

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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 election form (if any) to the purchaser(s) or 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 transferee(s).

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No Overseas Shareholder receiving a copy of this circular and/or the Election Form in any territory outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other requirements or formalities in the relevant jurisdiction. It is the responsibility of any Overseas Shareholder wishing to receive Scrip Shares for the 2021 Final Dividend to satisfy himself/herself/itself as to full observance of the laws of any relevant jurisdiction, including obtaining any governmental or other consents or observing any requirement or formality which may be required.

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)

**SCRIP DIVIDEND SCHEME
IN RELATION TO
THE 2021 FINAL DIVIDEND**

If you wish to receive your 2021 Final Dividend wholly or partly in the form of Scrip Shares instead of in cash, you should complete the Election Form in accordance with the instructions printed on it and return the completed Election Form to the Branch Share Registrar as soon as possible so as to enable it to be received no later than 4:30 p.m. on Monday, 4 July 2022.

17 June 2022

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TIMETABLE

The following is a summary of the events in relation to the Scrip Dividend Scheme in the form of a timetable:

Last date cum-dividend Monday, 23 May 2022

Ex-dividend date Tuesday, 24 May 2022

Latest time to lodge transfer documents
for registration with the Branch Share Registrar
in order to be entitled to the 2021 Final Dividend 4:30 p.m. on
Wednesday, 25 May 2022

Closure of the Register of Members for the purpose of
determining Shareholders' respective entitlements
to the 2021 Final Dividend Thursday, 26 May 2022
to Monday, 30 May 2022
(both days inclusive)

Record Date Monday, 30 May 2022

Latest time for return of the Election Forms
to the Branch Share Registrar (*Note 2*) 4:30 p.m. on
Monday, 4 July 2022

Despatch of cheques for cash dividend and/or definitive
certificates for Scrip Shares at the risk of recipients Friday, 15 July 2022

Expected first day of dealings in Scrip Shares Monday, 18 July 2022
(subject to the proper
receipt of definitive certificates for
the Scrip Shares by the relevant
Eligible Shareholders)

Notes:

1. All references to dates and time in this circular are to Hong Kong dates and time.
2. If there is a tropical cyclone warning signal number 8 or above, or "extreme conditions" caused by super typhoons, or a "black" rainstorm warning signal in force in Hong Kong at or at any time prior to 4:30 p.m. on Monday, 4 July 2022, the deadline for return of the Election Forms will be extended. Further information is set out in the section headed "Letter from the Board — Election Form" in this circular.

DEFINITIONS

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

“2021 Final Dividend”	the final dividend of HK\$1.2 per Share for the year ended 31 December 2021 payable to the Shareholders whose names were recorded on the Register of Members at the close of business on the Record Date
“Board”	the board of directors of the Company
“Branch Share Registrar”	the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System
“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
“Director(s)”	the director(s) of the Company
“Election Form(s)”	the form(s) of election in relation to the Scrip Dividend Scheme for the Eligible Shareholders to elect to receive the 2021 Final Dividend wholly or partly in Scrip Shares instead of in cash
“Eligible Shareholder(s)”	Shareholder(s) whose name(s) was (were) recorded on the Register of Members at the close of business on the Record Date
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the Register of Members at the close of business on the Record Date was (were) outside Hong Kong

DEFINITIONS

“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Record Date”	30 May 2022, being the date for determining Shareholders’ respective entitlements to the 2021 Final Dividend
“Register of Members”	the register of members of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Scrip Dividend Scheme”	the scheme offering Eligible Shareholders the scrip dividend option whereby Eligible Shareholders may elect to receive the 2021 Final Dividend wholly or partly by the allotment of Scrip Shares credited as fully paid in lieu of cash dividend
“Scrip Share(s)”	new Share(s) to be allotted, issued and credited as fully paid up under the Scrip Dividend Scheme
“Share(s)”	the ordinary share(s) of HK\$0.1 each of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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:

Mr. Zhuang Yuekai (庄躍凱) (*Chairman*)
Ms. Zhao Chengmin (趙呈閩)
Mr. Lin Weiguo (林偉國) (*Chief Executive Officer*)

Non-executive Directors:

Mr. Huang Wenzhou (黃文洲)
Ms. Ye Yanliu (葉衍榴)
Mr. Wang Wenhui (王文懷)

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)

Registered office:

Second 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

17 June 2022

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME
IN RELATION TO
THE 2021 FINAL DIVIDEND**

INTRODUCTION

On 25 March 2022, the Board announced the audited annual results of the Group for the year ended 31 December 2021 and declared the payment of the 2021 Final Dividend which is payable to the Shareholders whose names were recorded on the Register of Members at the close of business on the Record Date in cash with a scrip dividend option to the Eligible Shareholders.

