

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 a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Daohe Global Group Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**TERMINATION OF THE EXISTING SHARE OPTION SCHEME,
ADOPTION OF THE 2021 SHARE OPTION SCHEME,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM (as defined herein) to be held on Tuesday, 1 June 2021 at 3:00 p.m. at 6/F., YHC Tower, 1 Sheung Yue Road, Kowloon Bay, Hong Kong is set out on pages 33 to 38 of this circular. Whether or not you are able to attend the AGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM 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 at the AGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

MEASURES TAKEN IN LIGHT OF THE COVID-19

Please see page 1 of this circular for measures being taken to try to prevent and control the spread of the COVID-19 at the AGM, including:

- compulsory temperature checking and health declaration form signing (which may also be used for the purposes of contact tracing if required)
- prohibiting attendance at the AGM if the attendee has a fever. Persons exhibiting flu-like symptoms may also be refused admittance
- prohibiting attendance at the AGM if the attendee has been to the affected countries and/or other countries or time periods as may be required or recommended by any government agencies from time to time in the preceding 14 days prior to the AGM
- no serving of refreshments at the AGM

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue. The Company encourages attendees who feel unwell (even without flu-like symptoms) to wear surgical masks and reminds the Shareholders that they may appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.

In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

28 April 2021

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PRECAUTIONARY MEASURES FOR THE AGM

In view of the evolving COVID-19 situation, the Company reserves the right to take the following precautionary measures as may be appropriate at the AGM:

- All attendees will be required to undergo a temperature check and sign a health declaration form (which may also be used for the purposes of contact tracing if required) before entering the AGM venue.
- Any person who has a fever will not be permitted to attend the AGM. Persons exhibiting flu-like symptoms may also be refused admittance at the Company's discretion.
- Any person, who has recently travelled to, any affected countries or areas outside Hong Kong (as per guidelines issued by the Hong Kong government at <https://www.chp.gov.hk/en/features/102742.html>) at any time in the preceding 14 days prior to the AGM, will not be permitted to attend the AGM.
- No refreshments will be served at the AGM.

The Shareholders who feel unwell or have been placed on leave of absence on the date of the AGM are advised not to attend the AGM. Attendees who feel unwell (even without flu-like symptoms) are encouraged to wear surgical masks.

The Shareholders who prefer not to attend or are restricted from attending the AGM, may still vote by proxy and are advised to take note of the last date and time for the lodgement of the proxy form.

As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures as appropriate in order to minimise any risk to the Shareholders and others attending the AGM and to comply with any requirements or recommendations of any government agencies from time to time.

The Company seeks the understanding and cooperation of all Shareholders to minimise the risk of community spread of the COVID-19.

The AGM will commence sharply at 3:00 p.m., and the Shareholders are encouraged to arrive at the AGM venue at least half an hour prior to the meeting commencement time to avoid delays from precautionary measures mentioned above in the registration process.

DEFINITIONS

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

“Adoption Date”	the date on which the 2021 Share Option Scheme is adopted and approved by the Shareholder(s) in general meeting
“AGM”	the annual general meeting of the Company to be held on Tuesday, 1 June 2021 at 3:00 p.m. at 6/F., YHC Tower, 1 Sheung Yuet Road, Kowloon Bay, Hong Kong
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors (as constituted from time to time)
“Board Diversity Policy”	a board diversity policy that setting out the approach to achieve diversity of the Board adopted by the Company on 30 August 2013 and was revised on 14 December 2018
“Business Day”	a day on which the Stock Exchange is open for securities trading
“Bye-laws”	the bye-laws of the Company adopted pursuant to the written resolution of the then sole shareholder passed on 22 April 2002, as amended from time to time
“close associate(s)”	has the same meaning as defined in the Listing Rules
“Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Company”	Daohe Global Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 915)
“Controlling Shareholder”	any person who has the power, directly or indirectly, to secure: (i) by means of the holding of shares entitling him to exercise or control the exercise of 30% (or such lower amount as may from time to time be specified in the Takeovers Code (approved by the Securities and Futures Commission as amended from time to time) as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the Company; or (ii) by means of controlling the composition of a majority of the Directors; or

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(iii) by virtue of any powers conferred by the constitutional document of the Company or any other corporation;

that the affairs of the Company are conducted in accordance with the wishes of such person

“Core Connected Person” has the same meaning as defined in Rule 1.01 of the Listing Rules

“COVID-19” the 2019 novel coronavirus

“Director(s)” director(s) of the Company

“Director Nomination Policy” a director nomination policy adopted by the Company on 14 December 2018 setting out the procedures and criteria to be used by the Company in relation to the selection, appointment and re-appointment of Directors to ensure that the Board maintains an appropriate mix and balance of skills, knowledge, experience and diversity of perspectives to the requirements of the Company’s business

“Eligible Person(s)” means:

(i) (a) any director or proposed director (whether executive or non-executive, including any independent non-executive director), employee or proposed employee (whether full time or part time) of; or

(b) any individual for the time being seconded to work for,

any member of the Group or any Controlling Shareholder or any company controlled by a Controlling Shareholder (a “**Category A Eligible Person**”); or

(ii) any holder of any securities issued by any member of the Group or any Controlling Shareholder or any company controlled by a Controlling Shareholder (a “**Category B Eligible Person**”); or

(iii) (a) any business partner or consultant that provides research, development or other technological support or any advisory, consultancy, professional or other services to; or

(b) any supplier of goods or services to; or

DEFINITIONS

(c) any customers of;

any member of the Group or any Controlling Shareholder or any company controlled by a Controlling Shareholder (a “**Category C Eligible Person**”);

and, for the purposes of the 2021 Share Option Scheme, shall include any company controlled and owned solely by any person belonging to any of the above classes of participants

“Executive Committee”	the executive committee of the Board
“Existing Share Option Scheme”	the Company’s existing share option scheme adopted on 29 August 2011
“Extension Mandate”	an authorisation to extend the Share Issue Mandate by an amount representing the total number of Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Board
“Option(s)”	option(s) to subscribe for Share(s) pursuant to the 2021 Share Option Scheme
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to repurchase Shares up to 10% of the total number of issued Shares as at the date of passing the relevant resolution
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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“Share(s)”	ordinary share(s) of one and one third US cents each in the share capital of the Company, or if there has been a subdivision, consolidation, reduction, reclassification of or reconstruction of or any other alternation to the share capital of the Company, shares forming part of the share capital of the Company
“Share Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares up to 20% of the total number of issued Shares as at the date of passing the relevant resolution
“Shareholder(s)”	holder(s) for the time being of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$” and “cents”	Hong Kong dollars and cents respectively
“US\$” and “cents”	United States dollars and cents respectively
“2021 Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix I to this circular
“%”	per cent.



道和環球
DAOHE GLOBAL

Daohe Global Group Limited

道和環球集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 915)

Non-executive Director:

Mr. ZHOU Xijian (*Chairman*)

Executive Directors:

Mr. WONG Hing Lin, Dennis

(Chief Executive Officer and President)

Mr. LONG Liping

Independent non-executive Directors:

Mr. WANG Arthur Minshiang

Mr. LAU Shu Yan

Mr. ZHANG Huijun

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place of
business in Hong Kong:*

6/F., YHC Tower

1 Sheung Yuet Road

Kowloon Bay

Hong Kong

28 April 2021

To the Shareholders

Dear Sir or Madam,

**TERMINATION OF THE EXISTING SHARE OPTION SCHEME,
ADOPTION OF THE 2021 SHARE OPTION SCHEME,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF AGM**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM and to give you notice of the AGM. Resolutions to be proposed at the AGM include, among other businesses, ordinary resolutions to approve the termination of the Existing Share Option Scheme, adoption of the 2021 Share Option Scheme, the re-election of the retiring Directors, the grant of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors.

