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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)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF SHARES IN THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE; AND (2) INSIDE INFORMATION IN RESPECT OF ENTRUSTED VOTING ARRANGEMENT IN THE TARGET COMPANY

The Board would like to announce that on 29 March 2022, the Company entered into the Share Sale and Purchase Agreement with Well Land, pursuant to which the Company agreed to acquire and Well Land agreed to sell 467,691,388 C&D Property Shares (representing approximately 35.00% of the total number of issued shares in C&D Property) for a consideration of HK\$1,641,596,771.88, of which HK\$1,156 million shall be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price under the Specific Mandate and the remaining consideration shall be paid by the Company in cash.

On the same date, the Company entered into the Voting Rights Entrustment Agreement with Well Land, pursuant to which Well Land has agreed to irrevocably and unconditionally entrust the Company to exercise the voting rights of 213,801,777 C&D Property Shares that Well Land directly holds in C&D Property (representing approximately 16.00% of the total issued share capital of C&D Property) for an indefinite period. Well Land shall continue to own the 213,801,777 Entrusted Shares as the sole legal and beneficial owner, and except for the voting rights, Well Land shall continue to be entitled to the dividends, distributions and all other rights and benefits attaching to the Entrusted Shares. The Voting Rights Entrustment Agreement has become binding on the parties upon signing and the Entrusted Voting Arrangement contemplated thereunder shall be effective from the Business Day after the Completion. No consideration is payable under the Entrusted Voting Arrangement.

As at the date of this announcement, Well Land directly owns 767,191,106 C&D Property Shares, representing approximately 57.41% of the total number of issued shares of C&D Property; and as at the date of this announcement, the Company does not hold any C&D Property Shares. After completion of the Share Acquisition and upon the Entrusted Voting Arrangement becoming effective, the Company shall be entitled to exercise or control the exercise of voting rights in respect of a total of 681,493,165 C&D Property Shares, thereby entitling the Company to exercise or control the exercise of approximately 51.00% voting power at general meetings of C&D Property (assuming that there is no other change in the issued share capital of C&D Property from the date of this announcement to the date when the Entrusted Voting Arrangement becomes effective). Upon the Entrusted Voting Arrangement becoming effective, C&D Property will be accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary of the Company by virtue of applicable accounting principles.

LISTING RULES IMPLICATIONS

The Share Acquisition involves acquisition of publicly listed shares by the Company from a connected person and therefore constitutes a connected transaction of the Company. Given C&D Property will be accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary of the Company by virtue of applicable accounting principles, 100% of C&D Property's total assets, profits and revenue was taken as the value of the total assets, profits and revenue when calculating the applicable percentage ratios. As one or more of the applicable percentage ratios in respect of the Share Sale and Purchase Agreement is more than 5% but less than 25%, the Share Acquisition constitutes a discloseable and connected transaction of the Company, and is subject to the reporting, announcement requirements and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of the members of C&D Property Group becoming consolidated as subsidiaries of, and becoming members of the Group, the Entrusted Voting Arrangement constitutes inside information of the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO. The Entrusted Voting Arrangement does not constitute a transaction for the purpose of Rule 14.04 and Rule 14A.24 of the Listing Rules.

The Company will convene the General Meeting to consider and, if thought fit, approve, among other things, the Share Acquisition (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate).

TAKEOVERS CODE IMPLICATIONS

After completion of the Share Acquisition and upon the Entrusted Voting Arrangement becoming effective, the Company shall hold a total of approximately 51.00% of voting rights, in C&D Property. Well Land and the Company are parties acting in concert and/or parties presumed to be acting in concert with one another in respect of voting rights of C&D Property Shares for the purpose of the Takeovers Code. Well Land has been holding over 50% voting rights in C&D Property since its listing on the Main Board of the Stock Exchange.

Pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code, whenever the holdings of a group acting in concert total 30% or more of the voting rights of a company and as a result of an acquisition of voting rights from another member of the group, a single member comes to hold 30% or more, an obligation to make a mandatory general offer in respect of other shares not owned by such parties acting in concert under Rule 26.1 of the Takeovers Code will normally arise.

