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If you have sold or transferred all your shares in **C&D International Investment Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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;
(2) GRANT OF RESTRICTED SHARES PURSUANT TO 2023
RESTRICTED SHARE INCENTIVE SCHEME; AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at Office No. 3517, 35th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong on Thursday, 21 December 2023 at 11:00 a.m. is set out on pages N-1 to N-3 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular for despatch to the Shareholders. Whether or not you intend to attend and/or vote at the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not later than 48 hours before the time specified for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

4 December 2023

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DEFINITIONS

In this circular, unless otherwise defined, the following expressions have the following meanings:

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| “2021 Incentive Scheme” | the 2021 Restricted Share Incentive Scheme and its implementation and evaluation measures approved by the Shareholders on 9 June 2021, as amended from time to time |
| “2021 Restricted Shares” | the restricted Share(s) granted under the 2021 Incentive Scheme |
| “2022 Incentive Scheme” | the 2022 Restricted Share Incentive Scheme and its implementation and evaluation measures approved by the Shareholders on 23 December 2022, as amended from time to time |
| “2022 Restricted Shares” | the restricted Share(s) granted under the 2022 Incentive Scheme |
| “Announcement” | the announcement of the Company dated 7 November 2023 in relation to, among other things, the proposed adoption of the Incentive Scheme |
| “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 repeated, supplemented and amended from time to time |
| “Director(s)” | the director(s) of the Company |

DEFINITIONS

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| “EGM” | an extraordinary general meeting to be held at Office No. 3517, 35th Floor, Wu Chung House, 213 Queen’s Road East, Wanchai, Hong Kong on Thursday, 21 December 2023 at 11:00 a.m. or any adjournment thereof (as the case may be), to approve, among other things, the adoption of the Incentive Scheme |
| “employee participant(s)” | has the meaning ascribed to it under the Listing Rules |
| “Evaluation Period” | each of the three years ending 31 December 2026 |
| “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), senior management 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 with the Restricted Shares |
| “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 |
| “Latest Practicable Date” | 24 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein |
| “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 till the date when the Restricted Shares have satisfied the Conditions for Lock-up Release |

DEFINITIONS

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| “PRC” | the People’s Republic of China, which only for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Previous Restricted Shares” | the 2021 Incentive Scheme and 2022 Incentive Scheme |
| “Remuneration Committee” | the remuneration committee of the Board |
| “Repurchase Price” | unless otherwise defined herein, a price not higher than the lower of the Grant Price and the market price of the Shares (i.e. the closing price of the Shares on the day of approval of such repurchase by 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 |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time |
| “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 constituted by the Deed of Trust |
| “Trustee” | BOCI Trustee (Hong Kong) Limited, the trustee appointed by the Board who is independent from the Company and its connected persons as at the Latest Practicable Date, 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. |

LETTER FROM THE BOARD

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)

Executive Directors:

Ms. Zhao Chengmin (趙呈閩) (*Chairperson*)
Mr. Lin Weiguo (林偉國) (*Chief Executive Officer*)
Mr. Tian Meitan (田美坦)
Mr. Peng Yong (彭勇)

Registered office:

Third Floor, Century Yard
Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

Non-executive Directors:

Mr. Huang Wenzhou (黃文洲)
Ms. Ye Yanliu (葉衍榴)
Mr. Zheng Yongda (鄭永達)

Head office and principal place

of business in Hong Kong:

Office No. 3517, 35th Floor
Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong

Independent non-executive Directors:

Mr. Wong Chi Wai (黃馳維)
Mr. Wong Tat Yan, Paul (黃達仁)
Mr. Chan Chun Yee (陳振宜)
Mr. Dai Yiyi (戴亦一)

4 December 2023

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF
2023 RESTRICTED SHARE INCENTIVE SCHEME;
(2) GRANT OF RESTRICTED SHARES PURSUANT TO 2023
RESTRICTED SHARE INCENTIVE SCHEME; AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Reference is made to the Announcement. The purpose of this circular is (i) to provide the Shareholders with further information on the adoption of the Incentive Scheme; and (ii) to give the Shareholders a notice of the EGM and other information in accordance with the requirements of the Listing Rules.

LETTER FROM THE BOARD

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 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.

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 (the “**List**”) shall be prepared by the Remuneration Committee in accordance with the relevant policies regulating the share incentive schemes of state-owned enterprises in the PRC after considering (i) the positions of the Incentive Recipients in the Group; (ii) the tenure of the Incentive Recipients in the Group; and (iii) internal recognitions, honors and/or rewards (if any) received by the Incentive Recipients, which shall then be submitted to the Board for its consideration and approval. 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 Board has reviewed the List and was of the view that (i) in terms of positions, the Incentive Recipients consist of the majority of the Group's key employees who assumed vital managerial and/or operational roles in the Group's day-to-day operations, including but not limited to, executive Directors, directors and general managers of principal subsidiaries, directors and managers of key functional departments, etc.; and (ii) in terms of tenure, the Incentive Recipients consist of the majority of the Group's long-serving and loyal employees who made sufficient contribution to the Group during their years of service and is expected to contribute to the Group's development in the years ahead. Given the purpose of the Incentive Scheme is 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

LETTER FROM THE BOARD

team, fully motivate the management and core staff of the Company, and achieve high-quality development of the Company, the Board is of the view that the Remuneration Committee's basis in determining the List aligns with the purpose of the Incentive Scheme.

Means of incentive and source of Restricted 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 the 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 the Incentive Scheme and all effective share scheme(s) of the Company do not exceed 10% of its total issued share capital as at the Latest Practicable Date. 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 to be granted 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 the 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

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 the 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 the Announcement); and
- (iii) the par value of each Share.

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The Grant Price was determined with reference to the Notice on Further Improving the Implementation of Equity Incentive Schemes by Central SOE-controlled Listed Companies (Guo Zi Fa Kao Fen Gui [2019] No. 102) 《關於進一步做好中央企業控股上市公司股權激勵工作有關事項的通知》(國資發考分規[2019]102號) and Guidelines for the Implementation of Equity Incentive Schemes by Central SOE-controlled Listed Companies (Guo Zi Fa Kao Fen Gui [2020] No. 178) 《中央企業控股上市公司實施股權激勵工作指引》(國資考分[2020]178號) (the “**Guidelines**”). The Grant Price would be able to incentivize the Incentive Recipients to the greatest extent within the ambit of the Guidelines, and at the same time, the mechanism adopted to determine the Grant Price was generally adopted by state-owned listed companies.

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 Company’s 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 EGM and end on the date on which all Restricted Shares are released from lock-up or all the 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 acquired by the Incentive Recipients as a result of capitalisation issue (such as the capitalisation of capital reserves, bonus issue of Shares), rights issue, scrip dividend, 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.

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.

LETTER FROM THE BOARD

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 | (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; (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 (3) the operating profits of the Company shall not be lower than 75% of the total profits of the Company. | 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 | (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; (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 (3) the operating profits of the Company shall not be lower than 75% of the total profits of the Company. | The results of individual performance evaluation of Incentive Recipients is "qualified" | 30% |

LETTER FROM THE BOARD

| 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 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 reaches "qualified" | 30% |

Notes:

1. "Revenue" represents the audited revenue; "operating profits" represents audited "profits before income tax" less "other gains, net" (or equivalent item); "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. Wind Information Co., Ltd.* (萬得信息技術股份有限公司) ("Wind"), is a leading financial software service company in the PRC, and it has developed a series of financial data professional analysis application terminals and a large-scale financial engineering and financial data warehouse.

