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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) PROPOSED ADOPTION OF 2023 RESTRICTED SHARE INCENTIVE SCHEME; AND (2) GRANT OF RESTRICTED SHARES PURSUANT TO 2023 RESTRICTED SHARE INCENTIVE SCHEME

To establish and improve the Company's medium to long-term incentive mechanism to collectively integrate interests of the Shareholders, the Company and the Company's core team, fully motivate the management and core staff of the Company, and achieve high-quality development of the Company, the Board approved the resolution in relation to the proposed adoption of the Incentive Scheme on 7 November 2023. The Incentive Scheme is subject to approval at the General Meeting and of the relevant regulatory authorities.

The Board is pleased to announce that on 7 November 2023, it has approved, subject to (i) the approval of the Incentive Scheme at the General Meeting, and (ii) the subscription by the Incentive Recipients and other conditions, the grant of up to 50,000,000 Restricted Shares (the exact number is subject to the actual level of subscription) to a total of not more than 700 Incentive Recipients, of which (i) 49,400,000 Restricted Shares are proposed to be granted to 696 Incentive Recipients (excluding Directors); and (ii) 600,000 Restricted Shares are proposed to be granted to four Directors.

LISTING RULES IMPLICATIONS

Pursuant to Chapter 17 of the Listing Rules, the Incentive Scheme will constitute a share scheme involving the grant of new shares and share schemes involving the grant of new shares must be approved by the Shareholders at the general meeting. Accordingly, the proposed adoption of the Incentive Scheme will be subject to, among other things, the Shareholders' approval at the General Meeting. The Company will convene the General Meeting to consider and, if thought fit, approve, among other things, the adoption of the Incentive Scheme.

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of Restricted Shares by the Company to any Director, chief executive, or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors. The grant of Restricted Shares to each of Ms. Zhao Chengmin, Mr. Lin Weiguo, Mr. Tian Meitan and Mr. Peng Yong has been reviewed and approved by the independent non-executive Directors accordingly.

A circular containing, among other things, details of the Incentive Scheme (including principal terms of the Incentive Scheme), and the notice of the General Meeting, will be despatched to the Shareholders as and when appropriate in accordance with the requirements of the Listing Rules.

PROPOSED ADOPTION OF THE INCENTIVE SCHEME

On 7 November 2023, the Board approved the resolution in relation to the proposed adoption of the Incentive Scheme, which is subject to approval at the General Meeting and of the relevant regulatory authorities. Set out below are the principal terms of the Incentive Scheme:

- Purpose:** To establish and improve the Company's medium to long-term incentive mechanism to integrate interests of the Shareholders, the Company and the Company's core team, fully motivate the management and core staff of the Company and achieve high-quality development of the Company.
- Incentive Recipients:** Directors and senior management of the Group who play a vital role in the medium to long-term development of the Company and the core staff and employees of the Group who have made long-term contributions to the Group (excluding independent non-executive Directors, Shareholders or *de facto* controllers of the Company who individually or collectively hold more than 5% of the issued Shares and their respective spouses, parents or children). The total number of Incentive Recipients under the Incentive Scheme shall be no more than 700 and the Directors and senior management of the Company who are Incentive Recipients must be elected at a general meeting of the Company or appointed by the Board, and each Incentive Recipient must have entered into an employment contract or engagement contract with the Group during the Evaluation Period.

The list of qualified Incentive Recipients under the Incentive Scheme shall be prepared by the Remuneration Committee and considered and approved by the Board. The Remuneration Committee has the right to make any corresponding adjustments to the final list of Incentive Recipients based on the actual level of subscription by the Incentive Recipients.

Means of incentive and source of underlying Shares:

The incentive method of the Incentive Scheme is to grant Restricted Shares to the Incentive Recipients and the source of underlying Shares under the Incentive Scheme will be new Shares to be issued by the Company.

Number of Restricted Shares:

Up to 50,000,000 Restricted Shares (the exact number is subject to the actual level of subscription) representing approximately 2.71% of the total issued Shares as at the date of this announcement and approximately 2.64% of the total issued Shares as enlarged by the allotment and issue of Restricted Shares (assuming there will be no other changes to the shareholding structure of the Company).