The purposes of this circular are to (i) provide information relating to the Scrip Dividend Scheme, and (ii) set out the relevant procedures and conditions and the action to be taken by the Eligible Shareholders in relation thereto if they wish to participate in the Scrip Dividend Scheme.

LETTER FROM THE BOARD

SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, the 2021 Final Dividend is payable in cash to the Shareholders whose names were recorded on the Register of Members at the close of business on the Record Date, with a scrip dividend option to the Eligible Shareholders.

For the purpose of determining Shareholders' respective entitlements to the 2021 Final Dividend, the Register of Members was closed from Thursday, 26 May 2022 to Monday, 30 May 2022 (both days inclusive). The latest time by which transfers were accepted for registration for entitlement to the 2021 Final Dividend was 4:30 p.m. on Wednesday, 25 May 2022.

The Eligible Shareholders may elect to receive the 2021 Final Dividend in one of the following ways:

- (i) a cash dividend of HK\$1.2 per Share; or
- (ii) an allotment of such number of Scrip Shares credited as fully paid and having an aggregate market value (as calculated below) equal to, save for adjustment for fractions, the total amount of the 2021 Final Dividend which such Eligible Shareholders could otherwise elect to receive in cash (the "**Maximum Entitlement**"); or
- (iii) partly Scrip Shares not exceeding the Maximum Entitlement and the remainder in cash.

The number of Scrip Shares to which an Eligible Shareholder is entitled shall be pro rata to the number of existing Shares registered in his/her/its name on the Record Date and calculated in the manner set out below. For the purpose of calculating the number of Scrip Shares to be allotted and issued under the Scrip Dividend Scheme, the price of a Scrip Share will be HK\$15.02 (rounded up to two decimal places), which is the average closing price of one existing Share as quoted on the Stock Exchange for the five consecutive trading days from Tuesday, 24 May 2022 to Monday, 30 May 2022 (both days inclusive) (the "**Average Closing Price**"), less a 10% discount, such percentage was determined to facilitate Shareholders' reinvestment of their dividends into Shares and was consistent with the percentage fixed under the scrip dividend scheme for the interim dividend for the six months ended 30 June 2021. Accordingly, an Eligible Shareholder electing for Scrip Shares in respect of the 2021 Final Dividend under options (ii) and (iii) above will receive such number of Scrip Shares as calculated below:

$$\begin{array}{rcl} \text{Number of Scrip Shares to be} & & \text{2021 Final Dividend per Share} \\ \text{received (rounded down to the} & & \text{(i.e. HK\$1.2)} \\ \text{nearest whole number)} & = & \hline & & \text{Average Closing Price} \\ & & \text{(i.e. HK\$16.69)} \\ & & \text{(rounded up to two} & \times 90\% \\ & & \text{decimal places)} \end{array}$$

Number of Shares held on the Record Date for which election for Scrip Shares is made x

LETTER FROM THE BOARD

At the time the said price of a Scrip Share was determined, the Company had no information that was not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Scrip Shares if the information were publicly available.

The Scrip Shares will rank pari passu in all aspects with the existing Shares in issue on the date of allotment and issue of the Scrip Shares, and will rank in full for all future dividends and distribution which may be declared, made or paid (except for the 2021 Final Dividend).

The number of Scrip Shares to be issued to the Eligible Shareholders will be rounded down to the nearest whole number. Fractional entitlements to Scrip Shares under options (ii) and (iii) above will be disregarded and the benefit thereof will accrue to the Company.