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 and they shall be vested simultaneously. In such case, the management expenses

LETTER FROM THE BOARD

arising from the Incentive Scheme will be borne by the Company; the relevant personal income tax will be borne by the respective Incentive Recipients and paid by the Company on their behalf (if applicable). The Remuneration Committee shall assess whether performance target of the Company has been achieved through (a) reports prepared based on the Company's audited financial statements; and (b) opinions issued by third-party financial advisor(s) on whether the Company achieved the performance targets.

None of the Restricted Shares has a vesting period which is less than 12 months. Pursuant to relevant policies regulating share incentive schemes of state-owned enterprises in the PRC, the lock up period of the Restricted Shares shall not be less than 24 months. The Lock-up Period therefore satisfies such requirement and shall prevent any possible short-sighted behaviors by the Incentive Recipients to boost the Group's short-term performance at the expense of the Company's long-term growth. The vesting period of the Incentive Scheme is in line with market practice whereby share awards are vested in batches over years based on the Company's medium to long term development goals and the vesting mechanism of the Incentive Scheme would make the remuneration package of the Group more attractive such that the Group would be in a more advantageous position to retain talents to continuously serve the Group. As such, the Board is of the view that the Lock-up Period aligns with the purpose of the Incentive Scheme.

Further, performance targets of the Company are made after considering:

- (a) the relevant policies regulating share incentive schemes of state-owned enterprises in the PRC, under which the performances targets shall reflect:
 - (i) sustainability of the Company's growth, as measured by the growth rate of revenue;
 - (ii) the Company's return to the shareholders and value creating ability, as measured by the earnings per share; and
 - (iii) the Company's earnings quality, as measured by the ratio of operating profits to total profits;
- (b) the Company and benchmark companies' historical performances;
- (c) the Company's pro forma financial information, which was projected based on the Company's current operations; and
- (d) the current and expected trends of the market and the industry movements.

Therefore, performance targets of the Company under the Incentive Scheme remain feasible based on the Group's current operating conditions and future potential, and at the same time pose challenges to the Group in light of competition within the industry and difficulties in the macroeconomic environment which shall motivate all Incentive Recipients to work towards the long term development of the Group as a whole. In order to achieve such performance target, the Group shall also outperform a number of benchmark companies, which can be done only through the Incentive Recipients' dedicated effort. The individual performance evaluation

LETTER FROM THE BOARD

requirement would also stimulate the enthusiasm of the Incentive Recipients, so that they can exert their maximum value through their roles and contribute to the realization of the Group's long term business goals. Given the above, the Board is of the view that the performance targets aligns with the purpose of the Incentive Scheme.

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 the Restricted Shares of the Incentive Recipients not yet released from lock-up restrictions pursuant to the principles set out in the Incentive Scheme, the repurchase price shall not be higher than the lower of 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). The Trustee will dispose the Restricted Shares not yet released from lock-up and the related assigned interests, if any, and the Company will retain such proceeds.

Lapse

A. *Lapse due to the Company's Issues*

(I) *Termination of the Incentive Scheme*

In the case that:

1. the Company does not engage an accountant firm to carry out audit work in accordance with the relevant procedures and requirements;
2. the certified accountant issues an adverse opinion or disclaimer opinion with respect to the Company's annual report and internal control evaluation report;
3. the state-owned asset supervision and administration institution or audit department issues major objection to the Company's performance or annual report;
4. the Company is subject to disciplinary actions by the securities regulatory and administrative institutions and other relevant bodies for major violation of rules and regulations; or
5. situations occur where laws and regulations prohibit the execution of share incentives;

the Incentive Scheme shall be terminated, and the Restricted Shares granted but not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at the Repurchase Price.

Should the Company decide to terminate the Incentive Scheme even if such events did not occur, such proposal (including the treatment of Restricted Shares granted under the Incentive Scheme but not yet released from lock-up) shall be submitted to the general meeting for Shareholders' approval.

LETTER FROM THE BOARD

(II) Merger, separate establishment, or change of control of the Company

In the case that any merger and/or separate establishment happens to the Company or there is any change of control of the Company, the Incentive Scheme shall be executed in normal.

(III) False Disclosure of the Company

If any Condition of Grant or Condition for Lock-up Release of the Restricted Shares is not met due to false records, misleading statements, or significant omissions, the Restrictive Shares not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at the Repurchase Price.

In relation to the vested Restricted Shares, all Incentive Recipients shall transfer such Shares to the Trustee at a price not higher than the lower of the Grant Price and the market price of the Shares (i.e. the closing price of the Shares as at the date of the consideration and approval of such transfer by the Board). The Incentive Recipients not responsible for the occurrence of the above and incurring losses for such returning of Shares may, in accordance with the relevant arrangements of the Incentive Scheme, claim compensations against the Company or the responsible Incentive Recipients. The Board shall recover all the profits gained by the Incentive Recipients in accordance with the relevant arrangements of the Incentive Scheme and shall not grant new Shares to the responsible Incentive Recipients.

B. Lapse due to Incentive Recipients' Issues

(I) Change of duties of Incentive Recipients

1. If an Incentive Recipient changes his/her job position but still works in the Group or is assigned by the Company, the Restricted Shares granted to him/her shall be subject to such procedures as stipulated in the Incentive Scheme which takes effect before the change of his/her position.
2. If an Incentive Recipient is reassigned to work in Xiamen C&D Corporation Limited and its subsidiaries and branches (apart from the Group) due to organizational arrangements, the Board has the right to make decisions on the handling of the interests granted to such Incentive Recipient based on his/her reassignment.
3. If an Incentive Recipient becomes an independent non-executive Director or other personnel who is not qualified to hold the Restricted Shares, the Restricted Shares having been released from lock-up shall maintain the *status quo*, and the Restricted Shares granted but not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus

LETTER FROM THE BOARD

the interest of the bank deposit for the same period calculated at the benchmark deposit interest rate announced by the People's Bank of China at the time of repurchase.

(II) Departure of Incentive Recipients

1. If the employment contracts of Incentive Recipients have expired and are not renewed or the Incentive Recipients tender their resignation, or the Incentive Recipients leave the Company for reasons such as violation of laws and disciplines, failure to performance during contract period or termination of contracts by agreement, the Restricted Shares having been released from lock-up shall maintain the *status quo*, and the Restricted Shares not released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at the Repurchase Price.
2. If the Incentive Recipients depart passively due to reasons such as layoff by the Company and did not fail in the performance appraisal, commit misconduct or breached any laws or regulations, the Restricted Shares having been released from lock-up shall maintain the *status quo*, and the Restricted Shares not released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus the interest of the bank deposit for the same period calculated at the benchmark deposit interest rate announced by the People's Bank of China at the time of repurchase.

(III) Retirement of Incentive Recipients

If an Incentive Recipient leaves the Company due to retirement before the Board decides whether the Conditions for Lock-up Release has been fulfilled and the Incentive Recipient has passed his/her individual performance evaluation, the Restricted Shares not released from lock-up in relation to which the performance target of such year has been met may be exercised within half year from the date of the Board's decision as to whether the conditions for lock-up release of the Restricted Shares has been fulfilled.

Alternatively, if an Incentive Recipient leaves the Company due to retirement after the Board decides whether the Conditions for Lock-up Release has been fulfilled, the Restricted Shares not released from lock-up in relation to which the performance target of such year has been met may be exercised within half year from the date of his/her departure. In all situations, Restricted Shares which do not satisfy performance target or those which are still subject to lock-up shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus the interest for the same period calculated at the benchmark deposit rate announced by the People's Bank of China at the time of repurchase.