LETTER FROM THE BOARD

Adoption of the 2021 Share Option Scheme is subject to the passing of an ordinary resolution by the Shareholders to approve its adoption and to authorise the Directors to grant Options thereunder and to allot and issue Shares pursuant to the exercise of the subscription rights under the Options granted pursuant to the 2021 Share Option Scheme at the AGM. The adoption of the 2021 Share Option Scheme will also be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any Shares which may fall to be issued pursuant to the exercise of the subscription rights attaching to the Options on the Stock Exchange (which may be subject to conditions and limitations). Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the subscription rights attaching to the Options which may be granted under the 2021 Share Option Scheme.

TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE 2021 SHARE OPTION SCHEME

The Directors proposed to adopt the 2021 Share Option Scheme, the principal terms of which are set out in Appendix I to this circular. The Existing Share Option Scheme was adopted by the Company on 29 August 2011 which will expire on 29 August 2021. As at the Latest Practicable Date and save for the Existing Share Option Scheme, the Company has not adopted any other share option scheme.

As at the Latest Practicable Date, an aggregate of 50,000,000 share options were granted to the grantees under the Existing Share Option Scheme. Such share options were granted to the consultants of the Company (i.e. Category C Eligible Persons) on 6 November 2015 with a subscription price of HK\$1 per Share and which may only be exercised by the grantees if the average closing price of the Shares on the Stock Exchange stated in its daily quotations sheets for the five Business Days immediately preceding the exercise date exceeds HK\$2 per Share. Of the share options granted, 25,000,000 share options were cancelled on 1 August 2016 and the remaining 25,000,000 share options (which became 7,500,000 share options after a 10 to 1 share consolidation on 26 September 2016 and a 1 to 3 share subdivision on 9 August 2017) lapsed on 6 November 2018. The grantees of the share options on 6 November 2015 were independent consultants of the Company which provided financial consultancy services relating to advise on coming up with new business development plans and proposing new business opportunities to the Group. Such share options were granted to the independent consultants of the Company as an incentive for potential business development proposals although no business development plan nor opportunities proposed by the said independent consultants were finally adopted by the Company. The Board is of the view that the grant of the share options to these consultants would assist the Company to incentivise and reward the consultants for their contributions to the Group which could, if the business proposals became successful, potentially enhance the Group's business and competitiveness. The Board also considered that the grant of the share options was in line with the purpose of the Existing Share Option Scheme which is to enable the Directors to grant share options to selected eligible persons as incentives or rewards for their contribution or potential contribution to the Group. For any person in each category of Eligible Persons under the Existing Share Option Scheme, if his/her work or services provided or to be provided by him/her would enhance the value of the Company and assist the Company to attain its long-term objectives, it would also benefit the Company and its shareholders as a whole. The Directors consider that the success

LETTER FROM THE BOARD

of the Group does not only depend on the contributions by the employees and Directors, but it also requires the co-operation and contributions from parties who play a part in the development of the business and operations of the Group.

As at the Latest Practicable Date, no share option was exercised, granted but not yet exercised or outstanding under the Existing Share Option Scheme and any other share option scheme. The remaining balance of share options that can be granted under the Existing Share Option Scheme prior to its termination were 87,460,389 share options and the Company has no intention to grant share options under the unutilised limit before the termination of the Existing Share Option Scheme. Termination of the Existing Share Option Scheme is subject to Shareholders' approval and conditional upon the adoption of the 2021 Share Option Scheme. As all share options granted under the Existing Share Options Scheme were either cancelled or lapsed, no share option will become void or non-exercisable upon termination of the Existing Share Option Scheme.

The purpose of the 2021 Share Option Scheme is to enable the Group to grant Options to the Eligible Persons as incentives or rewards for their contribution to the Group, to promote the long-term objective of the Company by aligning the interest of option holders to the Company and its Shareholders. The Directors considered that the 2021 Share Option Scheme, which will be valid for 10 years from the date of its adoption, will give the Company the flexibility of granting of share options to Eligible Persons after the expiry of the Existing Share Option Scheme. The 2021 Share Option Scheme does not provide for any minimum period for holding of Options or any performance target before exercise of Options which can be otherwise determined by the Board or a duly authorised committee as it considers appropriate. Under the 2021 Share Option Scheme, the Board or a duly authorised committee will have discretion in determining the subscription price (subject to the Listing Rules) in respect of any Option. The Directors are of the view that the flexibility given to the Directors could enable the Board, at no cash cost to the Company, to tailor the exercise prices, time for which an Option must be held and other aspects of offers to employees, Directors and other Eligible Persons to suit their own tax situations and desires and enable participation in the Company's equity. By granting Options to the Eligible Persons, the Company can also align their interests with those of the Company and will place the Group in a better position to reward its employees, retain human resources and as incentive for the Eligible Persons other than Directors and employees that are valuable to the growth and development of the Group as a whole.

Category A Eligible Persons

In addition to Directors and employees, Category A Eligible Persons also include, proposed employees, individuals seconded to work for any Controlling Shareholder or any Company controlled by the Controlling Shareholder. Historically, the employees of the previous Controlling Shareholder might assist in corporate administrative or management work of the Group. In addition, employees of the Controlling Shareholder could potentially assist or contribute to the development of the Company by bringing in new development opportunities or introducing new customers to the Company. These individuals are likely to be able to contribute his/her knowledge, experience and expertise through working for or providing services to the Company or the Controlling Shareholder which could contribute to creating

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value for the Company, enhancing the value of the Company, or assisting the Company to attain its long-term objectives, or would benefit the Company and its Shareholders as a whole, incentivising and rewarding such individuals would assist the Company in increasing its profit and revenue.

Category B Eligible Persons

Category B Eligible Persons include any holder of any securities issued by any member of the Group or any Controlling Shareholder or any company controlled by a Controlling Shareholder. The Company may in the future develop new business opportunities (whether in the existing businesses of the Group or develop a new business segment) with any of its Shareholders or members of the Controlling Shareholder. Particularly, its Shareholders or members of the Controlling Shareholder could potentially contribute to the development of the Company by bringing in new development opportunities or introducing new customers to the Company. These individuals are likely to be able to contribute his/her knowledge, experience and expertise to the Company because they already possess industry knowledge and have established relationships with other industry players. As such, they would be able to contribute to creating value for the Company, enhancing the value of the Company, or assisting the Company to attain its long-term objectives, or would benefit the Company and its Shareholders as a whole, incentivising and rewarding such individuals would assist the Company in increasing its profit and revenue.

Category C Eligible Persons

Examples of Category C Eligible Persons include any business partner or consultant that provides research, development or other technological support or any advisory, consultancy, professional or other services to the Group or any Controlling Shareholder; or any supplier or customer of the Group or any Controlling Shareholder. These individuals/entities are likely to be able to contribute his/her/its knowledge, experience and expertise to the Company because not only would they possess industry knowledge and have established relationships with other industry players, they would also have know-hows which are proprietary and may provide the Group with competitive advantages. As such, they would be able to contribute to creating value for the Company, enhancing the value of the Company, or assisting the Company to attain its long-term objectives, or would benefit the Company and its Shareholders as a whole, incentivising and rewarding such individuals would assist the Company in increasing its profit and revenue.