The Company has made an application to the Executive for a ruling that the Company will not be obliged to make a mandatory general offer after completion of the Share Acquisition and upon the Entrusted Voting Arrangement becoming effective on the grounds that, amongst others, Well Land is the leader of the Concert Group and there shall be no change in the leader as a result of and there shall also be no change of control as a result of the Share Acquisition and the Entrusted Voting Arrangement as C&D Property has all along been effectively controlled by Well Land. A ruling has been obtained from the Executive on 23 September 2021 that, pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code, the Executive waives the obligations on the part of the Company to make a mandatory general offer for C&D Property Shares as a result of the Share Acquisition and the Entrusted Voting Arrangement.

GENERAL

As additional time is required for the Company to prepare the information to be included in a circular containing, among other things, (i) further details of the Share Acquisition (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate); (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Share Acquisition (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate); (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Share Acquisition (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate); and (iv) the notice of the General Meeting, the circular will be despatched to the Shareholders on or before 30 April 2022, which is more than 15 business days after the publication of this announcement.

As completion of the Share Acquisition is subject to the satisfaction of the conditions precedent under the Share Sale and Purchase Agreement, the Share Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT OF ACQUISITION OF SHARES IN THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

Share Sale and Purchase Agreement

Date

29 March 2022

Parties

- (i) the Company (as the purchaser)
- (ii) Well Land (as the seller)

As at the date of this announcement, Well Land directly owns 767,191,106 C&D Property Shares, representing approximately 57.41% of the total number of issued shares of C&D Property, which is a company listed on the Main Board of the Stock Exchange.

Based on the information available to the Company, Well Land is principally engaged in investment holding. Well Land is a wholly-owned subsidiary of Well Honour International Limited. Well Honour International Limited is a wholly-owned subsidiary of C&D Real Estate. C&D Real Estate is owned as to 54.65% and 45.35% 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, a state-owned group of companies under the supervision of Xiamen State-owned Assets Supervision and Administration Commission of Xiamen Municipal People's Government respectively. Xiamen C&D Corporation Limited is interested in Xiamen C&D Inc. as to 47.38%. Therefore, Well Honour International Limited, C&D Real Estate, Xiamen C&D Inc. and Xiamen C&D Corporation Limited are deemed to be interested in the Shares which Well Land is interested by virtue of the SFO.

Subject matter

The Target Shares are 467,691,388 C&D Property Shares, together with all dividends, distributions and other rights and benefits attaching to such Target Shares as from the date of completion of the Share Acquisition. The Target Shares represent approximately 35.00% of the total number of issued shares in C&D Property as at the date of this announcement.

Well Land, having acquired a controlling interest in the Company since 23 December 2014, has been the legal and beneficial owner of the Target Shares by way of the Company's pro rata distribution in specie of all the then issued C&D Property Shares as conditional special dividend to its then Shareholders as a result of the listing of C&D Property on the Main Board of the Stock Exchange by way of spin-off (the "**C&D Property Listing**"). Immediately before the C&D Property Listing, C&D Property was a wholly-owned subsidiary of the Company.

Consideration

The price payable by the Company to Well Land per each C&D Property Share is HK\$3.51 and the total consideration in respect of the Share Acquisition is HK\$1,641,596,771.88.

The consideration is agreed after arm's length negotiations between the contracting parties with reference to recent trading prices of the C&D Property Shares and the market conditions. The purchase price of HK\$3.51 per C&D Property Share represents:

- (i) a discount of approximately 10.69% to the closing price of HK\$3.93 per C&D Property Share as quoted on the Stock Exchange on 29 March 2022 being the date of the Share Sale and Purchase Agreement;
- (ii) a discount of approximately 9.02% to the average of the closing price of approximately HK\$3.858 per C&D Property Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the date of the Share Sale and Purchase Agreement; and
- (iii) a discount of approximately 2.45% to the average of the closing price of approximately HK\$3.598 per C&D Property Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the date of the Share Sale and Purchase Agreement.