LETTER FROM THE BOARD

(IV) Incapacity of Incentive Recipients

1. In the case that an Incentive Recipient is incapacitated due to performance of duties and leaves the Company, the Restricted Shares granted shall be subject to such procedures as stipulated in the Incentive Scheme which takes effect before the occurrence thereof, and the personal performance evaluation results will no longer be included in the Conditions for Lock-up Release.
2. If an Incentive Recipient is not incapacitated while executing his/her duties and leaves the Company, the Restricted Shares having been released from lock-up shall maintain the *status quo*. By the time when the Incentive Recipient is incapacitated, if the Board has not decided whether the conditions for lock-up release of the Restricted Shares has been fulfilled and the Incentive Recipient has passed his/her individual performance evaluation, the Restricted Shares granted but not yet released from lock-up in relation to which the performance target of such year has been met may be exercised within half year from the date of the Board's decision as to whether the conditions for lock-up release of the Restricted Shares has been fulfilled. Alternatively, if the Incentive Recipient is incapacitated after the Board decides whether the conditions for lock-up release of the Restricted Shares has been fulfilled, the Restricted Shares granted but not yet released from lock-up in relation to which the performance target of such year has been met may be exercised within half year from the date of his/her departure. In all situations the Restricted Shares in relation to which the performance target has not been met shall not be released or those which are still subject to lock-up shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus the interest for the same period calculated at the benchmark deposit rate announced by the People's Bank of China at the time of repurchase.

(V) Death of Incentive Recipients

1. If an Incentive Recipient deceases due to performance of duties, the Restricted Shares granted to him/her shall be held by his/her appointed beneficiaries or lawful successors and shall be subject to such procedures as stipulated in the Incentive Scheme which takes effect before his/her death, and the personal performance evaluation requirement will no longer be included in the Conditions for Lock-up Release.
2. If an Incentive Recipient deceases due to reasons other than performance of duties, the interests granted to him/her shall be enjoyed by his/her appointed beneficiaries or lawful successors. By the time when the Incentive Recipient deceases, if the Board has not decided whether the conditions for lock-up release of the Restricted Shares has been fulfilled and the Incentive Recipient has passed his/her individual performance evaluation, the Restricted Shares granted but not yet released from lock-up in relation to which the performance target of such year has been met may be exercised within half year from the date of the Board's decision as to whether the conditions for lock-up release of

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the Restricted Shares has been fulfilled, thereafter the interest lapses. Alternatively, if the Incentive Recipient deceases after the Board decides whether the conditions for lock-up release of the Restricted Shares has been fulfilled, the Restricted Shares granted but not yet released from lock-up in relation to which the performance target of such year has been met shall be exercised by his/her appointed beneficiaries or lawful successors within half year from the date of occurrence of the situation (or exercisability), thereafter the interest lapses. In all situations the Restricted Shares in relation to which the performance target has not been met or those which are still subject to lock-up shall not be released and shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus the interest for the same period at the bench mark deposit rate announced by the People's Bank of China, and the proceeds from the repurchase shall be received by his/her appointed beneficiaries or lawful successors.

(VI) Change of control of the subsidiaries where the Incentive Recipients work

If the Incentive Recipients work in subsidiaries of the Company, and the Company loses control of such company while the Restricted Shares having been released from lock-up shall maintain the *status quo*, and the Restricted Shares granted but not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus the interest of the bank deposit for the same period calculated at the benchmark deposit interest rate announced by the People's Bank of China at the time of repurchase.

(VII) Clawback Mechanism

If an Incentive Recipient whose job position has changed as a results of acts that are detrimental to the Company's interests or reputation such as violation of laws, professional ethics, leak of confidential information of the Company, failure to discharge his/her duties or a willful misconduct, or termination of employment contract of the Incentive Recipient by the Company for any of the above reasons, the Restricted Shares having been released from lock-up shall maintain the *status quo*, and the Restricted Shares granted but not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at the Repurchase Price.

Further, if the Incentive Recipient is a Director or senior management of the Company and was involved in the abovementioned situations, Restricted Shares released from lockup and all profit realized from the Incentive Scheme shall be returned to the Company.

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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, including State-owned Assets Supervision and Administration Committee of Xiamen Municipal (or any institution(s) with its authorization);
- (ii) the Incentive Scheme being approved by the Shareholders at the EGM; 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.

Others

Any modification of the Incentive Scheme after it has been approved at the EGM (including the termination of the Incentive Scheme before the end of the scheme's life) shall be submitted to a general meeting for consideration, and shall not involve circumstances that will lead to acceleration of lock-up release and reduction of Grant Price. Save as (i) material terms of the Incentive Scheme; and (ii) provisions regarding the matters set forth in Rule 17.03 of the Listing Rules (including the termination of the Incentive Scheme before the end of the scheme's life), the Board may amend any other terms of the Incentive Scheme.

There are no provisions for the cancellation of the Restricted Shares under the Incentive Scheme.

GRANT OF RESTRICTED SHARES PURSUANT TO THE INCENTIVE SCHEME

On 7 November 2023, the Board 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 granted: Up to 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.

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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 Company will comply with the relevant disclosure obligations in a timely manner in accordance with the Listing Rules. 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. |

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- 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 granted to the Incentive Recipient at the Repurchase Price if he/she is in violation of laws, disobeys professional ethics, leaks confidential information of the Company, damages 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. Further, if the Incentive Recipient is a Director or senior management of the Company and was involved in the abovementioned situations, Restricted Shares released from lockup and all profit realized from the Incentive Scheme shall be returned to the Company.
- Market price of the Shares: (i) The closing price of the Shares as quoted on the Stock Exchange as at the date of Announcement was 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 the Announcement as quoted on the Stock Exchange was 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 the 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 Restricted Shares.
- Status of Restricted Shares: The Restricted Shares, when issued and fully paid, shall rank *pari passu* with the Shares allotted and issued.

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Identity of allottees:

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.

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.

The Trustee holding the unvested Restricted Shares shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

The Trustee is a wholly-owned subsidiary of BOC International Holdings Limited which is a group company of Bank of China Limited (stock code: 3988). The Trustee is a licensed trustee in Hong Kong (TCSP Licence No.: TC002392) to carry on a trust or company services business in Hong Kong. All current directors of the Trustee are employees of BOC International Holdings Limited or its subsidiaries and none of the directors has any interest in the Trustee. The Directors do not have any direct or indirect interest in the Trustee, or have any role or position in the Trustee.

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Allocation of Restricted Shares

The Restricted Shares are proposed to be granted to the following Incentive Recipients:

| Name | Positions | Tenure (years)* | Roles & Responsibilities | Number of Restricted Shares to be granted (exact number subject to actual level of subscription) | Percentage in the issued share capital of the Company as at the Latest Practicable Date |
|-------------------------------|---|--------------------|--|--|--|
| Ms. Zhao Chengmin (趙呈閩) | Chairperson and executive Director | 10 | Overall strategic planning and business development of the Group | 150,000 | 0.01% |
| Mr. Lin Weiguo (林偉國) | Executive Director and chief executive officer | 10 | Overall management and operations of the Group | 150,000 | 0.01% |
| Mr. Tian Meitan (田美坦) | Executive Director | 10 | Daily management of the Group & operation of the Huadong Cluster | 150,000 | 0.01% |
| Mr. Peng Yong (彭勇) | Executive Director | 10 | Daily management of the Group & operation of the Haixi Cluster | 150,000 | 0.01% |
| 696 Incentive Recipients | Employees of the Group who are not a Director | N/A | N/A | 49,400,000 | 2.68% |
| Total | | | | <u>50,000,000</u> | <u>2.71%</u> |

* The tenure was calculated from the date when C&D Real Estate acquired the Company in December 2014

Allocation of Restricted Shares to each Director was determined by the Remuneration Committee after considering (i) each of the executive Directors' position, tenure, contributions, and responsibility; (ii) their managerial role in the Group's normal and daily business course; (iii) the importance of each executive Director to the Board's decision-making process as a whole; and (iv) the Incentive Scheme shall grant the majority of the Restricted Shares to mid-to base-level managers which excludes senior management of the Company.