For Category A Eligible Persons, the Board will assess the eligibility of the relevant Eligible Person based on the following factors:

- (a) his/her/their (i) individual performance, (ii) commitment (including without limitation the years of service and working hours), (iii) responsibilities and engagement conditions according to the prevailing market practice and industry standard, and (iv) potential and/or actual contribution to the business affairs of and benefits to the Group (in terms of, including without limitation, proactively promoting/catalysing the continuing development and growth of the Group); and/or

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- (b) whether he/she/they is/are regarded as a valuable human resource of the Group based on his/her/their work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical know-how, and market competitiveness).

For each of Category B Eligible Persons and Category C Eligible Persons, the Board will assess the eligibility of the relevant Eligible Person based on the following factors:

- (a) his/her/their potential and/or actual contribution to the business affairs of and benefits to the Group (in terms of, including without limitation, proactively promoting/catalysing the continuing development and growth of the Group, and bringing innovation, new talents and expertise to the Group), with regard to the quality or importance of services/goods provided/supplied or expected to be provided/supplied by such Eligible Persons to the Group, and the actual or expected change in the Group's revenue or profits which is or may be attributable to the provision or supply of such services/goods;
- (b) the potential/actual degree of involvement in and/or cooperation with the Group with regard to the number, scale and nature of the projects, and the period of engagement/cooperation/business relationship with the Group; and/or
- (c) whether he/she/they is/are regarded as a valuable human resource of the Group based on his/her/their work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between him/her/them and the Group, external business connections, strategic value, and repute and credibility).

The Board considers that the 2021 Share Option Scheme will motivate the Eligible Persons to make contributions to the Group, facilitate the retention and recruitment of talents for the Group and that it is in the interest of the Group as a whole for a broad category of Eligible Persons to be given incentives to participate in the growth of, and make contribution to, the Group in the form of share options. The reason for inclusion of Category A Eligible Persons is that the employees of the previous Controlling Shareholder might assist in corporate administrative or management work of the Group. In addition, employees of the Controlling Shareholder could potentially assist or contribute to the development of the Company by bringing in new development opportunities or introducing new customers to the Company. The reason for inclusion of Category B Eligible Persons is that the Company may in the future develop new business opportunities (whether in the existing businesses of the Group or development of a new business segment) with any of its Shareholders or members of the Controlling Shareholder. Particularly, its Shareholders or members of the Controlling Shareholder could potentially contribute to the development of the Company by bringing in new development opportunities or introducing new customers to the Company. The reason for inclusion of Category C Eligible Persons is that they are likely to be able to contribute his/her/its knowledge, experience and expertise to the Company because not only would they possess industry knowledge and have established relationships with other industry players, they would also have know-hows which are proprietary and may provide the Group with competitive advantages. The Board believes that the inclusion of the persons other than the employees and

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directors of the Group as part of the Eligible Persons (so long as they meet the aforesaid criteria) is appropriate and in the interests of the Company and the Shareholders as a whole given that the success of the Group requires the co-operation and contribution not only from its management and employees, but also from external parties who play a role in and make actual or potential contribution to the business, development and growth of Group, which may include any business partner or consultant that provides research, development or other technological support or any advisory, consultancy, professional or other services to the Group; suppliers; and customers. The Board acknowledges the Company's needs to maintain the existing and develop new business relationships (as the case may be) with the aforesaid stakeholders, being Eligible Persons who are not employees and directors of the Group, who have provided or may provide high-quality products, services and professional advice and expertise in respect of research, development or other technological support to the Group, so as to maintain the Group's competitiveness as a whole. In particular, the Board has been seeking professional advice from consultants and advisors from time to time in respect of the ongoing development of the Group's business (such as advice on market research and analysis) and technical support in connection therewith. The Board considers that the inclusion of the aforesaid external parties could further achieve the purpose of the 2021 Share Option Scheme to enable the Group to grant Share Options as incentives and rewards to retain and capture talent and key business contributors for the benefit of the Group's business. Furthermore, the Board considers that the Eligible Persons will share common interests and objectives with the Group upon their exercise of the Options, which is beneficial to the long-term development of the Group. In addition, the adoption of the 2021 Share Option Scheme is in line with modern commercial practice that the Eligible Persons be given incentives to work towards enhancing the value and attaining the long-term objectives of the Company and for the benefit of the Group as a whole. As such, the Board considers that the adoption of the 2021 Share Option Scheme is in the interests of the Company and the Shareholders as a whole.

Pursuant to the Note to Rule 17.03(2) of the Listing Rules, the Board has sought legal advice on the prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the 2021 Share Option Scheme proposed to be adopted and will comply with the relevant requirements when granting Options to the Eligible Persons.

The 2021 Share Option Scheme proposed to be adopted by the Company at the AGM will be available for inspection at the principal place of business of the Company in Hong Kong at 6/F., YHC Tower, 1 Sheung Yuet Road, Kowloon Bay, Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM.

The 2021 Share Option Scheme is similar to the Existing Share Option Scheme. Save for the necessary modifications and/or amendments to reflect the current provisions of the Listing Rules, there is no material difference between the terms of the Existing Share Option Scheme and the terms of the 2021 Share Option Scheme.

LETTER FROM THE BOARD

Value of the Options

The Directors consider that it is not appropriate to state the value of the Options that may be granted pursuant to the 2021 Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders and to a certain extent would be misleading to the Shareholders, taking into account the number of variables which are crucial for assessing the value of the Options which have not been determined. Such variables include the subscription price, the option period and all other relevant variables.

Scheme mandate limit and maximum number of Shares issuable

Subject to obtaining of the Shareholders' approval of the adoption of the 2021 Share Option Scheme, pursuant to Rule 17.03 of the Listing Rules, the total number of Shares which may be issued upon the exercise of all the Options to be granted under the 2021 Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the total number of issued Shares as at the date of approval of the adoption of the 2021 Share Option Scheme initially. Based on the 1,509,592,701 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the total number of issued Shares before the AGM, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the 2021 Share Option Scheme under such initial mandate limit is 150,959,270 Shares. The Company may seek approval of the Shareholders in general meetings to refresh the 10% initial mandate limit. Notwithstanding that the mandate limit may be refreshed, the Board shall not grant Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all the outstanding Options granted but yet to be exercised under the 2021 Share Option Scheme and any other share option schemes of the Company which entitle the holders to acquire or subscribe for Shares exceeding, in aggregate, 30% of the total number of issued Shares from time to time.

As at the Latest Practicable Date, the Company did not have any plan to grant Options under the 2021 Share Option Scheme. None of the Directors is a trustee of the 2021 Share Option Scheme nor has a direct or indirect interest in the trustee. The Company has not appointed any trustee in relation to the 2021 Share Option Scheme. The Company will comply with all applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the 2021 Share Option Scheme.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 28 May 2020, the Directors were granted a general mandate to allot, issue and deal with Shares and a general mandate to repurchase Shares on the Stock Exchange. These mandates will expire at the conclusion of the AGM. As at the Latest Practicable Date, no Shares have been issued under the existing share issue mandate and no Shares have been repurchased pursuant to the existing repurchase mandate. At the AGM, among other businesses, resolutions will be proposed to grant the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors.

LETTER FROM THE BOARD

Subject to the passing of the proposed resolution for the grant of the Share Issue Mandate and on the basis that no Shares are issued or repurchased by the Company during the period between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Share Issue Mandate to issue up to a maximum of 301,918,540 Shares, being 20% of the total number of issued Shares on the date of passing the relevant ordinary resolution at the AGM; and under the Repurchase Mandate, the Company will be allowed to repurchase Shares up to a maximum of 150,959,270 Shares, being 10% of the total number of issued Shares as at the date of passing the relevant ordinary resolution at the AGM, and under the Extension Mandate, the Company will be allowed to extend the Share Issue Mandate by including the number of Shares repurchased by the Company under the Repurchase Mandate.

