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## **Desun Real Estate Investment Services Group Co., Ltd.**

**德商產投服務集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2270)**

### **ADOPTION OF SHARE AWARD SCHEME AND GRANT OF SHARE AWARDS AND EXPIRY AND CANCELLATION OF CERTAIN PRE-IPO SHARE OPTIONS GRANTED UNDER THE PRE-IPO SHARE OPTION SCHEME**

#### **ADOPTION OF THE SCHEME AND GRANT OF SHARE AWARDS**

The Board is pleased to announce that on 22 December 2023 (after trading hours), the Company has adopted the Scheme.

The Board further announces that, on 22 December 2023, the Company granted a total of 18,607,776 Awarded Shares to 10 Selected Participants under the Scheme.

#### **LISTING RULES IMPLICATIONS**

The Scheme will purchase the existing Shares through the Trustee on the Stock Exchange, or the Trustee may accept Shares transferred, gifted, assigned, or conveyed to the Trust from any Significant Shareholder or any party designated by the Company from time to time. The Scheme was contemplated and adopted to be funded solely by the existing Shares and will not involve the issue of new Shares. The Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of the Scheme will not be subject to Shareholders' approval.

## **EXPIRY AND CANCELLATION OF CERTAIN PRE-IPO SHARE OPTIONS GRANTED UNDER THE PRE-IPO SHARE OPTION SCHEME**

Reference is made to the Prospectus. The Company adopted the Pre-IPO Share Option Scheme on 27 April 2021. On 27 April 2021, Pre-IPO Share Options to subscribe for certain number of Shares were conditionally granted to five participants (the “**2021 Grantees**”). On 22 December 2023, the Board has resolved to cancel certain Pre-IPO Share Options granted under the Pre-IPO Share Option Scheme.

## **ADOPTION OF THE SCHEME AND GRANT OF SHARE AWARDS**

The Board is pleased to announce that on 22 December 2023 (after trading hours), the Company has adopted the Scheme.

A summary of the principal terms of the Scheme Rules is set out below:

### **Purposes and objectives**

The purposes of the Scheme are to recognise the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group.

### **Duration**

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date, after which no further Awards will be granted.

### **Administration**

The Scheme is subject to the administration of the Board in accordance with the Scheme Rules and, where applicable, the Trust Deed. Without prejudice to the Board’s general power of administration and to the extent permissible under the Listing Rules and other applicable laws and regulations, the Board may resolve to delegate to another committee of the Board or to one or more officers of the Company any or all of the authority and responsibility of the Board under the Scheme Rules and, where applicable, the Trust Deed, or the Board or the committee of the Board or person(s) to which the Board has delegated its authority may from time to time appoint one or more administrators or trustees to discharge the function relating to, among other things, the administration of the Scheme.

## **Operation of the Scheme**

The Board may, from time to time, at its sole and absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the Scheme as a Selected Participant, and grant an Award to any Selected Participant at such consideration (if any) subject to such terms and conditions as the Board may in its sole and absolute discretion determine.

In the event that a Selected Participant is a director, a substantial shareholder or a connected person of the Group, such Awards shall constitute connected transactions under Chapter 14A of the Listing Rules and the Company shall comply with the relevant requirements under the Listing Rules.

The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise contributed by the Company, any Subsidiary, any Significant Shareholder or any party designated by the Company as directed by the Board which shall constitute part of the Trust Fund, for the purchase of Shares and other purposes set out in the Scheme Rules and the Trust Deed.

Subject to prior written direction and/or consent of the Board, the Trustee may accept Shares transferred, gifted, assigned, or conveyed to the Trust from any Significant Shareholder or any party designated by the Company from time to time in such number as such Significant Shareholder or such party designated by the Company may at their sole and absolute discretion determine, which shall constitute part of the Trust Fund.

Subject to the Scheme Rules, the Board may from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange or accept and receive a specified number of Shares from any Significant Shareholder or any party designated by the Company. Once purchased or received, the Shares are to be held directly or indirectly by the Trustee for the benefit of the Selected Participants under the Trust on and subject to the terms and conditions of the Scheme and the Trust Deed. On each occasion when the Board instructs the Trustee to purchase Shares on the Stock Exchange, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Trustee may not incur more than the maximum amount of funds or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Board.

## **Vesting and lapse**

Subject to the terms and conditions of the Scheme and the fulfillment of all vesting conditions applicable to the vesting of the Awarded Interests on such Selected Participant, the respective Awarded Interests held by the Trustee on behalf of the Selected Participant pursuant to the provision thereof shall vest in such Selected Participant in accordance with the applicable vesting schedule, and the Trustee shall cause the Awarded Interests to be transferred to such Selected Participant and/or a

vehicle controlled by him/her (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such Selected Participant in accordance with the Scheme Rules.