Since each executive Director plays a vital role to the Group's operation as well as the Board's decision-making; and devoted their efforts and made vital and irreplaceable contributions to the Group, the Board is of the view that the proposed grant to each Director is fair and reasonable.

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SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the Company's shareholding structure (i) as at the Latest Practicable Date; and (ii) immediately upon the allotment and issue of the Restricted Shares (the exact number is subject to the actual level of subscription) will be allotted and issued and there will be no other changes to the shareholding structure of the Company from the Latest Practicable Date):

| Name of Shareholder | As at the Latest Practicable Date | | Immediately upon the allotment and issue of Restricted Shares | |
|---|--|---|---|---|
| | 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 International Limited (益能國際有限公司) | 1,053,371,743 | 57.07% | 1,053,371,743 | 55.56% |
| Diamond Firetail Limited (Note 1) | 33,289,340 | 1.80% | 33,289,340 | 1.76% |
| Trustee | | | | |
| — 2021 Restricted Shares (Note 2) | 20,286,000 | 1.10% | 20,286,000 | 1.07% |
| — 2022 Restricted Shares (Note 3) | 98,440,000 | 5.33% | 98,440,000 | 5.19% |
| — Restricted Shares | — | — | 50,000,000 | 2.64% |
| Ms. Zhao Chengmin (Note 4) | 132,000 | 0.01% | 132,000 | 0.01% |
| Mr. Lin Weiguo (Note 4) | 116,000 | 0.01% | 116,000 | 0.01% |
| Mr. Tian Meitan (Note 4) | 112,000 | 0.01% | 112,000 | 0.01% |
| Public Shareholders | 640,067,043 | 34.68% | 640,067,043 | 33.76% |
| Total | <u>1,845,814,126</u> | <u>100.00%</u> | <u>1,895,814,126</u> | <u>100.00%</u> |

Note 1: Diamond Firetail Limited is a wholly-owned subsidiary of Tricor Equity Trustee Limited (“**Tricor Equity Trustee**”). Tricor Equity Trustee is a trustee of a discretionary trust, while Ms. Zhao Chengmin is one of the founders of the said discretionary trust, each of Mr. Lin Weiguo and Mr. Peng Yong is one of the protectors of the said discretionary trust, and Mr. Tian Meitan is one of the beneficiaries of the said discretionary trust. Therefore, each of Ms. Zhao Chengmin, Mr. Lin Weiguo and Mr. Peng Yong are deemed to be interested in the Shares held by Diamond Firetail by virtue of the SFO. As a beneficiary of the trust, Mr. Tian Meitan is deemed to be beneficially interested in the portion of the Shares held by Diamond Firetail corresponding to his beneficial interest.

Note 2: All incentive recipients under the 2021 Incentive Scheme are employee participants. Being the incentive recipients of the 2021 Incentive Scheme, each of Ms. Zhao Chengmin, Mr. Lin Weiguo, Mr. Peng Yong, and Mr. Tian Meitan is interested in 198,000 Shares, 174,000 Shares, 174,000 Shares, and 168,000 Shares held on trust by the Trustee under the 2021 Incentive Scheme, respectively, which are subject to vesting.

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Note 3: All incentive recipients under the 2022 Incentive Scheme are employee participants. Being the incentive recipients of the 2022 Incentive Scheme, each of Ms. Zhao Chengmin, Mr. Lin Weiguo, Mr. Peng Yong, and Mr. Tian Meitan is interested in 650,000 Shares, 600,000 Shares, 600,000 Shares, and 530,000 Shares held on trust by the Trustee under the 2022 Incentive Scheme, respectively, which are subject to vesting.

Note 4: These shares are held by Ms. Zhao Chengmin, Mr. Lin Weiguo and Mr. Tian Meitan in their capacity as beneficial owner.

Note 5: Save as the Restricted Shares, there are no Shares which may be issued pursuant to any share schemes of the Company.

The theoretical dilution effect of the issue of Restricted Shares is approximately 4.73%. Accordingly, the issue of the Restricted Shares will not result in a theoretical dilution effect of 25% or more under Rule 7.27B of the Listing Rules.

Having considered (i) the long-term benefits arising from the grant of the Restricted Shares, which is to promote the Group's future growth and create value for Shareholders, and aligns with the interest of Shareholders as a whole outweigh the dilution effect as the maximum number of the Shares to be issued represent approximately 2.71% of the issued share capital as of the Latest Practicable Date, which only has a minor dilution effect on other Shareholders, and (ii) the Company's objective to motivate its key employees to support its growth plans, the Board considers that the theoretical dilution effect to be reasonable and in the interest of the Shareholders as a whole.

EXISTING SHARE SCHEMES OF THE COMPANY

As of the Latest Practicable Date, the 2021 Incentive Scheme and 2022 Incentive Scheme remain in force.

260 employee participants (including four executive Directors) were incentive recipients under the 2021 Incentive Scheme, and 35,300,000 restricted shares (being the scheme mandate limit of the 2021 Incentive Scheme) were granted to them pursuant to a specific mandate. Restricted shares granted thereunder were subject to a lock-up period of two to four years from the grant date, being 29 June 2021, and they shall be released in three batches upon satisfaction of the Company's performance target, and individual performance evaluation. The validity period of the 2021 Incentive Scheme shall end on the date which all conditions for lock-up have been satisfied or all 2021 Restricted Shares were repurchased, which shall be no later than 8 June 2031. As at the Latest Practicable Date, 13,704,000 2021 Restricted Shares were released from lock-up, and 20,286,000 2021 Restricted Shares granted to 251 employee participants are still subject to lock-up.

641 employee participants (including four executive Directors) were incentive recipients under the 2022 Incentive Scheme, and 100,000,000 restricted shares (being the scheme mandate limit of the 2022 Incentive Scheme) were granted to them pursuant to a specific mandate. Restricted shares granted thereunder were subject to a lock-up period of two to four years from the grant date, being 29 December 2022, and they shall be released in three batches upon satisfaction of the Company's performance target, and individual performance evaluation. The validity period of the 2022 Incentive Scheme shall end on the date which all conditions for

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lock-up have been satisfied or all 2022 Restricted Shares were repurchased, which shall be no later than 22 December 2032. As at the Latest Practicable Date, 98,440,000 2022 Restricted Shares granted to 629 employee participants are still subject to lock-up.

For details of the 2021 Incentive Scheme and 2022 Incentive Scheme, please refer to the circulars of the Company dated 20 May 2021 and 6 December 2022.

Persons who are incentive recipients under all the 2021 Incentive Scheme, the 2022 Incentive Scheme and the Incentive Scheme have subscribed for 88,520,000 Previous Restricted Shares (representing 4.80% of the issued share capital of the Company as at the Latest Practicable Date) and are entitled to subscribe 23,200,000 Restricted Shares (representing 1.26% of the issued share capital of the Company as at the Latest Practicable Date, and the exact number is subject to the actual level of subscription).