Each of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in resolutions numbered 5 to 7 set out in the notice of the AGM.

In accordance with the Listing Rules, the Company is required to give to the Shareholders an explanatory statement containing all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate. The explanatory statement required by the Listing Rules is set out in Appendix II to this circular.

RE-ELECTION OF DIRECTORS

In accordance with Bye-laws 87(1) and 87(2) of the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Accordingly, Mr. LONG Liping (“**Mr. Long**”), an executive Director, Mr. ZHANG Huijun (“**Mr. Zhang**”), an independent non-executive Director, will retire by rotation at the AGM, and being eligible, offer themselves for re-election at the AGM.

The re-appointment of Directors has been reviewed by the Nomination Committee which made recommendation to the Board that the re-election be proposed for the Shareholders’ approval at the AGM. The Nomination Committee has also reviewed and assessed the structure, size, composition and balance of skills, knowledge, experience and diversity of perspectives of the Board. The Nomination Committee has formed the view that all the independent non-executive Directors have met the independence guidelines set out in Rule 3.13 of the Listing Rules and have provided their respective annual confirmations of independence to the Company.

The nominations were made in accordance with the Director Nomination Policy and the objective criteria with due regard for the benefits of diversity as set out under the Board Diversity Policy. Mr. Zhang is a member of the Nomination Committee and has abstained from voting at the Nomination Committee meeting when his own nomination was being considered.

The Board considers that the re-election of Mr. Long and Mr. Zhang as Directors is in the best interest of the Company and the Shareholders as a whole. Mr. Long and Mr. Zhang have abstained from the discussion and voting at the Board meeting regarding their nominations.

LETTER FROM THE BOARD

Resolutions relating to the re-election of Directors will be proposed under item 2 of the notice of the AGM. Shareholders will be invited to vote on each resolution proposed for a candidate.

Details of the Directors to be re-elected that are required to be disclosed under the Listing Rules are set out in Appendix III to this circular.

AGM

Set out on pages 33 to 38 of this circular is a notice convening the AGM at which, among other businesses, resolutions will be proposed to approve the termination of the Existing Share Option Scheme, adoption of the 2021 Share Option Scheme, the re-election of the retiring Directors, the grant of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors. To the extent that the Directors are aware, having made all reasonable enquiries, none of the Shareholders is required to abstain from voting for the resolutions proposed to be approved at the AGM. A form of proxy for use at the AGM is enclosed with this circular.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the chairman of the AGM will demand a poll for all the resolutions put to vote at the AGM pursuant to Bye-law 66 of the Bye-laws.

After the AGM, an announcement regarding the poll results will be published on the respective websites of the Stock Exchange and the Company.

ACTION TO BE TAKEN

Whether or not you are able to attend the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Hong Kong branch share registrar of the Company, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM 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 AGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors consider that the proposed termination of the Existing Share Option Scheme and adoption of the 2021 Share Option Scheme, the re-election of the retiring Directors, the grant of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors are in the best interests of the Company and the Shareholders and recommend the Shareholders to vote in favour of the resolutions set out in the notice of the AGM.

LETTER FROM THE BOARD

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 respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular and the notice of the AGM.

Yours faithfully,
For and on behalf of the Board
ZHOU Xijian
Chairman and non-executive Director

The following is a summary of the principal terms of the rules of the 2021 Share Option Scheme proposed to be adopted at the AGM.

A. DEFINITIONS

For the purpose of this Appendix, the following expressions have the meanings set forth below unless the context requires otherwise:

“Scheme Period” the period commencing from the date of adoption of the 2021 Share Option Scheme and expiring at the close of business on the tenth anniversary thereof

B. SUMMARY OF TERMS

(i) Purpose of the 2021 Share Option Scheme

The purpose of the 2021 Share Option Scheme is to enable the Board or its duly authorised committee to grant Options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the Group.

The 2021 Share Option Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons.

(ii) Who may join and basis of eligibility

The Board or its duly authorised committee may, at its absolute discretion and on such terms as it may think fit, grant Options to any Eligible Person to subscribe at a price calculated in accordance with paragraph (iii) below for such number of Shares as it may determine in accordance with the terms of the 2021 Share Option Scheme. The basis of eligibility of any of the Eligible Persons to the grant of options shall be determined by the Board or its duly authorised committee from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

(iii) Option price for subscription of Shares

The Option price per Share payable on the exercise of an Option is to be determined by the Board or its duly authorised committee in its sole and absolute discretion provided always that it shall be at least the higher of:

- (aa) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange for the date of offer of grant (which is deemed to be the date of grant if the offer for the grant of an Option is accepted by the Eligible Person), which must be a Business Day; and

- (bb) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of offer of grant, provided that the Option price per Share shall in no event be less than the nominal amount of one Share.

(iv) Grant of Options and acceptance of offers

Any offer to grant an Option shall be made in writing by deed. No offer of grant of Options shall be made:

- (aa) after inside information has come to the knowledge of the Directors until (and including) the trading day after such information has been announced pursuant to the requirements of the Listing Rules by the Company; and
- (bb) during the period commencing one month immediately preceding the earlier of:
 - (1) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (2) the deadline of the Company to publish an announcement of its results for any year or half-year, under the Listing Rules, or quarterly or other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. No option may be granted during any period of delay in publishing a results announcement.

An offer for the grant of Options must be accepted within 30 days inclusive of the day on which such offer was made. No consideration is required to be paid by the grantee of an Option to the Company on acceptance of the offer for the grant of an Option.

(v) Maximum number of Shares

- (aa) Subject to sub-paragraphs (bb) and (cc) below, the maximum number of Shares issuable upon exercise of all Options to be granted under the 2021 Share Option Scheme and any other share option schemes of the Company as from the commencement of the Scheme Period (excluding, for this purpose, Options which have lapsed in accordance with the terms of the 2021 Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of the Shares in issue at the date of approval of the 2021 Share Option Scheme (the "**Scheme Mandate**"). The Shares underlying any Options granted under the 2021 Share Option Scheme or any other share option schemes of the Company which have been cancelled (but not Options which have lapsed) will be counted for the purpose of the Scheme Mandate.

- (bb) The Scheme Mandate may be refreshed by issuing a circular to the Shareholders to, among other matters, convene a general meeting for the purpose of refreshing the Scheme Mandate and obtaining approval of the Shareholders at such general meeting provided that the new limit under the renewed Scheme Mandate must not exceed 10% of the Shares in issue at the date of the Shareholders' approval of such refreshed Scheme Mandate. Options previously granted under the 2021 Share Option Scheme or any other share option schemes of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the 2021 Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the refreshed Scheme Mandate.
- (cc) The Company may also, by issuing a circular to the Shareholders to, among other matters, convene a general meeting for the purpose of obtaining separate approval of the Shareholders at such general meeting, grant Options beyond the Scheme Mandate provided the Options in excess of the Scheme Mandate are granted only to Eligible Persons specifically identified by the Company before such approval is sought. The circular to be sent to the Shareholders must contain a generic description of the specified Eligible Persons who may be granted such Options, the number and terms of Options to be granted, the purpose of granting Options to the specified Eligible Persons with an explanation as to how the terms of the Options serve such purpose and such other information as required under the Listing Rules.
- (dd) The aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the 2021 Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time.
- (ee) The maximum number of Shares that may be issued upon exercise of all Options to be granted under all of the schemes of the Company (or the subsidiary) under the 10% limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

(vi) Maximum entitlement of each Eligible Person

The maximum number of Shares issued and to be issued upon exercise of Options granted under the 2021 Share Option Scheme and any other share option schemes of the Company to any Eligible Person (including both exercised and outstanding options), in any 12-month period up to the date of the latest grant shall not exceed 1% of the Shares in issue for the time being. Any further grant of Options in excess of such limit must be separately approved by Shareholders in general meeting with such Eligible Person and his close associates (or his associates if the Eligible Person is a connected person) abstaining from voting.

