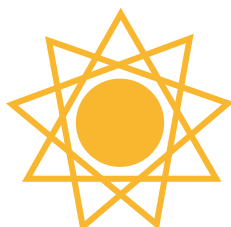


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



China International Development Corporation Limited **中聯發展控股集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 264)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 22 May 2024 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 30,000,000 Placing Shares at the Placing Price of HK\$0.85 per Placing Share. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 8 June 2023.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represent (i) approximately 7.27% of the existing issued share capital of the Company of 412,704,000 Shares as at the date of this announcement; and (ii) approximately 6.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$300,000.

The Placing Price of HK\$0.85 per Placing Share represents (i) a discount of approximately 19.05% to the closing price of HK\$1.05 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.96% to the average closing price of HK\$1.062 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Placing Agreement.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds (after deducting the placing commission, professional fees and all related expenses which were borne by the Company) from the Placing will be approximately HK\$25.5 million and HK\$24.7 million respectively. On such basis, the net issue price will be approximately HK\$0.82 per Placing Share.

Since completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 22 May 2024 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 30,000,000 Placing Shares at the Placing Price of HK\$0.85 per Placing Share.

The principal terms of the Placing Agreement are set out below.

The Placing Agreement

Date: 22 May 2024

Parties: the Company; and

the Placing Agent, an Independent Third Party

Pursuant to the terms of the Placing Agreement, the Placing Agent has conditionally agreed, as agent of the Company, to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 30,000,000 Placing Shares at the Placing Price of HK\$0.85 per Placing Share. The terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placing Commission

The Placing Agent will charge the Company a placing commission equivalent to 2.5% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent. The Directors consider that the placing commission in respect of the Placing is fair and reasonable based on the current market condition.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties. It is expected that none of the Placees nor their associates will become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Placing.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represent (i) approximately 7.27% of the existing issued share capital of the Company of 412,704,000 Shares as at the date of this announcement; and (ii) approximately 6.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$300,000.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon allotment and issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.85 per Placing Share represents (i) a discount of approximately 19.05% to the closing price of HK\$1.05 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.96% to the average closing price of HK\$1.062 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Placing Agreement.

The Placing Price of the Placing was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interests of the Company and the Shareholders as a whole.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds (after deducting the placing commission, professional fees and all related expenses which were borne by the Company) from the Placing will be approximately HK\$25.5 million and HK\$24.7 million respectively. On such basis, the net issue price will be approximately HK\$0.82 per Placing Share.

General Mandate to Allot and Issue of the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 76,540,800 Shares. As at the date of this announcement, 30,000,000 Shares have been allotted and issued under the General Mandate. As such, the remaining number of Shares that can be allotted and issued under the General Mandate is 46,540,800 and is sufficient for the allotment and issuance of the Placing Shares. Therefore, the issue of the Placing Shares is not subject to further Shareholders' approval.

Application for Listing of Placing Shares

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

Conditions of the Placing Agreement

Completion of the Placing is conditional upon fulfilment of the following conditions on or before the Closing Date:

- (a) the Company having complied with, and procured for the compliance with, all Law as well as all conditions (if any) imposed by the Stock Exchange or by any other competent Authority for issuance and allotment of the Placing Shares as well as the listing of and permission to deal in the Placing Shares and ensure the continued compliance thereof;
- (b) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Placing Shares, and such approval not having been revoked, suspended, withdrawn or cancelled, or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Closing Date; and
- (c) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate in all material respects and not misleading up to completion of the Placing.

If the above condition is not satisfied on or prior to the Closing Date or any of the events set forth in paragraphs (a) to (e) of the section headed “Termination” below shall have occurred, all obligations and responsibilities of the Placing Agent and those of the Company under the Placing Agreement shall cease and determine forthwith and neither the Placing Agent nor the Company shall have any claim whatsoever against each other in relation thereto, save (a) for any antecedent breach of the Placing Agreement and without prejudice to the accrued rights and liabilities of each of the Placing Agent and those of the Company; and (b) the Company shall reimburse the Placing Agent for expenses which have been actually incurred by it for or in relation to the Placing, subject to a maximum amount of HK\$100,000.

Completion of the Placing

Completion of the Placing shall take place on a Business Day falling within three (3) Business Days after the Closing Date.

Termination

The Placing Agent may upon giving written notice to the Company terminate the Placing Agreement with immediate effect if at any time between the execution of the Placing Agreement and at 5:00 p.m. on the Business Date immediately prior to the date of completion of the Placing there is occurrence of any of the following events:

- (a) the introduction of any new Law or regulation or any change in existing Laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company;
- (b) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency or other nature, or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing;
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;

- (d) the Company commits any material breach of or omits or fails to observe any of its obligations or undertakings under the Placing Agreement; or
- (e) any of the representations or warranties contained in the Placing Agreement was or would be untrue or inaccurate in any material respect, or the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing.

Upon termination of the Placing Agreement, the obligations of the Placing Agent shall cease and determine, and the Company shall not be liable to pay any commission under the Placing Agreement, and, without prejudice to the accrued rights and liabilities under the Placing Agreement, neither the Company nor the Placing Agent shall have any claim against each other for compensation, costs, damages or otherwise.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in (a) manufacturing and distribution of leather products; (b) retail of fashion apparel, footwear and leather accessories; and (c) the industrial hemp planting and production of hemp fabric products.