INFORMATION ABOUT THE COMPANY

The Company is 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. 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 INCENTIVE SCHEME AND GRANT OF RESTRICTED SHARES

The Remuneration Committee has reviewed the Incentive Scheme and having considered (i) qualification of the Incentive Recipients; (ii) the total number of the Restricted Shares to be issued and the number to be allocated to each Incentive Recipient according to his/her eligibility; (iii) the Conditions for Lock-up; and (iv) similar incentive schemes of state-owned enterprises, the Remuneration Committee is of the view that the terms of the Incentive Scheme are 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 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 integrate interests of the Shareholders, the Company and the Company's core staff collectively, 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 (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) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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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 the Shareholders' approval at the General Meeting. The Company will convene the General Meeting to consider and, if thought fit, approve 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(s) 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.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or this circular misleading.

DOCUMENT ON DISPLAY

A copy of the rules of the Incentive Scheme will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cndintl.com>) from the date of this circular up to 14 days (inclusive) thereafter.

EXTRAORDINARY GENERAL MEETING

The EGM will be held by the Company at Office No. 3517, 35th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong on Thursday, 21 December 2023 at 11:00 a.m., to consider and if thought fit, to approve, among other things, the adoption of the Incentive Scheme. A form of proxy for use at the EGM is enclosed with this circular.

As each of Ms. Zhao Chengmin, Mr. Lin Weiguo, Mr. Tian Meitan and Mr. Peng Yong will be an Incentive Recipient if the Incentive Scheme is approved, each of them and Diamond Firetail will voluntarily abstain from voting on the resolution at the EGM. As of the Latest Practicable Date, Ms. Zhao Chengmin, Mr. Lin Weiguo, and Mr. Tian Meitan (excluding each of their interest in Diamond Firetail) was interested in 132,000, 116,000 and 112,000 Shares, respectively (representing approximately 0.01%, 0.01% and 0.01% of the issued share capital, respectively), and Diamond Firetail was interested in 33,289,340 issued Shares, representing approximately 1.80% of the issued share capital of the Company. Save as disclosed above and to the best knowledge of the Directors, as at the Latest Practicable Date, no Shareholder is required to abstain from the resolution to approve the Incentive Scheme proposed in the EGM.

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The notice convening the EGM is set out on pages N-1 to N-3 of this circular.

For those who intend to direct a proxy to attend the EGM, please complete the form of proxy and return the same in accordance with the instructions printed thereon. In order to be valid, the above documents must be delivered to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the EGM or any adjournment thereof. The register of members of the Company will be closed from Monday, 18 December 2023 to Thursday, 21 December 2023 (both days inclusive), during which time no share transfers will be effected. In order to qualify for attending the EGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong at the above address by no later than 4:30 p.m. on Friday, 15 December 2023. The holders of the Shares whose names appear on the register of members of the Company on Thursday, 21 December 2023 are entitled to attend and vote in respect of the resolution to be proposed at the EGM.

You are urged to complete and return the form of proxy and reply slip whether or not you will attend the EGM. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM (or any subsequent meetings following the adjournments thereof) should you wish to do so.

RECOMMENDATIONS

The Directors consider that the terms of the Incentive Scheme are fair and reasonable and in the interests of the Company and the Shareholders as a whole. As such, the Directors recommend that the Shareholders to vote in favour of the resolution to be proposed at the EGM.

VOTE BY POLL

In accordance with the articles of association of the Company, all the votes in the EGM must be taken by poll. The methods of Shareholders' votes at the EGM will be conducted by the combination of on-site voting and online voting.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
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

The following is a summary of the principal terms of the Incentive Scheme to be approved at the EGM. It does not form part of, nor is it intended to be part of, the rules of the Incentive Scheme and it should not be taken as affecting the interpretation of the rules of the Incentive Scheme.

KEY TERMS OF INCENTIVE SCHEME

1. 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.

2. ADMINISTRATION AUTHORITIES

The general meeting is responsible for considering and approving the implementation, modification and termination of the Incentive Scheme. The general meeting may delegate some matters related to the Incentive Scheme to the Board within its authority.

The Board is responsible for the implementation of the Incentive Scheme. The Remuneration Committee is responsible for formulating and revising the Incentive Scheme and reporting to the Board of the Company for consideration; after consideration and approval of the Incentive Scheme by the Board, it will be submitted to the general meeting of the Company for approval and relevant matters of the Incentive Scheme will be handled under authorization of the general meeting.

The independent Directors are the supervisory body of the Incentive Scheme and shall express their opinions on whether the Incentive Scheme is conducive to the sustainable development of the Company and whether there are circumstances that are obviously prejudicial to the interests of the Company and all shareholders.

3. 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.

The total number of Incentive Recipients under the Incentive Scheme shall be no more than 700, including:

- (1) Directors and senior management of the Company;
- (2) Core staff and employees of the Group, including members of medium management;
- (3) Honorary employees who demonstrate loyalty and long-term contributions to the Company.

Among the above Incentive Recipients, the Directors and senior management of the Company must be elected at a general meeting of the Company or appointed by the Board. Each Incentive Recipient must have entered into an employment contract or engagement contract with the Company or its subsidiaries during the Evaluation Period of the Incentive Scheme.

The following personnel are not qualified as Incentive Recipients:

- (1) Personnel not employed by or no longer working for the Company or its subsidiaries;
- (2) Personnel acting as independent non-executive Director;
- (3) Personnel being shareholders or *de facto* controllers who individually or collectively hold more than 5% of Shares of the Company and their respective spouses, parents or children;
- (4) Personnel prohibited to become Incentive Recipients under requirement of State-owned assets supervision and administration agencies and securities supervision and administration agencies;
- (5) Personnel not qualified as Incentive Recipients under the Listing Rules and relevant laws, regulations and regulatory documents in relation to the implementation of equity incentives by state-controlled listed companies in China, and the articles of association.

If any of the above circumstances occurs on Incentive Recipients during the implementation of the Incentive Scheme, the Company will terminate respective right to participate in the Incentive Scheme and instruct the Trustee to repurchase the Restricted Shares granted but not yet released from lock-up.

After consideration and approval of the Incentive Scheme by the Board, the Company will announce internally the names and positions of the Incentive Recipients through the Company's website or other means.

4. INCENTIVE INSTRUMENT

The form of incentive adopted in the Incentive Scheme is Restricted Shares.

5. INCENTIVE SCALE

The number of Restricted Shares proposed to be granted to the Incentive Recipients under the Incentive Scheme is 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 the 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 the 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.

If the Incentive Recipients voluntarily renounce the granted interests for personal reasons, the Board shall adjust the amount of grant accordingly.

The Board is entitled to adjust the amount of interests to be granted within the cap, taking into account factors including the position level and length of service of the Incentive Recipient.

6. GRANT PRICE

The Grant Price shall be determined in accordance with the principle of fair market price. The Grant Price of the Restricted Shares under the Incentive Scheme is HK\$8.80 per share. The Grant Price is not less than the par value of the Shares and not less than the higher of:

- (1) 50% of the closing price of the Shares as quoted on the Stock Exchange as at the date of the Announcement;
- (2) 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 the Announcement; and
- (3) 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.

7. TIME SCHEDULE**(1) Validity period**

The validity period of the Incentive Scheme shall commence from the date of the approval at the EGM 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.

(2) Grant Date

After consideration and approval of the Incentive Scheme at the Company's general meeting, the Company will convene a Board meeting in due course to complete the granting of interests to the Incentive Recipients in accordance with the relevant regulations.

The Grant Date shall be determined by the Board after the approval of the Incentive Scheme at the EGM. The Grant Date must be a trading day, and the determination of the Grant Date shall comply with the relevant regulatory rules, including the Listing Rules, and shall not cause material risks (including but not limited to compliance risks) for the Company.