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 1,457,820,204 Shares in issue as at the close of business on the Record Date, if no election for the Scrip Shares is received, the total cash dividend payable by the Company will be approximately HK\$1,749,384,244.8. If all Eligible Shareholders elect to receive their entitlements to the 2021 Final Dividend in form of Scrip Shares, the maximum number of Scrip Shares to be issued will be 116,470,322 Shares, representing approximately 7.99% of the Shares in issue as at the close of business on the Record Date and approximately 7.40% of the then issued share capital of the Company as enlarged by the issue of the Scrip Shares.

As at the date of this circular, the Company has no outstanding share options, warrants, securities which are convertible into Shares issued by the Company as at the close of business on the Record Date.

Eligible Shareholders should note that the Scrip Shares may give rise to notification requirements under Part XV of the SFO. Eligible Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the Scrip Shares or as to their taxation position are recommended to consult their own professional advisers.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Eligible Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also benefit the Company to the extent that any cash which would otherwise have been paid to the Eligible Shareholders who elect to receive the Scrip Shares in lieu of the cash dividend, either in whole or in part, will be retained for use as working capital by the Company.

CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Scrip Shares to be allotted and issued in respect of the 2021 Final Dividend.

LETTER FROM THE BOARD

If this condition is not satisfied, the Scrip Dividend Scheme described in this circular will not become effective and the Election Forms will be void. The 2021 Final Dividend will then be paid wholly in cash.

ELECTION FORM

An Election Form for Eligible Shareholders to elect to receive the 2021 Final Dividend wholly or partly in Scrip Shares in lieu of cash dividend is enclosed with this circular. **If you wish to receive the 2021 Final Dividend wholly in cash, you do not need to take any action.**

If you elect to receive the 2021 Final Dividend wholly in Scrip Shares, or partly in cash and partly in Scrip Shares, you should complete the enclosed Election Form. If you sign the Election Form but do not specify the number of Shares in respect of which you wish to receive Scrip Shares in lieu of the cash dividend, or if you elect to receive Scrip Shares in respect of a greater number of Shares than your registered holding as at the Record Date, then in either case, you will be deemed to have exercised your election to receive Scrip Shares only in respect of all the Shares registered in your name on the Record Date.

The Election Forms should be completed in accordance with the instructions printed thereon and returned to the Branch Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong so as to be received no later than 4:30 p.m. on Monday, 4 July 2022. Late submission of the Election Forms will not be accepted. Failure to complete and return the signed Election Forms in accordance with the instructions printed thereon will result in the relevant Shareholder's 2021 Final Dividend being paid wholly in the form of cash.

No acknowledgement of receipt of the Election Forms will be issued. Elections in respect of the 2021 Final Dividend cannot be in any way withdrawn, revoked, superseded or altered after the relevant Election Forms are signed and lodged with the Branch Share Registrar.

The latest time for return of the Election Forms will be extended, as the case may be, in accordance with (a) or (b) below if a tropical cyclone warning signal number 8 or above, or "extreme conditions" caused by super typhoons, or a "black" rainstorm warning signal is in force in Hong Kong:

- (a) at any time before 12:00 noon and no longer in force after 12:00 noon on Monday, 4 July 2022. The latest time for return of the Election Forms will be extended to 5:00 p.m. on the same business day; or
- (b) at any time between 12:00 noon and 4:30 p.m. on Monday, 4 July 2022. The latest time for return of the Election Forms will be extended to 4:30 p.m. on the next business day when none of the above warning signals is in force at any time between 9:00 a.m. and 4:30 p.m.

LETTER FROM THE BOARD

If you are a non-registered Shareholder, i.e., your Shares are held through an intermediary (for example, a bank, a custodian or a securities broker) or registered in the name of your nominee, you will not receive the Election Form. If you wish to receive Scrip Shares instead of cash, in whole or in part, in respect of the 2021 Final Dividend, please contact your intermediary or nominee directly.

OVERSEAS SHAREHOLDERS

This circular and the Election Form will not be registered or filed under the securities laws or equivalent legislation of any jurisdiction. No Overseas Shareholder receiving a copy of this circular and/or the Election Form in any territory outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other requirements or formalities in the relevant jurisdiction. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular and/or the Election Form for information only.