The total number of Shares under all effective share schemes of the Company do not exceed 10% of its total issued share capital as at the date of this announcement. The total number of Restricted Shares to be granted to each Incentive Recipient under the Incentive Scheme, as well as all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the scheme) under all share schemes of the Company shall not exceed 1.00% of the total share capital of the Company.

In the event of any capitalisation issue (such as capitalisation of capital reserves and bonus issue of Shares), sub-division, rights issue or share consolidation of the Company during the period from the date of this announcement till the date of allotment and issue of Restricted Shares, the number of Restricted Shares and the Grant Price shall be adjusted accordingly. However, if the Company issues new Shares during such period, no adjustment shall be made to the number of Restricted Shares and the Grant Price.

Grant Price of the Restricted Shares:

HK\$8.80 per Share, which is not less than the higher of:

- (i) 50% of the closing price of the Shares as quoted on the Stock Exchange as at the date of this announcement;

(ii) 50% of the average closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of this announcement; and

(iii) the par value of each Share

The Grant Price was determined with reference to relevant policies on the implementation of equity incentive for state-controlled listed companies in the PRC.

Within the period prescribed by the Company, the Incentive Recipients shall make payment for the subscription of the Restricted Shares by remitting the monies to the designated account, and default in payment shall be treated as renunciation of the Restricted Shares to be granted to the Incentive Recipients.

Validity period:

The validity period of the Incentive Scheme shall commence from the date of the approval at the General Meeting and end on the date on which the lock-up of all Restricted Shares are released from lock-up or all Restricted Shares are repurchased, which shall be no more than ten years.

Administration:

The Board is the administrator of the Incentive Scheme and responsible for the implementation of the Incentive Scheme.

Lock-up Period and arrangement for lock-up release:

The Restricted Shares shall not be transferred, used as guarantee or for repayment of debts during the Lock-up Period. Having been granted the Restricted Shares, the Incentive Recipients shall be entitled to the rights to dividends and rights issue. During the Lock-up Period, the Shares which the Incentive Recipients are entitled to as a result of capitalisation issue (such as the capitalisation of capital reserves, bonus issue of Shares), rights issue, allotment of Shares to original Shareholders when allotting and issuing new Shares are also restricted from being sold in the secondary market or otherwise transferred, and the expiry date of the lock-up period for such Shares is the same as that for the Restricted Shares granted.

When the Company makes distribution by way of cash or scrip dividends, the Incentive Recipients shall be entitled to the cash or scrip dividends in respect of the Restricted Shares granted to them, and have the right to deal with the same freely.

Subject to fulfillment of the following conditions, the arrangement for lock-up release of the Restricted Shares under the Incentive Scheme is as follow:

Performance period	Unlocking Period/ Vesting Period	Condition (a): Performance target of the Company	Condition (b): Individual performance evaluation	Percentage of lock-up release
Year ending 31 December 2024	From the first trading day after 24 months from the Grant Date to the last trading day within 36 months from the Grant Date	<p>(1) Based on the Company’s revenue for the year ended 31 December 2022, the growth rate of the Company’s revenue shall not be lower than 3% and not lower than industry average or 75% of the benchmark companies;</p> <p>(2) the earnings per share of the Company shall not be lower than RMB2.90 and not lower than industry average or 75% of the benchmark companies; and</p> <p>(3) the operating profits of the Company shall not be lower than 75% of the total profits of the Company.</p>	The results of individual performance evaluation of Incentive Recipients is “qualified”	40%
Year ending 31 December 2025	From the first trading day after 36 months from the Grant Date to the last trading day within 48 months from the Grant Date	<p>(1) Based on the Company’s revenue for the year ended 31 December 2022, the growth rate of the Company’s revenue shall not be lower than 6% and not lower than industry average or 75% of the benchmark companies;</p> <p>(2) the earnings per share of the Company shall not be lower than RMB2.95 and not lower than industry average or 75% of the benchmark companies; and</p> <p>(3) the operating profits of the Company shall not be lower than 75% of the total profits of the Company.</p>	The results of individual performance evaluation of Incentive Recipients is “qualified”	30%
Year ending 31 December 2026	From the first trading day after 48 months from the Grant Date to the last trading day within 60 months from the Grant Date	<p>(1) Based on the Company’s revenue for the year ended 31 December 2022, the growth rate of the Company’s revenue shall not be lower than 9% and not lower than industry average or 75% of the benchmark companies;</p> <p>(2) the earnings per share of the Company shall not be lower than RMB3.00 and not lower than industry average or 75% of the benchmark companies; and</p> <p>(3) the operating profits of the Company shall not be lower than 75% of the total profits of the Company.</p>	The results of individual performance evaluation of Incentive Recipients is “qualified”	30%