(3) Lock-up period

All Restricted Shares granted to the Incentive Recipients are subject to different lock-up periods of 24 months, 36 months and 48 months respectively from the Grant Date.

(4) Arrangement of lock-up release

The following table shows the arrangement of lock-up release for Restricted Shares to be granted under the Incentive Scheme:

| Arrangement of lock-up release | Lock-up release period | Percentage of lock-up release |
|---------------------------------------|---|--------------------------------------|
| First lock-up release | From the first trading day after 24 months from the Grant Date to the last trading day within 36 months from the Grant Date | 40% |

| Arrangement of lock-up release | Lock-up release period | Percentage of lock-up release |
|---------------------------------------|---|--------------------------------------|
| Second lock-up release | From the first trading day after 36 months from the Grant Date to the last trading day within 48 months from the Grant Date | 30% |
| Third lock-up release | From the first trading day after 48 months from the Grant Date to the last trading day within 60 months from the Grant Date | 30% |

(5) Timing of grant of awards

No grant of Restricted Share(s) shall be made to Incentive Recipients under the Incentive Scheme:

- (i) where any Director is in possession of unpublished inside information in relation to the Company (within the meaning under the SFO) or, in the reasonable opinion of the Directors, subject to rule 13.09(2)(a) of the Listing Rules and the inside information provisions of Part XIVA of the SFO (within the meaning under the Listing Rules); or where any Director knows or believes there is inside information which must be disclosed pursuant to the Listing Rules or any applicable laws, rules or regulations; or where dealings by directors or members of the Group are prohibited under any guidelines for securities transactions, or requirement of the Listing Rules or any applicable laws and regulations;
- (ii) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
- (iii) during the period of 30 days immediately preceding the publication date of the quarter or half-year results for any financial period of the Company or, if shorter, the period from the end of the relevant quarter or half-year period of the financial period up to the publication date of such results.

8. PERFORMANCE TARGET FOR LOCK-UP RELEASE**(1) Performance Target of the Company**

The Restricted Shares shall be released from lock-up subject to the fulfillment of the following performance conditions by the Company:

For the three accounting years from 2024 to 2026, the Company will evaluate its performance indicators of respective year and assess whether the performance evaluation target (as one of the Conditions for Lock-up Release of Incentive Recipients for the respective year) has been met. The specific evaluation conditions are as follows:

| Arrangement of lock-up release | Condition |
|---------------------------------------|---|
| First lock-up release | <ul style="list-style-type: none"> (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; (2) the earnings per share for 2024 shall be not lower than RMB2.90 and not lower than industry average or 75% of the benchmark companies; and (3) the operating profits of the Company shall not be lower than 75% of the total profits of the Company. |
| Second lock-up release | <ul style="list-style-type: none"> (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; (2) the earnings per share for 2025 shall be not lower than RMB2.95 and not lower than industry average or 75% of the benchmark companies; and (3) the operating profits of the Company shall not be lower than 75% of the total profits of the Company. |

| Arrangement of lock-up release | Condition |
|---------------------------------------|--|
| Third lock-up release | <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 for 2026 shall be not 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> |

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.

(2) Selection of benchmark companies

The following companies were selected as the benchmark companies for the purpose of evaluating the Company's performance under the Incentive Scheme:

| Serial no. | Stock Code | Stock short name |
|------------|------------|-----------------------|
| 1 | 1030.HK | SEAZEN |
| 2 | 3900.HK | GREENTOWN CHINA |
| 3 | 0817.HK | CHINA JINMAO |
| 4 | 3383.HK | AGILE GROUP |
| 5 | 2777.HK | R&F PROPERTIES |
| 6 | 3377.HK | SINO-OCEAN GP |
| 7 | 0081.HK | CH OVS G OCEANS |
| 8 | 1638.HK | KAISA GROUP |
| 9 | 1238.HK | POWERLONG |
| 10 | 0754.HK | HOPSON DEV HOLD |
| 11 | 1813.HK | KWG GROUP |
| 12 | 3333.HK | EVERGRANDE |
| 13 | 1918.HK | SUNAC |
| 14 | 0813.HK | SHIMAO GROUP |
| 15 | 0884.HK | CIFI HOLD GP |
| 16 | 3380.HK | LOGAN GROUP |
| 17 | 9993.HK | RADIANCE HLDGS |
| 18 | 000961.SZ | Zhongnan Construction |
| 19 | 002146.SZ | RiseSun |
| 20 | 000031.SZ | Grandjoy |
| 21 | 002244.SZ | Binjiang Group |
| 22 | 000402.SZ | Financial Street |
| 23 | 000069.SZ | Overseas Chinese Town |
| 24 | 000656.SZ | Jinke |

| Serial no. | Stock Code | Stock short name |
|------------|------------|------------------------|
| 25 | 600325.SH | Huafa Industrial share |
| 26 | 600376.SH | BCDC |
| 27 | 600657.SH | Cinda Real Estate |
| 28 | 600266.SH | BUCID |
| 29 | 600606.SH | Greenland Holdings |
| 30 | 601155.SH | Seazen |
| 31 | 600383.SH | Gemdale Corporation |
| 32 | 600340.SH | CFLD |

The Company is principally engaged in real estate development, and during the year ended 31 December 2022, the Group's revenue from such segment is approximately 97% of its total revenue. Hence, based on the principal business operations of the Group, listed companies which are in the similar line of business activities were selected as benchmark companies. The Company has selected companies listed on the PRC stock exchanges with a focus on residential properties and commercial properties, excluding listed companies with the "ST" indicator (i.e. listed companies on the PRC stock exchanges which are subject to delisting or other risk warnings). Companies listed on the Stock Exchange which were selected are principally engaged in property sales and property development.

(3) Targets of individual performance evaluation

The individual performance evaluation for Incentive Recipients is carried out according to the internal performance evaluation system. The individual performance evaluation results of the Incentive Recipients are divided into two levels: "qualified" and "unqualified", as shown in the below table with the corresponding factors for release from lock-up:

| Results of performance evaluation | Qualified | Unqualified |
|-----------------------------------|-----------|-------------|
| Coefficient of lock-up release | 100% | 0% |

Subject to fulfillment of the Company's performance targets, if the results of individual performance evaluation of the Incentive Recipients in the previous year was "qualified", all Restricted Shares of the Incentive Recipients that can be released from lock-up for the corresponding year of the evaluation would be released from lock-up, if the results of individual performance evaluation of the Incentive Recipients in the previous year was "unqualified", all restricted shares of the Incentive Recipients that can be released from lock-up for the corresponding year of the evaluation would not be released, and the Company will instruct the Trustee to repurchase such shares, at the Repurchase Price.

9. SOURCE OF SHARES

The Company will issue ordinary shares of the Company as the source of shares under the Incentive Scheme.

10. SOURCE OF FUND

The source of funds is the self-funding of the Incentive Recipients.

11. PROCEDURES FOR THE GRANT, LOCK-UP RELEASE AND MODIFICATION AND TERMINATION**(1) Procedures for grant of Restricted Shares**

- (i) From the date of approval of the Incentive Scheme at the general meeting of the Company, the Board shall hold a meeting to grant incentives to the Incentive Recipients.
- (ii) Before granting interests to the Incentive Recipients, the Board shall consider and announce whether the Conditions of Grant of the Incentive Scheme are fulfilled. The independent Directors shall express their clear opinions at the same time. The law firm shall issue a legal opinion on whether the conditions for the granting of interests to the Incentive Recipients are fulfilled.
- (iii) The Company and the Incentive Recipients shall sign the Restricted Share Grant Agreement (限制性股份授予協議書), which stipulates the rights and obligations of both parties.
- (iv) Within the period specified by the Company, the Incentive Recipients shall pay the subscription monies for the Restricted Shares to the designated account of the Company in accordance with the requirements of the Company, and default in payment shall be considered as renunciation of Restricted Shares granted to the Incentive Recipients.
- (v) The Company shall submit an application to the Listing Committee for the issuance of Restricted Shares, and the Restricted Shares shall be listed only after being approved by the Listing Committee.