The purchase price of each Target Share was determined in accordance with the relevant applicable provisions of the Measures for the Supervision and Administration of State-owned Equities of Listed Companies (Order No. 36 of the State-owned Assets Supervision and Administration Commission of the State Council, the Ministry of Finance and CSRC) (《上市公司國有股權監督管理辦法(國資委、財政部、證監會第36號令)》), which represents no premium or discount to the arithmetic mean of the daily weighted average price of the C&D Property Shares for the 30 trading days prior to and including the date of the Share Sale and Purchase Agreement of approximately HK\$3.51 per share.

The Consideration shall be settled in the following manner:

- (i) as to HK\$1,156,000,000, representing approximately 70.42% of the Consideration, shall be satisfied by the Company at Completion by way of an allotment and issue of 80,000,000 Consideration Shares credited as fully paid up at the issue price of HK\$14.45 per Consideration Share to Well Land at Completion Date; and
- (ii) as to HK\$485,596,771.88, representing approximately 29.58% of the Consideration, shall be settled in cash by the Company at Completion, and will be financed using the internal resources of the Group.

Consideration Shares

The Consideration Shares will be issued at HK\$14.45 per Consideration Share, which:

- (i) represents a discount of approximately 14.90% over the closing price of HK\$16.98 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) represents a discount of approximately 13.56% over the average closing price of HK\$16.716 per Share for the last five trading days up to the Last Trading Date;
- (iii) represents a discount of approximately 9.14% over the average closing price of HK\$15.904 per Share for the last ten trading days up to the Last Trading Date; and
- (iv) no premium or discount to the arithmetic mean of the daily weighted average price of the Shares for the 30 trading days prior and up to the date of the Share Sale and Purchase Agreement of approximately HK\$14.45 per share.

When allotted and issued in whole at Completion, the Consideration Shares will represent approximately:

- (i) 5.81% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) 5.49% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares are to be issued by the Company under the Specific Mandate to be sought from the Independent Shareholders at the General Meeting. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with all the Shares then in issue. There is no restriction for the subsequent sale of the Consideration Shares upon issue.

The Issue Price of HK\$14.45 per Consideration Share was arrived at after arm's length negotiations between the parties to the Share Sale & Purchase Agreement with reference to the arithmetic mean of the daily weighted average price of the Shares for the 30 trading days preceding the date of the Share Sale and Purchase Agreement and after taking into account, among others, the prevailing market price of the Shares, the financial performance of the Group and the current market conditions. The Directors consider that the Issue Price to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

An application will be made to the Listing Committee of the Stock Exchange by the Company for the listing of, and permission to deal in, the Consideration Shares.

Conditions precedent

Completion is subject to the following conditions being satisfied:

- (i) the passing of ordinary resolution(s) by the Independent Shareholders at the General Meeting approving the Share Sale & Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate);
- (ii) all necessary consents and approvals required to be obtained on the part of Well Land, the Company, C&D Property and from other authorities with right for approval (if necessary) in respect of the Share Acquisition having been obtained; and
- (iii) the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

If the above conditions have not been satisfied or waived (as the case may be) on 31 December 2022, or such later date as the Company and Well Land may agree, the Share Sale and Purchase Agreement shall cease and determine, and thereafter none of the parties to the Share Sale and Purchase Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Representations and Warranties

Well Land has represented and warranted to the Company that the Target Shares are free from any liens, charges, pledge or other encumbrances and agreed to indemnify the Company against costs, expenses and losses which the Company may suffer from breach of representations, warranties and obligations of Well Land.

Completion

Upon fulfillment of all the conditions precedent set out above, Completion shall take place on the Completion Date.

ENTRUSTED VOTING ARRANGEMENT IN THE TARGET COMPANY

Voting Rights Entrustment Agreement

Date

29 March 2022

Parties

- (i) Well Land (as the appointor)
- (ii) the Company (as the appointee)

Entrusted Voting Arrangement

Well Land has irrevocably and unconditionally entrusted and appointed the Company to exercise the voting rights in respect of the Entrusted Shares, being 213,801,777 C&D Property Shares currently and directly held by Well Land (representing approximately 16.00% of the total number of issued shares of C&D Property as at the date of this announcement) for an indefinite period.

