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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)

CONTINUING CONNECTED TRANSACTION IN RELATION TO PROVISION OF ENTRUSTED CONSTRUCTION MANAGEMENT SERVICES

Reference is made to the announcement of the Company dated 28 January 2022 in relation to, among other things, the 2022 Framework Agreement in respect of the provision of entrusted construction management services by C&D Construction for a variety of construction and property development projects, etc. of C&D Real Estate, its subsidiaries (but not including the Group (excluding connected subsidiaries)) and connected companies, which will expire on 31 December 2024.

RENEWED FRAMEWORK AGREEMENT

The Board is pleased to announce that on 23 December 2024 (after trading hours), C&D Construction entered into the Renewed Framework Agreement with C&D Real Estate for the period from 1 January 2025 to 31 December 2027, pursuant to which C&D Construction shall provide entrusted construction management services for a variety of construction and property development projects, etc. of C&D Real Estate, its subsidiaries (but not including the Group (excluding connected subsidiaries)) and connected companies.

LISTING RULES IMPLICATIONS

C&D Real Estate is a controlling shareholder of the Company and, therefore, a connected person of the Company. Accordingly, the transactions contemplated under the Renewed Framework Agreement constitutes a continuing connected transaction of the Company under the Listing Rules. As one or more of the applicable percentage ratios in respect of the annual caps for the transactions contemplated under the Renewed Framework Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the Renewed Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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Date

23 December 2024

Parties

1. C&D Construction, a wholly-owned subsidiary of the Company
2. C&D Real Estate

Term

From 1 January 2025 to 31 December 2027

Services

C&D Construction will provide entrusted construction management services for a variety of construction and property development projects, of C&D Real Estate, its subsidiaries (but not including the Group (excluding connected subsidiaries)) and connected companies during the contractual period, including construction projects undertaken externally and property development projects held by them.

Entrusted construction management services to be provided by C&D Construction mainly include:

- (i) Entrusted construction: the overall construction services of a project, ranging from design and construction to completion and delivery of the project, to be provided during the period from the obtainment of the project to its completion and delivery; and
- (ii) Entrusted operating construction: the overall management and sale services in respect of the development and construction of a project, ranging from plot design, operation, sale, completion and delivery of the project, to be provided during the period from the obtainment of the project to its completion and delivery.

Entrusted Construction Management Service Fees

Entrusted construction management service fees for each of the abovementioned services are as follows:

- (i) the basic construction management fees for entrusted construction shall be not less than 3% of the “direct development costs” (land costs, public maintenance fees and contracts managed by C&D Real Estate, its subsidiaries (but not including the Group (excluding connected subsidiaries)) and connected companies will be excluded as part of the basis when calculating management fees) of the project. The “direct development costs” is subject to adjustment according to the actual settlement amount of all contracts managed by C&D Construction;
- (ii) the basic construction management fees for entrusted operating construction shall be not less than 5% of the “total sales” of the project. The “total sales” represent the total revenue to be obtained by C&D Real Estate, its subsidiaries (but not including the Group (excluding connected subsidiaries)) and connected companies from the project (i.e. the amount of receivables with legal basis (including output value added tax), including the amounts received and the expected income of the relevant outstanding receivables from legal documents including signed sales and lease contracts and other contracts); and
- (iii) other fees may be determined and otherwise agreed by the parties according to the actual status of the project, including but not limited to the construction incentive and the construction management incentive. The specific fees charged can be a certain percentage of the “direct development costs”, while the rate and the payment method can be determined by the companies which have business transactions with the parties after negotiation.

The aforementioned entrusted construction management service fees may be adjusted according to the actual construction situation of the project upon unanimous consent by both parties after negotiation.

HISTORICAL TRANSACTION AMOUNTS

The historical transaction amounts of fees received by C&D Construction from C&D Real Estate, its subsidiaries (but not including the Group (excluding connected subsidiaries)) and connected companies in respect of the provision of the entrusted construction management services for each of the two years ended 31 December 2023 and the nine months ended 30 September 2024 are as follows:

	For the year ended		For the nine
	31 December		months ended
	2022	2023	30 September
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fees received by C&D Construction	39,065	45,737	16,379

ANNUAL CAPS

The annual caps of the entrusted construction management service fees to be received by C&D Construction under the Renewed Framework Agreement for each of the three years ending 31 December 2024 are RMB100,000,000.