(2) Procedures for lock-up release of Restricted Shares

- (i) Before the lock-up release, the Company shall confirm whether the Incentive Recipients meet the Conditions for Lock-up Release. The Board shall consider whether the Conditions for Lock-up Release are fulfilled, and the independent non-executive Directors shall express their clear opinions at the same time. The Company shall release the Incentive Recipients satisfying the Conditions for Lock-up Release from lock-up. For Incentive Recipients not satisfying the conditions, the Company shall instruct the Trustee to repurchase the Restricted Shares corresponding to the relevant lock-up release.
- (ii) The Incentive Recipients may transfer the Restricted Shares released from the lock-up, but the transfer of shares held by the Directors and senior management of the Company shall be conducted in accordance with the provisions of relevant laws, administrative regulations and regulatory documents.

(3) Procedures for modification and termination of the Incentive Scheme

- (i) *Procedures for modification of the Incentive Scheme*
 - a. If the Company modifies the Incentive Scheme before approval at the general meeting, the modification shall be considered and approved by the Board. If the Company modifies the Incentive Scheme which has been approved at the general meeting (including any change in terms of awards granted to an Incentive Recipient who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates), the modification shall be submitted to the general meeting for consideration, and shall not involve circumstances that will lead to acceleration of lock-up release and reduction of Grant Price. Save as material terms and conditions of the Incentive Scheme; and provisions regarding the matters set forth in Rule 17.03 of the Listing Rules, the Board may amend any aspects of the Incentive Scheme.
 - b. The Company shall promptly disclose the reasons and content of the modification, and the independent non-executive Directors shall express clear opinions on whether the modified scheme is conducive to the sustainable development of the Company and whether there are circumstances that are obviously prejudicial to the interests of the Company and all shareholders. The law firm shall express its professional opinion as to whether the modified scheme is in compliance with the Listing Rules and relevant laws and regulations and whether there are circumstances that are obviously prejudicial to the interests of the Company and all shareholders.

(ii) Procedures for termination of the Incentive Scheme

- a. If the Company proposes to terminate the Incentive Scheme before approval at the general meeting, it shall be considered, approved and disclosed by the Board. If the Company terminates the implementation of the Incentive Scheme after consideration and approval of the Incentive Scheme at the general meeting, it shall be submitted to the Board and general meeting for consideration and disclosure.
- b. The Company shall promptly disclose the announcement of the resolutions of the general meeting or the meeting of the Board. The law firm shall express professional opinion on whether the termination of the Incentive Scheme by the Company is in compliance with the provisions of the Listing Rules and relevant laws and regulations, and whether there are circumstances that are obviously prejudicial to the interests of the Company and all shareholders.

12. HANDLING PROCEDURES FOR CHANGES**(1) Changes in the Company**

- (i) In case of the followings, the Incentive Scheme shall be terminated, and the Restricted Shares granted to the Incentive Recipients under the Incentive Scheme but not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at the Repurchase Price.
 - a. the Company does not engage accountant firm to carry out audit work in accordance with the relevant procedures and requirements;
 - b. the certified accountant issues an adverse opinion or disclaimer opinion with respect to the Company's annual report and/or internal control evaluation report;
 - c. the state-owned asset supervision and administration institution or audit department raises a major concern over the Company's performance or annual report;
 - d. the Company is subject to disciplinary actions by the securities regulatory and administrative institutions and other relevant bodies for major violation of rules and regulations;
 - e. situations occur where laws and regulations prohibit the implementation of the Incentive Scheme.

Should the Company decide to terminate the Incentive Scheme even if such events did not occur, such proposal (including the treatment of Restricted Shares granted under the Incentive Scheme but not yet exercised or in respect of which shares are not yet released from lock-up) shall be submitted to the general meeting for Shareholders' approval.

- (ii) In case of the followings, the Incentive Scheme shall be implemented as normal:
 - a. Change of control of the Company;
 - b. Merger and/or separate establishment of the Company.
- (iii) If any Condition of Grant or Condition for Lock-up Release is not fulfilled due to false records, misleading statements, or significant omissions in the Company's public disclosure, the Restrictive Shares not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at the Repurchase Price.

In relation to the Restricted Shares released from lock-up, all Incentive Recipients shall return the interests granted. The Incentive Recipients not responsible for the occurrence of the above and incurring losses for such returning of interests may, in accordance with the relevant arrangements of the Incentive Scheme, claim compensations against the Company or the responsible parties. The Board shall recover all the gains received by the Incentive Recipients in accordance with the abovementioned and the relevant arrangements of the Incentive Scheme and shall not grant new interests to the responsible parties.

(2) Changes in individual status of Incentive Recipients

(i) Change of duties of Incentive Recipients

- a. If an Incentive Recipient has a change in job duties but still works for the Company or a branch or a subsidiary of the Company or is assigned by the Company, the Restricted Shares granted to him/her shall be subject to such procedures as stipulated in the Incentive Scheme which takes effect before the change of his/her duties.
- b. If an Incentive Recipient is reassigned to work in Xiamen C&D Corporation Limited and its subsidiaries and branches due to organizational arrangements, the Board has the right to make decisions on the handling of the interests granted to such Incentive Recipient based on his/her reassignment.
- c. If an Incentive Recipient becomes an independent director or other personnel who is not qualified to hold the Restricted Shares, the Restricted Shares having been released from lock-up shall maintain the *status quo*, and the Restricted Shares granted but not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus the interest for the same period calculated at the benchmark deposit rate announced by the People's Bank of China at the time of repurchase.

(ii) Departure of Incentive Recipients

- a. If the employment contracts of Incentive Recipients have expired and are not renewed or the Incentive Recipients tender their resignation, or the Incentive Recipients leave the Company for reasons such as breach of laws and disciplines, failure of performance during contract period or termination of contracts by agreement, the Shares having been released from lock-up shall maintain the *status quo*, and the Restricted Shares granted but not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at the Repurchase Price.
- b. If the Incentive Recipients depart passively due to reasons such as redundancy by the Company but do not fail in the performance appraisal or involve no misconduct or breach of laws and disciplines, the Shares having been released from lock-up shall maintain the *status quo*, and the Restricted Shares granted but not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus interest for the same period calculated at the benchmark deposit rate announced by the People's Bank of China at the time of repurchase.

(iii) Retirement of Incentive Recipients

If an Incentive Recipient leaves the Company due to retirement before the Board decides whether the conditions for lock-up release of the Restricted Shares has been fulfilled and the Incentive Recipient has passed his/her individual performance evaluation, the Restricted Shares granted but not yet released from lock-up in relation to which the performance target of such year has been met may be exercised within half year from the date of the Board's decision as to whether the conditions for lock-up release of the Restricted Shares has been fulfilled. Alternatively, if an Incentive Recipient leaves the Company due to retirement after the Board decides whether the conditions for lock-up release of the Restricted Shares has been fulfilled, the Restricted Shares granted but not yet released from lock-up in relation to which the performance target of such year has been met may be exercised within half year from the date of his/her departure. In all situations, Restricted Shares which do not satisfy performance target or those which are still subject to lock-up shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus the interest for the same period calculated at the benchmark deposit rate announced by the People's Bank of China at the time of repurchase.