Pursuant to the Voting Rights Entrustment Agreement, the Company shall have the right to exercise voting rights over the Entrusted Shares, including:

- (i) voting rights in respect of matters subject to discussion and consideration at general meetings of C&D Property, including the nomination and election of directors of C&D Property;
- (ii) voting rights as a proxy, enter into relevant documents, and cast votes in respect of matter to be considered and voted as a proxy at general meetings of C&D Property; and
- (iii) convene, preside over, attend or appoint a proxy to attend general meetings of C&D Property.

Well Land shall continue to own the Entrusted Shares as the sole legal and beneficial owner, and except for the voting rights, Well Land shall continue to be entitled to the dividends, distributions and all other rights and benefits attaching to the Entrusted Shares. If the number of C&D Property Shares held by Well Land decreases and is lower than the number of Entrusted Shares, the Company may continue to exercise the voting rights over the remaining C&D Property Shares held by Well Land.

The Voting Rights Entrustment Agreement has become binding on the parties upon signing and the Entrusted Voting Arrangement contemplated thereunder shall be effective from the Business Day after the Completion. No consideration is payable by the Company under the Entrusted Voting Arrangement.

SHAREHOLDING STRUCTURE OF C&D PROPERTY AFTER THE SHARE ACQUISITION AND ENTRUSTED VOTING ARRANGEMENT

As at the date of this announcement, the Company does not hold any C&D Property Shares. After completion of the Share Acquisition and upon the Entrusted Voting Arrangement becoming effective, the Company shall be entitled to exercise or control the exercise of voting rights in respect of a total of 681,493,165 C&D Property Shares, thereby entitling the Company to exercise or control the exercise of approximately 51.00% voting power at general meetings of C&D Property (assuming that there is no other change in the issued share capital of C&D Property from the date of this announcement to the date when the Entrusted Voting Arrangement becomes effective), which comprise:

- (i) 467,691,388 C&D Property Shares, representing approximately 35.00% of the total number of issued shares of C&D Property, being the Target Shares to be purchased by the Company from Well Land pursuant to the Share Sale and Purchase Agreement; and

- (ii) 213,801,777 C&D Property Shares, representing approximately 16.00% of the total number issued shares of C&D Property, being the Entrusted Shares entrusted by Well Land to the Company pursuant to the Voting Rights Entrustment Agreement.

Apart from the Target Shares and Entrusted Shares, based on the information available to the Company after making reasonable enquiry, the remaining C&D Property Shares are held in the following manner as at the date of this announcement:

- (i) 85,697,941 C&D Property Shares, representing approximately 6.41% of the total number of issued shares of C&D Property, being the C&D Property Shares held by Well Land and the voting rights of such C&D Property Shares remain to be exercised or controlled by Well Land upon completion of the Share Acquisition and Voting Rights Entrustment Agreement becoming effective;
- (ii) 60,412,000 C&D Property Shares, representing approximately 4.52% of the total number of issued shares of C&D Property, being the C&D Property Shares held by Diamond Firetail, which is a wholly-owned subsidiary of Tricor Equity Trustee Limited, a trustee of a discretionary trust. Each of Mr. Zhuang Yuekai and Ms. Zhao Chengmin are founders of the said discretionary trust, and each of Ms. Cao Xinyu, Ms. Liu Jing and Mr. Lin Weiguo are protectors of the said discretionary trust. By virtue of SFO, each of Tricor Equity Trustee Limited, Mr. Zhuang Yuekai, Ms. Zhao Chengmin, Ms. Cao Xinyu, Ms. Liu Jing and Mr. Lin Weiguo are deemed to be interested in the C&D Property Shares held by Diamond Firetail Limited;
- (iii) 28,250,000 C&D Property Shares, representing approximately 2.11% of the total number of issued shares of C&D Property. The Trustee holds such C&D Property Shares on trust pursuant to a share award scheme of C&D Property adopted for the purpose of granting share award to recognize the contribution and incentivize management and personnel of the C&D Property Group; and
- (iv) 480,408,000 C&D Property Shares, representing approximately 35.96% of the total number of issued shares of C&D Property held by the public shareholders.