In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant pursuant to the Scheme Rules, the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund.

Unless the Board determines otherwise in accordance with the Scheme Rules, the circumstances under which a person shall be treated as having ceased to be an Eligible Participant shall include, without limitation, the following:

- (i) where such person has been terminated, or been given notice of termination, by the Company or any member of the Group for any circumstances under which the Company or any member of the Group may be entitled to immediately, summarily or without notice terminate the employment, engagement or appointment of such person in accordance with the terms of the relevant agreement, arrangement or applicable laws; or been summarily dismissed, or been given notice of such summary dismissal, by the Company or any member of the Group in so far as such Selected Participant is an employee; or tendering his resignation; or has been convicted of any criminal offence involving his integrity or honesty or on any other ground on which his employer would be entitled to terminate his employment summarily;
- (ii) where such person is a Service Provider who has terminated its engagement with the Company or any member of the Group so that such person has ceased to provide services to the Company and/or its Subsidiaries on a continuing or recurring basis in its ordinary and usual course of business;
- (iii) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;
- (iv) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
- (v) where such person has been convicted of any criminal offence;
- (vi) where such person has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group; or

(vii) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time.

### **Scheme limit**

The Board shall not make any further award of Awarded Shares which will result in the aggregate number of the Shares awarded by the Board under the Scheme exceeding eight percent (8%) of the issued share capital of the Company as at the Adoption Date.

### **Individual sublimit**

The maximum number of shares which may be awarded to a Selected Participant under the Scheme shall not exceed one percent (1%) of the issued share capital of the Company in any 12-month period.

### **Voting rights**

No instructions shall be given by a Selected Participant (including, without limitation, voting rights) to the Trustee in respect of the Awarded Shares that have not been vested, and such other properties of the Trust Fund managed by the Trustee. The Trustee shall abstain and, where applicable, shall procure the Holdco to abstain from exercising the voting rights in respect of any Shares held directly or indirectly by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom).

## **PARTIES OF THE TRUST DEED**

In order to facilitate and implement the Share Award Scheme, the Company has entered into the Trust Deed with Futu Trustee Limited and appointed it as the Trustee under the Scheme. To the best knowledge, information and belief of the Directors, after making all reasonable enquiries, the Trustee and its ultimate beneficial owners are independent third parties and not connected with the Company or any of its connected persons under Chapter 14A of the Listing Rules.

## **LISTING RULES IMPLICATIONS**

The Scheme will purchase the existing Shares through the Trustee on the Stock Exchange, or the Trustee may accept Shares transferred, gifted, assigned, or conveyed to the Trust from any Significant Shareholder or any party designated by the Company from time to time. The Scheme was contemplated and adopted to be funded solely by the existing Shares and does not involve the issue of new Shares. The Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of the Scheme will not be subject to Shareholders' approval.

## GRANT OF SHARE AWARDS

For the purpose of recognizing the contributions by the Grantees and to provide them with incentives in order to retain them for the continual operation and development of the Group, the Board further announces that, on 22 December 2023, the Company granted a total of 18,607,776 Awarded Shares to 10 Grantees under the Scheme.

The details of the Awards granted to the Grantees are as follows:

Date of grant:	22 December 2023
Grantees and number of Awarded Shares:	18,607,776 Awarded Shares, including 9,924,147 Awarded Shares granted to three Directors and 8,683,629 Awarded Shares granted to seven senior management and employees of the Company.
Purchase price for the Awarded Shares:	HK\$0.546 per Share
Vesting Period:	Subject to the terms and condition of the Scheme and the fulfilment of all vesting conditions applicable to the vesting of the Awarded Interests on such Grantee, the Awarded Shares shall be vested to the Grantees in three tranches: (i) 40% on or after the first anniversary date of the Grant Date; (ii) 30% on or after the second anniversary date of the Grant Date; and (iii) 30% on or after the third anniversary date of the Grant Date.
Performance target:	The vesting of the Awarded Shares is subject to the Grantee's fulfillment of performance targets and performance appraisal-related indicators (including Group-wise financial performance targets and personal appraisal targets) as set by the Board.

The 18,607,776 Awarded Shares granted to the Grantees represent approximately 3% of the issued share capital of the Company as at the date of this announcement. The 18,607,776 Awarded Shares represent the value of approximately HK\$20,840,709, taking into account the closing price of the Shares preceding the Grant Date of HK\$1.12 per Share.