(iv) Incapacity of Incentive Recipients

- a. If an Incentive Recipient is incapacitated due to performance of duties and leaves the Company, the Restricted Shares granted shall be subject to such procedures as stipulated in the Incentive Scheme which takes effect before the occurrence thereof, and the personal performance evaluation results will no longer be included in the Conditions for Lock-up Release.
- b. If an Incentive Recipient is not incapacitated while executing his/her duties and leaves the Company, the Restricted Shares having been released from lock-up shall maintain the *status quo*. By the time when the Incentive Recipient is incapacitated, if the Board has not decided whether the conditions for lock-up release of the Restricted Shares has been fulfilled and the Incentive Recipient has passed his/her individual performance evaluation, the Restricted Shares granted but not yet released from lock-up in relation to which the performance target of such year has been met may be exercised within half year from the date of the Board's decision as to whether the conditions for lock-up release of the Restricted Shares have been fulfilled. Alternatively, if the Incentive Recipient is incapacitated and leaves the Company after the Board decides whether the conditions for lock-up release of the Restricted Shares have been fulfilled, the Restricted Shares granted but not yet released from lock-up in relation to which the performance target of such year has been met may be exercised within half year from the date of occurrence of the situation. In all situations the Restricted Shares in relation to which the performance target has not been met shall not be released from lock-up or those which are still subject to lock-up shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus the interest for the same period calculated at the benchmark deposit rate announced by the People's Bank of China at the time of repurchase.

(v) *Death of Incentive Recipients*

- a. If an Incentive Recipient deceases due to performance of duties, the Restricted Shares granted to him/her shall be held by his/her appointed beneficiaries or lawful successors and shall be subject to such procedures as stipulated in the Incentive Scheme which takes effect before his/her death, and the personal performance evaluation results will no longer be included in the Conditions for Lock-up Release.
- b. If an Incentive Recipient deceases due to reasons other than performance of duties, the interests granted to him/her shall be enjoyed by his/her appointed beneficiaries or lawful successors. By the time when the Incentive Recipient deceases, if the Board has not decided whether the conditions for lock-up release of the Restricted Shares has been fulfilled and the Incentive Recipient has passed his/her individual performance evaluation, the Restricted Shares granted but not yet released from lock-up in relation to which the performance target of such year has been met may be exercised within half year from the date of the Board's decision as to whether the conditions for lock-up release of the Restricted Shares has been fulfilled, thereafter the interest lapses. Alternatively, if the Incentive Recipient deceases after the Board decides whether the conditions for lock-up release of the Restricted Shares have been fulfilled, the Restricted Shares granted but not yet released from lock-up in relation to which the performance target of such year has been met shall be exercised by his/her appointed beneficiaries or lawful successors within half year from the date of occurrence of the situation (or exercisability), thereafter the interest lapses. In all situations the Restricted Shares in relation to which the performance target has not been met or those which are still subject to lock-up shall not be released and shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus the interest for the same period at the bench mark deposit rate announced by the People's Bank of China, and the proceeds from the repurchase shall be received by his/her appointed beneficiaries or lawful successors.

(vi) *Change of control of the subsidiaries for which the Incentive Recipients work*

If the Incentive Recipients work in subsidiaries of the Company, and the Company loses control of such company while the Restricted Shares having been released from lock-up shall maintain the *status quo*, and the Restricted Shares granted but not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at a price equal to the sum of the Grant Price plus the interest for the same period calculated at the benchmark deposit rate announced by the People's Bank of China at the time of repurchase.

(vii) Clawback mechanism

If an Incentive Recipient whose job position has changed as a result of acts that are detrimental to the Company's interests or reputation such as violation of laws, professional ethics, leak of confidential information of the Company, failure to discharge his/her duties or a willful misconduct, or termination of employment contract of the Incentive Recipient by the Company for any of the above reasons, the Restricted Shares having been released from lock-up shall maintain the status quo, and the Restricted Shares granted but not yet released from lock-up shall not be released from lock-up and shall be repurchased by the Trustee at the instruction of the Company at the Repurchase Price. Further, if the Incentive Recipient is a Director or senior management and is involved in the abovementioned situations, Restricted Shares released from lockup and all profit realized from the Incentive Scheme shall be returned to the Company.

(viii) After the repurchase of the Restricted Shares not yet released from lock-up by the Company, the Company shall transfer the same.

(ix) Procedures for handling situations not stipulated herein shall be determined by the Board.

Note: Market price of the Shares refers to the closing price of the Shares on the date when the Board approves the repurchase.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of C&D International Investment Group Limited (the “**Company**”) will be held at Office No. 3517, 35th Floor, Wu Chung House, 213 Queen’s Road East, Wanchai, Hong Kong on Thursday, 21 December 2023 at 11:00 a.m., to consider and, if thought fit, pass with or without modifications the following as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

1. the 2023 Restricted Share Incentive Scheme (the “**Incentive Scheme**”) be and is approved, confirmed and ratified and any one director of the Company be and is hereby authorized to do all things as they may in their absolute discretion consider necessary, expedient or desirable to implement the Incentive Scheme.”

Yours faithfully

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, 4 December 2023

Registered office:

Third Floor, Century Yard
Cricket Square, P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

Head office and principal place

of business in Hong Kong:
Office No. 3517, 35th Floor
Wu Chung House
213 Queen’s Road East
Wanchai, Hong Kong

Notes:

1. A shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote in his/her stead. A Shareholder who is the holder of two or more shares in the Company (the “**Shares**”) may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. A proxy need not be a Shareholder.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorized, and must be deposited with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting (or any adjournment thereof).
4. The register of members of the Company will be closed from Monday, 18 December 2023 to Thursday, 21 December 2023 (both days inclusive), during which period no transfer of the Shares will be effected. In order to qualify for attending the Meeting or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong branch share registrar and transfer office at the above address for registration by no later than 4:30 p.m. on Friday, 15 December 2023.
5. Delivery of an instrument appointing a proxy should not preclude a Shareholder from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. The Company reminds all Shareholders that physical attendance in person at the Meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the Meeting as their proxy to vote on the relevant resolution(s) at the Meeting instead of attending the Meeting in person, by completing and return the form of proxy.
7. If any Shareholder chooses not to attend the Meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to the head office and principal place of business in Hong Kong of the Company or by fax at (852) 2525 7890. If any Shareholder has any question relating to the Meeting, please contact Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office as follows:

Tricor Investor Services Limited
17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Tel: (852) 2980 1333
Fax: (852) 2810 8185

As at the date of this notice, the Directors are:

Executive Directors

Ms. Zhao Chengmin (趙呈閩) (*Chairperson*)
Mr. Lin Weiguo (林偉國) (*Chief Executive Officer*)
Mr. Tian Meitan (田美坦)
Mr. Peng Yong (彭勇)

Non-executive Directors

Mr. Huang Wenzhou (黃文洲)
Ms. Ye Yanliu (葉衍榴)
Mr. Zheng Yongda (鄭永達)

Independent non-executive Directors

Mr. Wong Chi Wai (黃馳維)
Mr. Wong Tat Yan, Paul (黃達仁)
Mr. Chan Chun Yee (陳振宜)
Mr. Dai Yiyi (戴亦一)

NOTICE OF EXTRAORDINARY GENERAL MEETING

This notice is prepared in both English and Chinese. In the event of inconsistency, the English text of the notice shall prevail over the Chinese text.