Notes:

1. “Revenue” represents the audited revenue; “operating profits” represents audited “profits before income tax” less “other gains, net” (or equivalent item); “total profits” represents audited “profits before income tax”.
2. Peer companies in the same industry are classified according to “Real Estate — Real Estate II — Real Estate Management and Development — Real Estate Development” standards of Wind, and the average value is calculated as an arithmetic average.

Benchmark companies are selected from companies listed on the Stock Exchange or PRC stock exchanges in the industry, whose businesses are relatively similar to the principal business of the Company. During the annual evaluation, if a benchmark company was delisted or removed out of the above industry according to the industry classification standard of Wind, material changes in the principal business, disposal or acquisition of assets with significant impact on revenue and net profit, major asset reorganisation or deviation from the extreme value of the benchmarks, the Board will remove or replace the benchmarks during the year-end evaluation.

3. Earnings per share = (profit for the year attributable to equity holders – gain on change in fair value of investment properties)/total issued share capital on 31 December 2022.

During the validity period of the Incentive Scheme, if the Company engages in capitalisation issue, issuance of additional shares, rights issues, conversion of convertible bonds, etc., the total number of share capital of the Company involved in the calculation of earnings per share will not be adjusted and the total issued share capital of the Company on 31 December 2022 will continue to be used as the basis for calculation.

4. Performance targets of the Company are calculated by excluding the share-based payment expenses incurred as a result of the Incentive Scheme and any other schemes.

Upon satisfaction of the Conditions for Lock-up Release, the Company will procure lock-up release collectively for the Restricted Shares that have satisfied the Conditions for Lock-up Release. Management expenses arising thereunder will be borne by the Company; and the relevant individual income tax will be borne by the respective Incentive Recipients and paid by the Company on their behalf (if applicable).

The Restricted Shares not satisfying the Conditions for Lock-up Release shall not be released from the lock-up restrictions, and the Company will instruct the Trustee to repurchase such Shares pursuant to the principles set out in the Incentive Scheme, and the repurchase price shall not be higher than the Grant Price and market price of the Shares (i.e. the closing price of the Shares as at the date of approval of such repurchase by the Board), whichever is lower. The Trustee will dispose the Restricted Shares not released from lock-up and the related assigned interests, if any, and the Company will retain such proceeds.

Conditions

Allotment and issue of Restricted Shares to the Incentive Recipients is conditional upon:

- (i) the Incentive Scheme being reviewed and approved by the relevant regulatory authorities;
- (ii) the Incentive Scheme being approved by the Shareholders at the General Meeting; and
- (iii) the Listing Committee granting the listing of, and permission to deal in the Restricted Shares.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, up to 50,000,000 new Shares to be allotted and issued.

GRANT OF RESTRICTED SHARES PURSUANT TO THE INCENTIVE SCHEME

The Board is pleased to announce that on 7 November 2023, it has approved, subject to (i) the approval of the Incentive Scheme at the General Meeting, and (ii) the subscription by the Incentive Recipients and other conditions, the grant of not more than 50,000,000 Restricted Shares (the exact number is subject to the actual level of subscription) in aggregate to a total of not more than 700 Incentive Recipients, of which (i) 49,400,000 Restricted Shares are proposed to be granted to 696 Incentive Recipients (excluding Directors); and (ii) 600,000 Restricted Shares are proposed to be granted to four Directors. Further information regarding the grant of Restricted Shares pursuant to the Incentive Scheme is set out below:

Date which the Board approved the grant: 7 November 2023

Number of Restricted Shares proposed to be granted: Not more than 50,000,000 Restricted Shares (the exact number is subject to the actual level of subscription) are proposed to be granted to not more than 700 Incentive Recipients, including

- (i) 150,000 Restricted Shares to be granted to Ms. Zhao Chengmin, an executive Director;
- (ii) 150,000 Restricted Shares to be granted Mr. Lin Weiguo, an executive Director;
- (iii) 150,000 Restricted Shares to be granted to Mr. Tian Meitan, an executive Director; and
- (iv) 150,000 Restricted Shares to be granted to Mr. Peng Yong, an executive Director.