Out of the 18,607,776 Awarded Shares granted, 9,924,147 Awarded Shares are granted to the following Directors (the “**Connected Grantees**”):

<b>Name of Grantees</b>	<b>Role</b>	<b>Number of Awarded Shares granted</b>
Mr. Liu Jun	Executive Director	3,721,555
Mr. Shao Jiazhen	Executive Director	3,721,555
Ms. Wan Hong	Executive Director	2,481,037

Pursuant to the Scheme Rules, the grant of Awarded Shares to each of the above Directors has been approved by the independent non-executive Directors.

Each of the Connected Grantees is a Director and is therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the grant of Awarded Shares to each of the Connected Grantees constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, no new Shares will be allotted and issued upon vesting and settlement of such Awarded Shares granted to the Connected Grantees. As the Awarded Shares were granted to the Connected Grantees pursuant to their respective service contract with the Company and which form part of their respective remuneration package under his or her service contract, the grant of Awarded Shares to each of the Connected Grantees is exempt from reporting, announcement and independent shareholders’ approval requirements under Rules 14A.73(6) and Rule 14A.95 of the Listing Rules.

After the grant of the Awarded Shares, an aggregate of 31,012,960 Shares will be available for further grant pursuant to the Scheme Rules.

#### **EXPIRY AND CANCELLATION OF CERTAIN PRE-IPO SHARE OPTIONS GRANTED UNDER THE PRE-IPO SHARE OPTION SCHEME**

Reference is made to the Prospectus. The Company adopted the Pre-IPO Share Option Scheme on 27 April 2021. Pre-IPO Share Options to subscribe for an aggregate of 19,253,000 Shares were conditionally granted to the 2021 Grantees on 27 April 2021 (the “**2021 Grant**”). On 2 March 2022, immediately following the resignation of Mr. Zhou Youbo (being one of the 2021 Grantees) as the chief executive officer of the Company, all the Pre-IPO Share Options (equivalent to 7,701,000 underlying Shares) granted to him have lapsed. As at the date of this announcement, 6,931,200 Pre-IPO Share Options have been exercised and a total of 4,620,800 Pre-IPO Share Options (after excluding the 7,701,000 Pre-IPO Share Options granted to Mr. Zhou Youbo that have lapsed) were remaining outstanding, representing approximately 0.74% of the issued Shares as at the date of this announcement.

Under the Pre-IPO Share Option Scheme, the right to exercise a Pre-IPO Share Option (to the extent not already exercised) shall terminate immediately upon the earliest of, amongst other events, the expiry of the vesting period as set out under the Pre-IPO Share

Option Scheme. The Pre-IPO Share Options are vested to each grantee in five tranches: (i) 30% on or after the Listing Date; (ii) 30% on or after the first anniversary date of the Listing Date; (iii) 20% on or after the second anniversary date of the Listing Date (the “**Third Tranch**”); (iv) 10% on or after the third anniversary date of the Listing Date; and (v) 10% on or after the fourth anniversary date of the Listing Date. The vesting date for a total of 2,310,400 Pre-IPO Share Options of the 2021 Grant was 17 December 2023, and the actual number of Pre-IPO Share Options that each grantee can exercise is linked to the performance evaluation results of the grantee in the previous year. The performance is assessed based on the criteria set out in the “Implementation of the assessment and management of the Pre-IPO Share Option Scheme” (公開發售前購股權計劃實施考核管理辦法) adopted by the Company. Based on the assessment results, the 2021 Grantees did not fulfill the performance target of the Third Tranch. Accordingly, a total of 2,310,400 Pre-IPO Share Options of the 2021 Grant lapsed on 17 December 2023.

Under the Pre-IPO Share Option Scheme, the Board may cancel a Pre-IPO Share Option granted but not exercised with the approval of the Grantee of such Pre-IPO Share Option. Since the Board has adopted the Scheme, and with the consent of the relevant 2021 Grantees, on 22 December 2023, the Board (including the approval of the independent non-executive Directors) resolved to cancel a total of 2,310,400 Pre-IPO Share Options of the 2021 Grant (the “**Cancelled Share Options**”) with effect from 22 December 2023 in accordance with the Pre-IPO Share Option Scheme. The Cancelled Share Options represents the Pre-IPO Share Options of the 2021 Grant which remain outstanding and not exercised as at the date of this announcement and excluding (i) the 6,931,200 Pre-IPO Share Options being exercised by the relevant 2021 Grantees; (ii) the 7,701,000 Pre-IPO Share Options granted to Mr. Zhou Youbo that have lapsed; and (iii) the 2,310,400 Pre-IPO Share Options that have lapsed due to unfulfillment of performance target of the Third Tranch by the relevant 2021 Grantees. Thereafter, no Pre-IPO Share Options of the 2021 Grant remain outstanding.