After completion of the Share Acquisition and upon the Entrusted Voting Arrangement becoming effective, C&D Property will be accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary of the Company by virtue of applicable accounting principles.

INFORMATION ON C&D PROPERTY

C&D Property is a company incorporated in the BVI with limited liability, which together with its subsidiaries, are principally engaged in property management services, community value-added and synergy services and value-added services to non-property owners in the PRC. The C&D Property shares are listed on the Main Board of the Stock Exchange (stock code: 2156).

According to the published financial statements of C&D Property, the financial results of C&D Property for the two years ended 31 December 2021 are as follows:

	For the year ended	
	31 December	
	2021	2020
	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before income tax	205,052	143,874
Net profit after income tax	160,902	106,838

The audited net asset value of C&D Property as at 31 December 2021 was approximately RMB1,031 million.

REASONS FOR AND BENEFIT OF THE TRANSACTION

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.

The C&D Property Group is principally engaged in property management services, community value-added and synergy services and value-added services to non-property owners in the PRC.

Since Mr. Zhuang Yuekai and Mr. Lin Weiguo are directors of C&D Property, they were required to abstain from voting on the Board resolutions for considering and approving the transactions contemplated under the Share Sale and Purchase Agreement and the Voting Rights Entrustment Agreement, and have abstained from voting on the Board resolutions of the Company for the approval of the Share Sale and Purchase Agreement and the Voting Rights Entrustment Agreement. Save as to the above and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no other Directors were required to abstain from voting on the Board resolutions for considering and approving the transactions contemplated under the Share Sale and Purchase Agreement and the Voting Rights Entrustment Agreement.

Having considered (i) the acquisition of C&D Property is an integration of industry chain, which can organically combine the Company's real estate development business and C&D Property's property management business at the back end of the real estate development industry chain to create a better synergy effect; and allowing the Company to strategically position itself as a group engaging in a comprehensive range of services in the real estate industry, covering the development of property projects, investment properties and the provision of property management services. Therefore, the market positioning and brand image of "C&D" will be improved; (ii) with reference to the equity relationship of the listed real estate companies and property management companies in the capital market, the acquisition of C&D Property by the Company is in line with the structure adopted by its peers, which helps to further clarify the close relationship between the Company and C&D Property in terms of their brands and businesses as well as to enhance the image and branding of the Company and C&D Property in the capital market; and (iii) the acquisition of C&D Property by the Company will not affect their respective business focus and resources allocation as an independent listing platform based on their respective corporate

development strategies and growth paths. On one hand, the Company and C&D Property will remain independent in terms of decision-making and operation, thereby responding to market changes and industry opportunities in different ways. On the other hand, after consolidating C&D Property into the Company's financial statements, both parties can accelerate the synergistic development of strategies and businesses more effectively; the Directors (excluding the independent non-executive Directors, who will express their views after considering the advice from the independent financial adviser) are of the opinion that:

- (1) the Share Sale and Purchase Agreement (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate) although is not conducted in the ordinary and usual course of business of the Company, is made on normal commercial terms;
- (2) the Voting Rights Entrustment Agreement is made on the normal commercial terms; and
- (3) the terms of the Share Sale and Purchase Agreement (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate) and the Voting Rights Entrustment Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion, on the assumption that there will be no other change in the issued share capital of the Company from the date of this announcement to the Completion save for the issue of the Consideration Shares:

	As at the date of this announcement		Immediately upon Completion	
	Number of issued Shares/ underlying Shares held	Approximate percentage in the issued share capital of the Company (%)	Number of issued Shares/ underlying Shares held	Approximate percentage in the issued share capital of the Company (%)
Well Land	833,399,697	60.49	913,399,697	62.66
Diamond Firetail (<i>Note 1</i>)	65,850,068	4.78	65,850,068	4.52
Trustee (<i>Note 2</i>)	35,300,000	2.56	35,300,000	2.42
Public Shareholders	<u>443,270,439</u>	<u>32.17</u>	<u>443,270,439</u>	<u>30.40</u>
Total	<u><u>1,377,820,204</u></u>	<u><u>100.00</u></u>	<u><u>1,457,820,204</u></u>	<u><u>100.00</u></u>

