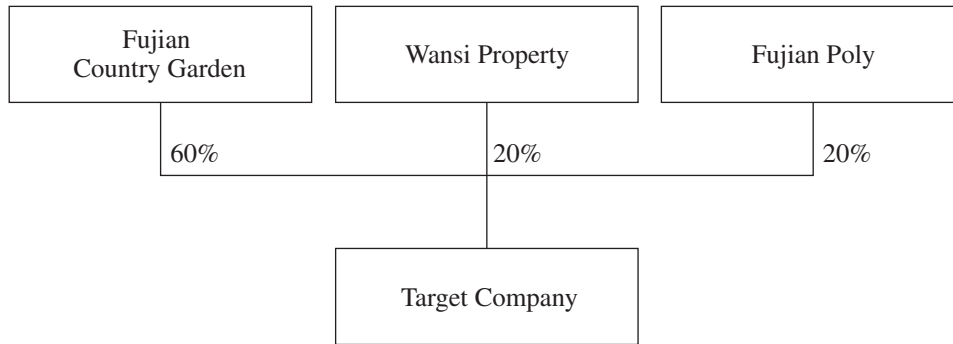
**For the period from
10 November 2017 to
31 December 2017**
(unaudited)
(in RMB)

**For the ten months
ended 31 October 2018**
(unaudited)
(in RMB)

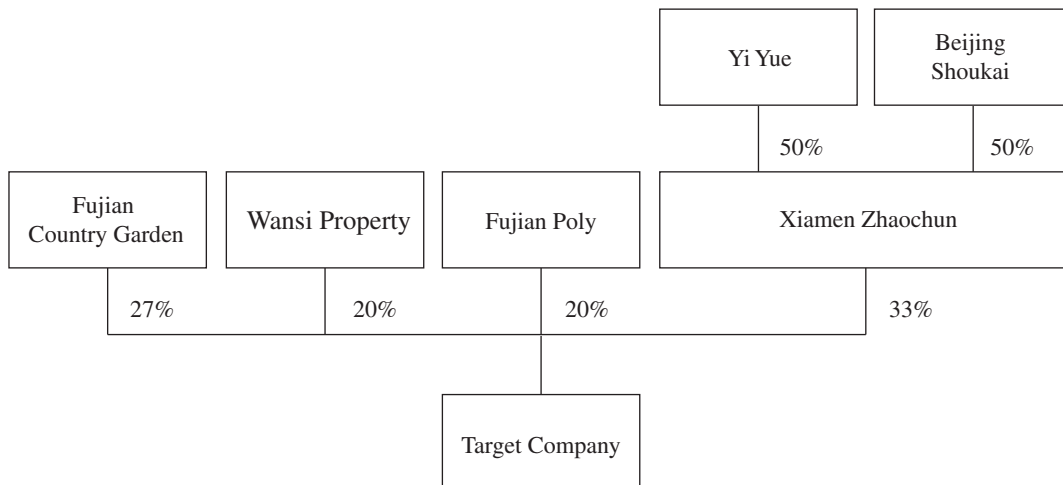
Net Profit/(Loss) before taxation	192.96	(5,707,767.23)
Net Profit/(Loss) after taxation	144.72	(5,707,767.23)

The shareholding structures of the Target Company (i) as at the date of this announcement; and (ii) immediately after the completion of the transfer are as follows:

As at the date of this announcement:



Immediately after the completion of the transfer:



INFORMATION ABOUT THE LAND

The Land is a land parcel numbered “2017-25” above the Xindian Vehicle Base (新店車輛基地) of Fuzhou Metro Line 1, located on the south side of Zhanban Road (戰阪路), Jin’an District (晉安區), Fuzhou, Fujian Province, the PRC, with convenient transport in surrounding areas and well-established ancillary facilities. The Land has a total site area of approximately 111,443.78 square meters and a planned plot ratio floor area of not exceeding approximately 334,331.34 square metres and is for residential, commercial service, transportation and public management and public service (kindergarten) purposes. The state-owned construction land use term of the Land is 70 years for residential use, 40 years for commercial service use, 50 years for transportation use and 50 years for public management and public service (kindergarten) use.

INFORMATION ABOUT THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

Xiamen Zhaochun is a company established with limited liability in the PRC and is a subsidiary of the Company. Xiamen Zhaochun is principally engaged in property development and management.

Fujian Country Garden is a company established in the PRC with limited liability, the principle business of which is real estate development operations.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE EQUITY TRANSFER AGREEMENT

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

In view of the fact that: (i) the Land is well located with comprehensive peripheral ancillary facilities and good potential for development; and (ii) the cooperative development of the Land can diversify risks; the Directors consider that entering into the Equity Transfer Agreement will help the Group expand its principal operations and the terms under the Equity Transfer Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Fujian Country Garden indirectly holds 49% equity interests in Sha County Tianchen Real Estate Development Company Limited, which is an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules, as such, Fujian Country Garden and its ultimate beneficial owner(s) are not regarded as connected persons of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the Equity Transfer Agreement do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As announced by the Company on 7 February 2018, Xiamen Zhaochun was established, in which Yi Yue and Beijing Shoukai each holds 50% equity interests. Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under the Equity Transfer Agreement are required to be aggregated with the establishment of Xiamen Zhaochun. After aggregation, as one or more of the applicable percentage ratios for the Aggregated Transaction exceeds 5% but are all less than 25%, the Aggregated Transaction constitutes a discloseable transaction for the Company and is subject to the announcement and reporting 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 Equity Transfer Agreement, aggregated with the establishment of Xiamen Zhaochun
“associate”	has the meaning ascribed to it under the Listing Rules
“Beijing Shoukai”	Beijing Shoukai Stock Company Limited* (北京首都開發股份有限公司), a company established in the PRC with limited liability
“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
“Directors”	the directors of the Company

“Equity Transfer Agreement”	the equity transfer agreement dated 20 November 2018 entered into between Fujian Country Garden and Xiamen Zhaochun in relation to the transfer of 33% equity interests in the Target Company
“Fujian Country Garden”	Fujian Country Garden Real Estate Development Company Limited* (福建省碧桂園房地產開發有限公司), a company established in the PRC with limited liability
“Fuzhou Land Bureau”	Fuzhou Municipal Bureau of Land Resources* (福州市國土資源管理局)
“Fujian Poly”	Fujian Poly Investment Development Company Limited* (福建保利投資發展有限公司), a company established in the PRC with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a land parcel numbered “2017-25” above the Xindian Vehicle Base (新店車輛基地) of Fuzhou Metro Line 1, located on the south side of Zhanban Road (戰阪路), Jin’an District (晉安區), Fuzhou, Fujian Province, China, with a total site area of approximately 111,443.78 square meters
“Land Transfer 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 Fujian Country Garden and the Fuzhou Land Bureau dated 24 October 2017
“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)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Fuzhou Hongteng Real Estate Development Company Limited* (福州市鴻騰房地產開發有限公司), a company established in the PRC with limited liability on 10 November 2017
“Wansi Property”	Fuzhou Wansi Property Company Limited* (福州市萬思置業有限公司), a company established in the PRC with limited liability
“Xiamen Zhaochun”	Xiamen Zhaochun Property Company Limited* (廈門兆淳置業有限公司), the joint venture established in the PRC with limited liability on 1 March 2018
“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, 20 November 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*