49,400,000 Restricted Shares are proposed to be granted to employees of the Group (excluding Directors). Upon the grant of the Restricted Shares, no Shares are available for future grants under the Incentive Scheme.

The Remuneration Committee has the right to make any corresponding adjustments to the final list of Incentive Recipients based on the actual level of subscription by the Incentive Recipients. The maximum nominal value of the Restricted Shares is HK\$5,000,000.

The above grant would not result in the Shares issued and to be issued in respect of all options and awards granted to each Incentive Recipient in the 12-month period up to and including the date which the Board approved the grant in aggregate to be over 1% of the Shares in issue.

Grant of Restricted Shares: The Board may grant the Restricted Shares to the Incentive Recipients only after the Conditions of Grant under the Incentive Scheme have been fulfilled. The grant of the relevant Restricted Shares to the Incentive Recipients is subject to, among other things, the payment of the relevant subscription monies at the Grant Price to the Company.

Grant Price: HK\$8.80 per Share.

Lock-up period and performance target: Please refer to the section headed “Lock-up Period and arrangement for lock-up release” above.

Clawback mechanism: The Restricted Shares granted are subject to clawback mechanism as set out in the terms of the Incentive Scheme, in particular, the repurchase by the Company of unvested Restricted Shares held by the Incentive Recipient on the grounds that the he/she is no longer an employee of the Group due to voluntary resignation or termination of contracts by agreement, in violation of laws, disobeys professional ethics, reveals confidential information of the Company, causing damages to the interest or reputation of the Company as a result of his/her failure to discharge duties or wilful misconduct, or upon cessation of employment of the Incentive Recipient due to any of the abovementioned reasons, and the repurchase price shall not be higher than the Grant Price and market price of the Shares (i.e. the closing price of the Shares as at the date of approval of such repurchase by the Board), whichever is lower.

Market price of the Shares:	(i) The closing price of the Shares as quoted on the Stock Exchange as at the date of this announcement is HK\$17.50 per Share, to which the Grant Price represents a discount of approximately 49.71%; and (ii) the average closing price of the Shares for the five consecutive trading days immediately preceding the date of this announcement as quoted on the Stock Exchange is HK\$17.584 per Share, to which the Grant Price represents a discount of approximately 49.95%.
Market value of Restricted Shares:	On the basis of the closing price of HK\$17.50 per Share as quoted on the Stock Exchange on the date of this announcement, the market value of 50,000,000 Restricted Shares will be HK\$875,000,000.
Financial assistance:	The Group has not provided any financial assistance to the Incentive Recipients for the purchase or subscription of Shares under the Incentive Scheme.
Status of Restricted Shares:	The Restricted Shares, when issued and fully paid, shall rank <i>pari passu</i> with the Shares already allotted and issued.
Identity of allottees:	<p>The Trustee shall hold the Restricted Shares on trust for the relevant Incentive Recipients until such Restricted Shares are vested to the relevant Incentive Recipients under the Incentive Scheme.</p> <p>The Board will appoint the Trustee, who shall be an independent third party, to hold the Restricted Shares and manage the Trust for the benefits of the Incentive Recipients and in accordance with the terms and conditions of the Deed of Trust.</p>

INFORMATION ABOUT THE COMPANY

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. 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.

REASONS FOR AND BENEFITS OF PROPOSED ADOPTION OF THE INCENTIVE SCHEME AND GRANT OF RESTRICTED SHARES

The Remuneration Committee has reviewed the Incentive Scheme and considered the terms of the Incentive Scheme to be fair and reasonable and recommended the Board to approve the adoption of the Incentive Scheme.

