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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)

AMENDMENTS TO SHARE AWARD SCHEME

Reference is made to the announcement of Desun Real Estate Investment Services Group Co., Ltd. (the “**Company**”) dated 22 December 2023 (the “**Announcement**”) in relation to, among other things, the adoption of a share award scheme (the “**Scheme**”) by the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

THE AMENDMENTS TO THE SCHEME RULES

The Scheme was adopted on 22 December 2023 which shall be valid and effective for a term of ten (10) years commencing on the Adoption Date. As at the date of this announcement, (i) there were 18,607,776 Awards outstanding under the Scheme; and (ii) 42,400,571 Shares (including the 18,607,776 Awards outstanding under the Scheme) are held by Futu Trustee Limited (“**Futu Trustee**”) on trust for the purpose of the Scheme.

Pursuant to the terms of the Scheme Rules, the Scheme may be amended by a resolution of the Board.

On 20 May 2024, the Board has resolved to adopt the amended and restated Scheme Rules (the “**Amended and Restated Scheme Rules**”) to amend the Scheme, among other things, (i) to revise the Scheme limit from eight (8) per cent of the issued share capital of the Company to twelve (12) per cent of the issued share capital of the Company as at the Adoption Date (the “**Scheme Limit**”); (ii) to allow more than one trust established or to be established for different groups of Eligible Participants under the Scheme so that the Board shall have the power to allocate the trusts to such different groups of Eligible Participants as the Board shall determine; and (iii) to make other housekeeping changes.

Set out below is a summary of key amendments to the Scheme Rules:

- (i) more than one trust (the “**Trust(s)**”), namely (a) Trust (Core Connected Persons) (as defined below) and (b) Trust (Non-Core Connected Persons) (as defined below), have been or will be established for different groups of Eligible Participants under the Scheme. To that end, the Board shall have the power to allocate the trusts to such different groups of Eligible Participants as the Board shall determine.
- (ii) the Scheme Limit was revised from eight (8) per cent of the issued share capital of the Company to twelve (12) per cent of the issued share capital of the Company as at the Adoption Date. Among the Scheme Limit, Shares awarded by the Board to core connected persons (as defined under the Listing Rules) at all time shall not exceed four (4) per cent of the issued share capital of the Company as at the Adoption Date, and Shares awarded by the Board to non-core connected persons at all time shall not exceed eight (8) per cent of the issued share capital of the Company as at the Adoption Date. The Board shall not make any award of Awarded Shares such that the number of Shares that are in public hands will fall below that applicable to the Company pursuant to the Listing Rules and the applicable waiver(s) (if any) granted by the Stock Exchange.
- (iii) if any of the Trusts holds any Shares for the Scheme that have not been vested in any Selected Participants in accordance with the Amended and Restated Scheme Rules, including without limitation any Shares underlying any Award to the extent they are not vested (the “**Unvested Shares**”), the Board may in its sole and absolute discretion, where it considers appropriate and in the interests of the Company, determine in writing to transfer any such Unvested Shares from such trust (the “**Transferor Trust**”) to any other trust established by the Company under the Scheme. To that end, the Board may instruct in writing the trustee of the Transferor Trust to transfer the Unvested Shares to the trustee of such other trust (or an underlying holding company of such other trust, the “**Transferee Trust**”), and upon such transfer, the relevant Unvested Shares shall cease to be part of the trust fund of the Transferor Trust and become part of the trust fund of the Transferee Trust. With respect to any Awards which are purported to be satisfied by any Unvested Shares that have been transferred out of the Transferor Trust, the vesting of such Awards shall be satisfied by the transferred Unvested Shares under the Transferee Trust.
- (iv) in respect of the grant of Awarded Shares to the Selected Participants under the Scheme, for a Selected Participant who is a core connected person (as defined under the Listing Rules) of the Company, the Shares under the Trust (Core Connected Persons) shall be used to satisfy such grant of Awards. For a Selected Participant who is not a core connected person (as defined under the Listing Rules) of the Company, the Shares under the Trust (Non-Core Connected Persons) shall be used to satisfy such grant of Awards.
- (v) other housekeeping or consequential amendments for the adoption of the Amended and Restated Scheme Rules.

Save as the above key amendments, all other principal provisions of the Scheme remain unchanged.

THE TRUSTS

The Company entered into a trust deed (the “**2023 Trust Deed**”) with Futu Trustee on 22 December 2023 under which a trust was established for the purposes of servicing the Scheme including facilitating the acquisition and the holding of the Shares for the benefit of the Selected Participants in accordance with the 2023 Trust Deed and the Scheme Rules. In order to (a) enable the Company to have the authority to transfer Unvested Shares to any other trust(s) established by the Company in connection with the Scheme; (b) refine the Scheme Rules; and (c) ensure that the trust is coordinated with the Amended and Restated Scheme Rules, on 20 May 2024, the Company entered into an amended and restated trust deed with Futu Trustee to supplement and vary the 2023 Trust Deed. Accordingly, Futu Trustee shall, during the trust period, hold the trust funds upon trust exclusively for the Eligible Participants (other than the Excluded Participants) who are non-core connected persons (as defined in the Listing Rules) of the Company (the “**Trust (Non-Core Connected Persons)**”).

On 20 May 2024, the Company entered into a trust deed (the “**2024 Trust Deed**”) with Futu Corporate Service Limited (“**Futu Corporate Service**”) to establish a trust for the purposes of facilitating the acquisition and holding of the Shares for the benefit of the Selected Participants in such manner as the Board may determine from time to time. Pursuant to the terms of the 2024 Trust Deed, Futu Corporate Service shall, during the trust period of the trust established under the 2024 Trust Deed, hold the trust fund upon trust exclusively for the Eligible Participants (other than the Excluded Participants) who are core connected persons (as defined under the Listing Rules) of the Company (the “**Trust (Core Connected Persons)**”).

The Company intends to transfer the Awarded Shares previously granted to the Directors (amounting to approximately 1.85% of the issued share capital of the Company as at the date of this announcement) to the Trust (Core Connected Persons) upon its establishment. Immediately upon such transfer, (a) the Shares held by Futu Corporate Service will not be regarded as being “in public hands” when Futu Corporate Service becomes a close associate (as defined under the Listing Rules) of the Directors by reason of holding Awarded Shares on trust for the Directors and therefore Futu Corporate Service will become a core connected person (as defined under the Listing Rules) of the Company for the purpose of Rule 8.24 of the Listing Rules; and (b) the Shares (including the Awarded Shares previously granted to the senior management and employees of the Company) held by Futu Trustee under the Trust (Non-Core Connected Persons) will be regarded as being “in public hands”.

REASONS FOR AND BENEFITS OF THE AMENDMENTS TO THE SCHEME RULES

The Board is of the view that the amendments to the Scheme Rules will improve operational efficiency and are in line with the purposes of the Scheme which 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.

LISTING RULES IMPLICATIONS

The Scheme does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. Therefore, the amendments to the Scheme will not be subject to Shareholders' approval pursuant to Chapter 17 of the Listing Rules.

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

Hong Kong, 20 May 2024

As at the date of this announcement, the executive Directors are Mr. Zhang Zhicheng, Mr. Yang Wen, 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.