The Company must send a circular to the Shareholders and the circular must disclose the identity of the participant, the number and the terms of the Options to be granted (and Options previously granted to such participant). The number and terms (including the exercise price) of the Options to be granted to such participant must be fixed before Shareholders' approval and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price of the Shares.

(vii) Grant of Options to certain connected persons

- (aa) Any grant of an Option to a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option).
- (bb) Where any grant of Options to a substantial shareholder of the Company or an independent non-executive Director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of Options already granted and to be granted to such person under the 2021 Share Option Scheme and any other share option schemes of the Company (including Options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:
 - (1) representing in aggregate over 0.1% of the Shares in issue; and
 - (2) having an aggregate value, based on the closing price of the Shares at each date of grant, in excess of HK\$5 million,

such further grant of Options is required to be approved by Shareholders in general meeting in accordance with the Listing Rules. Any change in the terms of an Option granted to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders.

The Company must send a circular to the Shareholders for seeking approval on the matter referred to in the sub-paragraph (bb) above. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. Any vote taken at such general meeting to approve the grant of such Options must be taken on a poll.

(viii) Time of exercise of Option

An Option may be exercised in accordance with the terms of the 2021 Share Option Scheme at any time during a period commencing on such date on or after the date on which the Option is granted as the Board or its duly authorised committee may determine in granting the Option and expiring at the close of business on such date as the Board or

its duly authorised committee may determine in granting the Option but in any event shall not exceed 10 years from the date of grant (which is the date of offer of grant if the offer for the grant of the Option is accepted).

(ix) Performance targets

Save as determined by the Board or its duly authorised committee and provided in the offer of the grant of the relevant Options, there is no performance target which must be achieved before any of the Options can be exercised.

(x) Ranking of Shares

If under the terms of a resolution passed or an announcement made by the Company prior to the date of exercise of an Option, a dividend is to be or is proposed to be paid, or Shares are to be issued or proposed to be issued by way of the capitalisation of profits or reserves or by way of rights under an offer made pro rata, to Shareholders on the register on a date prior to such date of exercise, the Shares to be issued upon such exercise will not rank for such dividend or such Shares. Subject as aforesaid, Shares allotted upon the exercise of an outstanding Option shall rank pari passu in all respects with the fully paid Shares in issue on the date of such exercise and will be subject to all the provisions of the Bye-laws for the time being in force and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue. Shares allotted upon the exercise of an Option for the time being outstanding shall not carry voting rights until completion of the registration of the grantee (or any other person such as the nominee) as the holder thereof.

(xi) Rights are personal to grantee

An Option shall not be transferable or assignable and shall be personal to the grantee of the Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee. On the date on which the grantee commits the breach, the Option shall not be exercisable if the Directors exercises the Company's right to cancel the Option. For the avoidance of doubt, the Option shall be treated as cancelled.

(xii) Rights of exercise for grantees who were Category A Eligible Persons

If a grantee of an Option who at the time of grant of an Option to him qualified as an Eligible Person because he was a Category A Eligible Person ceases to be such a Category A Eligible Person:

- (aa) by reason of ill-health or injury or disability or death, then he or (as the case may be) his personal representatives may exercise his outstanding Option within six months or up to the expiration of the relevant Option period, whichever is earlier, failing which the Option will lapse; or

- (bb) because the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder by reason of his employment or engagement with, or secondment to, which he qualified as a Category A Eligible Person at the time the Option was granted ceases to be a member of the Group or a Controlling Shareholder or a company controlled by the relevant Controlling Shareholder (as the case may be), then he may exercise his outstanding Option within six months or up to the expiration of the relevant Option period, whichever is earlier, failing which the Option will lapse; or
- (cc) by reason of retirement in accordance with his contract of employment or service, then he may exercise his outstanding Option within six months after he so ceases or, if the Board or its duly authorised committee in its absolute discretion determine, within six months following the date of his sixtieth birthday where the retirement takes effect prior to such date or up to the expiration of the relevant Option period, whichever is earlier, failing which the Option will lapse; or
- (dd) by reason of voluntary resignation or dismissal, or upon expiration of his term of directorship (unless immediately renewed upon expiration), or by termination of his employment or service in accordance with the termination provisions of his contract of employment or service by the relevant company otherwise than by reason of redundancy, then his outstanding Options shall lapse on the date he so ceases; or
- (ee) on the grounds that he has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally or has committed any serious misconduct or has been convicted of any criminal offence (other than an offence which in the opinion of the Board or its duly authorised committee does not bring the grantee or the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder into disrepute), then his outstanding Options shall lapse automatically on the date of his ceasing to be an Eligible Person; or
- (ff) for any other reason, any Options exercisable at the date he so ceases may be exercised within three months of the date he so ceases, failing which the Option will lapse, provided always that in each case the Board or its duly authorised committee in its absolute discretion may decide that such Options or any part thereof shall not so lapse or determined subject to such conditions or limitations as it may decide,

provided always that in each case the Board or its duly authorised committee in its absolute discretion may decide that such Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide. For the purpose of this B(xii), the date on which a person ceases to be employed by the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by

the relevant Controlling Shareholder shall be his last working day with the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder, as the case may be.

(xiii) Rights of exercise for grantees who were Category B Eligible Persons

If a grantee of an Option who at the time of grant of an Option to him qualified as an Eligible Person because he was a Category B Eligible Person:

- (aa) ceases to be a Category B Eligible Person by reason that such grantee ceases to be a holder of any securities issued by the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by a Controlling Shareholder, then his outstanding Option shall lapse on the date he so ceases; or
- (bb) ceases to be a Category B Eligible Person because the relevant member of the Group by reason of his holding of securities in which he qualified as a Category B Eligible Person at the time the Option was granted ceases to be a member of the Group, then he may exercise his outstanding Option within six months after he so ceases or up to the expiration of the Option period, whichever is earlier, failing which the Option will lapse; or
- (cc) ceases to be a Category B Eligible Person because the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder by reason of his holding of securities in which he qualified as a Category B Eligible Person at the time the Option was granted ceases to be a Controlling Shareholder or a company controlled by the relevant Controlling Shareholder (as the case may be), then his outstanding Option shall lapse on the date he so ceases; or
- (dd) (if the grantee is an individual) dies, then his personal representative may exercise his outstanding Option within six months after his death or up to the expiration of the Option period, whichever is earlier, failing which the Option will lapse; or
- (ee) has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally or has committed any serious misconduct or has been convicted of any criminal offence (other than an offence which in the opinion of the Board or its duly authorised committee does not bring the grantee or the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder into disrepute), then his outstanding Option shall lapse automatically on the date of the relevant court order, resolution, misconduct or conviction or the effective date of the relevant arrangements or composition (as the case may be),

provided always that in each case the Board or its duly authorised committee in its absolute discretion may decide that such Option or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

(xiv) Rights of exercise for grantees who were Category C Eligible Persons

If a grantee of an Option who at the time of grant of an Option to him qualified as an Eligible Person because he was a Category C Eligible Person:

- (aa) has, in the absolute determination of the Board or its duly authorised committee, committed any breach of contract entered into between such Eligible Person and the relevant member of the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder, then his outstanding Option shall lapse and determine on the determination of the Board or its duly authorised committee as aforesaid (for the avoidance of doubt, under such scenario, the Option shall be treated as lapsed); or
- (bb) has committed any act of bankruptcy or become insolvent or made any arrangements or composition with his creditors generally or committed any serious misconduct or been convicted of any criminal offence (other than an offence which in the opinion of the Board or its duly authorised committee does not bring the grantee or the Group or the relevant Controlling Shareholder or the relevant company controlled by the relevant Controlling Shareholder into disrepute), then his outstanding Options shall lapse and determine automatically on the date of the relevant court order, resolution, misconduct or conviction or the effective date of the relevant arrangements or composition (as the case may be); or
- (cc) (if he is an individual) dies, then his personal representatives may exercise his outstanding Option within six months after his death or up to the expiration of the Option period, whichever is earlier, failing which the Option will lapse,

provided always that in each case the Board or its duly authorised committee in its absolute discretion may decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

(xv) Rights on exercise for grantees which were companies controlled by any of the Eligible Persons

In respect of any Option granted to a company which qualified as an Eligible Person because it was a company controlled by a person (“**Such Person**”) who was a Category A Eligible Person or Category B Eligible Person or Category C Eligible Person:

- (aa) the relevant provisions set out in paragraph (xii), or (xiii), or (xiv) (as the case may be) would apply to its outstanding Option as if the Option had been granted to Such Person; and

(bb) its outstanding Option shall lapse on the date it ceases to be a company controlled by Such Person,

provided always that in each case the Board or its duly authorised committee in its absolute discretion may decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as it may decide.

(xvi) Failure to meet continuing eligibility criteria

If the Board or its duly authorised committee in the offer granting the relevant Option has specified that the grantee has to meet certain continuing eligibility criteria and that the failure of the grantee to meet any such continuing eligibility criterion would entitle the Company to cancel the Option then outstanding (or part thereof), then upon the failure of the grantee to meet any such continuing eligibility criterion, his outstanding Option shall lapse and determine on the date the Board or its duly authorised committee exercises the Company's right to cancel the Option on the ground of such failure. For the avoidance of doubt, such Option will be treated as lapsed.

(xvii) Rights on a general offer

If, in consequence of any general offer made to all the Shareholders, other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror, the grantee of an Option shall, subject to paragraph (viii) above, be entitled to exercise at any time within a period of 14 days after such control has been obtained by the offeror any Option in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented such Option from being exercisable at that time). For the avoidance of doubt, an Option not so exercised shall remain valid in accordance with its terms and subject to such restrictions as applied to it before the general offer.

(xviii) Rights on winding-up

If notice is given by the Company to its Shareholders of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, the Company shall forthwith give notice to all grantees of Options and each grantee shall be entitled, at any time no later than two Business Days prior to the proposed general meeting of the Company to exercise any of his outstanding Options in whole or in part to the extent not already exercised (and notwithstanding any restrictions which would otherwise have prevented such Option from being exercisable at that time). If such resolution is duly passed, all Options shall, to the extent that they have not been exercised, thereupon lapse and determine on the commencement of the winding-up.

(xix) Rights on compromise or arrangement

In the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company pursuant to the Companies Act, notice of the relevant

meeting shall be given to the grantees of Options on the same day notice is given to the Company's members and creditors, and thereupon each grantee (or where permitted his personal representatives) may forthwith and until the expiry of the period commencing on such date and ending on the earlier of the date falling two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the Supreme Court of Bermuda be entitled to exercise his Option, but such exercise of an Option shall be conditional upon such compromise or arrangement being sanctioned by the Supreme Court of Bermuda and becoming effective. Failing such exercise, all Options will lapse.

(xx) Lapse of Options

An Option shall lapse automatically on the earliest of:

- (aa) the expiry of the period referred to in paragraph (viii) above;
- (bb) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraph (xii), (xiii), (xiv), (xv) or (xvi) above; and
- (cc) the expiry of any of the relevant periods referred to in paragraph (xviii) and (xix) above.

(xxi) Cancellation of Options granted but not yet exercised

Following the cancellation of any Options granted under the 2021 Share Option Scheme but not exercised, new Options may only be granted to the same grantee under the 2021 Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit of the Scheme Mandate then available to the Board or its duly authorised committee.

(xxii) Effects of alterations to capital

In the event of any reduction, sub-division or consolidation of the share capital of the Company or any capitalisation issue or rights issue, the number of Shares comprised in each Option for the time being outstanding and/or the Option price may be adjusted in such manner as the Board or its duly authorised committee (having, except in the case of an issue of Shares by way of the capitalisation of profits or reserves, received a statement in writing from the auditors of the Company or an independent financial adviser appointed for such purpose that in their opinion the adjustments proposed are fair and reasonable and in compliance with the relevant provisions of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time) may deem appropriate, provided always that the grantee shall have the same proportion of the equity capital of the Company as that to which he was entitled before such adjustments, and that no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of Shares as consideration in a transaction will not be regarded as a circumstance requiring adjustment.

(xxiii) Period of the 2021 Share Option Scheme

The 2021 Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the 2021 Share Option Scheme is adopted by the Shareholders of the Company at the AGM and shall expire at the close of business on the tenth anniversary thereof unless terminated earlier by the Shareholders in general meeting.

(xxiv) Alteration to the 2021 Share Option Scheme

- (aa) The Directors may from time to time in their absolute discretion waive or amend such of the rules of the 2021 Share Option Scheme as they deem desirable, provided that, except with the prior sanction of the Company in general meeting, no alteration shall be made to the terms and conditions of the 2021 Share Option Scheme which extends the class of Eligible Persons, or alters to the advantage of the grantees of the Options (present or future) relating to matters governed by rule 17.03 of the Listing Rules except with the prior approval of the Shareholders in general meeting.
- (bb) Any amendments to any terms of the 2021 Share Option Scheme which are of a material nature or any change to the terms of the Options granted must be approved by Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the 2021 Share Option Scheme.
- (cc) Any change to the authority of the Board or its duly authorised committee or the scheme administrator (if any) in relation to any alteration to the terms of the 2021 Share Option Scheme must be approved by Shareholders in general meeting.
- (dd) Any amendment to any terms of the 2021 Share Option Scheme or the Options granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

(xxv) Termination of the 2021 Share Option Scheme

The Company may, with the approval in general meeting of the Shareholders, terminate the 2021 Share Option Scheme at any time following which no further grant of Options shall be offered but in all other respects the rules of the 2021 Share Option Scheme shall continue in full force and effect. Any Options granted under the 2021 Share Option Scheme prior to such termination, but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the rules of the 2021 Share Option Scheme.

(xxvi) Conditions of the 2021 Share Option Scheme

The 2021 Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Options which may be granted under the 2021 Share Option Scheme.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you to make an informed decision whether to vote for or against the resolution to approve the grant of the Repurchase Mandate to the Directors at the AGM.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was US\$20,127,902.68 comprising 1,509,592,701 Shares.

Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company during the period between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Repurchase Mandate to repurchase up to a maximum of 150,959,270 Shares, being 10% of the total number of issued Shares as at the Latest Practicable Date.

2. REASONS FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases of Shares will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws, the Listing Rules and the applicable laws of Bermuda.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2020, being the date of its latest audited consolidated financial statements were made up to. The Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, any of their respective close associates, has any present intention to sell any Shares to the Company or any of its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

No Core Connected Person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company or any of its subsidiaries nor have any of them undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Bermuda.

6. TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Daohe Global Investment Holding Limited ("**Daohe Global Investment**"), being a controlling Shareholder of the Company, through its four wholly-owned subsidiaries, namely Sino Remittance Holding Limited ("**Sino Remittance**"), Fame City Developments Limited ("**Fame City**"), Oceanic Force Limited ("**Oceanic Force**") and Winning Port International Limited ("**Winning Port**"), indirectly held an aggregate of 664,121,427 Shares representing approximately 43.99% of the issued share capital of the Company. Assuming that there will be no other change in the issued share capital of the Company and the above four wholly-owned subsidiaries do not dispose of their Shares nor acquire additional Shares prior to any repurchase of Shares and if the Repurchase Mandate were exercised in full, the percentage shareholding of Daohe Global Investment together with the above four wholly-owned subsidiaries would be increased to approximately 48.88% of the issued share capital of the Company. In such circumstances, Daohe Global Investment together with the above four wholly-owned subsidiaries would be obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

In respect of Sino Remittance, it held 512,250,000 Shares, representing approximately 33.93% of the issued share capital of the Company, as at the Latest Practicable Date. Assuming that there will be no other change in the issued share capital of the Company and the above four wholly-owned subsidiaries do not dispose of their Shares nor acquire additional Shares prior to any repurchase of Shares and if the Repurchase Mandate were exercised in full, the percentage shareholding of Sino Remittance would be increased to approximately 37.70% of the issued share capital of the Company. In such circumstances, Sino Remittance would be obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, approximately 43.88% of the issued share capital of the Company was held by the public. Assuming that there will be no change in the issued share capital of the Company and the number of Shares held by the public prior to the repurchase of Shares, and if the Repurchase Mandate was exercised in full, the percentage shareholding of

the public would not be less than 25% of the issued share capital of the Company. It is however not the intention of the Directors to exercise the Repurchase Mandate to such an extent as would, in the circumstances, result in less than 25% of the issued share capital of the Company being held by the public, or that would give rise to an obligation on the part of Daohe Global Investment (together with the above four wholly-owned subsidiaries) or Sino Remittance to make a mandatory offer under Rule 26 of the Takeovers Code.

7. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares in the six months immediately preceding the Latest Practicable Date.

8. SHARE PRICES

The highest and lowest prices per Share at which the Shares have been traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Trading price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2020	0.180	0.122
May 2020	0.159	0.095
June 2020	0.117	0.080
July 2020	0.135	0.074
August 2020	0.096	0.065
September 2020	0.085	0.055
October 2020	0.083	0.065
November 2020	0.078	0.056
December 2020	0.081	0.060
January 2021	0.098	0.060
February 2021	0.120	0.066
March 2021	0.125	0.085
April 2021 (up to the Latest Practicable Date)	0.090	0.074

The following are the particulars of the two Directors proposed to be re-elected at the AGM:

1. Mr. LONG Liping (“Mr. Long”)

Mr. Long, aged 46, was appointed as an executive Director on 16 April 2019. Mr. Long is a member of the Executive Committee.

Mr. Long has over 10 years of experience in management, risk control management, auditing and accounting fields. Mr. Long is currently a visiting professor of Hohai University, a president (finance) of Zhong Xing Yong He Investments Co. Ltd.* (中興永和投資有限公司), and vice chairman of the Medical and Health Committee of China Hong Kong Economic Trading International Association. He is a member of the Chinese People’s Political Consultative Conference of Nanjing Lishui District and a vice chairman of Hunan Chamber Commerce Jiangsu Province. Prior to that, Mr. Long was a vice president (risk control) of Daohe Group Co., Ltd* (道和集團有限公司), an audit director and a vice president (finance) of Nanjing JoyMain Science and Technology Development Co. Ltd.* (南京中脈科技發展有限公司), and a certified public accountant of Zhongxingcai Guanghua Certified Public Accountants. Mr. Long is a member of the Chinese Institute of Certified Public Accountants. He holds a Master of Agricultural Promotion degree from Huazhong Agricultural University.

The Company entered into a service agreement dated 16 April 2019 with Mr. Long for an initial term of 3 years, commencing on 16 April 2019 which has continued thereafter. During Mr. Long’s tenure, his appointment may be terminated by either party by serving not less than one month’s notice in writing. Furthermore, Mr. Long is subject to retirement by rotation and re-election in accordance with the code on corporate governance practices of the Company and the Bye-laws.

Under the service agreement, the base salary of Mr. Long shall be HK\$360,000 per annum and Mr. Long is also entitled to participate in the share option scheme of the Company and in any profit-based bonus scheme as may be established by the Company and his entitlement thereunder shall be determined at the absolute discretion of the Board. The remuneration package of Mr. Long as an Executive Director and a member of the Executive Committee was determined by the Remuneration Committee with reference to his roles and responsibilities, qualifications, experience, prevailing market rates, the Company’s performance and his performance.

Save as disclosed, as at the Latest Practicable Date, Mr. Long (1) did not have any interests in any other Shares or underlying Shares within the meaning of Part XV of the SFO; (2) did not hold any other position with the Company or any of its subsidiaries; (3) did not hold other directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (4) did not have any other major appointments and professional qualifications; and (5) did not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

* For identification purposes only

2. Mr. ZHANG Huijun (“Mr. Zhang”)

Mr. Zhang, aged 64, has been an independent non-executive Director since 11 January 2017. Mr. Zhang is a member of each of the Remuneration Committee, the Audit Committee and the Nomination Committee.

Mr. Zhang is currently a vice-chairman of each of China Film Association, Beijing Film Specialist Association and Beijing Film and TV Artist Association* (北京影視藝術家協會), deputy director of China Council for the Promotion of Art Education, a tutor and professor of the Academy of Chinese Culture under Peking University, director of China Research Institute of Film Technology* (中國電影高新技術研究院), vice chairman and standing member of the council of China Society of Motion Picture and Television Engineers, member of each of the Academic Degree Committee of the State Council and National Art Professional Master Degree Education Steering Committee under the Ministry of Education. He is also a member of Committee of Quality Education in Higher Education Institutions under the Ministry of Education* (國家教育部高等學校素質教育工作委員會), head of the higher education division under the Education Committee of China Photographers Association, principal specialist of Beijing Film and Television Art Research Centre, vice-president of China Advertising Association of Commerce and a specialist enjoying special government subsidies granted by the State Council. Mr. Zhang is also a tutor to doctoral students and a professor of Beijing Film Academy in which he was enrolled in 1978 (Class 78) as a student under the department of photography and graduated with a Bachelor of Arts (cinematography) degree in July 1982. In the same year, he assumed a teaching post at his alma mater shortly after graduating with flying colours.

Mr. Zhang was a member of the national committee of the 10th and 11th Chinese People’s Political Consultative Conference (“CPPCC”), a member of the 10th and 11th CPPCC Subcommittee of Education, Science, Culture, Health and Sports, as well as a specially invited supervisor of the Ministry of Public Security. He has acted as the deputy director of Beijing Film Academy for more than 10 years and the director of Beijing Film Academy for more than 15 years.

Mr. Zhang was accredited the Outstanding Tutor Award* (優秀指導教師獎) at the 99 Arts Festival for University Students Across China 1999* (全國大學生藝術節) co-hosted by the Ministry of Education, Ministry of Culture, Central Committee of the Communist Youth League of China, State Administration of Radio, Film and Television and the Beijing Municipal Government. He was conferred Commendatore dell’Ordine della Stella della Solidarieta Italiana (3rd Class) (義大利仁惠之星勳章 (三級勳章)) by the President of the Italian Republic in recognition of his positive contribution to the promotion of cultural exchange and friendly cooperation between the PRC and Italy. Being the awardee of Award of Special Contribution to the Nurture of Talents for Cultural Industries of China* (中國文化產業人才培養特殊貢獻大獎) by the organising committee of Forum on International Cultural Industries (China), Mr. Zhang has been engaged as a life member of the judging committee of Macau International Movie Festival.

