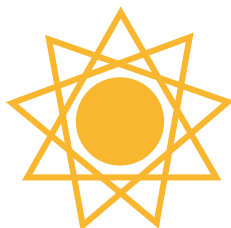


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China International Development Corporation Limited **中聯發展控股集團有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 264)

VOLUNTARY ANNOUNCEMENT **BUSINESS UPDATE**

This announcement is made by China International Development Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

The Group is principally engaged in manufacturing and distribution of leather products and retail of fashion apparel, footwear and leather accessories. In order to diversify its products and broaden its source of revenue, the board (the “**Board**”) of directors (the “**Directors**”) is pleased to announce that the Group intends to develop the businesses of industrial hemp planting and hemp fabric product productions.

Hemp fabric is made of fibres from industrial hemp, and is a type of textile which is antibacterial, strong and versatile, and fill in as a characteristic environment-adjusting framework that makes it desirable for both summer and winter. Given the above unique characteristics of hemp fabric and the continuing increase in the worldwide environmental awareness, the Board is of the view that the popularity of environment friendly hemp fabric and relevant products would benefit from it and it is a good opportunity for the Group to develop such market.

To execute the plan, the Group would begin with the production of raw material through industrial hemp planting. The Group has engaged an independent third-party consultant to advise on technical issues of industrial hemp planting such as seeds cultivation, irrigation and harvesting methods. In addition, the Group has obtained the relevant permit to plant industrial hemp (工業大麻種植許可證) and rented a parcel of land in Yunnan for the trial

cultivation of industrial hemp. The Group has also secured the provision of the industrial hemp seeds of Yunma No.7* (雲麻7號) from the Institute of Economic Crops of the Yunnan Academy of Agricultural Science* (雲南省農業科學院經濟作物研究所). The Group has engaged an independent manufacturer to manufacture hemp fabric by using stalks of industrial hemp as raw material provided from the Group's industrial hemp planting. Despite the parts other than the stalks of industrial hemp (such as leaves and flowers) are not being used in the hemp fabric production, such parts would be sold as raw materials in producing various goods including but not limited to medical and healthcare products, which enables the Group to fully utilize the unused parts of the industrial hemp and could broaden the source of revenue of the Group. The Group is in the process of designing the hemp fabric products and estimates to launch such products in the first quarter of 2021.

The Board considers that the business plan, if materialized, could diversify the Group's product portfolio and income streams, thereby improving the profitability in the long term. Based on the current business plan, the Board does not expect substantial capital expenditures to be incurred for the proposed development at the initial stage, and the business plan will be funded by the Group's internal resources. Accordingly, the Board is of the view that the commencement of the business plan will be in the interest of the Company and the Shareholders as a whole.

The Company will further make announcement(s) in accordance with the Rules Governing the Listing Securities on the Stock Exchange of Hong Kong Limited, where necessary.

Shareholders and potential investors of the Company should note that the above business plan may or may not materialize. Shareholders and potential investors of the Company should exercise caution when dealing in the shares and other securities of the Company.

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

Hong Kong, 16 June 2020

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.

* *The English translation of terms or names in Chinese which are marked with "*" is for identification purpose only.*