The Board is of the view that the adoption of the Incentive Scheme and the grant of Restricted Shares to the Incentive Recipients will facilitate the establishment and improvement of the Company's medium to long-term incentive mechanism to collectively integrate interests of the Shareholders, the Company and the Company's core staff, fully motivate the management and core staff of the Company, and achieve high-quality development of the Company. As such, the Board considers that the terms of the Incentive Scheme are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors (excluding Ms. Zhao Chengmin, Mr. Lin Weiguo, Mr. Tian Meitan and Mr. Peng Yong but including the independent non-executive Directors) consider the granting of Restricted Shares to the Incentive Recipients (including Ms. Zhao Chengmin, Mr. Lin Weiguo, Mr. Tian Meitan and Mr. Peng Yong) is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ms. Zhao Chengmin, Mr. Lin Weiguo, Mr. Tian Meitan and Mr. Peng Yong, being the potential Incentive Recipients, have abstained from voting on the relevant Board resolution.

LISTING RULES IMPLICATIONS

Pursuant to Chapter 17 of the Listing Rules, the Incentive Scheme will constitute a share scheme involving the grant of new shares and share schemes involving the grant of new shares must be approved by the Shareholders at the general meeting. Accordingly, the proposed adoption of the Incentive Scheme will be subject to, among other things, the Shareholders' approval at the General Meeting. The Company will convene the General Meeting to consider and, if thought fit, approve, among other things, the adoption of the Incentive Scheme.

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of Restricted Shares by the Company to any Director, chief executive, or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors. The grant of Restricted Shares to each of Ms. Zhao Chengmin, Mr. Lin Weiguo, Mr. Tian Meitan and Mr. Peng Yong has been reviewed and approved by the independent non-executive Directors accordingly.

A circular containing, among other things, details of the Incentive Scheme (including principal terms of the Incentive Scheme), and the notice of the General Meeting, will be despatched to the Shareholders as and when appropriate in accordance with the requirements of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors 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
“Condition(s) for Lock-up Release”	the condition(s) required to be fulfilled pursuant to the Incentive Scheme for the release of lock-up restrictions on the Restricted Shares
“Condition(s) of Grant”	the condition(s) required to be fulfilled pursuant to the Incentive Scheme for the Board to grant the Restricted Shares
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Deed of Trust”	the deed of trust to be entered into between the Company and the Trustee, as supplemented and amended from time to time

“Director(s)”	the director(s) of the Company
“Evaluation Period”	each of the three years ending 31 December 2026
“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 adoption of the Incentive Scheme
“Grant Date”	the date on which the Company will allot and issue Restricted Shares (as held by the Trustee on behalf of the Incentive Recipients) to the Incentive Recipients after approval for the implementation of the Incentive Scheme has been obtained, which must be a trading day
“Grant Price”	the price of each Restricted Share to be granted to the Incentive Recipient
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Incentive Recipient(s)”	certain Director(s) and senior management of the Group and the core staff and employee(s) of the Group who play a vital role in the medium to long-term development of the Company to be granted and issued with the Restricted Shares under the Incentive Scheme
“Incentive Scheme”	the 2023 Restricted Share Incentive Scheme and its implementation and evaluation measures proposed to be adopted by the Board on 7 November 2023, as amended from time to time
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lock-up Period”	the period from the Grant Date of the Restricted Shares till the date when the Restricted Shares have satisfied the Conditions for Lock-up Release
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Remuneration Committee”	the remuneration committee of the Board

“Restricted Share(s)”	the restricted Share(s) to be granted to Incentive Recipients by the Company under the Incentive Scheme
“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
“Trust”	the trust to be constituted by the Deed of Trust
“Trustee”	the trustee to be appointed by the Board to hold the Restricted Shares for the benefits of the Incentive Recipient(s) and manage the Trust pursuant to the terms and conditions of the Deed of Trust
“%”	per cent.

By order of the Board
C&D International Investment Group Limited
建發國際投資集團有限公司
Lin Weiguo
Executive Director and Chief Executive Officer

Hong Kong, 7 November 2023

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. Peng Yong; 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.