Notes:

1. These Shares were registered in the name of Diamond Firetail, which is a wholly-owned subsidiary of Tricor Equity Trustee Limited. Tricor Equity Trustee Limited is a trustee of a discretionary trust and each of Mr. Zhuang Yuekai and Ms. Zhao Chengmin is one of the founders of the said discretionary trust. Ms. Cao Xinyu, Ms. Liu Jing and Mr. Lin Weiguo are protectors of the said discretionary trust. Therefore, Tricor Equity Trustee Limited, Mr. Zhuang Yuekai, Ms. Zhao Chengmin, Ms. Cao Xinyu, Ms. Liu Jing and Mr. Lin Weiguo are deemed to be interested in the Shares held by Diamond Firetail Limited by virtue of the SFO.
2. These Shares were issued to the Trustee, who held the Shares on behalf of the recipients of the Incentive Scheme. Being the incentive recipients of the Incentive Scheme, each of Mr. Zhuang Yuekai, Ms. Zhao Chengmin and Mr. Lin Weiguo is interested in 330,000 Shares, 330,000 Shares and 290,000 Shares held on trust by the trustee under the Incentive Scheme, respectively, which are subject to vesting.

IMPLICATION UNDER THE LISTING RULES

As C&D Property is a subsidiary of Well Land, the controlling shareholder of the Company, C&D Property is an associate of the Company, and each of Well Land and C&D Property is a connected person of the Company under the Listing Rules.

The Share Acquisition involves acquisition of publicly listed shares by the Group from a connected person and therefore constitutes a connected transaction of the Company. Given C&D Property will be accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary of the Company by virtue of applicable accounting principles, 100% of C&D Property's total assets, profits and revenue was taken as the value of the total assets, profits and revenue when calculating the applicable percentage ratios. As one or more of the applicable percentage ratios in respect of the Share Sale and Purchase Agreement is more than 5% but less than 25%, the Share Acquisition constitutes a discloseable and connected transaction of the Company, and is subject to the reporting, announcement requirements and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of the C&D Property Group becoming consolidated as subsidiaries of, and becoming members of the Group, the Entrusted Voting Arrangement constitutes inside information of the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO. The Entrusted Voting Arrangement does not constitute a transaction for the purpose of Rule 14.04 and Rule 14A.24 of the Listing Rules.

IMPLICATIONS UNDER THE TAKEOVERS CODE

After completion of the Share Acquisition and the Entrusted Voting Arrangement becoming effective, the Company shall hold a total of approximately 51.00% of voting rights, in C&D Property. Well Land and the Company are parties acting in concert and/or parties presumed to be acting in concert with one another (the “**Concert Group**”) in respect of voting rights of C&D Property Shares for the purpose of the Takeovers Code. Well Land has been holding over 50% voting rights in C&D Property since its listing on the Main Board of the Stock Exchange.

Pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code, whenever the holdings of a group acting in concert total 30% or more of the voting rights of a company and as a result of an acquisition of voting rights from another member of the group, a single member comes to hold 30% or more, an obligation to make a mandatory general offer in respect of other shares not owned by such parties acting in concert under Rule 26.1 of the Takeovers Code will normally arise.

The Company has made an application to the Executive for a ruling that the Company will not be obliged to make a mandatory general offer after completion of the Share Acquisition and upon the Entrusted Voting Arrangement becoming effective on the grounds that, amongst others, Well Land is the leader of the Concert Group and there shall be no change in the leader as a result of and there shall also be no change of control as a result of the Share Acquisition and the Entrusted Voting Arrangement as C&D Property has all along been effectively controlled by Well Land. A ruling has been obtained from the Executive on 23 September 2021 that, pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code, the Executive waives the obligations on the part of the Company to make a mandatory general offer for the C&D Property Shares as a result of the Share Acquisition and the Entrusted Voting Arrangement.

GENERAL

As additional time is required for the Company to prepare the information to be included in a circular containing, among other things, (i) further details of the Share Acquisition (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate); (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Share Acquisition (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate); (iii) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Share Acquisition (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate); and (iv) the notice of the General Meeting, the circular will be despatched to the Shareholders on or before 30 April 2022, which is more than 15 business days after the publication of this announcement.