Upon the cancellation, the Cancelled Share Options ceased to have any effect.

## **DEFINITIONS**

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

“Adoption Date”	22 December 2023, being the date on which the Company adopted the Scheme Rule for the establishment of the Scheme
“Award”	an award of the Awarded Interests by the Board to a Selected Participant in accordance with the Scheme Rules
“Awarded Cash”	in respect of a Selected Participant, such amount of cash from the sale of Shares awarded to him after deduction or withholding of any tax (if applicable), fees, levies, stamp duty and other charges in connection with the sale of Shares

“Awarded Interests”	in respect of an Award, the Awarded Shares and/or Awarded Cash, and the Related Income (if any) as awarded under the Award
“Awarded Share(s)”	in respect of a Selected Participant, such number of Shares as awarded to him by the Board
“Board”	the board of Directors, and in relation to the Scheme Rules, if the context so permits, it shall include such committee or sub-committee or person(s) as from time to time delegated with the power and authority by the Board to administer the Scheme and/or to deal with the Trust/Trustee in any manner as authorised by the Board
“Company”	Desun Real Estate Investment Services Group Co., Ltd. (德商產投服務集團有限公司) (formerly known as Desun Real Estate Investment Services Limited), an exempted company incorporated in the Cayman Islands with limited liability on 10 December 2020
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company, any Subsidiary, any Significant Shareholder, and/or any party designated by the Company as permitted under the Scheme to the Trust as determined by the Board from time to time
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	any individual or corporation being an Employee Participant, Related Entity Participant or Service Provider
“Employee Participant(s)”	directors and employees (including full-time employees and part-time employees) of the Company or any of its Subsidiaries (including persons who are granted awards under the Scheme as an inducement to enter into employment contracts with these companies)

“Excluded Participant(s)”	any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Interests pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Grant Date”	the date (which shall be a business day) on which the grant of Awarded Shares is made
“Grantee(s)”	the grantee(s) of the Award
“Group”	the Company and its Subsidiaries from time to time, and “member of the Group” means any or a specific one of them
“Holdco”	a company incorporated under the laws of the British Virgin Islands, which is a direct wholly-owned subsidiary of the Trustee and designated in writing by the Trustee
“Listing Date”	17 December 2021, being the date of listing of the shares of the Company on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pre-IPO Share Option(s)”	the share options granted under the Pre-IPO Share Option Scheme
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme effective as of 27 April 2021
“Prospectus”	the prospectus of the Company dated 30 November 2021
“Related Entity Participant”	directors and employees of the holding companies, fellow Subsidiaries or associated companies of the Company
“Related Income”	any and all cash and non-cash income, dividends or distributions, and non-cash and non-scrip distributions in respect of any Shares less any tax, fees, levies, stamp duty and other charges applicable

“Scheme”	the “Desun Real Estate Investment Services Group Co., Ltd. Share Award (Existing Shares) Scheme” constituted by the Scheme Rules, in its present form or as amended from time to time
“Scheme Rules”	the rules relating to the Scheme adopted by the Company, in its present form or as amended from time to time
“Selected Participant(s)”	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules for participation in the Scheme (or his legal personal representative or lawful successor, as the case may be)
“Service Provider(s)”	persons (natural person or corporate entity) who provide services to the Company and/or its Subsidiaries on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Company and/or its associated companies. For the avoidance of doubt, Service Provider(s) shall not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, as well as professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and/or modified from time to time
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Significant Shareholder”	a person who has beneficial ownership of 5% of the issued share capital of the Company, or control over 5% of the voting powers of the Company, whether directly or indirectly
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Trust”	means the trust constituted by the Trust Deed
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time)

“Trust Fund”	the funds and properties held directly or indirectly under the Trust and managed by the Trustee for the benefit of the Selected Participants (other than the Excluded Participants)
“Trustee”	Futu Trustee Limited, a professional trustee appointed under the Trust Deed to act as trustee of the Trust, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed
“Vesting Date”	in respect of a Selected Participant, the date on which his entitlement to the relevant Award is vested in such Selected Participant in accordance with the Scheme Rules
“%”	per cent

By order of the Board  
**Desun Real Estate Investment Services Group Co., Ltd.**  
**Mr. Zhang Zhicheng**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 22 December 2023

*As at the date of this announcement, the executive Directors are Mr. Zhang Zhicheng, Ms. Xiong Jianqiu, Ms. Wan Hong, Mr. Liu Jun and Mr. Shao Jiazhen, the non-executive Director is Mr. Zou Kang, and the independent non-executive Directors are Mr. Fang Liqiang, Mr. Chen Di and Mr. Yan Hong.*