Based on the Register of Members as at the Record Date, there was one Overseas Shareholder with registered address in the BVI holding 441,717,964 Shares, representing approximately 30.30% of the Shares in issue. Save as the above, there was no other Eligible Shareholder whose registered address is outside Hong Kong.

The Board has made enquiries with its legal advisers on the laws of the BVI in relation to the extension of the Scrip Dividend Scheme to the Overseas Shareholder with registered address in the BVI. Based on the advice of the legal advisers in the BVI, no Scrip Shares may be offered to any person in the BVI for purchase or subscription except under circumstances that will result in compliance with the rules concerning offering of such securities in the BVI and with the laws of the BVI. Accordingly, the Scrip Dividend Scheme does not constitute and shall not be construed as an offer to the public in the BVI, for the purpose of Part II of the Securities and Investment Business Act 2010, to purchase or subscribe for the Scrip Shares. The Scrip Shares shall not be received for the account or benefit of any person who is a resident of, or who is domiciled in, the BVI, other than a BVI business company incorporated in the BVI and which only has a nominal link to the BVI by virtue of its incorporation, nor by a custodian, nominee or trustee of any such person. Accordingly, the Board is of the view that it is expedient to include the Overseas Shareholder having registered address in the BVI in the Scrip Dividend Scheme.

As at the Record Date, an aggregate of 41,005,469 Shares, representing approximately 2.81% of the Shares in issue, were held through the China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”) as nominee under the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (the “**PRC Southbound Trading Investors**”).

Pursuant to the Frequently Asked Questions Series 29 issued by the Stock Exchange on 17 November 2014 and updated on 4 November 2016 and 13 July 2018 on the interpretation of the Listing Rules, investors from the PRC who are PRC Southbound Trading Investors can participate in the Scrip Dividend Scheme through ChinaClear. ChinaClear will provide

LETTER FROM THE BOARD

nominee services for the PRC Southbound Trading Investors to elect to receive the Scrip Shares in respect of all or part of his/her/its holding of Shares in accordance with the relevant laws and regulations.

The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions with such intermediary in relation to the election to receive the Scrip Shares.

The Scrip Dividend Scheme is open to all Eligible Shareholders. For the avoidance of doubt, the Scrip Shares are not being offered to the public (other than the Eligible Shareholders) and the Election Forms are non-transferable.

Notwithstanding the enquiries made by the Company with its legal advisers, it is the responsibility of the Shareholders (including Overseas Shareholder) wishing to receive Scrip Shares for the 2021 Final Dividend to satisfy himself/herself/itself as to full observance of the laws of any relevant jurisdiction, including obtaining any governmental or other consents or observing any requirement or formality which may be required. Overseas Shareholders who are in any doubt as to their positions should consult their own professional advisers.

LISTING AND DESPATCH OF CERTIFICATES

Application will be made to the Stock Exchange for listing of, and permission to deal in, the Scrip Shares. It is expected that the cheques for cash dividends and/or the definitive certificates for the Scrip Shares (in case the Eligible Shareholders have elected to receive part or all of their 2021 Final Dividend in the form of Scrip Shares) will be posted to the respective Shareholders at their own risk on Friday, 15 July 2022. Dealings in the Scrip Shares on the Stock Exchange are expected to commence on Monday, 18 July 2022, subject to the proper receipt of the definitive certificates for the Scrip Shares by the relevant Eligible Shareholders. All share certificates for the Scrip Shares are non-renounceable.

Subject to the granting of the listing of, and permission to deal in, the Scrip Shares issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Scrip Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealer or registered institution in securities or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. No equity or debt securities of the Company are listed, or dealt in, on any other stock exchange, nor is listing, or permission to deal in, on any other exchange being, or proposed to be, sought.

LETTER FROM THE BOARD

Scrip Shares issued to the Eligible Shareholders pursuant to an election to receive part or all of their 2021 Final Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 1,000 Shares). No special dealing arrangements will be put into place by the Company to facilitate the trading or disposal of Scrip Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

GENERAL

Shareholders who are trustees are recommended to seek professional advice as to whether their election to receive the Scrip Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Whether or not it is to your advantage to receive cash or Scrip Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting from that decision are your responsibility. If you are in any doubt as to what to do, you are recommended to consult your own professional advisers.

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
Zhuang Yuekai
Chairman and Executive Director