As completion of the Share Acquisition is subject to the satisfaction of the conditions precedent under the Share Sale and Purchase Agreement, the Share Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong and the Stock Exchange is opened for trading and settlement business between 9:30 am and 4:00 pm
“BVI”	the British Virgin Islands
“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
“Completion”	completion of the Share Acquisition in accordance with the terms and conditions of the Share Sale and Purchase Agreement
“Completion Date”	the date falling on or before the tenth (10th) Business Day after all the conditions precedent under the Share Sale and Purchase Agreement have been fulfilled and/or waived by the Company (or such other date as the Company and Well Land may agree)
“Consideration Shares”	80,000,000 new Shares to be issued by the Company at the Issue Price as partial settlement of the consideration under the Share Sale and Purchase Agreement
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“C&D Property” or “Target Company”	C&D Property Management Group Co., Ltd 建發物業管理集團有限公司, a BVI business company incorporated in the BVI with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2156)
“C&D Property Group”	C&D Property and its subsidiaries
“C&D Property Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of C&D Property
“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 each of the Company and C&D Property as at the date of this announcement

“Diamond Firetail”	Diamond Firetail Limited, a company incorporated in the BVI
“Directors”	the directors of the Company
“Entrusted Shares”	213,801,777 C&D Property Shares to be entrusted by Well Land to the Company under the Entrusted Voting Arrangement, representing approximately 16.00% of the total number of issued shares in C&D Property as at the date of this announcement
“Entrusted Voting Arrangement”	the proposed voting arrangement contemplated under the Voting Rights Entrustment Agreement
“Executive”	Executive Director of the Corporate Finance Division of the SFC
“General Meeting”	the general meeting to be convened by the Company for the purpose of considering and, if thought fit, approving, among other things, the Share Acquisition (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“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, among other things, the transactions contemplated under the Share Sale and Purchase Agreement, (including the allotment and issue of the Consideration Shares pursuant to the Specific Mandate)
“Independent Shareholders”	the Shareholders other than Well Land and its associates
“Issue Price”	HK\$14.45 per Consideration Share
“Last Trading Date”	29 March 2022, being the last trading date of the Shares before the issue of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules

“PRC”	the People’s Republic of China and, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each of the Company
“Share Acquisition”	the proposed share acquisition contemplated under the Share Sale and Purchase Agreement
“Share Sale and Purchase Agreement”	the share sale and purchase agreement dated 29 March 2022 entered into between the Company and Well Land in relation to sale and purchase of the Target Shares
“Shareholders”	the shareholders of the Company
“Specific Mandate”	the mandate to be granted to the Directors at the General Meeting for the allotment and issue of the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“Target Shares”	467,691,388 C&D Property Shares to be acquired by the Company from Well Land under the Share Acquisition, representing approximately 35.00% of the total number of issued shares in C&D Property as at the date of this announcement
“Trustee”	BOCI Trustee (Hong Kong) Limited, the trustee of the 2021 restricted share incentive scheme of each of the Company and C&D Property
“Voting Rights Entrustment Agreement”	the voting rights entrustment agreement dated 29 March 2022 entered into between Well Land and the Company pursuant to which Well Land entrusts the Company to exercise the voting rights in respect of the Entrusted Shares

“Well Land”

Well Land International Limited (益能國際有限公司), a BVI business company incorporated in the BVI, a controlling shareholder which held approximately 60.49% of the issued share capital of the Company and 57.41% of the issued share capital of C&D Property as at the date of this announcement

“%”

per cent

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

Hong Kong, 29 March 2022

As at the date of this announcement, the executive Directors are Mr. Zhuang Yuekai (Chairman), Ms. Zhao Chengmin and Mr. Lin Weiguo (Chief Executive Officer); the non-executive Directors are Mr. Huang Wenzhou, Ms. Ye Yanliu and Mr. Wang Wenhui; and the independent non-executive Directors are Mr. Wong Chi Wai, Mr. Wong Tat Yan, Paul and Mr. Chan Chun Yee.