In determining the annual caps, the Board has considered, among other things, the following main factors: (1) the historical fees received by C&D Construction from C&D Real Estate, its subsidiaries (but not including the Group (excluding connected subsidiaries)) and connected companies for the provision of entrusted construction management services; (2) the anticipated rise in labor costs, management fees, etc.; (3) the service demand of C&D Real Estate, its subsidiaries (but not including the Group (excluding connected subsidiaries)) and connected companies arising from their daily operations; and (4) the relevant taxes and a reasonable profit margin.

INFORMATION ABOUT THE PARTIES TO THE RENEWED FRAMEWORK AGREEMENT

C&D Construction is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. C&D Construction is principally engaged in entrusted construction management service business.

C&D Real Estate is a company established in the PRC with limited liability, and a controlling shareholder of the Company which held 1,142,467,712 Shares, representing approximately 56.64% interest in the Company as at the date of this announcement. It is principally engaged in the businesses of real estate development, commercial operation, property management and investment, etc..

APPROVAL BY THE BOARD

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors had material interest in the transactions contemplated under the Renewed Framework Agreement, and accordingly none of them was required to abstain from voting on the Board resolution for considering and approving the transactions contemplated under the Renewed Framework Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED FRAMEWORK AGREEMENT

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 Directors (including the independent non-executive Directors) are of the opinion that: (i) entering into the Renewed Framework Agreement can enable the Company to better manage the entrusted construction management services to be provided by C&D Construction to C&D Real Estate, its subsidiaries (but not including the Group (excluding connected subsidiaries)) and connected companies and is conducive to expanding C&D Construction's business scale and enhancing the performance of the Company's entrusted

construction management segment; and (ii) the provision of entrusted construction management services is conducive to enhancing the brand recognition of C&D Construction in the entrusted construction management market and promoting its brand in the PRC.

The Directors (including the independent non-executive Directors) consider that the Renewed Framework Agreement is entered into on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

C&D Real Estate is a controlling shareholder of the Company and, therefore, a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Renewed Framework Agreement constitutes continuing connected transactions of the Company under the Listing Rules. As one or more of the applicable percentage ratios in respect of the annual caps for the transactions contemplated under the Renewed Framework Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the Renewed Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“2022 Framework Agreement”	the framework agreement dated 28 January 2022 entered into between C&D Construction and C&D Real Estate in relation to the entrusted construction management services provided by C&D Construction for a variety of construction and property development projects, etc.
“Board”	the board of Directors
“C&D Construction”	Xiamen C&D Construction Operation and Management Company Limited* (廈門建發建設運營管理有限公司) (formerly known as 廈門建發兆誠建設運營管理有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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 the Company
“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(s)”	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
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Renewed Framework Agreement”	the framework agreement dated 23 December 2024 entered into between C&D Construction and C&D Real Estate in relation to the entrusted construction management services to be provided by C&D Construction for a variety of construction and property development projects, etc. of C&D Real Estate, its subsidiaries (but not including the Group (excluding connected subsidiaries)) and connected companies
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

For and on behalf of
C&D International Investment Group Limited
Lin Weiguo
Executive Director and Chief Executive Officer

Hong Kong, 23 December 2024

As at the date of this announcement, the executive Directors are Ms. Zhao Chengmin (Chairperson), Mr. Lin Weiguo (Chief Executive Officer), Mr. Tian Meitan and Mr. Xu Yixuan; the non-executive Directors are Mr. Huang Wenzhou, Ms. Ye Yanliu and Mr. Zheng Yongda; and the independent non-executive Directors are Mr. Wong Chi Wai, Mr. Wong Tat Yan, Paul, Mr. Chan Chun Yee and Mr. Dai Yiyi.

* *For identification purpose only*