It is expected that the maximum gross proceeds and net proceeds (after deducting the placing commission, professional fees and all related expenses which were borne by the Company) from the Placing will be approximately HK\$25.5 million and HK\$24.7 million respectively. The Company intends to use the net proceeds from the Placing for provision of general working capital and strengthening the financial position of the Group.

The Directors consider that the Placing represents a good opportunity to raise additional funds through the equity market and will strengthen the Group's financial position.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

On 13 October 2023 (after trading hours), the Company and VC Brokerage Limited (as placing agent) entered into a placing agreement in relation to the placing of up to 30,000,000 Shares to not less than six placees, who and whose ultimate beneficial owners shall be independent third parties, at the placing price of HK\$0.45 per placing shares. The net issue price per placing share (after deduction of the placing commission, professional fees and all related expenses) is approximately HK\$0.44 per placing share. The placing was completed on 6 November 2023.

The gross proceeds from the placing were approximately HK\$13.5 million, and the actual net proceeds (after deducting the placing commission, professional fees and all related expenses which were borne by the Company) from the Placing were approximately HK\$13.0 million (the “**2023 Placing Net Proceeds**”), which were slightly lower than the estimated net proceeds of approximately HK\$13.2 million as disclosed in the announcement of the Company dated 6 November 2023. Having considered that Mr. Zhao Jingfei and Mr. Qin Bohan agreed not to demand for the repayment of the loans provided by them, the Company has allocated (i) approximately HK\$0.1 million for expansion of production capacity; (ii) approximately HK\$0.3 million for strengthening research and development capabilities; and (iii) approximately HK\$12.6 million for provision of general working capital and strengthening the financial position of the Group.

As at the date of this announcement, the 2023 Placing Net Proceeds have been fully utilised, and save for the repayment of loans, the 2023 Placing Net Proceeds were used according to the intentions previously disclosed in the announcement of the Company dated 6 November 2023.

For further details of the placing in 2023, please refer to the announcements of the Company dated 13 October 2023 and 6 November 2023.

Save as disclosed above, the Company has not conducted any fund-raising activities involving the issue of equity securities during the 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (subject to completion of the Placing and assuming all the Placing Shares are fully placed and there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing) are set out below:

Shareholders	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issued Shares</i>	<i>Approximate %</i>
Waterfront Holding Group Co., Ltd. <i>(Note)</i>	256,024,406	62.04	256,024,406	57.83
The Placees	–	–	30,000,000	6.78
Other public Shareholders	156,679,594	37.96	156,679,594	35.39
Total	<u>412,704,000</u>	<u>100.00</u>	<u>442,704,000</u>	<u>100.00</u>

Note: Waterfront Holding Group Co., Ltd. is wholly and beneficially owned by Mr. Zhao Jingfei, the Chairman of the Board and an executive Director.

GENERAL

Since completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“AGM” the annual general meeting of the Company held on 8 June 2023

“associates” has the meaning ascribed to this term under the Listing Rules

“Authority”	any administrative, governmental or regulatory commission, board, body, authority or agency, or any stock exchange, self-regulatory organization or other non-governmental regulatory authority, or any court, tribunal or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic or foreign
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or extreme conditions is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Closing Date”	any Business Day not later than 29 May 2024, or such subsequent Business Day as the Company and the Placing Agent may agree in writing
“Company”	China International Development Corporation Limited (中聯發展控股集團有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Main Board of the Stock Exchange (stock code: 264)
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the AGM to allot, issue or deal with 76,540,800 Shares, being 20% of the number of issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third parties independent of the Company and its connected persons

“Law”	any and all national, central, federal, provincial, state, regional, municipal, local, domestic or foreign laws (including, without limitation, any common law or case law), statutes, ordinances, legal codes, regulations or rules (including, without limitation, any and all regulations, rules, orders, judgments, decrees, rulings, opinions, guidelines, measures, notices or circulars (in each case, whether formally published or not and to the extent mandatory or, if not complied with, the basis for legal, administrative, regulatory or judicial consequences) of any Authority)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporates, institutional investors or other investors to be procured and selected by the Placing Agent in its sole discretion to subscribe for any of the Placing Shares
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	VC Brokerage Limited (滙盈證券有限公司), a corporation licensed by the Securities and Futures Commission to carry out and conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under and pursuant to the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), and a wholly-owned subsidiary of Value Convergence Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on Main Board of the Stock Exchange (stock code: 821)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 22 May 2024 in relation to the Placing
“Placing Price”	HK\$0.85 per Placing Share
“Placing Shares”	an aggregate of up to 30,000,000 new Shares to be placed pursuant to the Placing Agreement, and each a “Placing Share”

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company, and each a “Share”
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China International Development Corporation Limited
Zhao Jingfei
Chairman and Executive Director

Hong Kong, 22 May 2024

As at the date of this announcement, the executive Directors are Mr. Zhao Jingfei, Mr. Fan Xin and Mr. Qin Bohan; and the independent non-executive Directors are Ms. Han Yu, Ms. Jia Lixin and Mr. Rong Yi.