* For identification purposes only

Being a famous cinematographer, director, producer in the PRC, as well as a “fifth generation” leading figure of the PRC’s movie industry, Mr. Zhang has involved himself in the production of over 20 movies, making enormous artistic achievement and winning numerous prestigious awards at home and abroad. Besides, Mr. Zhang has presented over 300 TV productions, including drama series and other genres, in the capacity of director, cinematographer, organiser and producer. He has written, compiled and undertaken over 20 academic papers. He has undertaken research projects of state and provincial level covering the aspects of science, education and technology as a project leader or principal participant.

There is no service contract entered into between Mr. Zhang and the Company. Pursuant to a letter of appointment entered into between Mr. Zhang and the Company, Mr. Zhang has been appointed as an Independent Non-executive Director for an initial term of two years commencing on 11 January 2017. His appointment has been renewed for a further term of two years in 2019 and 2021 respectively. During the tenure, the appointment may be terminated by either party by serving not less than one month’s notice in writing. Mr. Zhang is subject to retirement by rotation at least once every three years and re-election at the annual general meetings of the Company pursuant to the By-laws.

The director’s fee of Mr. Zhang is HK\$240,000 per annum which was determined by the Board by reference to his qualifications, experience, level of responsibilities undertaken and prevailing market conditions.

Save as disclosed, as at the Latest Practicable Date, Mr. Zhang (1) did not have any interests in any other Shares or underlying Shares within the meaning of Part XV of the SFO; (2) did not hold any other position with the Company or any of its subsidiaries; (3) did not hold other directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (4) did not have any other major appointments and professional qualifications; and (5) did not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Save as disclosed, there are no other matters or information relating to the above Directors that need to be brought to the attention of the Shareholders or to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.



道和環球

DAOHE GLOBAL

Daohe Global Group Limited

道和環球集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 915)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Daohe Global Group Limited (the “**Company**”) will be held on Tuesday, 1 June 2021 at 3:00 p.m. at 6/F., YHC Tower, 1 Sheung Yuet Road, Kowloon Bay, Hong Kong to transact the following ordinary businesses:

1. to receive and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Director(s)**”) and auditor for the year ended 31 December 2020;
- 2.1 each as a separate resolution, to re-elect the following retiring directors as Directors:
 - 2.1.1 Mr. LONG Liping as an executive Director; and
 - 2.1.2 Mr. ZHANG Huijun as an independent non-executive Director;
- 2.2 to authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration for the year ending 31 December 2021;
3. to re-appoint Ernst & Young as the auditor of the Company to hold office until conclusion of the next annual general meeting at a fee to be agreed with the Directors;

and, as special businesses, to consider and, if thought fit, pass the following resolutions, as ordinary resolutions, with or without modifications:

4. “**THAT** the new share option scheme of the Company (“**2021 Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to the meeting and, for the purposes of identification, signed by the chairman of the meeting and summarised in the circular of the Company dated 28 April 2021, be hereby approved and adopted and the directors of the Company or a duly authorised committee thereof be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient

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in order to give full effect to the 2021 Share Option Scheme including without limitation:

- (a) administering the 2021 Share Option Scheme and granting options under the 2021 Share Option Scheme;
- (b) modifying and/or amending the rules of the 2021 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2021 Share Option Scheme relating to modification and/or amendment and the requirements of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”);
- (c) issuing and allotting from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the 2021 Share Option Scheme provided that the maximum number of shares of the Company that may be allotted and issued pursuant to the exercise of the options under the 2021 Share Option Scheme of the Company shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing of this resolution;
- (d) making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any shares of the Company or any part thereof that may from time to time be issued and allotted pursuant to the exercise of the options granted under the 2021 Share Option Scheme; and
- (e) conditional upon the 2021 Share Option Scheme becoming unconditional, the existing share option scheme of the Company which was adopted by the Company on 29 August 2011 be terminated with effect from the date on which this resolution shall become unconditional.”

5. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Listing Rules, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the additional shares in the share capital of the Company, to grant rights to subscribe for, or convert into, shares of the Company (including the issue of any securities convertible into shares of the Company) and to make or grant offers, agreements and options which may require the exercise of such powers be and are hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as defined below) to grant rights to subscribe for, or convert into, shares of the Company (including the issue of any securities convertible

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into shares of the Company) and to make or grant offers, agreements and options which may require the exercise of such powers after the end of the Relevant Period;

- (c) the total number of shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares in the Company, shall not exceed the aggregate of:

(aa) 20% of the total number of shares of the Company in issue on the date of the passing of this resolution; and

(bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of shares of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of issued shares of the Company on the date of the passing of this resolution),

and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“**Rights Issue**” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares in the Company open for a period fixed by the Directors to the shareholders of the Company whose names appear on the Company’s register of members on a

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fixed record date in proportion to their then holdings of shares in the Company (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase shares of the Company on the Main Board of the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act 1981 of Bermuda and all other applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the total number of shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as defined below) shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

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7. “**THAT** conditional on the passing of resolutions set out in the notice convening this meeting as resolutions numbered 5 and 6, the general mandate granted to the Directors pursuant to the approval granted under the resolution set out in the notice convening this meeting as resolution numbered 5 above be and is hereby extended by the addition to the total number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate such number of shares of the Company which has been repurchased by the Company since the granting of such general mandate pursuant to the exercise by the Directors of the powers of the Company to repurchase such shares pursuant to or in accordance with the authority granted under the resolution set out in the notice convening this meeting as resolution numbered 6, provided that such number of shares of the Company shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this resolution.”

By Order of the Board
Daohe Global Group Limited
ZHOU Xijian
Chairman and non-executive Director

Hong Kong, 28 April 2021

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
6/F., YHC Tower
1 Sheung Yuet Road
Kowloon Bay
Hong Kong

Notes:

- (1) A shareholder of the Company entitled to attend and vote at the annual general meeting (or any adjournment thereof) (the “**Meeting**”) may appoint one or, if he is the holder of two or more shares, more than one proxy to attend and vote on his behalf and such proxy need not be a shareholder of the Company.
- (2) In order to be valid, the form of proxy, together with any power of attorney or authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Hong Kong branch share registrar of the Company, Tricor Standard Limited of Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof (as the case may be).
- (3) Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened or any adjournment thereof (as the case may be) and in such event, the authority of the proxy shall be deemed to be revoked.

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- (4) In the case of joint holders of a share, 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, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (5) For the purpose of ascertaining the rights of the shareholders of the Company attending and voting at the Meeting, the register of members of the Company will be closed from Thursday, 27 May 2021 to Tuesday, 1 June 2021, both dates inclusive. In order to be entitled to attend the Meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 26 May 2021.
- (6) In the event that a typhoon signal no. 8 or above is hoisted or a black rainstorm warning signal is in force on the day of the Meeting, shareholders are suggested to visit the Company's website at www.daoheglobal.com.hk or to contact the Company's share registrar by telephone on (852) 2980 1333 for arrangements of the Meeting.
- (7) As at the date of this notice, the Non-executive Director is Mr. ZHOU Xijian, the Executive Directors are Mr. WONG Hing Lin, Dennis and Mr. LONG Liping, and the Independent Non-executive Directors are Mr. WANG Arthur Minshiang, Mr. LAU Shu Yan and Mr. ZHANG Huijun.